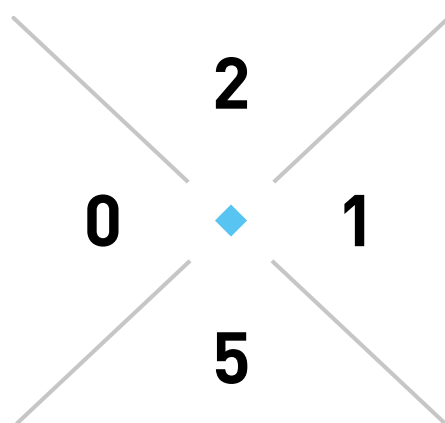


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*Foncière  
des Régions*

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AUTORITÉ  
DES MARCHÉS FINANCIERS  
**AMF**

This Reference Document was filed with the Autorité des Marchés Financiers (AMF) on 23 March 2016 under the number D.16-0192 in accordance with Article 212-13 of the AMF's General Regulation. It may be used in connection with a financial transaction if it is supported by a prospectus approved by the AMF. This document contains all information relating to the annual financial report. It was prepared by the issuer and is binding upon its signatories.



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# IN A NUTSHELL

## FONCIÈRE DES RÉGIONS, CO-AUTHOR OF REAL ESTATE STORIES

As a key player in European real estate, Foncière des Régions has built its growth and its portfolio on the key and characteristic value of partnership.

With a portfolio of €18 billion (€11 billion in Group share), Foncière des Régions is now the recognised partner of companies and territories, which it supports with its two-fold real-estate strategy: enhancing the existing urban portfolio and designing the real estate of the future.

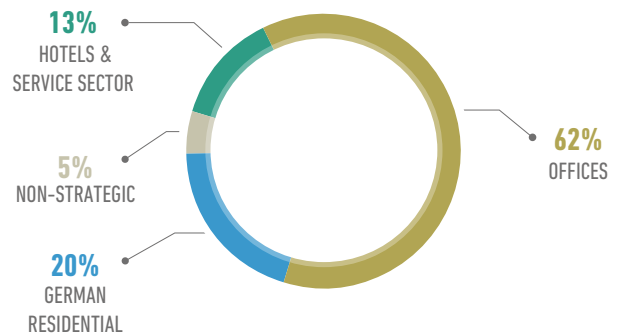
Foncière des Régions mainly works alongside with key accounts (Orange, Suez, EDF, Dassault Systèmes, Thales, Eiffage, Telecom Italia, etc.) in the France and Italy Offices markets. The Group also focuses on two other strategic sectors, which are German Residential and Hotels in Europe.

### PORTFOLIO VALUE

€ **18** BN

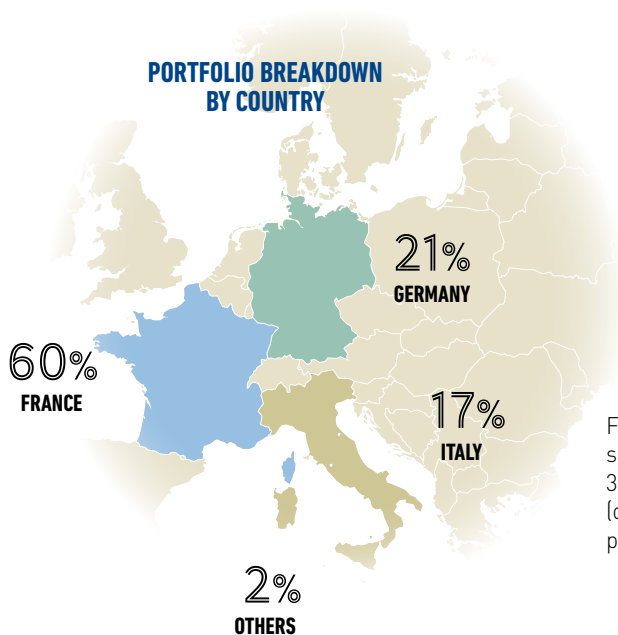
€11 BN GROUP SHARE

### PORTFOLIO BREAKDOWN BY ASSET TYPE (Group share)



## THE EUROPEAN REAL ESTATE BENCHMARK

### PORTFOLIO BREAKDOWN BY COUNTRY



### 360° EXPERTISE IN EUROPE

**269**  
EMPLOYEES  
IN FRANCE

**409**  
EMPLOYEES  
IN GERMANY

**61**  
EMPLOYEES  
IN ITALY

Foncière des Régions' growth relies on more than 740 employees spread across three countries where it operates and on its 360° expertise throughout the entire real estate value chain (development, technical management, asset management and property management).

## A DIVERSIFIED STRATEGY FOR DYNAMIC GROWTH MARKETS

### FRANCE AND ITALY OFFICES

€ 9.6 BN

IN OFFICE ASSETS

OR

3.6 MILLION M<sup>2</sup>

#### A KEY PLAYER IN COMMERCIAL REAL ESTATE AND KEY ACCOUNT PARTNERSHIPS

Foncière des Régions is constantly improving the quality of its portfolio through its targeted portfolio choices, a management style focused on performance and well-planned developments.

In France, Foncière des Régions operates in dynamic markets such as the Paris region, which is tied to trends in the Greater Paris area, and the Major Regional Cities.

In Italy, through its Beni Stabili subsidiary, Foncière des Régions is the leader in office real estate, particularly in Milan.

### HOTELS IN EUROPE

#### AN EXPANSION THAT SUPPORTS THE GROWTH OF THE HOTEL GROUPS

Foncière des Régions is the European leader in hotel ownership. It is now the real estate partner of the key players in the hotel industry (AccorHotels, B&B Hôtels, Louvre Hotels Group, NH Hotel Group, Meininger, Motel One, etc.) in France and in Europe.

A  
€ 3.5 BN

PORTFOLIO  
OR ALMOST 47,000 HOTEL ROOMS

### GERMAN RESIDENTIAL

€ 3.6 BN

IN ASSETS

OR NEARLY 45,000 HOUSING UNITS

#### SOLID ECONOMICS, QUALITY HOUSING UNITS, DYNAMIC OPERATIONS

Foncière des Régions continues to improve the quality of its portfolio by stepping up its operations in dynamic cities such as Berlin, Hamburg, Dresden and Leipzig.

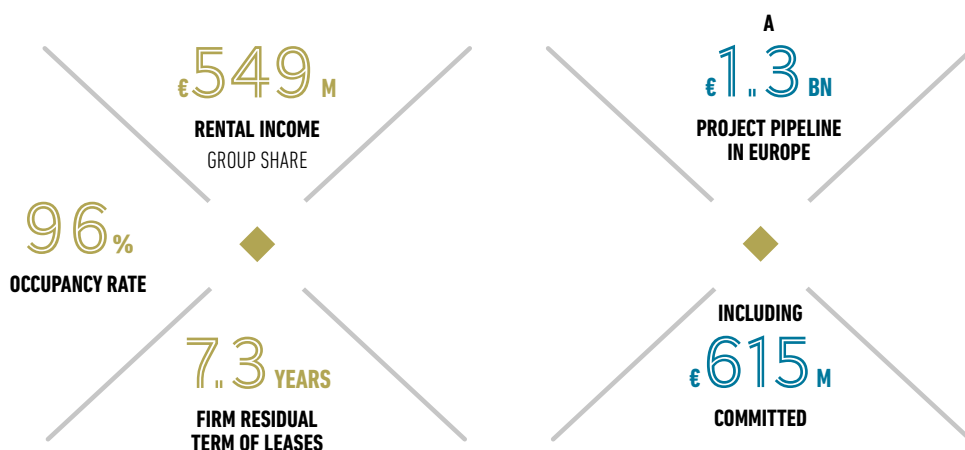
# IN A NUTSHELL

## A LONG-TERM REIT

With average residual lease terms at a record level of 7.3 years and an average occupancy rate of 96%, Foncière des Régions benefits from solid real estate fundamentals thereby reinforcing its long-term outlook.

The fact that debt is contained at 45.4%, comprising long-term and diversified debt, means that Foncière des Régions has quality liabilities that are rated BBB/Stable by Standard and Poor's. This strategy is based on partnerships and diversification. It creates value and ensures high and secure cash flows over time, underpinning an attractive dividend policy.

### EFFICIENT REAL ESTATE INDICATORS



### SOLID REAL ESTATE FUNDAMENTALS



Foncière des Régions shares are listed in the Euronext Paris A compartment and are admitted for trading on the SRD. They are included in the main general indices and benchmark European real estate indices as well as extra-financial indices such as FTSE4 Good, DJSI World, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Ethibel and Oekom Prime.



## AN AMBITIOUS CSR STRATEGY

Foncière des Régions currently occupies a leading position among European REITs due to an economic model supported by strong partnerships, whether rent-based or financial. Sustainable development was first integrated in Foncière des Régions' strategy in 2008 and has reinforced its real estate, technical and financial know-how.

The Group's sustainable development strategy is based on four priorities, which were initially developed into an action plan expiring in 2015. This plan was subsequently renewed for the 2015/2020 period and includes far-reaching new goals. The multi-annual goals are monitored at different levels of corporate governance, from the operating stage, as a steering tool, on up to the Board of Directors from the strategic standpoint.

Four focuses of the CSR strategy:

- ♦ Reducing properties' environmental footprint, maintaining their attractiveness and retaining their value
- ♦ Contributing to the dissemination of eco-friendly practices and taking an active role in urban life in partnership with local stakeholders
- ♦ Enhancing employees' skills, mobility, diversity and ability to adapt to a changing environment by adopting innovative policies
- ♦ Guaranteeing an ethical and transparent framework which ensures exemplary practices at all levels of the Company.

## A RESPONSIBLE LONG-TERM PARTNER

Foncière des Régions focuses its strategy on the creation of green value and aims to design high-efficiency real estate suited to its users' expectations.

By signing the Charter for Responsible Supplier Relations, Foncière des Régions highlighted its commitment to its suppliers and its desire to develop lasting relationships with them. Foncière des Régions, which published its supplier relations white paper in 2015, has involved over 300 of its suppliers in its responsible purchasing policy since 2012.

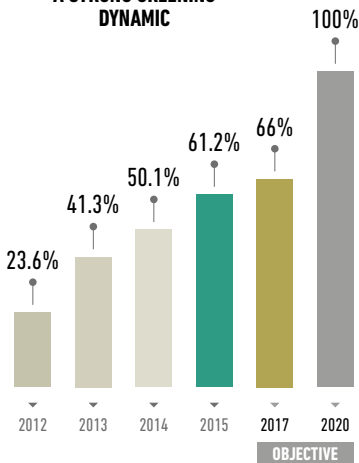
## ≡ A LONG-TERM AMBITION ≡

### GREEN PORTFOLIO SHARE FRANCE OFFICES

IN VALUE

61%

A STRONG GREENING  
DYNAMIC



-28%

in primary energy consumption

IN FRANCE OFFICES

OVER THE PERIOD 2008-2015

99A

RATING/TOP 5 IN FRANCE

THE CDP "CLIMATE A LIST"

FONCIÈRE DES RÉGIONS WAS RECOGNISED  
AS THE SOLE REIT WITH AN A RATING IN FRANCE  
AND THE BENELUX COUNTRIES

15 projects

DELIVERED INCLUDING 9 FRANCE  
OFFICES OPERATIONS

ALL ARE HQE AND/OR BREEAM CERTIFIED

# IN A NUTSHELL

## 2015 HIGHLIGHTS



### CORPORATE & GOVERNANCE

- ♦ €2.1 billion in investments in 2015
- ♦ €1.4 billion in disposals and agreements for disposals
- ♦ Continued integration of women (40%) and independent directors (60%)\* in the Board of Directors
- ♦ S&P rating restored to BBB, Stable outlook
- ♦ Successful capital increase of €255 million
- ♦ Dissemination of the study on the Sharing Economy and Working Space from the viewpoint of European employees

\* Contingent upon shareholder approval at the General Meeting on 27 April 2016

### FRANCE OFFICES

- ♦ Delivery of nine operations in 2015 representing over 100,000 m<sup>2</sup> let at 90%, an average of close to 30% of created value
- ♦ France Offices occupancy rate of 96%
- ♦ Launch of 6 new operations, primarily located in Paris and in Major Regional Cities
- ♦ 96,000 m<sup>2</sup> in renegotiated leases



### GERMAN RESIDENTIAL

- ♦ Record investment in the centres of the dynamic cities of Berlin and Hamburg (€871 million)
- ♦ Success of the takeover bid for a portfolio of prime housing units in central Berlin
- ♦ Improvement in portfolio quality: 53% of the portfolio is in growing cities (vs. 36% at end-2014)





## ITALY OFFICES

- ♦ Telecom Italia partnership strengthened and renewal of the leases for 15 years firm
- ♦ Acquisition of two office buildings to be redeveloped in central Milan
- ♦ Launch of the Symbiosis office programme in Milan
- ♦ Appointment of Christophe Kullmann as Chief Executive Officer of Beni Stabili



## HOTELS IN EUROPE

- ♦ Increase in the share capital of the Foncière des Murs subsidiary (from 28% to 43%)
- ♦ Renewal of the partnership with AccorHotels, extension of the leases to 12 years firm and disposal of assets
- ♦ Two new partnerships with European operators Motel One and Meininger
- ♦ B&B Hôtels supported in its European development, in Germany among others, thanks to the acquisition of 22 hotels of the brand



## CSR

- ♦ Carbon Disclosure Project: selection in the CDP's "Climate A List" with a 99A rating/Top 5 France
- ♦ Greening rate for the France Offices portfolio: 61% at year-end 2015 (comfortably exceeding the set objective of 50%)
- ♦ Two EPRA Gold Awards 2015 for the 2014 Reference Document and the 2014 Sustainable Development Report



## 1.3. 2015 RESULTS: ASSET MANAGEMENT IS PAYING OFF

### 1.3.1. Portfolio growth and quality improvement in 2015

Foncière des Régions now holds a **portfolio of €17.7 billion (€11.0 billion GS)** comprising **France Offices** (45%), **Italy Offices** (17%) and two strong and buoyant sectors, which are **German Residential** (20%) and **Hotels in Europe** (13%). Foncière des Régions relies on a partnership strategy with a leasing base made up of blue chip companies (Suez Environnement, Thales, Dassault Systèmes, Orange, EDF, Eiffage, AccorHotels, Telecom Italia, etc.).

Through its recognised expertise in each of its asset classes, Foncière des Régions achieved a **record level of investments of €2.1 billion (€1.4 billion GS) in 2015**. These acquisitions and new real estate developments, of which half in Germany, consolidate the Group's positioning around a high-quality portfolio combining sustainably secure rental income and value creation through the asset management and development policy:

- ♦ in **France Offices**, nine projects were delivered, covering 105,000 m<sup>2</sup> and €444 million in investments (€309 million GS). This pipeline investment strategy combines real estate quality and profitability (yield > 7%) and created high value (28% on average for the year's deliveries)

- ♦ in **Italy Offices**, the Group boosted its investments by purchasing two office buildings to be redeveloped in the very centre of Milan
- ♦ in **German Residential**, the Group greatly strengthened its positions in the dynamic cities of Berlin and Hamburg with acquisitions of €871 million (€529 million GS). The rental growth potential of these investments stands at 32% on average
- ♦ in **Hotels**, the year was marked by a stronger presence on this buoyant market, equal to €778 million in assets (€543 million GS).

**Quality-enhancing portfolio rotation** was also ensured through a strong stream of disposals and agreements (€1.4 billion and €849 million GS) on non-strategic and non-core assets. The portfolio, now **95% built on strategic assets** compared with 91% at the end of 2014, has particularly sound strong points through a high occupancy rate of 96% and a record average firm lease term of 7.3 years.

### 1.3.2. Dynamic real estate activity leading to rental income growth of 4.6%

- ♦ Maintaining a sustainable high occupancy rate: 96.3%
- ♦ Record average firm lease term: 7.3 years (+1.5 year)
- ♦ Stable rental income at a like-for-like scope: -0.1%
- ♦ Growth of values at a like-for-like scope: +4.4%.

Driven by growth in the Hotels and German Residential sectors, **rental income increased by 4.6% over one year**, to €549 million GS. German Residential (with 22% of annualised rental income) now represents the second highest item under the Group's rental income, after France Offices, confirming the quality and sustainability of rental income.

2015 – Group share	Occupancy rate	Residual firm lease terms	Rental income <sup>(1)</sup> (€M)	Change	Change at like-for-like scope
France offices	95.8%	5.4 years	238.0	-0.1%	0.8%
Italy offices	92.8%	9.7 years	102.1	-11.1%	-4.1%
<b>Offices</b>	<b>94.9%</b>	<b>6.6 years</b>	<b>340.1</b>	<b>-3.7%</b>	<b>-0.9%</b>
German Residential	98.0%	N/A	115.9	12.2%	2.4%
Hotels/Service Sector	100.0%	10.7 years	80.0	57.0%	-0.6%
Other (French residential)	N/A	N/A	13.3	-24.5%	N/A
<b>TOTAL</b>	<b>96.3%</b>	<b>7.3 years</b>	<b>549.4</b>	<b>4.6%</b>	<b>-0.1%</b>

<sup>(1)</sup> Excluding Logistics (€15.9 million), classified as discontinued operations.





### 1.3.2.1. France Offices: strong performance thanks to asset management (€5.7 billion portfolio at 100%; €4.8 billion GS)

- ♦ High occupancy rate: 95.8%.
- ♦ Firm lease maturity: 5.4 years.
- ♦ Rent growth at a like-for-like scope: +0.8%.
- ♦ Growth of values at a like-for-like scope: +7.2%.
- ♦ Strong environmental performance: 61% green portfolio (+11 points).
- ♦ Development pipeline: €1.2 billion.

Drawing on its strong track record and recognised teams, Foncière des Régions accelerated its real estate development strategy in 2015 through its pipeline and **delivered nine projects for 105,000 m<sup>2</sup> and €444 million** in investments (€309 million GS). This strategy strengthens the quality of the Group's real estate portfolio with strategic locations in Paris, Greater Paris and major regional cities, along with a 61% ratio of eco-certified buildings (+11 points over one year). These developments also strengthen the Group's income (90% occupancy rate for the Group's deliveries in 2015 vs. 71% in the beginning of the year; average firm lease term of ten years) and have generated an **average creating value on their cost of 28%**.

In particular, the Group delivered Green Corner, a building covering 20,411 m<sup>2</sup> in Saint-Denis (Greater Paris), located at the foot of the RER B station and 86% let to the French Health Authority and Systra. Foncière des Régions strengthened its ties with its partners by delivering 11,000 m<sup>2</sup> in Nanterre and 9,700 m<sup>2</sup> in Lille-Roubaix, let for 9 and 12 years firm to the Vinci group, together with 23,242 m<sup>2</sup> for the Eiffage group in Vélizy (Greater Paris).

**The year was also marked by the strong performance of asset management teams.** More than 96,000 m<sup>2</sup> and €20 million in office rents were renewed, close to passing rents. In particular, Foncière des Régions renewed 11,490 m<sup>2</sup> of offices in the Omega A and C buildings in Levallois-Perret (Greater Paris) for the Lagardère group for six years firm. At the same time, **the teams purchased the adjoining building of 4,700 m<sup>2</sup>, Omega B, for €25 million.** Let primarily to Lagardère, this asset has instant value-creation potential through the absorption of its vacancy, currently at 27% (potential yield of 6.4%). In the medium term, the asset may be grouped together with the two neighbouring buildings to form a new building complex of 17,700 m<sup>2</sup>, not including a possible extension of 3,500 m<sup>2</sup>.

**Foncière des Régions capitalised on the value-creation potential of the Orange portfolio, 60% located in Paris.** The Littre building (Paris 6<sup>th</sup>) of 3,600 m<sup>2</sup> will be re-let to the Kering group for nine years firm in exchange for a rent increase of more than 30%. The teams also let the Steel building (Paris 16<sup>th</sup>) of 3,700 m<sup>2</sup> to the OnePoint group. This building was previously occupied by Orange before being thoroughly renovated until September 2015. Average yield on cost came to 6% for value creation of more than 30%.

**Operational performance is flourishing.** Rental income at a like-for-like scope increased by 0.8% in a zero inflation environment and appraisal values increased by 7.2% like-for-like. Apart from the positive effect of compressed yield rates in Paris and the inner suburbs, this strong performance is also due to successful asset management and developments, which represent 40% of the like-for-like change in value.

2016 should follow on from the success in 2015, with strong quality-enhancing portfolio rotation. **Buoyed by a renewed development pipeline (€1.2 billion, of which €506 million committed),** thanks in particular to the Edo (Issy-les-Moulineaux), Traversière (Paris 12<sup>th</sup>) and Riverside (Toulouse) projects, the Group plans to invest €200 million in capex. This strategy will include new non-core asset disposals for a projected amount of €200 million.

### 1.3.2.2. Italy Offices: a renewed ambition (€3.9 billion portfolio at 100%; €1.9 billion GS)

- ♦ Occupancy rate: 92.8%.
- ♦ Record average firm lease term: 9.7 years.
- ♦ Rents at a like-for-like scope: -4.1%.
- ♦ Values at a like-for-like scope: -0.4%.

Foncière des Régions operates in Italy through its subsidiary Beni Stabili, first Italian real estate company, having a **high-quality portfolio and secure income.** Nearly 60% of the portfolio comprises offices, located mainly in Milan. The rest of the portfolio comprises offices let to Telecom Italia for 15 years firm. This positioning **maintains sound real estate indicators**, with 92.8% occupancy for an average firm lease term of nearly ten years.

**The year 2015 marks a phase of transition** in an improving economic and real estate environment.

The major agreement with Telecom Italia (8% of rental income GS) symbolises the successful partnership strategy and marks the first milestone in this new strategic dynamic. Leases were extended by nearly 9 years to more than 15 years firm, in return for a 6.9% decrease in rent. The agreement is part of the **continual improvement of the quality of the portfolio** with a capex programme of €38 million, which focuses on core assets in city centres. Lastly, **exposure to Telecom Italia was reduced**, with the planned disposal to Telecom Italia of €126 million in secondary assets.

At the same time, **Foncière des Régions completed further acquisitions in Italy**, purchasing two office buildings to be redeveloped in the centre of Milan. With an investment of €106 million (€51 million GS), including €25 million in capex and a potential yield of 6.2%, these acquisitions (effective in 2016) will improve the quality of the portfolio and value-creation prospects.

In terms of operational performance, the 4.1% decline in rental income at a like-for-like scope in 2015 is largely due to the renegotiation with Telecom Italia (-2.5 points) and the increase in vacancy.



The slight reduction in values at a like-for-like scope (-0.4%) is broken down into a 0.4% increase in the Telecom Italia portfolio, reflecting the success of this agreement, and divergent performances across the rest of the portfolio. The compression of yield rates on prime assets in Milan, connected to the improvement in the investment market, was offset by impairments on vacant assets. The capex strategy was adapted in order to maximise the possibility of re-letting these assets.

In 2016, the Group has the following aims:

- ♦ improve operational performance by reducing current vacancy, which currently stands at 14% for the Offices portfolio (excluding Telecom Italia). **With €60 million (€29 million GS) in capex, €16 million (€7.8 million GS) can be generated in additional Recurring Net Income in the medium term**
- ♦ **speed up investments in Offices in Milan** (target of 80% of the portfolio by 2020), thereby improving the quality of the portfolio (target of 50% green assets by 2020). In particular, the Group has wide-scale development projects in Milan, such as the Symbiosis development. Works have begun to gradually develop up to 125,000 m<sup>2</sup> and 12 new buildings on the edge of the centre of Milan, opposite the new Prada foundation
- ♦ **speed up disposals** making it possible in particular to reduce the exposure to Telecom Italia (target of 20% in 2020 vs. 41% at end-2015).

### 1.3.2.3. German Residential: increased exposure and growth potential (€3.6 billion portfolio at 100%; €2.2 billion GS)

- ♦ Very high occupancy rate: 98.0%.
- ♦ Rent growth at a like-for-like scope: +2.4%, of which 4.4% in Berlin.
- ♦ Rise in values at a like-for-like scope: +5.0%, of which 12.2% in Berlin.

Operating since 2005, **German Residential is the second greatest exposure of Foncière des Régions (at 20%)** after France Offices. The portfolio of €2.2 billion GS, up 31% over one year, **combines profitability** (46% in North Rhine-Westphalia with an average yield of 6.8%) **and growth** (rental potential of 25-30% in Berlin, Dresden, Leipzig and Hamburg).

Armed with a differentiating investment strategy focused on prime assets in the city centre that combine rental potential with long-term results on disposals, the Group maintained **a record pace of acquisitions in 2015**. Accordingly, €871 million (€529 million GS) in assets were acquired in dynamic cities, such as Hamburg and Berlin. In this city, the portfolio stands at €1.5 billion (€863 million GS) and 40% of the German Residential portfolio, vs. 28% at the end of 2014.

This strategy is backed by **strong indicator performance**. Rental income increased by 2.4% at a like-for-like scope, of which 4.4% in Berlin, and the occupancy rate is stable at 98.0%. The quality of investments and the dynamic market, driven by strong demographic and economic fundamentals, is reflected in growth in value of 5.0%, including 12.2% in Berlin.

Drawing on a local team of 400 people, Foncière des Régions intends **to maintain a rotation of assets generating organic growth** and to continue strengthening its positions in dynamic cities. That will result in continued acquisitions, in particular in Berlin, and in **new disposals of non-core assets in North Rhine-Westphalia** (after €187 million and €114 million GS in 2015). The Group is also expecting an increase in rental income at a like-for-like scope of 2.75% in 2016.

### 1.3.2.4. Hotels & Service Sector: new partnerships and extension in Europe (€3.5 billion portfolio at 100%; €1.4 billion)

- ♦ Occupancy held at 100%.
- ♦ Average firm lease term: 10.7 years.
- ♦ Rents at a like-for-like scope: -0.6%.
- ♦ Growth of values at a like-for-like scope: +3.1%, of which 4.8% in Hotels.

**Europe's leader in hotel real estate** through its subsidiary Foncière des Murs, Foncière des Régions relies on long-term partnerships with major players in the hotel industry and new entrants with innovative concepts (AccorHotels, Louvre Hotels, B&B Hotels, Motel One, Meininger, etc.). Its unique positioning as a long-term hotel real estate player with renowned teams makes the Group a natural partner for these brands.

The year 2015 was also marked by the **heightened exposure and expertise of Foncière des Régions in the hotel industry**. The Group increased its stake in the share capital of Foncière des Murs, which it controls as a limited partner and leading shareholder at 43.1% at the end of 2015. This transaction represents **an asset-equivalent amount of €432 million**. Foncière des Régions also **boosted investments with its hotel partners** in the amount of €346 million (€111 million GS) and through the delivery of six B&B hotels. These investments intensify the diversification of the Group's geographic exposure and partners. In Germany in particular, Foncière des Régions supported B&B and conducted its first investments with innovative operators Motel One and Meininger. Lastly, **Foncière des Régions is consolidating its hotel expertise** with the development of FDM Management (40.8%-subsidiary of FDM), an investment vehicle in premises and businesses operated under management contracts or as a franchise. FDM Management has already invested €120 million (€21 million GS).

**The year was also marked by the successful renewal of leases with AccorHotels** (6% of rental income GS). The leases of 78 hotels were extended for 12 years firm, under the existing conditions, and the 46 remaining hotels will be sold to AccorHotels by mid-2016. By disposing of less successful hotels and reducing the portion for city centres with fewer than 300,000 inhabitants, Foncière des Régions is substantially improving the quality of its portfolio.

Rental income decreased slightly by 0.6% at a like-for-like scope due to the weaker performance of AccorHotels rents (-1.6%, variable with respect to the hotels' revenue), affected by the terrorist attacks. The geographic diversity of the portfolio and the large share of indexed fixed rents nevertheless mitigated this impact. The value of the portfolio increased by 3.1% at a like-for-like scope, supported by the 4.8% growth in hotels. Values benefited



in particular from the 6.2% growth in the values of AccorHotels hotels following the renewal of leases and value-creation of 11% on the pipeline.

With 13% of the portfolio in the Hotels & Service Sector, compared with 9% at the end of 2014, **the Group intends to strengthen its positioning in Hotels** and to consolidate its leading position in Europe.

### 1.3.3. Growth in income in 2015

#### 1.3.3.1. Reshape liabilities

Less than three years after Foncière des Régions obtained an inaugural rating of BBB-, Stable outlook, S&P raised the Group's rating to BBB, Stable outlook in July 2015. This upgraded rating recognises the work performed since 2012 to **improve the quality of the portfolio** and continually **strengthen cash flow**. It moreover reflects the **sound balance sheet** of Foncière des Régions.

With €4.2 billion (€2.5 billion GS) in financing and refinancing in 2015, i.e. 45% of debt GS, the year was marked by active liability management, which further improved the debt profile. **Accordingly, the debt maturity increased from 4.1 years at end-2014 to 5.0 years, and the average interest rate decreased by 50 bps to 2.8%.**

In a volatile financial environment, the Group can rely on diversified debt (55% unsecured debt) combining flexibility, safety and optimised costs. ICR improved from 2.8 at end-2014 to 3.0, and LTV decreases from 46.1% to 45.4%.

#### 1.3.3.2. Recurring Net Income: €332.8 million, +5.8%

Recurring Net Income was €332.8 million Group share, up 5.8% over a year. This sound performance is due to the strengthening of Hotels and German Residential (increasing rental income by 4.6%), along with the reduced cost of debt, despite the impact of the disposals of assets of lesser quality but generating higher immediate returns.

Per share, **Recurring Net Income was €5.07**, up 2.2%<sup>(1)</sup> in one year due to the impact of share issues as part of the capital increase in early 2015.

#### 1.3.3.3. The proposed dividend of €4.30 per share

Given the good performance of 2015, the Group will propose a dividend of €4.30 per share, stable over one year, for vote by the General Meeting of Shareholders on 27 April 2016. This dividend represents a distribution rate of 85% and a yield of 5.9% on the basis of the closing price on 16 February 2016.

#### 1.3.3.4. EPRA NAV per share up 6.6%<sup>(1)</sup>

**The successful capital increase in the beginning of the year**, intended to finance Foncière des Régions growth projects, raised €255 million. The Group's principal shareholders all participated in this offering.

This capital increase, together with the growth in the Recurring Net Income and the 4.4% increase in asset values at a like-for-like scope, resulted in **strong growth in EPRA NAV of 12.0% over one year**, to €5,318 million (€4,609 million in EPRA Triple Net).

Per share, **EPRA NAV climbed to €79.4** (€68.8 in EPRA Triple Net), up 6.6%<sup>(1)</sup> over one year, taking into account the impact of the issue of shares under the capital increase.

### 1.3.4. New strengthening in Hotel real estate

On 17 February 2016, Foncière des Régions signed a term sheet regarding a contribution agreement on behalf of Credit Mutual Insurances for 3.3% of FDM's share capital in exchange for Foncière des Régions shares. This transaction, to be approved by the General Meeting of 27 April 2016, represents **€107 million in asset equivalents**, and will make it possible for **Foncière des Régions to own 46.5% of FDM's share capital and to further increase its foothold in the Hotels sector**. The exchange ratio of

1 Foncière des Régions share for 3 FDM shares is based on EPRA NAV parity. Following the contribution, Foncière des Régions will launch a mandatory public exchange offer at the same conditions. Upon completion of the offer, Foncière des Régions does not intend to launch a mandatory squeeze out. An independent expert will be appointed by FDM to give his fairness opinion on the conditions of the offer.

### 1.3.5. Outlook for 2016: a better risk-return profile

The strong investment drive, strengthened ties with our partners and solidity of operational indicators consolidate our strategic positioning around our pillars, namely France and Italy Offices, German Residential and Hotels in Europe.

The year 2015 was a milestone in the process of strengthening our best asset classes and improving the quality of our buildings.

The short-term dilutive impact of this strategy must go together with stronger asset values, more sustainable and long-term cash flows and higher growth and value-creation potential.

In 2016, **Foncière des Régions is anticipating a stable Recurring Net Income per share**.

<sup>(1)</sup> Post adjusting the distribution of preferential subscription rights related to the capital increase of early 2015 (adjustment factor of 0.986).

## 1.4. BUSINESS ANALYSIS

### Changes in Scope

On 27 October 2014, Foncière des Régions participated in the capital increase of its subsidiary, Beni Stabili, and it now holds 48.5% of Beni Stabili's capital as of 2015, *versus* 50.9% over the first 9 months of 2014.

Foncière des Régions increased its equity interest in its hotel subsidiary, Foncière des Murs, at the beginning of 2015, and owns 43.1% of its share capital as of 2015, *versus* 28.5% at the end of December 2014.

### 1.4.1. Accounted rental income: stable at a like-for-like scope

(€M)	100%			Group share				
	2014	2015	Change [%]	2014	2015	Change [%]	Change [%] LFL <sup>(1)</sup>	% of rent
<b>Offices France</b>	<b>250.7</b>	<b>258.9</b>	<b>3.3%</b>	<b>238.2</b>	<b>238.0</b>	<b>-0.1%</b>	<b>0.8%</b>	<b>43%</b>
Paris	82.5	86.5	5%	77.9	82.0	5%		15%
Paris Region	101.3	112.1	11%	93.4	95.7	3%		17%
Other French regions	66.9	60.3	-10%	66.9	60.3	-10%		11%
<b>Offices Italy</b>	<b>228.7</b>	<b>210.6</b>	<b>-7.9%</b>	<b>114.9</b>	<b>102.1</b>	<b>-11.1%</b>	<b>-4.1%</b>	<b>19%</b>
Core portfolio	226.0	208.1	-8%	113.5	100.9	-11%		18%
Dynamic portfolio	2.7	2.5	-6%	1.3	1.2	-9%		0%
Development portfolio	0.0	0.0	0%	0.0	0.0	0%		0%
<b>TOTAL OFFICES</b>	<b>479.4</b>	<b>469.5</b>	<b>-2.1%</b>	<b>353.1</b>	<b>340.1</b>	<b>-3.7%</b>	<b>-0.9%</b>	<b>62%</b>
<b>Hotels and Service Sector</b>	<b>196.1</b>	<b>203.6</b>	<b>3.8%</b>	<b>51.0</b>	<b>80.0</b>	<b>57.0%</b>	<b>-0.6%</b>	<b>15%</b>
Hotels	142.8	151.5	6%	35.8	57.5	61%		10%
Healthcare	16.5	15.2	-8%	4.7	6.5	39%		1%
Business premises	36.7	36.9	1%	10.5	15.9	52%		3%
<b>Residential Germany</b>	<b>171.1</b>	<b>190.3</b>	<b>11.2%</b>	<b>103.4</b>	<b>115.9</b>	<b>12.2%</b>	<b>2.4%</b>	<b>21%</b>
Berlin	38.2	52.7	38%	22.7	31.8	40%		6%
Dresden & Leipzig	9.2	16.3	78%	5.4	9.9	85%		2%
Hamburg	0.0	7.1	N/A	0.0	4.6	N/A		1%
NRW	123.8	114.2	-8%	75.3	69.6	-8%		13%
<b>TOTAL CORE ACTIVITIES</b>	<b>846.6</b>	<b>863.4</b>	<b>2.0%</b>	<b>507.4</b>	<b>536.1</b>	<b>5.7%</b>	<b>-0.1%</b>	<b>98%</b>
<b>Other</b>	<b>28.8</b>	<b>21.8</b>	<b>-24.5%</b>	<b>17.6</b>	<b>13.3</b>	<b>-24.5%</b>	<b>N/A</b>	<b>2%</b>
<b>TOTAL RENT<sup>(1)</sup></b>	<b>875.4</b>	<b>885.2</b>	<b>1.1%</b>	<b>525.0</b>	<b>549.4</b>	<b>4.6%</b>	<b>-0.1%</b>	<b>100%</b>

<sup>(1)</sup> Excl. Logistics (€16 million in 2015 – €33 million in 2014).

Like-for-like rental income from strategic activities remained stable (-0.1%) in an inflation-free environment and still problematic leasing markets for France Offices and Italy Offices.

Performance nevertheless remains positive in France Offices (+0.8%) and strong in the German Residential segment (+2.4%). The decrease in Italy Offices [-4.1%] is largely due to the major lease agreement with Telecom Italia. Finally, rental income is holding firm in the Hotels & Service Sector [-0.6%] despite the impact of the terrorist attacks in France.

Rental income – Group share totalled €549 million, an increase of 4.6% in the period, which is primarily due to the following factors:

- ♦ a reinforcement in Hotel real estate with an increase in Foncière des Murs' ownership rate from 28.5% to 43.1% in 2015 (+€26.6 million)

- ♦ acquisitions (+€29.4 million) particularly in German Residential (+€17.7 million) where the Group strengthened its position in the bustling cities of Berlin and Hamburg
- ♦ deliveries of new assets (+€13.2 million), mainly in France Offices
- ♦ releases of assets intended to be restructured or redeveloped (-€10.3 million)
- ♦ non-core asset disposals: -€24.4 million, particularly in France Offices (-€10.7 million)
- ♦ indexation and the mixed effect from departures and re-lettings (-€3.5 million) including the vacating of premises in France Residential (-€1.8 million) facilitating the continuation of the unit sales programmes.



## 1.4.2. Lease expirations and occupancy rates

### 1.4.2.1. Annualised lease expirations: residual lease term of 7.3 years firm for commercial activities

(€M) <sup>(1)</sup>	By lease end date (1 <sup>st</sup> break)	% of total	By lease end date	% of total
2016	33.3	8%	8.3	2%
2017	25.4	6%	13.5	3%
2018	44.6	10%	20.3	5%
2019	47.2	11%	45.6	10%
2020	18.9	4%	20.1	5%
2021	31.4	7%	33.1	8%
2022	35.1	8%	39.3	9%
2023	40.7	9%	39.7	9%
2024	12.6	3%	24.4	6%
2025	49.3	11%	51.7	12%
Beyond	97.4	22%	139.9	32%
<b>TOTAL</b>	<b>435.8</b>	<b>100%</b>	<b>435.8</b>	<b>100%</b>

<sup>(1)</sup> Residential and hotels under agreements to be sold in 2016 excluded.

At year-end 2015, the average residual firm lease term, Group share attained a new record of 7.3 years firm *versus* 5.8 years firm at year-end 2014. In the France Offices segment, it stood at 5.4 years firm. The fixed term of our leases is on the rise following the renegotiation of the Telecom Italia leases. It reached 9.7 years

in the Italy Offices segment at year-end 2015 *versus* 6.3 at the end of 2014; and as a result of the renewal of the AccorHotels leases in October 2015. The term of the Hotels & Service Sector leases thus reached 10.7 years at year-end 2015 up from 6.8 at the end of 2014.

### 1.4.2.2. Occupancy rate: stable at 96.3%

[%]	Occupancy rate		
	2014	2014 proforma	2015
<b>GS</b>			
France	96.8%	96.8%	95.8%
Italy	95.2% <sup>(1)</sup>	92.3%	92.8%
<b>Offices</b>	<b>96.3%</b>	<b>95.5%</b>	<b>94.9%</b>
Hotels & Service Sector	100.0%	100.0%	100.0%
Residential Germany	98.3% <sup>(1)</sup>	97.6%	98.0%
<b>TOTAL</b>	<b>97.1%</b>	<b>96.3%</b>	<b>96.3%</b>

<sup>(1)</sup> Financial Communication rate (FY 2014) – only Core portfolio.

The occupancy rate remained stable at 96.3% at year-end 2015 despite a difficult leasing environment in France and Italy Offices. It fell by 1 point for France Offices, ending at 95.8% following the delivery of new assets that are already 90% leased *versus* a pre-letting rate of 71% in early 2015. This strong leasing perfor-

mance for deliveries demonstrates the success of the real estate development strategy in France Offices. The occupancy rates for Italy Offices and German Residential are up by 0.5 and 0.4 points respectively.

## 1.4.3. Breakdown of rental income – Group share

### 1.4.3.1. Breakdown by major tenants: a strong rental income base

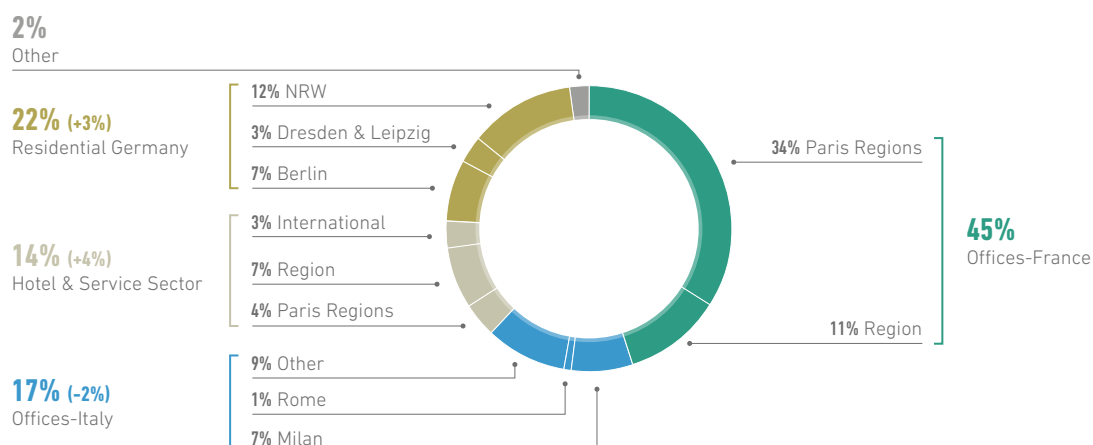
In 2015, Foncière des Régions actively pursued its partnership strategy and completed leasing or development transactions with most of its Key Account tenants. The Housing segment showed a slight increase from 22% to 24% through the growth in German Residential and strengthened the leasing base.

(€M)	Annualised rental income	
GS <sup>(1)</sup>	2015	%
Orange	87.4	15%
Telecom Italia	49.5	8%
AccorHotels	34.1	6%
Suez Environnement	21.4	4%
EDF	19.0	3%
B&B	14.7	3%
Eiffage	11.5	2%
Thales	10.7	2%
Natixis	10.5	2%
Dassault Systèmes	9.8	2%
Quick	7.3	1%
Vinci	6.6	1%
Korian	6.2	1%
Sunparks	6.0	1%
Jardiland	5.8	1%
Peugeot Citroën	5.5	1%
AON	5.4	1%
Lagardère	5.3	1%
Other tenants < €4 million	128.7	22%
Residential Germany	130.5	22%
Residential France	10.6	2%
<b>TOTAL RENTAL INCOME</b>	<b>586.7</b>	<b>100%</b>

<sup>(1)</sup> Excl. Logistics.

### 1.4.3.2. Geographic breakdown

#### IN RENTS (EXCL. LOGISTICS)





#### 1.4.4. Cost to revenue by business – Group share

	Offices France	Office Italy	Hotels & Service Sector	Residential Germany	Other (Residential France)	Total	
	2015	2015	2015	2015	2015	2014	2015
Rental Income	238.0	102.1	80.0	115.9	13.3	558.1	549.4
Unrecovered property operating costs	-6.1	-12.2	-0.1	-3.0	-2.5	-27.9	-23.9
Expenses on properties	-1.8	-4.4	-0.0	-9.2	-1.4	-17.8	-16.8
Net losses on unrecoverable receivable	-0.4	-0.9	-0.0	-1.9	-0.1	-5.1	-3.3
<b>Net rental income</b>	<b>229.7</b>	<b>84.7</b>	<b>79.8</b>	<b>101.8</b>	<b>9.3</b>	<b>507.3</b>	<b>505.4</b>
<b>COST TO REVENUE RATIO</b>	<b>3.5%</b>	<b>17.1%</b>	<b>0.2%</b>	<b>12.2%</b>	<b>30.0%</b>	<b>9.1%</b>	<b>8.0%</b>

The cost to revenue ratio decreased from 9.1% in 2014 to 8.0% in 2015 as a positive result of the decrease in net losses on unrecoverable receivables in German Residential (cost to revenue ratio of 12.2% vs 14.8% at year-end 2014). The cost to revenue ratio remains very low in France Offices and in the Hotels & Service

Sector due to triple-net leases. In Italy, the cost to revenue ratio increased by 2 points due to the increase in vacancies. Finally, the cost to revenue ratio for Other activities can be partly explained by the vacancies in France Residential, in conjunction with the unit sales strategy.

#### 1.4.5. Disposals and disposal agreements: €849 million

(€M)		Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close	New disposals 2015 (II)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
Offices - France	100 %	47	73	46	75	120	15.7%	3.6%	93
Offices - Italy	100 %	1	0	202	59	261	0.9%	6.7%	203
	GS	1	0	98	28	126	0.9%	6.7%	99
Residential - Germany	100%	126	3	58	129	187	12.1%	6.6%	184
	GS	77	2	35	79	114	12.1%	6.6%	112
Hotels & Service sector	100 %	5	3	50	366	417	0.2%	6.2%	55
	GS	2	1	22	158	180	0.2%	6.2%	24
Others	100 %	140	0	185	259	444	1.8%	4.3%	325
	GS	127	0	113	195	309	1.1%	4.8%	240
<b>TOTAL ASSET DISPOSALS</b>	<b>100 %</b>	<b>319</b>	<b>78</b>	<b>540</b>	<b>888</b>	<b>1 428</b>	<b>3.7%</b>	<b>5.5%</b>	<b>860</b>
	<b>GS</b>	<b>254</b>	<b>76</b>	<b>314</b>	<b>535</b>	<b>849</b>	<b>4.4%</b>	<b>5.4%</b>	<b>568</b>

During 2015, Foncière des Régions concluded €849 million (Group share) in new disposals (€315 million) and disposal agreements (€534 million), which played a role in improving the portfolio quality. Disposal agreements worth €158 million (Group share) were signed.

New disposals in 2015 achieved a positive margin of 4.4% over appraisal values at the end of 2014.

## 1.4.6. Asset acquisitions: €1.1 billion Group share

(€M)	Acquisitions ID <sup>(1)</sup> 100% (€M)	Acquisitions ID <sup>(1)</sup> GS (€M)	Yield ID <sup>(1)</sup> GS
Offices – France	46	46	5.5% <sup>(2)</sup>
Offices – Italy	81	39	6.2% <sup>(3)</sup>
German Residential	871	529	5.0%
Hotels & Service Sector	178	69	6.4%
Business & Premises	120	21	N/A
Reinforcement FDM	432	432	6.1%
<b>TOTAL</b>	<b>1,728</b>	<b>1,136</b>	<b>5.6%</b>

<sup>(1)</sup> ID: Including Duties.

<sup>(2)</sup> Yield calculated without the impact of Montrouge acquisition.

Total Yield ID Offices France = 7.0% including occupation of vacant units from Omega B.

<sup>(3)</sup> Potential Yield post CAPEX.

With €1.1 billion in acquisitions (Group share), including 46% in Germany, Foncière des Régions continued its strategy of acquiring assets in its strategic markets in 2015 with:

- ♦ France Offices acquisitions totalling €46 million, with the particular acquisition of the Oméga asset in Levallois-Perret (Paris region) for €25 million
- ♦ the Italy Offices acquisitions worth €81 million secured in 2015 to be finalised in 2016
- ♦ hotel acquisitions totalling €178 million (at 100%), including the acquisition in June 2015 of 22 B&B hotels in Germany for €128 million, thereby boosting the Group's presence in this

growing market. It should be noted that €120 million (at 100%) were acquisitions in premises and businesses, accounted for using the equity method. Foncière des Régions also increased its investment in its subsidiary, FDM, for €432 million in asset equivalents

- ♦ residential investments in Germany for €871 million (at 100%), including the successful takeover of Berlin IV resulting in the acquisition of €353 million in prime assets in Berlin in December 2015. 68% of the assets acquired in 2015 are located in Berlin, 26% in Hamburg and 5% in Dresden and Leipzig.

## 1.4.7. Development projects: €1.3 billion Group share

### 1.4.7.1. 15 projects delivered in 2015 in France Offices and Hotels

One of the year's highlights was the acceleration of the real estate development strategy through the pipeline. Fifteen projects were delivered in France Offices (nine assets for 105,000 m<sup>2</sup>) and in Hotels (six B&B hotels in France and Germany) for €486 million (€321 million Group share). These assets are 90% leased in contrast to the 71% leased in early 2015 and have generated an average creating value on their cost of 26%. Over the year, €241 million in capex Group share were invested in projects delivered or undergoing development.

### 1.4.7.2. Committed projects: €615 million in Group share, up 16%

The pro-active strategy of renewing the pipeline in France Offices and Italy Offices as well as in Hotels led to a growth of 16% in the committed pipeline at year-end 2015, at €615 million Group share. In France Offices, the renewal particularly involved the Edo (Issy-les-Moulineaux – Greater Paris), Traversière (Paris 12<sup>th</sup>) and Riverside (Toulouse) projects. In terms of Hotels, the Group kicked-off construction on the Meininger project in Munich and Motel One Porte Dorée in Paris. In Italy Offices, the Symbiosis development project in Milan and the redevelopment of Ferrucci in Turin were launched at the end of 2015.



The pre-letting rate for the pipeline stood at 29% as at 31 December 2015.

Projects	Type	Location	Area	Project	Surface <sup>(1)</sup> (m <sup>2</sup> )	Delivery	Target rent (€/m <sup>2</sup> / year)	Pre- leased (%)	Total Budget <sup>(2)</sup> (€M)	Target Yield	Progress
Bose	Offices France	Saint- Germain-en- Laye	Paris Region	Construction	5,100	2016	225	100%	20	> 7%	95%
Euromed Center – Hôtel (QP FDR: 50%)	Offices France	Marseille	MRC	Construction	9,900	2016	N/A	100%	23	> 7%	90%
Schlumberger Pompignane	Offices France	Montpellier	MRC	Construction	3,150	2016	155	100%	8	> 7%	85%
Euromed Center – Calypso (QP FDR: 50%)	Offices France	Marseille	MRC	Construction	9,600	2016	265	30%	15	> 7%	85%
Clinique INICEA	Offices France	Saint-Mandé	Paris Region	Construction	5,500	2016	N/A	100%	25	6%	70%
DS Campus Extension 1 (QP FDR: 50%)	Offices France	Vélizy	Paris Region	Construction	13,100	2016	305	100%	39	6%	55%
Euromed Center – Bureaux Hermione (QP FDR 50%)	Offices France	Marseille	MRC	Construction	10,400	2017	265	0%	14	> 7%	55%
Euromed Center – Bureaux Floreal (QP FDR 50%)	Offices France	Marseille	MRC	Construction	13,450	2017	265	0%	18	> 7%	45%
Silex I	Offices France	Lyon	MRC	Construction	10,600	2017	280	0%	47	6%	40%
Thaïs	Offices France	Levallois	Paris Region	Construction	5,500	2017	480	0%	40	6%	30%
O'rgin	Offices France	Nancy	MRC	Construction	6,300	2017	195	77%	20	6%	30%
Edo	Offices France	Issy-les- Moulineaux	Paris Region	Refurbishment – Extension	10,800	2017	450	0%	83	6%	15%
Traversière	Offices France	Paris	Paris Region	Refurbishment – Extension	13,500	2017	ND	5%	122	5%	5%
Riverside	Offices France	Toulouse	MRC	Construction	11,000	2018	195	0%	32	> 7%	5%
<b>Total Offices – France</b>					<b>127,900</b>			<b>28%</b>	<b>506</b>	<b>&gt; 6%</b>	<b>34%</b>
Symbiosis – Phase A	Offices Italy	Milano	Italy	Construction	12,000	2018	300	0%	29	> 7%	5%
Ferrucci	Offices Italy	Turin	Italy	Refurbishment – Extension	49,294	2019-2020	130	0%	40	5%	0%
<b>Total Offices – Italy</b>					<b>61,294</b>			<b>0%</b>	<b>69</b>	<b>6%</b>	<b>2%</b>
B&B Allemagne (5 actifs)	Hotels	Germany	Germany	Construction	N/A	2016	N/A	100%	15	> 7%	52%
B&B Torcy	Hotels	Torcy	Paris Region	Construction	N/A	2016	N/A	100%	3	> 7%	86%
Motel One Porte Dorée	Hotels	Paris	Paris Region	Construction	N/A	2017	N/A	100%	8	6%	35%
Meininger Munich	Hotels	Munich	Germany	Construction	N/A	2018	N/A	100%	13	6%	0%
<b>Total Hotels &amp; Service Sector</b>					<b>N/A</b>			<b>100%</b>	<b>39</b>	<b>&gt; 7%</b>	<b>34%</b>
<b>TOTAL</b>					<b>189,194</b>			<b>29%</b>	<b>615</b>	<b>&gt; 6%</b>	<b>30%</b>

<sup>(1)</sup> Surface 100%.

<sup>(2)</sup> Group share, including land cost and financial cost.

## 1.4.7.3. Managed projects: c. €700 million in Group share

Projects	Type	Location	Area	Project	Surface <sup>(1)</sup> (m <sup>2</sup> )	Delivery timeframe
Multiplex Europacorp	Cinema	Marseille	MRC	Construction	2,800 seats	> 2017
Cœur d'Orly Commerces (GS FDR 25%)	Offices – France	Orly	Paris Region	Construction	31,000	> 2018
Campus New Vélizy Extension (GS FDR 50%)	Offices – France	Vélizy	Paris Region	Construction	14,000	> 2018
Opale	Offices – France	Meudon	Paris Region	Construction	30,000	> 2018
Silex II	Offices – France	Lyon	MRC	Refurbishment – Extension	30,700	> 2019
Canopée	Offices – France	Meudon	Paris Region	Construction	46,900	> 2019
DS Campus Extension 2 (GS FDR 50%)	Offices – France	Vélizy	Paris Region	Reconstruction	11,000	> 2020
Avenue de la Marne	Offices – France	Montrouge	Paris Region	Reconstruction	18,000	> 2020
Cœur d'Orly Bureaux (GS FDR 25%)	Offices – France	Orly	Paris Region	Construction	50,000	> 2018-2020
Schievano	Offices – Italy	Milan	Italy	Construction	27,000	N/A
<b>TOTAL</b>					<b>258,600</b>	

<sup>(1)</sup> Surface 100%.

## 1.4.8. Portfolio

### 1.4.8.1. Portfolio value up 4.4% at a like-for-like scope

(€M)	Value 2014	Value 2015	Value 2015 GS	LFL change 12 months	Yield ED 2014 <sup>(1)</sup>	Yield ED 2015 <sup>(1)</sup>	% of portfolio
Offices – France <sup>(1)</sup>	5,032	5,658	4,840	7.2%	6.6%	6.0%	43%
Offices – Italy <sup>(1)</sup>	4,093	3,905	1,893	-0.4%	6.1%	5.7%	17%
<b>Total Office</b>	<b>9,125</b>	<b>9,563</b>	<b>6,734</b>	<b>5.0%</b>	<b>6.4%</b>	<b>5.9%</b>	<b>62%</b>
Residential Germany	2,746	3,603	2,175	5.0%	6.5%	6.0%	20%
Hotels & Service Sector	3,243	3,515	1,385	3.1%	6.1%	5.9%	13%
Other	1,088	772	536	-1.3%	4.7%	4.0%	5%
Parking facilities	210	186	111	N/A	NC	N/A	1%
<b>Portfolio</b>	<b>16,413</b>	<b>17,639</b>	<b>10,940</b>	<b>4.4%</b>	<b>6.3%</b>	<b>5.8%</b>	<b>100%</b>
Equity affiliates	20	48	48				
<b>TOTAL – CONSOLIDATED</b>	<b>16,433</b>	<b>17,688</b>	<b>10,988</b>				
<b>TOTAL – GS</b>	<b>9,752</b>	<b>10,988</b>					

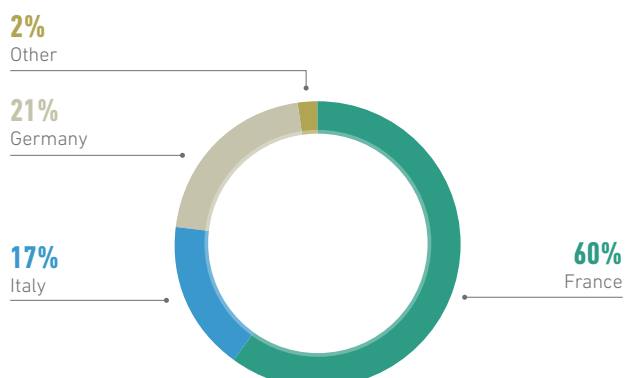
<sup>(1)</sup> In operation assets yield – excluding rights.

The Group share of Foncière des Régions' total asset portfolio at the end of December 2015 stood at €11.0 billion (€17.7 billion at 100%) compared to €9.8 billion at the end of 2014, a like-for-like increase of 4.4% compared to the end of 2014.

The like-for-like changes in value were particularly due to France Offices (+7.2% primarily owing to the delivered developments), German Residential (+5.0%, including +12.2% in Berlin) and in the Hotels & Service Sector (+3.1%).

### 1.4.8.2. Geographic breakdown

#### IN ASSET VALUE



### 1.4.9. List of major assets

The value of the ten main assets represents almost 16% of the portfolio (GS – Group share).

Top 10 Assets (GS)	Location	Tenants	Surface (m <sup>2</sup> )	Share of affiliates
Tour CB 21	La Défense (Paris Region)	Suez Environnement, AIG Europe, Nokia, Groupon	66,000	75%
Natixis Charenton	Charenton-le-Pont (Paris Region)	Natixis	37,835	100%
Carré Suffren	Paris 15 <sup>th</sup>	AON, Institut Français, Ministère de l'Éducation	24,864	60%
Dassault Campus	Vélizy-Villacoublay (Paris Region)	Dassault	56,554	50.1%
Complexe Garibaldi	Milan	Maire, Valvitalia, LinkedIn, Alitalia	44,650	48.5%
New Vélizy	Vélizy-Villacoublay (Paris Region)	Thales	46,163	50.1%
Immeuble – 23 rue Médéric	Paris 17 <sup>th</sup>	Orange	11,182	100.0%
Green Corner	Saint-Denis (Paris Region)	HAS, Systra, Casino	13,220	100.0%
Anjou	Paris 8 <sup>th</sup>	Orange	10,067	100.0%
Percier	Paris 8 <sup>th</sup>	Chloe	8,544	100.0%

Excluded assets under commitments.



## 1.5. BUSINESS ANALYSIS BY SEGMENT

### 1.5.1. France offices

France Offices indicators are presented at 100% and as Group share (GS). Assets held partially are the following:

- Le Ponant (83.5% owned)
- CB 21 Tower (75% owned)
- Carré Suffren (60% owned)
- the Eiffage properties located at Vélizy (head office of Eiffage Construction and Eiffage Campus, head office of Eiffage Groupe) and the DS Campus (50.1% owned and fully consolidated)
- the New Vélizy property for Thales (50.1% owned and accounted for under the equity method)
- Euromed Center 50% owned (equity method)
- Askia, the first office building in the Cœur d'Orly project (25% owned and accounted for under the equity method).

The France Offices business highlights for 2015 were:

- strong activity in development projects, particularly with the delivery of nine assets for which leasing was one of the primary issues: their deliveries thus generated €16 million in annualised rental income. Leasing activity in 2015 accelerated during the second half of the year with the signature of four

leases taking effect in the first half of 2016 involving 12,000 m<sup>2</sup> in Offices and €4.5 million in annualised rental income. At the same time, two flagship Foncière des Régions assets accounting for close to 25,000 m<sup>2</sup> and €10 million in annualised rental income were vacated for short-term redevelopment (Traversière and Issy Grenelle)

- actions taken with regard to Asset Management involving the renewal of leases, such as the Lagardère lease involving the Omega A and C assets for €4.8 million in annualised rental income and adding six years to the term, or the extension of the DS Campus lease now set to expire in 2026
- the continued qualitative rotation of the portfolio through the disposal of non-core assets, the continuation of the pipeline policy with a set of projects involving €1.2 billion and the targeted acquisitions of assets (primarily Levallois Omega B for €25 million) or of rental charges aimed at regenerating the pipeline in strategic areas (land with a redevelopment potential of 18,000 m<sup>2</sup> in Montrouge for €14 million)
- the +7.2% increase in values at a like-for-like scope, particularly due to the strategic choice of locations in the portfolio (Greater Paris and Regional Cities).

#### 1.5.1.1. Accounted rental income: €238 million, +0.8% at a like-for-like scope

##### 1.5.1.1.1. Geographic breakdown: strategic locations (Paris region and Regional Cities – MRC) generate 88% of rental income

(€M)	Surface (m <sup>2</sup> )	Number of assets	Rental income 2014 100%	Rental income 2014 GS	Rental income 2015 100%	Rental income 2015 GS	Change [%]	Change [%] LFL	% of rental income
Paris Centre West	91,092	12	30.5	30.6	35.5	35.7	16.6%	1.1%	15.0%
Southern Paris	77,551	11	31.7	26.9	30.4	25.7	-4.3%	0.9%	10.8%
North Eastern Paris	121,329	6	20.4	20.4	20.6	20.6	0.9%	0.7%	8.6%
Wester Crescent and La Défense	191,044	20	63.7	57.2	58.5	51.5	-10.0%	2.7%	21.6%
Inner suburbs	372,273	23	21.9	20.4	40.8	31.5	54.1%	-0.9%	13.2%
Outer suburbs	115,770	49	15.7	15.7	12.8	12.8	-18.7%	-1.8%	5.4%
<b>Total Paris Region</b>	<b>969,060</b>	<b>121</b>	<b>183.8</b>	<b>171.2</b>	<b>198.6</b>	<b>177.7</b>	<b>3.8%</b>	<b>1.1%</b>	<b>74.7%</b>
Major Regional Cities	411,687	74	33.7	33.7	30.8	30.8	-8.6%	-0.3%	13.0%
Other French regions	492,267	179	33.2	33.2	29.4	29.4	-11.3%	0.2%	12.4%
<b>TOTAL</b>	<b>1,873,013</b>	<b>374</b>	<b>250.7</b>	<b>238.2</b>	<b>258.9</b>	<b>238.0</b>	<b>-0.1%</b>	<b>0.8%</b>	<b>100.0%</b>

Group share rental income remains stable at €238 million (-€0.2 million) over one year. This change is primarily the combined result of:

- asset disposals particularly in the outer suburbs and in other French regions than the Paris one (-€10.7 million)
- asset acquisitions and deliveries (+€18.9 million):
  - ♦ €8.1 million based on acquisitions, particularly Natixis Charenton acquired at the end of 2014 and Levallois Omega B on 27 November 2015

- ♦ delivery of pre-let properties accounting for €10.8 million including:

- the Bureaux Astrolabe asset in January, which is 98% leased and the Euromed Center parking with 846 spaces leased to Urbis Park in Marseille
- an office building leased to ERDF at 100% for nine years firm located in Avignon, delivered in May 2015
- Respiro in May 2015, an office building in Nanterre, leased to GTM Bâtiment (Vinci Construction) at 100% for nine years firm

- Quatuor in June 2015, in Roubaix, 70% leased to Vinci for 12 years firm
- Steel in July 2015, in Paris Centre West, fully rented to One Point (effective 2016) for 9 years firm
- Campus Eiffage in August 2015, a turnkey project leased to Eiffage in Vélizy for 12 years firm
- Green Corner in September 2015, in Saint-Denis, 86% leased to the French Health Authority for a term of ten years firm effective March 2016 and to Systra
- Askia in October 2015, first office building of Cœur d'Orly, 50% rented to ADP

- ♦ vacated premises (-€9.0 million) to be restructured or redeveloped entirely, in particular the Edo assets in Issy-les-Moulineaux (Paris region) and the Opale and Canopée assets vacated in 2014. It should be noted that the Parisian site Traversière was vacated by the SNCF on 31 December 2015; this vacating of premises therefore had no impact on the 2015 accounted rental income
- ♦ an increase at a like-for-like scope of +0.8% (+€1.6 million) related to:
  - ♦ the positive effect of indexation (+€0.8 million)
  - ♦ the rental activity (+€0.9 million): leases (+€1.8 million), vacated premises (-€0.9 million).

### 1.5.1.2. Annualised rental income: €264 million

#### 1.5.1.2.1. Breakdown by major tenants

(€M) GS	Surface (m <sup>2</sup> )	Nb of assets	Annualised rental income 2014	Annualised rental income 2015	Change (%)	% of rental income
Orange	476,139	159	90.4	87.4	-3.3%	33.1%
SUEZ Environnement	58,609	2	21.3	21.4	0.4%	8.1%
EDF	158,149	23	18.2	19.0	4.7%	7.2%
Eiffage	146,832	69	8.4	11.5	37.0%	4.4%
Thales	88,274	2	10.7	10.7	0.1%	4.0%
Natixis	37,887	3	10.5	10.5	0.4%	4.0%
Dassault Systèmes	56,192	1	9.8	9.8	0.0%	3.7%
Vinci	24,082	2	1.8	6.6	N/A	2.5%
Peugeot Citroën	19,531	1	5.2	5.5	5.8%	2.1%
AON	15,592	1	5.4	5.4	-0.4%	2.0%
Lagardère	12,963	3	4.8	5.3	11.0%	2.0%
Other tenants < €4 million	778,763	108	76.7	71.1	-7.4%	26.9%
<b>TOTAL</b>	<b>1,873,013</b>	<b>374</b>	<b>263.1</b>	<b>264.3</b>	<b>0.5%</b>	<b>100.0%</b>

The ten leading tenants represent 71% of annualised rental income, equal to the end of 2014.

The main changes affecting Key Accounts were as follows:

- ♦ Vinci: delivery of Nanterre Respiro and Lille-Roubaix let to subsidiaries of the Group
- ♦ Lagardère: impact of the acquisition of the Omega B building, in which Lagardère is a tenant in the same way as in the Omega A and C assets already owned by Foncière des Régions

- ♦ Orange: decrease in exposure associated with partial disposals of assets as at 30 June 2015 and as at 31 December 2015
- ♦ EDF: 4.7% increase in rental income following the delivery of the ERDF property in Avignon
- ♦ Eiffage: delivery of the Campus Eiffage
- ♦ Peugeot Citroën: increase in rental income stipulated in the initial lease.

## 1.5.1.2.2. Geographic breakdown: the Paris region and the major regional cities represent 89% of rental income

(€M) GS	Surface (m <sup>2</sup> )	Number of assets	Annualised rental income 2014	Annualised rental income 2015	Change (%)	% of rental income
Paris Centre West	91,092	12	34.0	39.8	17.1%	15%
Southern Paris	77,551	11	28.6	21.2	-26.0%	8%
North Eastern Paris	121,329	6	21.4	21.1	-1.1%	8%
Wester Crescent and La Défense	191,044	20	63.1	59.8	-5.2%	23%
Inner suburbs	372,273	23	40.2	47.2	17.5%	18%
Outer suburbs	115,770	49	13.0	12.3	-5.6%	5%
<b>Total Paris Region</b>	<b>969,060</b>	<b>121</b>	<b>200.2</b>	<b>201.4</b>	<b>0.6%</b>	<b>76%</b>
Major Regional Cities	411,687	74	32.6	33.2	1.9%	13%
Other French regions	492,267	179	30.3	29.7	-2.1%	11%
<b>TOTAL</b>	<b>1,873,013</b>	<b>374</b>	<b>263.1</b>	<b>264.3</b>	<b>0.5%</b>	<b>100.0%</b>

The Paris region remains the area generating the highest annualised rental income, stable vs 2014. The impact of the SNCF vacating the Traversière asset (13,700 m<sup>2</sup>, -€7.6 million in rent), which will undergo redevelopment, should be noted.

The increase in rental income in major regional cities or in the inner suburbs is due to the delivery of properties in Nanterre, Marseille or Vélizy in 2015.

## 1.5.1.3. Indexation

The indexation effect is +€0.8 million over one year. 77% of the leases is indexed to the ILAT, 21% to the ICC, with the remainder indexed to the ILC construction cost index or the IRL rental reference index. The rents benefiting from an indexation floor (1%) represent 33% of the annualised rental income and are indexed to the ILAT.

## 1.5.1.4. Rental activity

(€M) – 100%	Surface (m <sup>2</sup> )	Annualised rental income	Annualised rental income (€/m <sup>2</sup> )
Vacating	56,454	14.9	263.3
Letting	99,548	19.0	190.6
Pre-Let	4,860	1.0	205.8
Renewal	96,077	18.3	191.0

The year's highlights included the signature of the leases for recently delivered assets:

- ♦ Astrolabe: the main leases were signed with RTM (4,800 m<sup>2</sup>) for nine years firm, MGEN (3,000 m<sup>2</sup>) for six years firm, EPAEM Euroméditerranée (2,200 m<sup>2</sup>) for 6 years firm and Fidal (1,400 m<sup>2</sup>) for 10 years firm
- ♦ Steel: lease of 100% of the asset to One Point for nine years firm and rent of €2.2 million/year
- ♦ Green Corner: leasing by Systra of 2,600 m<sup>2</sup> for nine years firm and rent of €0.8 million/year and by Casino of 380 m<sup>2</sup> of retail space on the ground floor
- ♦ Askia: lease signed with ADP for 50% of the office space (rent of €2.2 million/year, €0.5 million in Group share).

In addition, a pre-leasing agreement was signed with EDF for an asset in Nancy, on the 18 December 2015. The lease for 12 years firm covers 77% of the space and becomes effective when the asset is delivered in 2017.

The average term for new leases in 2015 was 9.5 years firm.

For renewals, the main impacts were:

- ♦ the renewal of the DS Campus lease for €3.2 million for an additional four years (i.e. ten years)
- ♦ Lagardère's renewal for the Omega A and C assets (€4.8 million in rent) for six additional years.

56,000 m<sup>2</sup> were vacated, equivalent to €14.9 million in rent:

- ♦ vacating of premises for redevelopment purposes of the Issy Grenelle asset by Yves Rocher (€2.9 million in rent; Edo project) and Traversière (€7.6 million)
- ♦ vacating of Orange assets including the Pantin location for approximately €2 million in rent.



### 1.5.1.5. Lease expirations and occupancy rates

#### 1.5.1.5.1. Lease expirations: residual lease term of 5.4 years firm

(€M)	By lease end date (1 <sup>st</sup> break)	% of total	By lease end date	% of total
2016	29.7	11%	6.5	2%
2017	21.8	8%	12.8	5%
2018	38.1	14%	17.0	6%
2019	26.6	10%	36.6	14%
2020	15.3	6%	19.0	7%
2021	19.7	7%	32.3	12%
2022	19.7	7%	31.2	12%
2023	35.0	13%	36.4	14%
2024	9.1	3%	19.3	7%
2025	29.5	11%	28.2	11%
Beyond	19.9	8%	25.1	10%
<b>TOTAL</b>	<b>264.3</b>	<b>100%</b>	<b>264.3</b>	<b>100%</b>

The residual lease term is stable at 5.4 years firm. By lease termination date, the residual term of the leases amounted to 6.4 years (stable compared with 31 December 2014).

#### 1.5.1.5.2. Occupancy rate: 95.8%

(%)	2014	2015
Paris Centre West	100.0%	100.0%
Southern Paris	99.2%	100.0%
North Eastern Paris	97.4%	97.0%
Wester Crescent and La Défense	97.7%	97.0%
Inner suburbs	99.0%	93.7%
Outer suburbs	94.0%	89.7%
<b>Total Paris Region</b>	<b>97.9%</b>	<b>96.6%</b>
Major Regional Cities	95.1%	95.0%
Other French regions	89.9%	91.6%
<b>TOTAL</b>	<b>96.8%</b>	<b>95.8%</b>

Overall, the occupancy rate is down compared with the end of 2014 (95.8% vs. 96.8%). This is due to the delivery of assets that are not yet fully leased located in major regional cities (Lille-Roubaix Quatuor) and in the Paris region (Green Corner, Askia).

This occupancy rate includes the leases signed as at year-end 2015 that will take effect during the first half of 2016 (excluding these leases, the occupancy rate is 94.6%).

#### 1.5.1.6. Reserves for unpaid rent

(€M)	2014	2015
As % of rental income	0.2%	0.2%
In value <sup>(1)</sup>	0.5	0.4

<sup>(1)</sup> Net provision/reversals of provision.

For France Offices, the level of unpaid rents remains very low, thanks to the high-quality client base.

## 1.5.1.7. Disposals and disposal agreements: €120 million in new 2015 commitments

(€M)	Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close (II)	New disposals 2015 (III)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
Paris Centre West	-	11.5	0.0	0.0	0.0	-	-	0.0
Southern Paris	-	7.3	0.2	0.0	0.2	0.0%	0.0%	0.2
North Eastern Paris	1.3	31.4	-	-	0.0	0.0%	0.0%	1.3
Wester Crescent and La Défense	0.0	5.8	3.2	0.7	3.8	4.7%	1.4%	3.2
Inner suburbs	4.3	0.0	27.5	56.0	83.5	18.6%	3.3%	31.8
Outer suburbs	18.4	6.4	2.1	0.0	2.1	10.6%	2.2%	20.5
Total Paris Region	24.0	62.4	33.0	56.7	89.7	17.7%	3.2%	57.0
MRC	14.2	1.8	6.2	11.9	18.1	29.1%	3.9%	20.4
Other French regions	9.2	8.4	6.3	5.9	12.2	-8.8%	6.0%	15.5
Participations	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0
<b>TOTAL</b>	<b>47.4</b>	<b>72.7</b>	<b>45.5</b>	<b>74.5</b>	<b>120.0</b>	<b>15.7%</b>	<b>3.6%</b>	<b>92.9</b>

New commitments (new disposals and new disposal agreements) reflect the will to improve the quality of the portfolio. In volume, these new commitments are mainly located in inner suburbs (70%) via:

- the finalisation of the Saint-Mandé disposal transaction: a Housing plot was sold in September 2015 for €27.5 million and a forward sale of the clinic under development, 100% leased to Incea, was signed for July 2016 for €31.7 million

- the signature of a preliminary sale agreements for €29 million for an asset located in Fontenay-sous-Bois.

The disposal of small assets in the Regions and in the outer suburbs continued in 2015.

The cash disposals for the period stand at €93 million and can be broken down between the complete disposals of 14 assets for €34 million, the Saint-Mandé Housing plot (€27.5 million) and some partial disposals, particularly to Orange, that took place as part of the partnership agreements signed between 2012 and 2013.

## 1.5.1.8. Acquisitions: €46 million in 2015

Assets	Surface (m <sup>2</sup> )	Location	Tenants	Acquisition Price (€M)	Yield <sup>(1)</sup>
Levallois OMEGA B	4,816	Levallois (92)	Lagardère, Onduline, Novadis, BNP retail	24.7	4.4%
Montrouge	N/A	Montrouge (92)		14.0	N/A
Acquisitions partielles Orange	N/A	Paris (75)	Orange	4.2	8.5%
Quote-part Eurosic CAP 18	N/A	Paris (75)		3.2	9.6%
<b>TOTAL</b>	<b>4,816</b>			<b>46.1</b>	<b>5.5%</b>

<sup>(1)</sup> Including duties – calculated without the impact of Montrouge acquisition.

In 2015, Foncière des Régions made acquisitions aimed at expanding the scope of its ownership of real estate complexes it already partially owned:

- acquisition of the Levallois Omega B asset on 27 November for €24.7 million for an immediate yield of 4.4% (6.4% after filling up the vacancy of approximately 1,500 m<sup>2</sup>). Foncière des Régions already owns the A and C assets of this real estate complex and is therefore the post-acquisition owner of 17,700 m<sup>2</sup>, 12,900 m<sup>2</sup> of which are currently rented to the Lagardère Group

- acquisition of land located in Montrouge for a total of €14.0 million

- acquisition of a 10% share in Eurosic in tranche 1 of Cap 18 for €3.2 million: in January 2016, Foncière des Régions also acquired the remaining 15% share of Cicobail and is therefore now the full owner of Cap 18.

In addition, Foncière des Régions also acquired additional space from Orange in certain assets for which Orange reviewed the technical volumetry, for €4.2 million, at the price stipulated in the partnership agreements with the Key Account.





### 1.5.1.9. Development projects: a pipeline of more than €1.2 billion

The development policy of Foncière des Régions focuses on continuing the asset enhancement work undertaken (improvement of asset quality and creation of value), supporting Key Accounts partners over the long term in the roll-out of their real estate strategy, and managing new operations in strategic locations.

The strategy is based, in the greater Paris area, on locations with good public transport and/or in well-known commercial districts and in the large Regional Cities where the annual take-up is

greater than 50,000 m<sup>2</sup> per year, in prime locations (for example: the TGV train station in the La Part-Dieu district in Lyon).

#### 1.5.1.9.1. Projects delivered

Approximately 105,000 m<sup>2</sup> were delivered during 2015, including 77,000 m<sup>2</sup> in commercial zones established in the Paris region and 28,000 m<sup>2</sup> in the large major regional cities.

The occupancy rate for the projects delivered during the year stood at 90% at year-end 2015 *versus* 71% at the beginning of the year.

#### 1.5.1.9.2. Committed projects

Projects	Location	Area	Project	Surface <sup>(1)</sup> (m <sup>2</sup> )	Delivery	Target offices rent (€/m <sup>2</sup> / year)	Pre-let (%)	Total Budget <sup>(2)</sup> (€M)	Progress	Yield
Bose	Saint Germain en Laye	Paris Region	Construction	5,100	2016	225	100%	20	95%	> 7%
Euromed Center – Hôtel (QP FDR: 50%)	Marseille	MRC	Construction	9,900	2016	N/A	100%	23	90%	> 7%
Schlumberger Pompignane	Montpellier	MRC	Construction	3,150	2016	155	100%	8	85%	> 7%
Euromed Center – Calypso (QP FDR: 50%)	Marseille	MRC	Construction	9,600	2016	265	30%	15	85%	> 7%
Clinique INICEA	Saint-Mandé	Paris Region	Construction	5,500	2016	N/A	100%	25	70%	6%
DS Campus Extension 1 (QP FDR: 50%)	Vélizy	Paris Region	Construction	13,100	2016	305	100%	39	55%	6%
Euromed Center – Bureaux Hermione (QP FDR 50%)	Marseille	MRC	Construction	10,400	2017	265	0%	14	55%	> 7%
Euromed Center – Bureaux Floreal (QP FDR 50%)	Marseille	MRC	Construction	13,450	2017	265	0%	18	45%	> 7%
Silex I	Lyon	MRC	Construction	10,600	2017	280	0%	47	40%	6%
Thaïs	Levallois	Paris Region	Construction	5,500	2017	480	0%	40	30%	6%
O'origin	Nancy	MRC	Construction	6,300	2017	195	77%	20	30%	6%
Edo	Issy-les- Moulineaux	Paris Region	Refurbishment – Extension	10,800	2017	450	0%	83	15%	6%
Traversière	Paris	Paris Region	Refurbishment – Extension	13,500	2017	ND	5%	122	5%	5%
Riverside	Toulouse	MRC	Construction	11,000	2018	195	0%	32	5%	> 7%
<b>TOTAL</b>				<b>127,900</b>			<b>28%</b>	<b>506</b>	<b>34%</b>	<b>&gt; 6%</b>

<sup>(1)</sup> Surface 100%.

<sup>(2)</sup> In Group share, including land cost and financial cost.

Several projects were launched during the year, including:

- the expansion of the Dassault Systèmes campus in Vélizy over 13,100 m<sup>2</sup>. A lease for ten years firm was signed with DS and the work started in February
- Thaïs in Levallois, a new 5,500 m<sup>2</sup> office building. The demolition of the existing building was completed at the end of the year and the construction work is under way

- Edo in Issy-les-Moulineaux, a renovation-extension project for a 10,800 m<sup>2</sup> office building. The building permit was obtained in June 2015 and the asset is undergoing asbestos removal
- O'origin in Nancy, a new 6,300 m<sup>2</sup> office building that is 77% leased to EDF under a lease for 12 years firm, where construction work was begun at year-end.

Work is ending on the Schlumberger Pompignane project in Montpellier and the Bose project in Saint-Germain-en-Laye with deliveries expected in early 2016. Work is continuing on the

Calypso, Hermione and Floreal assets in the Euromed Center as well as on the hotel, with deliveries planned for 2016-2017.

### 1.5.1.9.3. Managed projects

Approximately 232,000 m<sup>2</sup> are controlled by Foncière des Régions:

Projects	Location	Project	Area	Surface <sup>(1)</sup> (m <sup>2</sup> )	Delivery timeframe
Multiplex Europacorp	Marseille	Construction	MRC	2,800 seats	> 2017
Cœur d'Orly Commerces (QP FDR 25%)	Orly	Construction	Paris Region	31,000	> 2018
Campus New Vélizy Extension (QP FDR 50%)	Vélizy	Construction	Paris Region	14,000	> 2018
Opale	Meudon	Construction	Paris Region	30,000	> 2018
Silex II	Lyon	Refurbishment – Extension	MRC	30,700	> 2019
Canopée	Meudon	Construction	Paris Region	46,900	> 2019
DS Campus Extension 2 (QP FDR 50%)	Vélizy	Construction	Paris Region	11,000	> 2020
Avenue de la Marne	Montrouge	Construction	Paris Region	18,000	> 2020
Cœur d'Orly Bureaux (QP FDR 25%)	Orly	Construction	Paris Region	50,000	> 2018-2020
<b>TOTAL</b>				<b>231,600</b>	

<sup>(1)</sup> Surface 100%.

The Opale (30,000 m<sup>2</sup>) and Canopée (47,000 m<sup>2</sup>) projects in Meudon are currently in the pre-leasing phase, which may lead to their being committed and leased. The Avenue de la Marne asset in Montrouge (18,000 m<sup>2</sup>) was acquired at the end of 2015 to constitute the landholdings in view of pre-leasing.

The building permits were obtained and became final for Phase 2 of the Cœur d'Orly businesses (31,000 m<sup>2</sup>), for Silex 2 (renovation project – extension of the tower vacated by EDF in the Part-Dieu district in Lyon) and for the Europacorp multiplex project in the Euromed Center in Marseille (2,800 seats).

### 1.5.1.10. Portfolio values

#### 1.5.1.10.1. Change in portfolio values: increase of €487 million in Group share in 2015

(€M) Asset <sup>(1)</sup>	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Transfer/ change of scope	Value ED 2015
Assets in operation	3,991	296	46	-65	11	141	4,420
Assets under development	362	27	0	-28	212	-153	420
<b>TOTAL</b>	<b>4,353</b>	<b>323</b>	<b>46</b>	<b>-93</b>	<b>223</b>	<b>-12</b>	<b>4,840</b>

<sup>(1)</sup> Including New Vélizy, Euromed and Cœur d'Orly in GS.



### 1.5.1.10.2. Like-for-like change: +7.2%

Value GS (incl. assets under developments)

(€M)	100% value ED 2014	100% value ED 2015	Value ED 2015 GS <sup>(1)</sup>	LFL change 12 months	Yield ED 2014	Yield ED 2015	% of total value
Paris Centre West	624.6	853.7	853.7	14.8%	5.4%	4.7%	18%
Southern Paris	584.2	545.8	418.4	11.4%	6.1%	5.1%	9%
North Eastern Paris	306.0	339.2	339.2	9.1%	7.2%	6.2%	7%
Wester Crescent and La Défense	1,139.0	1,181.2	1,027.2	6.7%	6.4%	5.8%	21%
Inner suburbs	974.4	1,257.7	841.7	8.8%	5.9%	5.6%	17%
Outer suburbs	170.2	149.2	149.2	-0.9%	7.7%	8.2%	3%
<b>Total Paris Region</b>	<b>3,798.4</b>	<b>4,326.8</b>	<b>3,629.5</b>	<b>9.4%</b>	<b>6.2%</b>	<b>5.5%</b>	<b>75%</b>
Major Regional Cities	420.1	529.3	483.6	2.3%	7.5%	6.8%	10%
Other French regions	331.0	307.3	307.3	-7.1%	9.0%	9.7%	6%
<b>TOTAL IN OPERATION</b>	<b>4,549.6</b>	<b>5,163.4</b>	<b>4,420.3</b>	<b>7.3%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>91%</b>
Assets under development	482.8	494.8	419.7	7.0%	N/A	N/A	9%
<b>TOTAL</b>	<b>5,032.4</b>	<b>5,658.2</b>	<b>4,840.0</b>	<b>7.2%</b>	<b>6.6%</b>	<b>6.0%</b>	<b>100%</b>

<sup>(1)</sup> Including New Vélizy, Euromed and Cœur d'Orly in GS.

Values increased by 7.2% at a like-for-like scope, mainly due to the increase in values in the Paris region, and particularly in the city of Paris. The dichotomy observed on the market between secured products, prime areas (Paris inner suburbs, major Regional Cities) and the lesser known commercial zones (Regions, outer suburbs) can also be seen in the valuation of the Foncière des Régions portfolio in 2015.

Accordingly, Foncière des Régions' Parisian assets have benefited from an average compression of 75 bps in their capitalisation rates. Rates were also compressed for secured assets with high-quality tenants such as Orange in Paris, or such as Thales or Eiffage in the Vélizy area.

The increase in value in major regional cities is mainly led by Marseille and, more specifically, by the Euromed Center programme and the good news regarding the leasing of its assets.

The yield on the operating portfolio stands at 6.0%, a drop of 60 bps vs. year-end 2014 as a result of the compression of the rates and the improvement in portfolio quality.

Assets under development account for 9% of the France Offices portfolio in Group share and values have increased by 7% at a like-for-like scope.

### 1.5.1.11. Strategic asset segmentation

- ♦ The "Core" portfolio corresponds to a strategic grouping of key assets, consisting of resilient properties providing long-term income. Mature assets may be disposed of on an opportunistic basis in managed proportions. This frees up resources that can be reinvested in value-creating transactions, such as in developing our portfolio or making new investments.
- ♦ The "Value Enhancement" portfolio includes assets targeted for specific refurbishment or enhancement to improve rental income. These assets are primed to become core assets once the asset management work has been completed.
- ♦ The "Secondary" portfolio mainly results from outsourcing operations involving our major tenant partners. This portfolio constitutes a compartment with a higher yield than the average for the office portfolio, with a historically-high rate of renewals. The small unit size of these properties and their liquidity on the local markets makes them apt candidates for progressive disposal.

	Core Portfolio	Value enhancement Portfolio	Secondary asset	Total
Number of assets	83	45	246	<b>374</b>
Value ED GS (€M)	3,537	772	530	<b>4,840</b>
Yield	5.5%	3.3%	8.4%	<b>5.5%</b>
Residual firm duration of leases (years)	6.3	2.1	3.3	<b>5.4</b>
Occupancy rate	97.8%	90.9%	90.5%	<b>95.8%</b>

This "Core portfolio" is up by 5 points over the year and represents, at year-end 2015, 73% of the portfolio, particularly following the nine deliveries for the year and the increase in value of the Parisian assets.

The "Value Enhancement Portfolio" was boosted by the Traversière asset particularly at year-end, and amounts to €772 million, representing 16% of the portfolio.

The "Secondary" portfolio continues its downward trend and accounts for 11% of the portfolio Group share at year-end, a decrease of 3 pts in comparison to year-end 2014, particularly due to the disposals.

## 1.5.2. Italy offices

Listed on the Milan stock exchange since 1999, Beni Stabili is the largest listed Italian property firm and is a 48.5% subsidiary of Foncière des Régions *versus* 48.3% at the end of December 2014. The figures are disclosed as 100%.

Its assets consist largely of offices located in cities in northern and central Italy, particularly Milan and Rome. The company had a portfolio of €3.9 billion at year-end 2015.

### 1.5.2.1. Accounted rental income: -4.1% at like-for-like scope

(€M)	Surface (m <sup>2</sup> )	Number of assets	Rental income 2014	Rental income 2015	Change [%]	Change [%] LFL	% of total
Core portfolio	1,623,479	206	226.0	208.1	-7.9%		98.8%
Dynamic portfolio	77,181	34	2.7	2.5	-5.6%		1.2%
<b>Subtotal</b>	<b>1,700,660</b>	<b>240</b>	<b>228.7</b>	<b>210.6</b>	<b>-7.9%</b>		<b>100.0%</b>
Development portfolio	49,591	3	0.0	0.0	0.0%		0.0%
<b>TOTAL</b>	<b>1,750,250</b>	<b>243</b>	<b>228.7</b>	<b>210.6</b>	<b>-7.9%</b>	<b>-4.1%</b>	<b>100.0%</b>

Between 2014 and 2015, rental income decreased by €18 million, i.e. -7.9%, primarily due to:

- ♦ non-core asset disposals: -€6.3 million
- ♦ the impact of the vacating of premises and of the indexation (particularly the impact of the vacating of an asset located in Turin in June 2014, reclassified under development in 2015): -€11.2 million
- ♦ the signing in Q2 2015 of a major agreement with Telecom Italia for renewal on all of its leases (€117 million in rent) including

a decrease in rents of 6.9% in consideration of the extension of the fixed term leases that goes from 9 to 15 years

- ♦ deliveries of assets under development at end-2014, principally Via dell'Arte in Rome and San Nicolao in Milan (+€3.6 million).

The change at a like-for-like scope of -4.1% over the period is mainly due to the renegotiation with Telecom Italia. Excluding this impact, the change is -1.5%, in keeping with an increase in vacancies.

### 1.5.2.2. Annualised rental income: €207.6 million

#### 1.5.2.2.1. Breakdown by portfolio

(€M)	Surface (m <sup>2</sup> )	Number of assets	Annualised rental income 2014	Annualised rental income 2015	Change [%]	% of total
Core portfolio	1,623,479	206	228.4	205.8	-9.9%	99.1%
Dynamic portfolio	77,181	34	2.9	1.8	-36.9%	0.9%
<b>Subtotal</b>	<b>1,700,660</b>	<b>240</b>	<b>231.3</b>	<b>207.6</b>	<b>-10.2%</b>	<b>100.0%</b>
Development portfolio	49,591	3	0.0	0.0	0.0%	0.0%
<b>TOTAL</b>	<b>1,750,250</b>	<b>243</b>	<b>231.3</b>	<b>207.6</b>	<b>-10.2%</b>	<b>100.0%</b>

Annualised rental income declined by 10.2% due to the impact of the decrease at a like-for-like scope and the non-core asset disposals in 2015, particularly Telecom Italia.

#### 1.5.2.2.2. Geographic breakdown

(€M)	Surface (m <sup>2</sup> )	Number of assets	Annualised rental income 2014	Annualised rental income 2015	Change [%]	Revision potential	% of total
Milano	408,775	41	94.1	84.5	-10.2%	0.0%	40.7%
Rome	115,955	29	21.8	15.6	-28.5%	0.0%	7.5%
Turin	159,919	11	11.9	11.6	-2.3%	0.0%	5.6%
<b>North of Italy</b>	<b>640,226</b>	<b>94</b>	<b>62.5</b>	<b>59.9</b>	<b>-4.3%</b>	<b>0.0%</b>	<b>28.8%</b>
Other	425,376	68	40.9	36.0	-11.9%	0.0%	17.4%
<b>TOTAL</b>	<b>1,750,250</b>	<b>243</b>	<b>231.3</b>	<b>207.6</b>	<b>-10.2%</b>		<b>100.0%</b>

Nearly 83% of rents come from assets located in the North and in Rome. Milan represents close to 41% of the portfolio (*versus* 40.4% in 2014).



### 1.5.2.3. Indexation

The annual indexation in rental income is usually calculated by taking 75% of the increase in the Consumer Price Index (CPI) applied on each anniversary of the signing date of the agreement. In 2015, the average change in the IPC index was -0.2% over

12 months, nevertheless, this decrease did not apply as all leases are protected against negative indexation.

### 1.5.2.4. Rental activity

During 2015, rental activity can be summarised as follows:

(€M)	Surface (m <sup>2</sup> )	Annualised rental income	Annualised rental income (€/m <sup>2</sup> )
Vacating	29,700	8.7	293
Letting	20,141	5.7	281
Renewal	41,024	6.5	159

The main new leases relate to the Via Dell'Union property in Milan, with two new tenants – Intesa San Paolo and Saras (total rental income of €1.5 million) – under firm six-year leases. Asset management work was also performed facilitating the re-letting of the ten floors of the Garibaldi Tower A for a total of €2.2 million in 2015.

Renewed leases consist mainly of the renewals except Telecom Italia leases (with a lengthening of the lease term to 15 years firm, in exchange for lower rents). They relate to the Milanofiori

Strada property, corresponding to a surface area of nearly 30,000 m<sup>2</sup>, with the renewal of the Auchan lease for a term of eight years firm.

The change in vacated premises mainly results from the departure of the Vittoria Colonna tenant in Milan (3,435 m<sup>2</sup>) in April 2015 and the Via Messina 38 asset tenant (Milan, 5,962 m<sup>2</sup>). The latter asset has already been re-let in early 2016 and the location of the Vittorio Colonna asset promises a speedy re-letting following some asset management work.

### 1.5.2.5. Lease expirations and occupancy rates

#### 1.5.2.5.1. Lease expirations: residual lease term of 9.7 years firm

(€M)	By lease end date (1 <sup>st</sup> break)	% of total	By lease end date	% of total
2016	5.9	3%	3.8	2%
2017	7.4	4%	1.4	1%
2018	7.8	4%	1.2	1%
2019	24.5	12%	1.7	1%
2020	7.1	3%	2.0	1%
2021	23.6	11%	1.1	1%
2022	26.1	13%	11.1	5%
2023	11.0	5%	6.0	3%
2024	3.7	2%	7.0	3%
2025	0.2	0%	6.8	3%
Beyond	90.3	43%	165.5	80%
<b>TOTAL</b>	<b>207.6</b>	<b>100%</b>	<b>207.6</b>	<b>100%</b>

At the conclusion of the lease renegotiations with Telecom Italia, the firm lease term showed a clear increase from 6.3 years at 31 December 2014 to 9.7 years at 31 December 2015 (full term of 15.3 years).

## 1.5.2.5.2. Occupancy rate and type: an occupancy rate of 92.8%

[%]	2014	2015
Core portfolio	95.2%	95.5%
Core + dynamic portfolio	92.3%	92.8%

The spot financial occupancy rate at the end of 2015 was 92.8% for the operating portfolio, a slight increase from year-end 2014 (92.3%). This change was due to the reclassification of the Corso Ferrucci asset in Turin under development in 2015.

## 1.5.2.6. Reserves for unpaid rent

(€M)	2014	2015
As % of rental income	1.0%	0.9%
In value <sup>(1)</sup>	2.4	1.9

<sup>(1)</sup> Net provision/reversals of provision.

Reserves for unpaid rents correspond to charges to reserves net of reversals and write-offs and are slightly down over one year, at a low level of 0.9%.

## 1.5.2.7. Disposals and disposal agreements: €260.6 million

(€M)	Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close	New disposals 2015 (II)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
Milano	0.0	0.0	109.8	0.0	109.8	3.0%	6.1%	109.8
Rome	0.0	0.0	81.4	50.2	131.6	-0.1%	7.1%	81.4
Other	1.3	0.0	10.9	8.3	19.2	-4.1%	6.9%	12.1
<b>TOTAL</b>	<b>1.3</b>	<b>0.0</b>	<b>202.0</b>	<b>58.5</b>	<b>260.6</b>	<b>0.9%</b>	<b>6.7%</b>	<b>203.3</b>

The total value of disposals and disposal agreements in 2015 was €260.6 million, including €202.0 million in completed sales. These new commitments in 2015 were entered into at 0.9% above the 2014 appraisal values and based on a 6.7% yield.

The main sales included that of a non-core hotel in Milan leased to Boscolo and the disposal of two leased office properties rented to Telecom Italia and located on the outskirts of Rome. The step-up of assets disposals in 2015 has helped improve the portfolio quality and will continue over the coming years.

## 1.5.2.8. Acquisitions

Assets	Surface (m <sup>2</sup> )	Location	Acquisition Price ID <sup>(1)</sup> (€M)	Gross Yield ID <sup>(1)</sup>
Corso Italia and Via Principe Amedeo	22,445	Milano	81.0	6.2% <sup>(2)</sup>
<b>TOTAL</b>			<b>81.0</b>	<b>6.2%</b>

<sup>(1)</sup> ID = Including duties.

<sup>(2)</sup> Potential yield after CAPEX.

At year-end 2015, €81 million in acquisitions had been secured with property transfers set to take place during the first half of 2016. These involve two office buildings located in the centre of Milan with re-development potential (requiring approximately

€25 million in additional capex). Once restructured, these two assets will improve the quality of the portfolio and strengthen cash flow.



## 1.5.2.9. Development projects

### 1.5.2.9.1. Committed projects

Projects	Location	Project	Surface (m <sup>2</sup> )	Delivery	Target offices rent (€/m <sup>2</sup> /year)	Pre-let (%)	Total Budget (€M)	Target Yield	Progress
Symbiosis – A Building	Milano	Construction	12,000	2018	300	0%	60	> 7%	5%
Ferrucci	Turin	Refurbishment	49,294	2019-2020	130	0%	82	5%	0%
<b>TOTAL</b>			<b>61,294</b>			<b>0%</b>	<b>143</b>	<b>6%</b>	<b>2%</b>

Two projects were launched during 2015:

- the first phase of the Symbiosis development project. The entire project potentially involves 125,000 m<sup>2</sup> in 12 new commercial buildings located at the southern limit of central Milan, across

from the new Prada Foundation. The progressive development of the area should require a total of €250 million in capex. The initial work started in 2015

- the redevelopment project on the existing Ferrucci asset, located in Turin, with a delivery timeframe of 2020.

### 1.5.2.9.2. Managed projects

Projects	Location	Area	Surface (m <sup>2</sup> )	Delivery timeframe
Schievano	Milano	Italy	27,000	N/A
<b>TOTAL</b>			<b>27,000</b>	

The Schievano project consists of the construction of three office buildings for a total of 27,000 m<sup>2</sup>, located at the southern limit of central Milan.

## 1.5.2.10. Portfolio values

### 1.5.2.10.1. Change in portfolio values

(€M)	Value ED 2014	Change in value	Acquisitions	Disposals	Invest.	Recluster	Value ED 2015
Core portfolio	3,769	11	0	-199	11	-34	3,557
Dynamic portfolio	143	-23	0	-1	1	-23	98
<b>Subtotal</b>	<b>3,912</b>	<b>-12</b>	<b>0</b>	<b>-200</b>	<b>12</b>	<b>-57</b>	<b>3,655</b>
Development portfolio	181	-3	0	0	15	57	250
<b>TOTAL</b>	<b>4,093</b>	<b>-14</b>	<b>0</b>	<b>-200</b>	<b>27</b>	<b>0</b>	<b>3,905</b>

The portfolio amounted to €3.9 billion at year-end 2015, a decline of €188 million over one year mainly due to the disposals that took place in 2015. The increase in the development portion of the portfolio is particularly associated with the reclassification of the Corso Ferrucci asset (€57 million), previously part of the Core portfolio, and for which several capex projects are planned in order to re-let it. The Boscovich asset (in Milan) was also reclassified from the dynamic portfolio to the Core portfolio.

### 1.5.2.10.2. Like-for-like change: -0.4%

(€M)	Value ED 2014 100%	Value ED 2015 100%	LFL change 12 months	Yield ED 2014	Yield ED 2015	% of total value
Core portfolio	3,768.9	3,556.9	0.3%	6.1%	5.8%	91.1%
Dynamic portfolio	143.4	97.6	-18.7%	2.0%	1.8%	2.5%
<b>Subtotal</b>	<b>3,912.3</b>	<b>3,654.5</b>	<b>-0.3%</b>	<b>5.9%</b>	<b>5.7%</b>	<b>93.6%</b>
Development portfolio	180.7	250.3	-1.1%	N/A	N/A	6.4%
<b>TOTAL</b>	<b>4,093.0</b>	<b>3,904.9</b>	<b>-0.4%</b>	<b>5.9%</b>	<b>5.7%</b>	<b>100.0%</b>

The portfolio value is down slightly by 0.4% at a like-for-like scope in 2015, mainly because of the decline in the Dynamic portfolio. Within the Core portfolio, the Telecom Italia portfolio shows a slight increase of 0.4%, the extension of the leases having more than offset the reduction in rents.

The remainder of the Core portfolio shows slight growth of 0.3%.

The decline in the yield between 2014 and 2015 was mainly due to the renegotiation of Telecom Italia leases, with rents reduced by 6.9%.

### 1.5.3. Hotels & Service Sector

Foncière des Murs (FDM), a subsidiary 43.1%-owned by Foncière des Régions (vs. 28.5% at end-2014), is a listed property investment company (SIIC) specialising in the service sector, especially in hotels, healthcare and retail. FDM pursues an investment strategy that favours partnerships with leading operators in various business sectors. The figures are quoted at 100% and FDM share of affiliates.

In terms of the hotel business, 2015 was characterised by a stable start to the year in France, but sales performance shows a clear decline towards the end of the year, due to the combined effect of the terrorist attacks in Paris and the growing popularity of new Airbnb type competitors. The fundamentals remain solid, however, with thriving tourism (the tourism industry is expected to grow in Europe at 3.3% per year between 2014 and 2019,

according to UNWTO) and a gradual improvement in economic conditions. Within this context, Foncière des Régions continued to improve and diversify its portfolio, both in terms of partners/tenants and in terms of the geographic breakdown of its portfolio (in particular by focusing on investments in Germany via several acquisition and development projects).

#### 1.5.3.1. Accounted rental income: -0.6% at a like-for-like scope

Assets held partially by Foncière des Murs consist of the 167 B&B hotels acquired in 2012 (50.2% owned), as well as the 22 B&B properties (93.0% owned) and two Motel One properties (94.0% owned) in Germany, acquired in the first half of 2015.

#### Breakdown by business sector

(€M)	Number of assets	Number of rooms	Rental income 2014	Rental income 2014 in GS FDM	Rental income 2015 100%	Rental income 2015 in GS FDM	Change [%] 100%	Change [%] in GS	Change [%] LFL	% of rental income
Hotels	349	33,484	142.8	125.8	151.5	133.3	6.1%	6.0%	-1.0%	72%
Healthcare	27	N/A	16.5	16.5	15.2	15.2	-8.3%	-8.3%	0.5%	8%
Retail Premises	185	N/A	36.7	36.7	36.9	36.9	0.5%	0.5%	0.2%	20%
<b>TOTAL</b>	<b>561</b>	<b>33,484</b>	<b>196.1</b>	<b>179.0</b>	<b>203.6</b>	<b>185.4</b>	<b>3.8%</b>	<b>3.5%</b>	<b>-0.6%</b>	<b>100%</b>

Consolidated rental income totalled €203.6 million at 100% at end-December 2015, i.e. an increase of 3.8% (+€7.5 million) compared with December 2014.

This change was partly due to the different movements over the portfolio:

- ♦ Acquisitions and deliveries of assets under development in 2014 and 2015, which increased rental income to €10.9 million
- ♦ Additional rental income following works to the Quick portfolio (+€0.1 million)

- ♦ Disposals of non-core assets (mainly AccorHotels hotels and Korian properties) that impacted negatively 2015 rental income in the amount of €2.5 million.

The decline in rental income at a like-for-like scope (€-1.1 million) is due to the weaker performance of AccorHotels hotels (-1.6%) at the end of 2015, in particular following the terrorist attacks in Paris. Slight indexation on fixed rents (58% of rental income) and the geographic diversification of the portfolio were able to offset the negative effects.

#### 1.5.3.2. Annualised rental income: €187.2 million (FDM share of affiliates)

##### 1.5.3.2.1. Breakdown by business sector

(€M)	Number of assets	Number of rooms	Annualised rental income 2014	Annualised rental income 2015	Change [%]	% of rental income
Hotels	349	33,484	127.6	135.7	6.4%	73%
Healthcare	27	N/A	15.6	14.4	-7.7%	8%
Retail Premises	185	N/A	36.7	37.0	0.8%	20%
<b>TOTAL</b>	<b>561</b>	<b>33,484</b>	<b>180.0</b>	<b>187.2</b>	<b>4.0%</b>	<b>100%</b>



### 1.5.3.2.2. Breakdown by tenant

(€M)	Number of assets	Number of rooms	Annualised rental income 2014	Annualised rental income 2015	Change (%)	% of rental income
AccorHotels	123	15,214	83.4	79.0	-5.2%	42%
B&B	218	17,189	23.8	34.0	42.8%	18%
Korian	27	N/A	15.6	14.4	-7.7%	8%
Quick	81	N/A	16.6	16.9	1.9%	9%
Jardiland	49	N/A	13.5	13.5	0.0%	7%
Sunparks	4	N/A	13.7	13.9	1.2%	7%
Courtepaille	55	N/A	6.6	6.6	-0.2%	4%
Club Med	1	392	3.4	3.4	0.3%	2%
NH	1	232	3.3	3.3	0.1%	2%
Motel One	2	457	0.0	2.1	N/A	1%
<b>TOTAL</b>	<b>561</b>	<b>33,484</b>	<b>180.0</b>	<b>187.2</b>	<b>4.0%</b>	<b>100%</b>

Following the acquisition of 22 B&B hotels in Germany and the opening of several B&Bs under development in France and Germany during 2015, this tenant's contribution to the Group's revenue saw a significant increase, whereas the Group's exposure to AccorHotels (in variable rent) decreased slightly and will decrease in 2016 (to 33% with a like-for-like portfolio scope)

following the disposal agreements signed recently (see 1.5.3.6. *Disposals and disposal agreements*).

The geographic diversification and partnership strategy led to the emergence of a new tenant in 2015, after the acquisition of two Motel One hotels in Germany in February 2015.

### 1.5.3.2.3. Geographic breakdown

(€M)	Number of assets	Number of rooms	Annualised rental income 2014	Annualised rental income 2015	Change (%)	% of rental income
Paris	9	2,347	20.5	19.7	-4.1%	11%
Inner suburbs	33	3,122	18.0	18.2	1.4%	10%
Outer suburbs	55	2,875	15.6	14.9	-4.0%	8%
<b>Total Paris Region</b>	<b>97</b>	<b>8,344</b>	<b>54.1</b>	<b>52.8</b>	<b>-2.3%</b>	<b>28%</b>
MRC	108	7,314	32.8	33.1	0.9%	18%
Other French regions	290	10,997	60.2	57.3	-4.7%	31%
International	66	6,829	33.0	43.9	33.2%	23%
<b>TOTAL</b>	<b>561</b>	<b>33,484</b>	<b>180.0</b>	<b>187.2</b>	<b>4.0%</b>	<b>100%</b>

Following acquisitions in the dynamic German market, rental income abroad increased significantly (in value, +33%, and in the share of total rental income, from 18% to 23%).

### 1.5.3.3. Indexation

56% of the rental income is indexed to benchmark indices. Owing to recent changes in these indices (CCI and ILC construction cost index), indexation had a limited impact in 2015 (+€0.2 million in 2015).

AccorHotels revenues, which were used to index 42% of rental income, resulted in a €1.2 million decrease in rents (-1.6%) in 2015. This negative change is related to the results of November and December, which were strongly affected by the terrorist attacks in Paris. The geographic diversity of the AccorHotels portfolio nevertheless helped to offset this impact.

## 1.5.3.4. Lease expirations and occupancy rates

(€M)	By lease end date (1 <sup>st</sup> break)	% of total	By lease end date	% of total
2016	1.8	0%	0.0	0%
2017	0.0	0%	0.0	0%
2018	6.2	4%	6.2	4%
2019	20.3	12%	18.9	12%
2020	0.3	0%	0.3	0%
2021	0.7	0%	0.7	0%
2022	6.4	4%	6.4	4%
2023	1.0	1%	1.0	1%
2024	4.0	2%	4.0	2%
2025	45.5	28%	46.9	29%
Beyond	78.1	48%	79.9	49%
<b>TOTAL</b>	<b>164.2</b>	<b>100%</b>	<b>164.2</b>	<b>100%</b>

The firm residual lease term was 10.7 years at the end of December 2015 (excluding preliminary sale agreements), compared to 6.8 years at the end of 2014. This extension was made possible by new acquisitions and openings, but mainly

through the renegotiation of AccorHotels leases, whose maturities were extended from 2017-2018 to 2029-2030, thereby securing rental income in the long term. The occupancy rate was maintained at 100% at the end of December 2015.

## 1.5.3.5. Reserves for unpaid rent

No additional amounts were set aside for unpaid rents in the portfolio in 2015, as was the case in 2014.

## 1.5.3.6. Disposals and disposal agreements: portfolio quality improvement

(€M)	Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close	New disposals 2015 (II)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
Hotels	4.6	0.0	43.2	361.5	404.7	0.3%	6.4%	47.8
Healthcare	0.0	0.0	7.3	2.0	9.3	-2.1%	0.0%	7.3
Retail Premises	0.0	3.1	0.0	2.9	2.9	-0.3%	5.4%	0.0
<b>TOTAL</b>	<b>4.6</b>	<b>3.1</b>	<b>50.5</b>	<b>366.4</b>	<b>416.9</b>	<b>0.2%</b>	<b>6.2%</b>	<b>55.0</b>

Eight properties were sold during 2015 for €55.0 million. These disposals involved six hotels and two healthcare homes.

Furthermore, in connection with the negotiations to extend leases with the AccorHotels group, the latter committed to buying back 46 of its hotels (including one sold at end-2015). By disposing of the least successful AccorHotels hotels and those located

in small regional cities (with fewer than 300,000 inhabitants), Foncière des Régions is substantially improving the quality of its portfolio.

At the end of 2015, 48 assets were under preliminary sales agreements, representing disposal commitments totalling €369.5 million.



### 1.5.3.7. Acquisitions

Assets	Number of rooms	Location	Tenants	Acquisition Price ID <sup>(1)</sup> 100% (€M)	Acquisition Price ID <sup>(1)</sup> GS (€M)	Gross Yield ID <sup>(1)</sup>
B&B France (4 assets)	355	France	B&B	13.7	6.9	7.1%
Motel One (2 assets)	457	Germany	Motel One	36.0	33.8	6.3%
B&B Germany (22 assets)	2,270	Germany	B&B	128.0	119.0	6.4%
<b>Total Acquisitions Hotels</b>	<b>3,082</b>			<b>177.7</b>	<b>159.7</b>	<b>6.4%</b>
<b>TOTAL ACQUISITIONS BUSINESS &amp; PREMISES</b>	<b>1,187</b>			<b>120.4</b>	<b>49.1</b>	<b>9.0%<sup>(2)</sup></b>

<sup>(1)</sup> ID = Including duties.

<sup>(2)</sup> EBITDA Yield.

Foncière des Régions continued to diversify its portfolio and expanded further abroad via several acquisitions made in 2015, mainly in Germany:

- ♦ in February 2015, the acquisition of two Motel One hotels in Germany for €36 million (FDM share: €34 million) with firm lease terms of 19 years
- ♦ in March and October, the acquisition of four B&B hotels by the investment partnership B2 Hotel Invest (50.2% owned by FDM) for €13.7 million (FDM share: €6.9 million)

- ♦ in June, the acquisition of a portfolio of 22 B&B hotels in Germany for €128 million (FDM share: €119 million) for firm lease terms of 17 years.

The year 2015 was also marked by investments in premises and businesses for a total of €120 million (at 100%).

### 1.5.3.8. Development projects: a €107 million pipeline

**Committed projects: €107 million, 100% pre-let**

Projects	Location	Area	Project	Number of rooms	Delivery	Target rent (€/m <sup>2</sup> /year)	Yield	Pre-let [%]	Total Budget (€M) <sup>(1)</sup>	Progress
B&B Duisburg	Germany	International	Development	101	January 2016	N/A	> 7%	100.0%	5.5	90%
B&B Torcy	France	Paris Region	Development	130	February 2016	N/A	> 7%	100.0%	7.4	86%
B&B Potsdam	Germany	International	Development	100	August 2016	N/A	> 7%	100.0%	4.9	31%
B&B Konstanz	Germany	International	Development	100	April 2016	N/A	> 7%	100.0%	5.9	52%
B&B Hamburg	Germany	International	Development	155	July 2016	N/A	> 7%	100.0%	11.0	50%
B&B Berlin	Germany	International	Development	135	March 2017	N/A	> 7%	100.0%	8.1	40%
Motel One Porte Dorée	France	Paris Region	Development	255	S2 2017	N/A	6.2%	100.0%	17.5	35%
Meininger Munich	Germany	International	Conversion	173	S1 2018	N/A	6%	100.0%	29.5	0%
<b>TOTAL</b>							<b>&gt; 7%</b>	<b>100.0%</b>	<b>90.0</b>	<b>34%</b>

<sup>(1)</sup> Costs in a FDM shares basis.

In 2015, Foncière des Régions supported the development of B&B in France and Germany with the delivery of six new hotels. Six other hotels pre-let to B&B Hotels will be delivered in 2016 and 2017:

- ♦ one hotel in Torcy comprising 130 rooms
- ♦ five hotels in Germany offering a total of 591 rooms.

In addition, two new agreements were signed in 2015, in keeping with Foncière des Régions' strategy to support its historical and new partners with their European development:

- ♦ in June, an agreement was signed for the conversion of a Munich office building into a 173-room Meininger hotel, with a budget of €29.5 million and delivery planned for 2018
- ♦ in December, Foncière des Régions signed a preliminary sales agreement for the acquisition of a hotel under a pre-construction (VEFA) agreement at Paris Porte Dorée. This 255-room hotel, the brand's first hotel in France, will open its doors at end-2017 or in early 2018.

## 1.5.3.9. Portfolio values

## 1.5.3.9.1. Change in portfolio values

(€M)	Value ED 2014 GS FDM	Value adjustment	Acquisitions	Disposals	Invest.	Transfer	Value ED 2015 GS FDM
Assets in operation	2,944	91	160	-58	6	37	3,180
Assets under development	21	5	0	0	40	-37	29
<b>Total Hotels and Service Sector</b>	<b>2,965</b>	<b>96</b>	<b>160</b>	<b>-58</b>	<b>46</b>	<b>0</b>	<b>3,209</b>
Business & Premises (100%)	0	8	120	0	0	0	128
<b>TOTAL INCL. BUSINESS &amp; PREMISES (GS FDM)</b>	<b>2,965</b>	<b>99</b>	<b>209</b>	<b>-58</b>	<b>46</b>	<b>0</b>	<b>3,261</b>

Foncière des Régions continued to strengthen its positioning in Hotels in 2015 by increasing its share in the capital of FDM and through a steady stream of investments. Accordingly, the Hotels & Service Sector portfolio (excluding assets held as premises and businesses) increased by €244 million following the acquisitions and positive like-for-like change in value.

In order to continue supporting hotel operators with their strategies and to build up the Group's hotel expertise, Foncière des Régions also developed a new investment activity focused on businesses and premises via FDM Management, 41%-owned by FDM. FDM Management has already made acquisitions valued at €120 million.

## 1.5.3.9.2. Like-for-like change: +3.1%

(€M)	Value ED 2014 GS FDM	Value ED 2015 100%	Value ED 2015 GS FDM	LFL change 12 months	Yield ED 2014	Yield ED 2015	% of total value
Paris	391.5	432.2	425.1	8.6%	5.2%	4.6%	12.3%
Inner suburbs	313.1	372.6	333.7	4.8%	5.8%	5.5%	10.6%
Outer suburbs	263.4	294.2	264.3	1.6%	5.9%	5.8%	8.4%
<b>Total Paris Regions</b>	<b>967.9</b>	<b>1,099.0</b>	<b>1,023.1</b>	<b>5.5%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>31.3%</b>
MRC	537.2	640.7	562.6	5.1%	6.1%	5.9%	18.2%
Other French Regions	940.6	1,039.4	898.5	-0.6%	6.4%	6.4%	29.6%
International	519.6	735.9	724.5	3.0%	6.3%	6.3%	20.9%
<b>Total Hotels and Service Sector</b>	<b>2,965.3</b>	<b>3,514.9</b>	<b>3,208.9</b>	<b>3.1%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>100.0%</b>
Business & Premises (100%)	0.0	128.4	52.4	N/A	N/A	N/A	
<b>TOTAL INCL. BUSINESS &amp; PREMISES</b>	<b>2,965.3</b>	<b>3,643.4</b>	<b>3,261.3</b>		<b>6.1%</b>	<b>5.9%</b>	

(€M)	Value ED 2014 GS FDM	Value ED 2015 100%	Value ED 2015 GS FDM	LFL change 12 months	Yield ED 2014	Yield ED 2015	% of total value
Hotels	2,111.5	2,671.6	2,365.5	4.8%	6.0%	5.7%	76.0%
Healthcare	235.5	232.9	232.9	2.2%	6.4%	6.2%	6.6%
Retail Premises	597.5	581.8	581.8	-2.8%	6.3%	6.4%	16.6%
<b>Total in operation</b>	<b>2,944.5</b>	<b>3,486.3</b>	<b>3,180.2</b>	<b>3.0%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>99.2%</b>
Assets under development	20.8	28.6	28.6	10.1%	N/A	N/A	0.8%
<b>Total Hotels and Service Sector</b>	<b>2,965.3</b>	<b>3,514.9</b>	<b>3,208.9</b>	<b>3.1%</b>	<b>6.1%</b>	<b>5.9%</b>	<b>100.0%</b>
Business & Premises (100%)	0.0	128.4	52.4	N/A	N/A	N/A	
<b>TOTAL INCL. BUSINESS &amp; PREMISES</b>	<b>2,965.3</b>	<b>3,643.4</b>	<b>3,261.3</b>		<b>6.1%</b>	<b>5.9%</b>	

In the hotel sector, the portfolio increased by 4.8% at a like-for-like scope over one year, due to:

- ♦ the compression of capitalisation rates on assets located in major cities
- ♦ the positive effect of the renewed leases with AccorHotels

- ♦ the projects delivered (+11%).

Assets in the healthcare sector rose 2.2% at a like-for-like scope, also impacted by the compression of capitalisation rates, whereas commercial real estate is down 2.8% following a market environment that remained challenging in 2015.





## 1.5.4. German residential

Foncière des Régions operates in the Residential sector in Germany via its 61.04%-owned subsidiary, Immeo SE. The company has nearly 45,000 units, located mostly in Berlin, Hamburg, Dresden, Leipzig and North Rhine-Westphalia (NRW).

The strategy consists in continuing development in growth markets such as Berlin and Hamburg and improving the portfolio quality by disposing of non-core assets in North Rhine-Westphalia in particular.

In 2015, Foncière des Régions strengthened its position in the German Residential sector through a highly proactive acquisition policy involving €871 million in signed transactions.

The figures are presented in terms of the Foncière des Régions share.

### 1.5.4.1. Rents: +2.4% at a like-for-like scope

#### 1.5.4.1.1. Geographic breakdown

(€M)	Surface (m <sup>2</sup> )	Number of units	Rental income 2014 100% Immeo	Rental income 2014 GS FDR	Rental income 2015 100% Immeo	Rental income 2015 GS FDR	Change (%)	Change (%) LFL	% of rental income
Berlin	885,372	12,135	38.2	22.7	52.7	31.8	40.4%	4.4%	27%
Dresden & Leipzig	252,111	4,276	9.2	5.4	16.3	9.9	84.8%	3.2%	9%
Hamburg	123,452	2,022	0.0	0.0	7.1	4.6	N/A	N/A	4%
NRW	1,749,930	26,506	123.8	75.3	114.2	69.6	-7.6%	1.6%	60%
<b>TOTAL</b>	<b>3,010,864</b>	<b>44,939</b>	<b>171.1</b>	<b>103.4</b>	<b>190.3</b>	<b>115.9</b>	<b>12.2%</b>	<b>2.4%</b>	<b>100%</b>

Accounted rental income stood at €115.9 million in 2015, compared with €103.4 million in 2014 (GS FDR), a 10% increase from the combined impact of:

- ♦ acquisitions in the growing cities of Berlin and Hamburg (+€17.7 million)
- ♦ strong rent growth at a like-for-like scope: (+€1.5 million)
- ♦ non-core asset disposals: (-€6.9 million).

Rental income rose by +2.4% at a like-for-like scope over one year. This sharp increase in an inflation-free environment is mainly due to the dynamics of the portfolios located in Berlin (+4.4%) as well as in Dresden and Leipzig (+3.2%), and demonstrates the relevance of the policy of diversifying the portfolio geographically, launched in 2011.

### 1.5.4.2. Annualised rental income: €131 million

#### 1.5.4.2.1. Geographic breakdown

(€M)	Surface (m <sup>2</sup> )	Number of units	Annualised rental income 2014 100% Immeo	Annualised rental income 2014 GS FDR	Annualised rental income 2015 100% Immeo	Annualised rental income 2015 GS FDR	Change (%)	Average rent (€/m <sup>2</sup> /month)	% of rental income
Berlin	885,372	12,135	44.0	26.9	72.5	44.1	63.7%	7.1	34%
Dresden & Leipzig	252,111	4,276	13.7	8.5	17.1	10.6	25.1%	5.9	8%
Hamburg	123,452	2,022	N/A	N/A	12.6	8.2	N/A	8.7	6%
NRW	1,749,930	26,506	120.5	73.4	110.9	67.7	-7.8%	5.4	52%
<b>TOTAL</b>	<b>3,010,864</b>	<b>44,939</b>	<b>178.1</b>	<b>108.8</b>	<b>213.0</b>	<b>130.5</b>	<b>20.0%</b>	<b>6.1</b>	<b>100%</b>

As a result of the acquisitions made over the last few years, the share of the dynamic cities [Berlin, Hamburg, Dresden & Leipzig] is experiencing strong growth and has attained 48% of rents in comparison to 32% a year ago. The average level of portfolio rents, €6.1 m<sup>2</sup>/month, still shows significant potential growth in the range of 25% to 30% in these hubs.

### 1.5.4.3. Indexation

The rental income from residential property in Germany changes according to three mechanisms:

- ♦ Rents for re-leased properties:

In principle, rents may be increased freely, although not excessively.

As an exception to this principle of freedom in the setting of rents, some cities have capped rents for re-leased properties. This is the case for Berlin (effective 1 June 2015), Hamburg (effective 1 July 2015) and a number of cities in North Rhine-Westphalia where FDR has relatively few or no assets (effective 1 July 2015).

In these cities, rents for re-leased properties may not exceed by more than 10% a rent reference. If construction works result in an increase in the value of the property (work amounting to

more than 30% of the residence), the rent for re-let property may be increased by a maximum of 11% of the cost of the work.

- ♦ For current leases:

The current rent may be increased by 15% to 20% depending on the region, although without exceeding the reference rents published in the local Mietspiegel, the official annual rent survey or an appraisal or the average rent for a minimum of three comparables. This increase may only be applied every three years.

- ♦ For current leases with work done:

In the event that work has been carried out, 11% of refurbishment costs may be passed onto the new rent as indicated in the limit of the Mietspiegel level.

This increase is subject to two conditions:

- ♦ the work must increase the value of the property
- ♦ the tenant must be notified of this rent increase within three months.

### 1.5.4.4. Occupancy rate

(%)	2014	2015
Berlin	98.3%	98.1%
Dresden & Leipzig	98.2%	98.2%
Hamburg	N/A	99.1%
NRW	97.3%	97.7%
<b>TOTAL CORE + DYNAMIC</b>	<b>97.6%</b>	<b>98.0%</b>

The occupancy rate of the assets in operation was 98.0% in 2015 compared to 97.6% in 2014. It is on the rise in North Rhine-Westphalia. The slight decline in Berlin is due to the taking over of the management of the recently acquired portfolios. Some property management work is ongoing.

### 1.5.4.5. Reserves for unpaid rent

(€M)	2014	2015
As % of rental income	3.3%	1.4%
In value <sup>(1)</sup>	5.5	2.6

<sup>(1)</sup> Net provision/reversals of provision.

The unpaid rent amount is 1.4% of rents, showing a significant decrease from 2014.

### 1.5.4.6. Disposals and disposal agreements: €187 million at 100%

(€M)	Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close	New disposals 2015 (II)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
Berlin	1.3	0.0	22.2	8.0	30.3	34.0%	4.3%	23.6
Dresden & Leipzig	0.0	0.0	2.6	0.0	2.6	24.5%	7.2%	2.6
Hamburg	0.0	0.0	0.0	0.0	0.0	N/A	N/A	0.0
NRW	124.8	2.5	32.7	121.5	154.2	8.4%	7.0%	157.5
<b>TOTAL</b>	<b>126.1</b>	<b>2.5</b>	<b>57.5</b>	<b>129.5</b>	<b>187.0</b>	<b>12.1%</b>	<b>6.6%</b>	<b>183.6</b>

The year was particularly active with €187.0 million in new commitments signed in 2015 with a gross IFRS margin of 12.1%. These mainly involved non-core assets in NRW. The disposals and disposal agreements on the new markets, representing 18% of the transactions, involved mature assets and generated high margins: +34% gross IFRS margin in Berlin and +24.5% in Dresden and Leipzig.



#### 1.5.4.7. Acquisitions: €871 million at 100%, including a significant new foothold in Hamburg

Assets	Surface (m <sup>2</sup> )	Number of units	Acquisition price (€M) ID <sup>(1)</sup> 100%Immeo	Acquisition Price (€M) ID <sup>(1)</sup> GS FDR	Gross Yield ID <sup>(1)</sup>
Berlin	318,081	4,074	595.2	350.9	4.6%
Dresden & Leipzig	43,441	611	37.4	22.8	7.0%
Hamburg	123,362	2,012	231.1	150.2	5.5%
RNW	5,330	76	7.7	5.0	5.6%
<b>TOTAL</b>	<b>490,214</b>	<b>6,773</b>	<b>871.4</b>	<b>528.9</b>	<b>5.0%</b>

<sup>(1)</sup> Including duties.

The year was exceptional in terms of acquisitions with €871 million in investments (100%) made in 2015 with an average yield of 5.0%. The average potential rent growth for these acquisitions is 36% without taking into account the potential for the net result on disposals per unit in the future. Three transactions were particularly important for the year:

- ♦ the acquisition of a €231 million asset portfolio in Hamburg enabled the company to gain a foothold in the 2<sup>nd</sup> largest city in Germany, offering significant growth potential

- ♦ the successful takeover of the Danish company Berlin IV provided a prime housing portfolio in the Berlin city centre for €353 million

- ♦ the acquisition of a prime housing portfolio in the Berlin city centre for €182 million strengthened the company's exposure to this city with strong growth, overall improving the quality of the portfolio.

#### 1.5.4.8. Portfolio values

##### 1.5.4.8.1. Change in portfolio values

GS FDR (€M)	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Value ED 2015
Berlin	458	65	351	-12	0	863
Dresden & Leipzig	134	5	23	-1	0	160
Hamburg	0	3	150	0	0	153
NRW	1,063	23	5	-92	0	999
<b>TOTAL</b>	<b>1,655</b>	<b>96</b>	<b>529</b>	<b>-105</b>	<b>0</b>	<b>2,175</b>

At 31 December 2015, the portfolio was valued at €2,175 million, up from €1,655 million at 31 December 2014, significant 31% growth due to:

- ♦ the impact of the record rate of acquisitions (+€529 million)
- ♦ the change in value of €96 million (5% at a like-for-like scope)

- ♦ these items being partly offset by the impact of disposals (-€105 million).

During the year, €32 million (€18.7/m<sup>2</sup>) in CAPEX work (over 70% in upgrading) and €9 million (€5.0/m<sup>2</sup>) in OPEX work were done on the portfolio, improving the quality of the assets and increasing the potential growth in rents.

##### 1.5.4.8.2. Like-for-like change: +5.0%

(€M)	Value ED 2014 100% Immeo	Value ED 2014 GS FDR	Value ED 2015 100% Immeo	Value ED 2015 GS FDR	LFL change 12 months	Yield ED 2014	Yield ED 2015	% of total value
Berlin	773	458	1,457	863	12.2%	5.8%	5.1%	40%
Dresden & Leipzig	230	134	273	160	2.9%	6.0%	6.4%	7%
Hamburg	0	0	239	153	N/A	N/A	5.2%	7%
NRW	1,748	1,063	1,634	999	1.9%	6.9%	6.8%	46%
<b>TOTAL GERMANY</b>	<b>2,751</b>	<b>1,655</b>	<b>3,603</b>	<b>2,175</b>	<b>5.0%</b>	<b>6.5%</b>	<b>6.0%</b>	<b>100%</b>

At a like-for-like scope, the values showed strong growth of 5.0% over the year, supported by the growth in rents and the decline in the yield rate. Berlin, with growth of 12.2%, showed the most significant change with an increase in the value of its portfolio at a like-for-like scope over one year of €56 million, a sign of the city's dynamism.

## 1.5.5. Other activities

### 1.5.5.1. France residential

The residential business activity in France is managed by Foncière Développement Logements, at 61.3%- subsidiary of Foncière des Régions.

The data presented is 100% FDL.

#### 1.5.5.1.1. Accounted rental income

(€M)	Rental income 2014	Rental income 2015	Change [%]	% of rental income
Paris and Neuilly	14.0	10.1	-28%	47%
IDF Excl. Paris and Neuilly	5.4	4.3	-20%	20%
Rhône Alpes	2.8	1.9	-31%	9%
PACA	4.1	3.4	-17%	16%
Large West	1.5	0.9	-40%	4%
East	0.4	0.4	-1%	2%
<b>Total France</b>	<b>28.2</b>	<b>21.1</b>	<b>-25.1%</b>	<b>97%</b>
<b>Total Luxembourg</b>	<b>0.6</b>	<b>0.6</b>	<b>10%</b>	<b>3%</b>
<b>TOTAL FDL</b>	<b>28.8</b>	<b>21.8</b>	<b>-24.4%</b>	<b>100%</b>

Rental income amounted to €21.8 million in 2015, down from €28.8 million a year earlier. This change was due mainly to:

- the impact of the continuation of the disposal strategy (-€4.4 million)
- the impact of vacant properties facilitating unit sales (-€2.9 million)
- the very low impact of indexation (+€0.2 million)
- the impact of acquisitions (+€0.1 million).

#### 1.5.5.1.2. Annualised rental income

(€M)	Annualised rental income 2014	Annualised rental income 2015	Change [%]	% of rental income
Paris and Neuilly	12.8	6.8	-47%	39%
IDF Exclud. Paris et Neuilly	4.9	3.4	-30%	20%
Rhône Alpes	2.4	1.4	-40%	8%
PACA	3.8	3.0	-20%	18%
Large West	1.0	0.8	-18%	5%
East	0.4	1.1	183%	7%
<b>Total France</b>	<b>25.3</b>	<b>16.7</b>	<b>-34.1%</b>	<b>97%</b>
<b>Total Luxembourg</b>	<b>0.6</b>	<b>0.6</b>	<b>12%</b>	<b>3%</b>
<b>TOTAL FDL</b>	<b>25.9</b>	<b>17.3</b>	<b>-33.1%</b>	<b>100%</b>

The 33% decrease in annualised rental income is the result of stepping-up the disposal programme between 2015.

#### 1.5.5.1.3. Indexation

The index used to calculate the indexation of rents for homes in France is the IRL. The 2015 indexation was particularly low, in conjunction with inconsequential inflation.



#### 1.5.5.1.4. Disposals and disposal agreements: €215 million

(€M)	Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close	New disposals 2015 (II)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
France	32.4	0.1	184.9	30.2	215.1	5.7%	2.0%	217.3
Luxembourg	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0
<b>TOTAL</b>	<b>32.4</b>	<b>0.1</b>	<b>184.9</b>	<b>30.2</b>	<b>215.1</b>	<b>5.7%</b>	<b>2.0%</b>	<b>217.3</b>

The year saw an acceleration in the disposal of assets with €215 million in sales and agreements, both in units (70%) or in blocks, with a particularly low average return of 2.0%. Of all new commitments, 50% were made in Paris and Neuilly-sur-Seine.

The value of new commitments has increased by around 80% over the previous year.

#### 1.5.5.1.5. Portfolio: up 3.0% at a like-for-like scope

At the end of 2015, the Foncière Développement Logements portfolio (France and Luxembourg) was valued at €609 million with a like-for-like increase of 3% over the year.

This increase is mainly due to some major assets in Paris being transferred from a block value to an occupied retail value pursuant to a disposal commitment obtained on these assets. The increase is also due to the compression of the capitalisation rates used by experts on some assets.

(€M)	100% value ED 2014	100% value ED 2015	LFL change 12 months	Yield ED 2014	Yield ED 2015
France + Luxembourg	799	609	3.0%	3.2%	2.8%
<b>TOTAL</b>	<b>799.3</b>	<b>609</b>	<b>3.0%</b>	<b>3.2%</b>	<b>2.8%</b>

### 1.5.5.2. Logistics

#### 1.5.5.2.1. Accounted rental income: +1.7% at a like-for-like scope

(€M)	Surface (m <sup>2</sup> )	Rental income 2014	Rental income 2015	Change (%)	Change (%) LFL	% of total
<b>TOTAL</b>	<b>380,056</b>	<b>33.1</b>	<b>15.9</b>	<b>-51.9%</b>	<b>1.7%</b>	<b>100%</b>

At year-end 2015, rental income stood at €16 million, down 52% from 31 December 2014. This is due to:

- ♦ disposals made in 2014 and 2015 (-€17.3 million) with the exit of Pantin from the portfolio in July 2015

- ♦ incoming-outgoing tenants (+€0.4 million), with the vacating of premises in Lisses in particular (departure of Toy's R Us in September) and of building 1 of Saint-Martin-de-Crau by Castorama

- ♦ renewals (-€0.2 million).

Rental income rose +1.7% at a like-for-like scope.

#### 1.5.5.2.2. Annualised rental income: €11.0 million

(€M)	Surface (m <sup>2</sup> )	Number of assets	Annualised rental income 2014	Annualised rental income 2015	Change (%)	% of rental income
<b>TOTAL</b>	<b>380,056</b>	<b>8</b>	<b>19.7</b>	<b>11.0</b>	<b>-44.0%</b>	<b>100%</b>

**1.5.5.2.3. Indexation**

In France, the indices used to calculate the indexation are those of the LCC and the ILAT. Collar rents account for 28% of annualised rental income.

**1.5.5.2.4. Occupancy rate: 71%**

The occupancy rate at 31 December 2015 was 71%, compared with 80.2% at 31 December 2014, a decrease due to the sale of the Pantin asset, which had a higher occupancy rate than the remainder of the portfolio. The strategy is to continue the asset management work on the vacant assets prior to their disposal.

**1.5.5.2.5. Reserves for unpaid rent**

Reserves for unpaid rent had a negative impact of €0.3 million on the Company's financial statements for 2015.

**1.5.5.2.6. Disposals and disposal agreements: €101 million in new commitments signed in 2015**

(€M)	Disposals (agreements as of end of 2014 closed) (I)	Agreements as of end of 2014 to close	New disposals 2015 (II)	New agreements 2015	Total 2015	Margin vs 2014 value	Yield	Total Disposals = (I + II)
<b>TOTAL</b>	<b>107.1</b>	<b>0.0</b>	<b>0.0</b>	<b>101.0</b>	<b>101.0</b>	<b>-4.1%</b>	<b>8.3%</b>	<b>107.1</b>

The disposal of the Pantin asset, under the sales agreement on 30 June 2015, was completed on 16 July 2015. In addition, a preliminary sales agreement involving four leased assets (Dunkirk, Bollène and landbanks, Salon-de-Provence and Chalon) was signed on 15 December 2015 for €101 million and should be finalised at the end of March 2016.

**1.5.5.2.7. Portfolio values****1.5.5.2.7.1. Change in portfolio values: from €288 million to €163 million due to the combined impact of the Pantin disposal and the decrease in values**

(€M)	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Transfert	Value ED 2015
<b>TOTAL</b>	<b>288</b>	<b>-18</b>	<b>0</b>	<b>-107</b>	<b>0</b>	<b>0</b>	<b>163</b>

Following the effective disposal of the €101 million currently committed under a preliminary sale agreements, the portfolio will total €62 million.

**1.5.5.2.7.2. Like-for-like change: -9.8%**

(€M)	Value ED 2014 100%	Value ED 2015 100%	Value ED 2015 GS	LFL change 12 months	Yield ED 2014	Yield ED 2015	% of total value
<b>TOTAL</b>	<b>288.3</b>	<b>163.2</b>	<b>163.2</b>	<b>-9.8%</b>	<b>7.2%</b>	<b>6.8%</b>	<b>100%</b>

Appraised values at a like-for-like scope over one year declined by 9.8%. Work programmes were readjusted on the remaining assets in the portfolio so that sites could start being appraised for a sale in the short-term. The values also include the vacating of the Saint-Martin de Crau, Bussy and Lisses platforms by their tenants.





## 1.6. FINANCIAL INFORMATION AND COMMENTS

The activity of Foncière des Régions consists of the acquisition, ownership, administration and leasing of properties, developed or otherwise, specifically in the Office, Residential, Hotels & Service sectors, and to a more limited extent, in the Logistics sites and Car Parks sectors.

Registered in France, Foncière des Régions is a limited company (*société anonyme*) with a Board of Directors.

### 1.6.1. Scope of consolidation

At 31 December 2015, the scope of consolidation of Foncière des Régions included companies in France and in eight other European countries (Offices: Italy; Residential: Germany, Austria, Denmark; Hotels & Service Sector: Germany, Portugal, Belgium, Netherlands and Luxembourg). The main ownership interests in the fully consolidated but not wholly-owned companies are the following:

Subsidiaries	2014	2015
Foncière Développement Logements	61.3%	61.3%
Foncière des Murs	28.5%	43.1%
Immeo	60.9%	61.0%
Beni Stabili	48.3%	48.5%
OPCI CB 21 (Tour CB 21)	75.0%	75.0%
Urbis Park	59.5%	59.5%
Fédérismo (Carré Suffren)	60.0%	60.0%
SCI Latécoère (DS Campus)	50.1%	50.1%
SCI 11, Place de l'Europe (Campus Eiffage)	50.1%	50.1%

Foncière des Régions raised its stake in Foncière des Murs by purchasing an additional 10,864,286 shares of the company in early 2015, at a price of €23 per share. Its ownership interest thus increased from 28.46% to 43.15% at 31 December 2015.

As a result of the amendment to the shareholders' agreement signed with Latécoère (for the DS Campus property), this company, which was previously accounted for under the equity method, has been fully consolidated since 1 April.

## 1.6.2. Simplified EPRA Income Statements Group share

GS (€M)	2014	2015	var.	%
Net rental income	479.6	504.8	25.2	5.3%
Net operating costs	-54.2	-57.3	-3.1	5.7%
Income from other activities	21.5	18.8	-2.7	-12.6%
Depreciation of operating assets	-10.3	-9.6	0.7	-6.8%
Net change in provisions and other	-7.2	-25.8	-18.6	-
<b>CURRENT OPERATING INCOME</b>	<b>429.4</b>	<b>430.9</b>	<b>1.5</b>	<b>0.3%</b>
Net income from inventory properties	-1.2	-3.1	-1.9	-
Income from asset disposals	0.9	3.2	2.3	-
Income from value adjustments	110.6	347.6	237.0	-
Income from disposal of securities	0.0	0.1	0.1	-
Income from changes in scope	1.2	-7.0	-8.2	-
<b>OPERATING INCOME</b>	<b>540.9</b>	<b>771.7</b>	<b>230.8</b>	<b>42.7%</b>
Income from non-consolidated companies	0.9	0.2	-0.7	-
Cost of net financial debt	-168.1	-167.0	1.1	-0.7%
Value adjustment on derivatives	-183.2	-105.3	77.9	-42.5%
Discounting of liabilities and receivables	-3.2	-4.6	-1.4	43.8%
Net change in financial and other provisions	-65.4	-19.8	45.6	-69.7%
Share in earnings of affiliates	19.8	43.3	23.5	-
<b>INCOME FROM CONTINUING OPERATIONS</b>	<b>141.7</b>	<b>518.5</b>	<b>376.8</b>	<b>-</b>
Deferred tax	-40.1	-19.2	20.9	-52.1%
Corporate income tax	-6.8	-4.8	2.0	-29.4%
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>94.8</b>	<b>494.5</b>	<b>399.7</b>	<b>-</b>
Post-tax profit or loss of discontinued operations	23.7	-13.0	-36.7	-
<b>NET INCOME FOR THE PERIOD</b>	<b>118.5</b>	<b>481.5</b>	<b>363.0</b>	<b>-</b>

Discontinued operations correspond to properties in the process of being sold in the Logistics segment.

### 1.6.2.1. Net rental income increase of 5.3% in Group share

Growth in net rental income primarily stems from the +14.7-point increase in the ownership interest of Foncière des Régions in Foncière des Murs and from the acquisitions completed in German Residential.

Net rental income by operating segment is the following:

GS (€M)	2014	2015	var.	%
Offices – France	230.2	229.7	-0.5	-0.2%
Offices – Italy	97.6	84.7	-12.9	-13.2%
<b>NET RENTAL INCOME – OFFICES</b>	<b>327.8</b>	<b>314.4</b>	<b>-13.4</b>	<b>-4.1%</b>
Hotels & Service Sector	50.9	79.8	28.9	56.8%
Residential Germany	88.0	101.8	13.8	15.7%
Residential France	13.0	8.9	-4.1	-31.5%
<b>TOTAL NET RENTAL INCOME</b>	<b>479.6</b>	<b>504.8</b>	<b>25.2</b>	<b>5.3%</b>

Italy Offices rental income is down due to the combined effect of the disposals (-€3 million) and the renegotiation of the leases (-€1 million), particularly with tenant Telecom Italia, as well as the 2.6-point decrease (-€4 million) in ownership interests in 2014.



### 1.6.2.2. Net operating costs

The net operating costs were €57.3 million compared to €54.2 million at 31 December 2014, a €3.1 million increase primarily associated with:

- ♦ the additional stake acquired in FDM
- ♦ staff increases in German Residential
- ♦ the loss of management income from the fund management company BS SGR, which was deconsolidated in January 2015.

### 1.6.2.3. Income from other activities

The main components of income from other activities are the Car Parks business (€7.5 million), corresponding to car parks owned or under concession, and real estate development activities (fees and margin; €11 million).

### 1.6.2.4. Net allowances to provisions and other

Net allowances to provisions and other had a negative impact of €25.8 million on the 2015 income statement. This impact is mostly due to the recognition of a provision for a tax dispute in Italy concerning the payment of €27 million in registration fees. Beni Stabili had appealed the ruling in August 2010, which led to the reimbursement made by the tax authorities in April 2012. In December 2015, the court of cassation overturned the court of appeals decision and ordered that the proceedings start afresh.

### 1.6.2.7. Share in earnings of affiliates

GS	% interest	Value 2014	Contribution to earnings	Value 2015	Change [%]
OPCI Foncière des Murs	8.58%	19.7	3.1	31.5	37.5%
SCI Latécoère (Dassault Campus)	50.10%	92.8	1.6	N/A*	N/A
LénoVilla (New Vélizy)	50.10%	13.8	22.2	36.0	61.7%
Euromed	50.00%	10.3	17.1	27.5	62.5%
SCI Latécoère 2 (Extension DS)	50.10%		-0.9	-0.9	N/A
FDM Management	17.62%		-0.9	7.5	N/A
Beni Stabili Funds	48.49%	0.6	1.3	9.9	93.9%
Other equity interests	N/A	1.2	-0.2	3.6	65.6%
<b>TOTAL</b>		<b>138.5</b>	<b>43.3</b>	<b>115.0</b>	<b>-20.5%</b>

\* SCI Latécoère fully consolidated.

The change in the value of the investment properties in the New Vélizy and Euromed assets impacted income for the period by +€35 million.

### 1.6.2.8. Tax regime

Taxes determined are for:

- ♦ foreign companies that are not or are only partially subject to a tax transparency regime (Germany and Belgium)
- ♦ French subsidiaries not having opted for the SIIC regime
- ♦ French SIIC or Italian subsidiaries with taxable activity.

The corporate tax of -€4.8 million is mainly associated with German Residential (-€3 million).

### 1.6.2.5. Change in the fair value of assets

The income statement recognises changes in the fair value of assets based on appraisals conducted on the portfolio. For the 2015 financial year, the change in the fair value of investment assets is positive and stands at €347.6 million. Change in the fair value of investment assets by operating segment can be broken down as follows:

- ♦ France Offices: +€262.2 million
- ♦ Italy Offices: -€5.6 million.
- ♦ Hotels and Service Sector: +€37.2 million
- ♦ German Residential: +€51.6 million
- ♦ France Residential: +€2.2 million.

Operating income thus amounted to €771.7 million compared to €540.9 million at 31 December 2014.

### 1.6.2.6. Financial aggregates

Changes in the fair value of financial instruments stand at -€105.3 compared to -€183.2 million at 31 December 2014. These mainly consist of positive changes of €15 million in the fair value of hedging instruments and negative changes of €120 million in the value of the ORNANES.

The net change in financial provisions for the 2014 financial year was affected by the restructuring of fixed debt.

## 1.6.2.9. Recurring net income up by €18 million and 5.8%

	Net income GS	Restatements	After reclassification	
			RNI 2015	RNI 2014
<b>NET RENTAL INCOME</b>	<b>504.8</b>	<b>0.5</b>	<b>505.3</b>	<b>480.9</b>
Operating costs	-57.3	1.8	-55.5	-53.2
Income from other activities	18.8	0.1	18.9	21.2
Depreciation of operating assets	-9.6	9.6	0.0	0.0
Net change in provisions and other	-25.8	25.8	0.0	0.0
<b>CURRENT OPERATING INCOME</b>	<b>430.9</b>	<b>37.8</b>	<b>468.7</b>	<b>448.9</b>
Net income from inventory properties	-3.1	3.1	0.0	0.0
Income from asset disposals	3.2	-3.2	0.0	0.0
Income from value adjustments	347.6	-347.6	0.0	0.0
Income from disposal of securities	0.1	-0.1	0.0	0.0
Income from changes in scope	-7.0	7.0	0.0	0.0
<b>OPERATING INCOME</b>	<b>771.7</b>	<b>-303</b>	<b>468.7</b>	<b>448.9</b>
Income from non-consolidated companies	0.2	0.0	0.2	0.9
<b>COST OF NET FINANCIAL DEBT</b>	<b>-167</b>	<b>11.7</b>	<b>-155.3</b>	<b>-166.4</b>
Value adjustment on derivatives	-105.3	105.3	0.0	0.0
Discounting of liabilities and receivables	-4.6	4.6	0.0	0.0
Net change in financial provisions	-19.8	19.8	0.0	0.0
Share in earnings of affiliates	43.3	-32.1	11.2	14.2
<b>PRE-TAX NET INCOME</b>	<b>518.5</b>	<b>-193.8</b>	<b>324.7</b>	<b>297.6</b>
Deferred tax	-19.2	19.2	0.0	0.0
Corporate income tax	-4.8	2.9	-1.9	-2.7
<b>NET INCOME FOR THE PERIOD</b>	<b>494.5</b>	<b>-171.7</b>	<b>322.8</b>	<b>295.0</b>
Profits or losses on discontinued operations	-13.0	22.9	10.0	19.5
<b>NET INCOME FOR THE PERIOD</b>	<b>481.5</b>	<b>-148.7</b>	<b>332.8</b>	<b>314.5</b>

- Income from changes in consolidation scope consists exclusively of the acquisition costs for the shares of companies consolidated in accordance with IFRS3 R. These costs are excluded from recurring net income.
- Financing cost shows a €11.7 million impact for the early debt restructuring costs, mainly in Germany and Italy. These costs are excluded from the recurring net income.
- Corporate income tax includes €2.9 million in taxes on asset sales in Germany. These taxes are excluded from the recurring net income.

## 1.6.3. Simplified EPRA Consolidated Income Statements

This subject is covered in section 3.1.2 of the consolidated accounts included in this document.



## 1.6.4. Simplified consolidated balance sheet Group share

Assets	2014	2015	Liabilities	2014	2015
Tangible & intangible assets	151	91			
Investment properties	8,093	9,352			
Properties under development	407	463			
Equity affiliates	139	115			
Financial assets	181	206	Shareholders' equity	4,158	4,639
Deferred tax assets	8	10	Borrowings	5,765	6,389
Financial instruments	55	47	Financial instruments	417	459
Assets held for sale	373	551	Deferred tax liabilities	135	202
Cash	801	853	Other	313	424
Discontinued operations	311	174	Discontinued operations	47	35
Other	318	286			
<b>TOTAL</b>	<b>10,836</b>	<b>12,148</b>		<b>10,836</b>	<b>12,148</b>

### 1.6.4.1. Fixed assets

At 31 December 2015, the portfolio by operating segment consisted of the following:

(M€)	2014	2015	var.	incl. LfL change
Offices – France	3,798	4,400	602	262
Offices – Italy	1,888	1,803	-85	-5
Hotels & Service Sector	835	1,219	384	37
Residential Germany	1,577	2,110	533	52
Residential France	466	353	-113	2
Car parks	86	22	-64	N/A
<b>TOTAL FIXED ASSETS</b>	<b>8,650</b>	<b>9,907</b>	<b>1,257</b>	<b>348</b>

The change in France Offices fixed assets is mainly due to the change in the fair value of investment properties (+€262 million), the full consolidation of SCI Latécoère (the DS Campus asset in Vélizy, +€158 million) and the work completed over the period.

The change in fixed assets in the Hotels and Service Sector is primarily associated with the increase in ownership interests.

The change in fixed assets in German Residential is affected by the acquisitions made in the period.

### 1.6.4.2. Assets held for sale

Assets held for sale primarily consist of assets for which a preliminary sales agreement has been signed. The €177 million change between 2014 and 2015 is mainly due to the disposal agreements signed with AccorHotels in the Hotels and Service Sector (€156 million).

### 1.6.4.3. Shareholders' equity Group share

Shareholders' equity increased from €4,158 million at the end of 2014 to €4,639 million at 31 December 2015, i.e. an increase of €481.3 million due mainly to:

- ♦ income for the period: +€481.5 million
- ♦ the capital increase net of expenses used for the additional acquisition of the FDM shares: +€252.5 million
- ♦ impact of the cash dividend distribution: -€269.4 million
- ♦ financial instruments included in shareholders' equity: +€13.2 million
- ♦ the change in the ownership interest in FDM: +€1.3 million
- ♦ the full consolidation of SCI Latécoère (DS Campus): +€2.3 million.

## 1.6.5. Simplified consolidated balance sheet

This subject is covered in section 3.1.1 of the consolidated accounts included in this document.

### 1.6.5.1. Fixed assets

This subject is covered in section 3.2.6.1 of the consolidated accounts included in this document.

### 1.6.5.2. Equity affiliates

This subject is covered in section 3.2.6.3 of the consolidated accounts included in this document.

### 1.6.5.3. Deferred tax liabilities

This subject is covered in section 3.2.6.4 of the consolidated accounts included in this document.

## 1.6.6. Financial indicators of the main activities

	Foncière des Murs			Beni Stabili		
	2014	2015	Var. [%]	2014	2015	Var. [%]
Recurrent net income (€M)	120.0	133.0	10.8%	87.2	99.4	13.9%
EPRA NAV (€M)	1,922	1,965	2.3%	1983	1870	-5.7%
EPRA triple net NAV (€M)	1,679	1,765	5.1%	1809	1715	-5.2%
% of capital held by FDR	28.3%	43.1%	15%	48.3%	48.5%	0%
LTV ID	34.7%	31.3%	-3.4%	50.8%	50.9%	0.1%
ICR	3.21	3.87	0.66	1.79	2.30	0.51

	Immeo		
	2014	2015	Var. [%]
Recurrent net income (€M)	67.5	86.2	27.7%
EPRA NAV (€M)	1386	1657	19.6%
EPRA triple net NAV (€M)	1089	1314	20.7%
% of capital held by FDR	60.9%	61.0%	0%
LTV ID	41.8%	45.0%	3.2%
ICR	2.40	2.91	0.51



## 1.7. EPRA REPORTING

EPRA data reporting is presented only for ongoing operations.

### 1.7.1. Change in net rental income (Group share)

(€M)	31/12/2014	Acquisitions	Disposals	Developments	Change in percentage held/ Consolidation method	Indexation, Asset Management and others	31/12/2015
France Offices	230	8	-11	2	-1	1	230
Italy Offices	98	0	-3	0	-6	-5	85
<b>Total Offices</b>	<b>328</b>	<b>8</b>	<b>-14</b>	<b>2</b>	<b>-7</b>	<b>-3</b>	<b>314</b>
Hotels and Service Sector	51	4	-1	1	27	-1	80
Germany Residential	88	18	-7	0	0	3	102
France Residential	13	0	-3	0	0	-1	9
<b>TOTAL</b>	<b>480</b>	<b>29</b>	<b>-24</b>	<b>3</b>	<b>20</b>	<b>-3</b>	<b>505</b>

#### RECONCILIATION WITH FINANCIAL DATA

	31/12/2015
Total from the table of changes in Net Rental income (Group share)	505
Adjustments	0
<b>TOTAL NET RENTAL INCOME (FINANCIAL DATA § 1.6.2)</b>	<b>505</b>

### 1.7.2. Investment assets – Lease data

- Annualised rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any relief.
- Vacancy rates at the end of the financial period are determined by comparing:

$$\frac{\text{Market rental value of vacant assets}}{\text{Contractual annualised rental income of occupied assets (+) Market rental value of vacant assets}}$$

- EPRA vacancy rates at the end of the period are determined by comparing:

$$\frac{\text{Market rental value of vacant assets}}{\text{Market rental value of occupied and vacant assets}}$$

(€M, Group share)	Gross rental income	Net rental income	Annualised rental income	Floor area to lease (m <sup>2</sup> )	Average rent (€/m <sup>2</sup> )	Vacancy rate at year end	EPRA vacancy rate at year end
France Offices	238	230	264	1,873,013	141	4.2%	4.5%
Italy Offices	102	85	101	1,750,250	119	7.2%	7.3%
<b>Total Offices</b>	<b>340</b>	<b>314</b>	<b>365</b>	<b>3,623,263</b>		<b>5.1%</b>	<b>5.3%</b>
Hotels & Service Sector	80	80	81	1,516,456	123	0.0%	0.0%
Germany Residential	116	102	131	3,010,864	71	2.0%	2.0%
France Residential	13	9	11	132,095	131	N/A	N/A
<b>TOTAL AT 31 DECEMBER 2015</b>	<b>549</b>	<b>505</b>	<b>587</b>	<b>8,282,678</b>		<b>3.7%</b>	<b>3.8%</b>

## RECONCILIATION WITH FINANCIAL DATA

	31/12/2015
Total rental data at 31/12/2015 (Group share)	505
Adjustments	0
<b>NET RENTAL INCOME FROM INCOME STATEMENT (FINANCIAL DATA § 1.6.2)</b>	<b>505</b>

### 1.7.3. Investment assets – Asset values\*

- The EPRA net initial yield is the ratio of:

$$\frac{\text{Annualised rental payments received after deduction of outstanding benefits granted to tenants such as rent-free periods, rent ceilings (-) unrecovered property operating costs for the year}}{\text{Assets in operation including duties}}$$

	Market Value	Change in the fair value over the year	EPRA NIY
France Offices	4,840	262	5.1%
Italy Offices	1,893	-6	4.4%
<b>Total Offices</b>	<b>6,733</b>	<b>257</b>	<b>4.9%</b>
Germany Residential	2,175	52	5.0%
Hotels and Service Sector	1,385	37	5.6%
France Residential and Parking facilities	484	2	1.9% <sup>(1)</sup>
<b>2015 TOTAL</b>	<b>10,776</b>	<b>348</b>	<b>4.9%</b>

<sup>(1)</sup> The rate presented is calculated solely for France Residential.

\* Excluding Logistics.

## RECONCILIATION WITH FINANCIAL DATA

	31/12/2015
<b>Total Portfolio Value (Group share) (Market value)</b>	<b>10,776</b>
Fair value of the operating properties	-36
Latécoère 2 – Equity method (Dassault Extension)	-26
Lenovilla – Equity method (Thales Campus)	-126
Euromed – Equity method	-95
Cœur d'Orly – Equity method (Askia)	-16
Inventories of real estate companies and others	-6
Fair value of parkings facilities	-27
Intangible fixed assets	2
Tangible fixed assets	12
<b>INVESTMENT ASSETS (FINANCIAL DATA SECTION 1.6.4)</b>	<b>10,458<sup>(1)</sup></b>

<sup>(1)</sup> Tangible and intangible fixed assets + Investment properties + Properties under development + Assets held for sale.

	31/12/2015
<b>Change in fair value over the year (Group share)</b>	<b>348</b>
Others	0
<b>INCOME FROM VALUE ADJUSTMENTS (FINANCIAL DATA § 1.6.2)</b>	<b>348</b>



## 1.7.4. Assets under development

Development programmes and extensions or remodelling of existing properties that are not yet commissioned are valued at their fair value, and are treated as investment properties whenever the fair-value reliability criteria are met:

- ♦ administrative criteria: Construction permits freed of all claims
- ♦ technical criteria: 50% of construction contracts signed
- ♦ sales and marketing criteria: Good rental return visibility.

The list of assets that meet these criteria is as follows:

(€M)	Ownership type	% of holding (Group share)	Fair Value 31/12/2015	Capitalised financial expense over the year	Forecast total cost including financial cost	% progress	Expected completion date	Floor area to lease (m <sup>2</sup> ) up to 100%	Pre-leasing (as a %)	Expected rate of return upon completion
Schlumberger Montpellier	FC	100%		0.3	8.1	85%	Q1 2016	3,150	100%	> 7%
Pompignane	FC	100%		0.7	20.3	95%	Q1 2016	5,100	100%	> 7%
Saint-Mandé (Clinique Inicea)	FC	100%		0.5	25.2	70%	Q3-2016	5,500	100%	6%
Lyon Silex 1 <sup>st</sup> tranche	FC	100%		0.7	47.2	40%	Q1-2017	10,600	0%	6%
Levallois Anatole France (Thaïs)	FC	100%		0.6	40.3	30%	Q1-2017	5,500	0%	6%
Nancy O'rigin	FC	100%		0.1	19.9	30%	Q2-2017	6,300	77%	6%
Issy Grenelle (Edo)	FC	100%		1.3	82.9	15%	Q4-2017	10,800	0%	6%
Paris Traversière	FC	100%		0.0	122.0	5%	Q4-2017	13,500	5%	5%
Toulouse Riverside	FC	100%		0.1	32.3	5%	2018	11,000	0%	> 7%
<b>Total France Offices</b>				<b>4.4</b>	<b>398.2</b>			<b>71,450</b>		
Symbiosis – Phase A	FC	48%		4.1	29.3	5%	2018	12,000	0%	> 7%
Turin Corso Ferrucci	FC	48%		0.3	39.8	0%	2019-2020	49,294	0%	5%
<b>Total Italy Offices</b>				<b>4.4</b>	<b>69.1</b>			<b>61,294</b>		
B&B Torcy	FC	43%		0.1	3.2	86%	2016	2,429	100%	> 7%
B&B Germany (5 assets)	FC	43%		0.1	15.3	52%	2016	N/A	100%	> 7%
Meininger Munich (5 assets)	FC	100%		0.0	13.0	0%	2018	N/A	100%	> 7%
<b>Total Hotels and Service Sector</b>		-		<b>0.2</b>	<b>31.5</b>			<b>2,429</b>	<b>-</b>	
<b>TOTAL</b>			<b>375</b>	<b>8.9</b>	<b>499</b>			<b>135,173</b>		<b>&gt; 7%</b>

\* Forecast total cost including cost of projects undertaken by equity affiliates (Euromed, DS Campus Extension, MO Porte Dorée) for €116 million.  
Forecast total cost including committed projects for €615 million (see paragraph 1.4.7.2 Committed projects).

## RECONCILIATION WITH FINANCIAL DATA

	31/12/2015
Total fair value of assets under development	375
Projects under technical review and non-committed projects	88
<b>ASSETS UNDER DEVELOPMENT (FINANCIAL DATA § 1.6.4)</b>	<b>463</b>

Non-committed projects represented €88 million in Group share at 31 December 2015 and related to the France Offices sector (Opale, Silex II and Canopée).

Projects undertaken by equity affiliates (Euromed, DS Campus Extension, Motel One Porte Dorée), equivalent to €78 million in Group share at 31 December 2015, are not included in the above tables.

## 1.7.5. Information on leases

(€M)	Firm residual term of leases	Residual term leases	Lease expiration by date of 1 <sup>st</sup> exit option Annualised rental income of leases expiring					Total (€M)	Section
			N+1	N+2	N+3 to 5	Beyond	Total %		
France Offices	5.4	6.4	11%	8%	30%	51%	100%	264	1.5.1.5.1
Italy Offices	9.7	15.3	3%	4%	19%	74%	100%	101	1.5.2.5.1
<b>Total Offices</b>	<b>6.6</b>	<b>8.9</b>	<b>9%</b>	<b>7%</b>	<b>27%</b>	<b>57%</b>	<b>100%</b>	<b>365</b>	
Hotels and Service Sector	10.7	11.0	0%	0%	16%	84%	100%	71	1.5.3.4
<b>TOTAL</b>	<b>7.3</b>	<b>9.3</b>	<b>8%</b>	<b>6%</b>	<b>25%</b>	<b>61%</b>	<b>100%</b>	<b>436</b>	<b>1.4.2.1</b>

## 1.7.6. EPRA topped-up yield rate

The data below shows detailed yield rates for the Group and the transition from the EPRA topped-up yield rate to Foncière des Régions yield rate.

Key figures (Group share)	France Offices	Italy Offices	Germany Residential	Hotels and Service Sector	France Residential	Total*
Investment, saleable and operating properties	4,840	1,893	2,175	1,385	373	10,666
Restatement of assets under development	-256	-106		-12		-375
Restatement of undeveloped land and other assets under development	-164	-15				-179
Duties	245	76	145	79	23	569
<b>Value of assets including duties (1)</b>	<b>4,665</b>	<b>1,848</b>	<b>2,320</b>	<b>1,451</b>	<b>396</b>	<b>10,681</b>
Gross annualised rental income	249	96	131	81	11	567
Irrecoverable property charge	-9	-16	-14	0	-3	-41
<b>Annualised net rental income (2)</b>	<b>240</b>	<b>81</b>	<b>117</b>	<b>81</b>	<b>8</b>	<b>526</b>
Rent charges upon expiration of rent-free periods or other reductions in rental rates	15	4	0	0	0	20
<b>Annualised topped-up net rental income (3)</b>	<b>256</b>	<b>85</b>	<b>117</b>	<b>81</b>	<b>8</b>	<b>546</b>
<b>EPRA net initial yield (2)/(1)</b>	<b>5.1%</b>	<b>4.4%</b>	<b>5.0%</b>	<b>5.6%</b>	<b>1.9%</b>	<b>4.9%</b>
<b>EPRA topped-up net initial yield (3)/(1)</b>	<b>5.5%</b>	<b>4.6%</b>	<b>5.0%</b>	<b>5.6%</b>	<b>1.9%</b>	<b>5.1%</b>
<b>Transition from EPRA topped-up NIY to Foncière des Régions yields</b>						
Impact of adjustments of EPRA rents	0.2%	0.9%	0.6%	0.0%	0.8%	0.4%
Scope effect (Logistics)						0.1%
Impact of restatement of duties	0.3%	0.2%	0.4%	0.3%	0.2%	0.3%
<b>FONCIÈRE DES RÉGIONS YIELD RATE</b>	<b>6.0%</b>	<b>5.7%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>2.8%</b>	<b>5.8%</b>

\* The total Foncière des Régions yield rate is included in Logistics.



♦ EPRA topped-up net Initial yield is the ratio of:

$$\frac{\text{Annualised rental payments received after expiry of benefits granted to tenants such as rent-free periods and rent ceilings (-) unrecoverable property charges}}{\text{Assets in operation including duties}}$$

♦ EPRA topped-up net Initial yield is the ratio of:

$$\frac{\text{Annualised rental payments received after deduction of outstanding benefits granted to tenants such as rent-free periods, rent ceilings (-) unrecovered property operating costs for the year}}{\text{Assets in operation including duties}}$$

### 1.7.7. EPRA cost ratio

Key figures (Group share)	31/12/2015	31/12/2014
Unrecovered rental costs	-24,352	-27,919
Expenses on properties	-16,572	-17,836
Net losses on unrecoverable receivables	-3,365	-5,081
Other expenses	-3,484	-3,558
Overhead	-71,760	-74,743
Amortisation, impairment and net provisions	482	-8,722
Income covering overheads	18,673	23,286
Cost of other activities and fair value	-8,787	696
Property expenses	330	914
<b>EPRA costs (including vacancy costs) (A)</b>	<b>-108,834</b>	<b>-112,963</b>
Vacancy cost	8,828	11,871
<b>EPRA costs (excluding vacancy costs) (B)</b>	<b>-100,006</b>	<b>-101,092</b>
Gross rental income less property expenses	549,039	557,175
Income from other activities and fair value	32,823	28,945
<b>Gross rental income</b>	<b>581,862</b>	<b>586,120</b>
<b>EPRA costs ratio (including vacancy costs) (A/C)</b>	<b>18.7%</b>	<b>19.3%</b>
<b>EPRA costs ratio (excluding vacancy costs) (B/C)</b>	<b>17.2%</b>	<b>17.2%</b>

The calculation of the EPRA cost ratio excludes the Parkings activity.

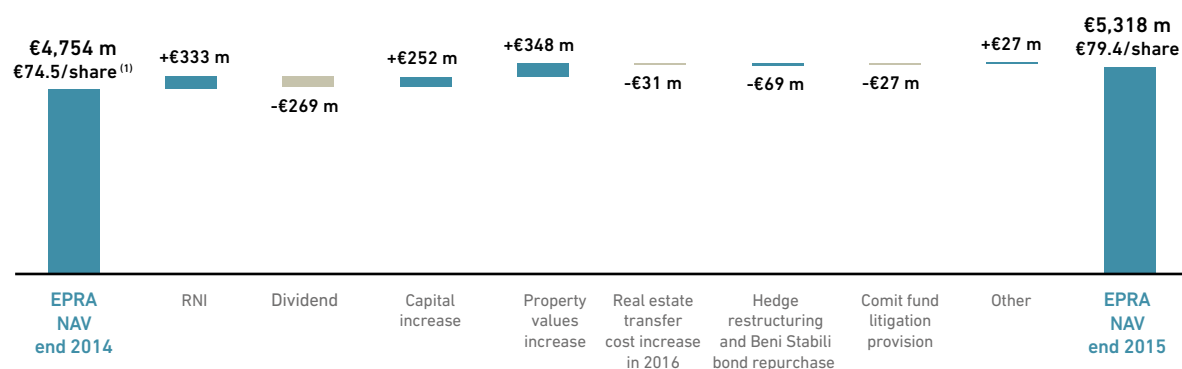
## 1.7.8. EPRA earnings

	31/12/2015	31/12/2014
<b>Net income Group share (Financial data § 1.6.2)</b>	<b>481.5</b>	<b>118.5</b>
Change in asset values	-347.6	-110.6
Income from disposal	-0.2	0.3
Acquisition costs for shares of consolidated companies	7.0	-1.3
Changes in the values of financial instruments	105.3	183.2
Deferred tax liabilities	19.2	40.1
Taxes on disposals	2.9	4.1
Adjustment to amortisation, depreciation and provisions	37.6	26.4
Adjustments from early repayments of financial instruments	16.8	40.7
RNI adjustments for associates	-32.1	-5.6
Profits or losses on discontinued operations	22.9	-4.0
<b>EPRA earnings</b>	<b>313.3</b>	<b>291.8</b>
<b>EPRA earnings/€-shares</b>	<b>4.77</b>	<b>4.67</b>
<b>Specific FDR adjustments:</b>		
Non-recurring operating income (loss)	2.4	2.0
Neutralisation of depreciation and borrowings costs and discounting effects	17.1	20.7
<b>FDR RECURRING NET INCOME (FINANCIAL DATA § 1.6.2)</b>	<b>332.8</b>	<b>314.5</b>

## 1.7.9. Net Asset Value (EPRA NAV)

	2014	2015	Change vs. 2014	Change (%) vs. 2014
<b>EPRA NAV (€M)</b>	<b>4,753.5</b>	<b>5,318.2</b>	<b>564.7</b>	<b>11.9%</b>
<b>EPRA NAV/share (€)</b>	<b>74.5<sup>(1)</sup></b>	<b>79.4</b>	<b>4.9</b>	<b>6.6%</b>
EPRA triple net NAV (€M)	4,145.1	4,609.3	464.2	11.2%
EPRA triple net NAV/share (€)	65.0 <sup>(1)</sup>	68.8	3.8	5.9%
Number of shares	62,941,712	66,947,020	4,005,308	6.4%

<sup>(1)</sup> Post adjusting the distribution of preferential subscription rights related to the capital increase in early 2015 (adjustment factor of 0.986).  
Non-adjusted 2014 NAV = 75.5, Non-adjusted triple net NAV = 68.8.



<sup>(1)</sup> Post-adjustment after preferential subscription rights distribution linked to the capital increase in early 2015 (adjustment coefficient of 0.986).





	€M	€/share
<b>Shareholders' equity</b>	<b>4,639.3</b>	<b>69.3</b>
Fair value assessment of buildings (operation + inventory)	36.2	
Fair value assessment of parking facilities	24.5	
Fair value assessment of goodwill	2.7	
Fixed debt	-80.5	
Additional 2016 duties	-31.0	
Restatement of value ED	18.0	
<b>EPRA triple net NAV</b>	<b>4,609.3</b>	<b>68.8</b>
Financial instruments and fixed rate debt	347.3	
<b>Deferred tax liabilities</b>	<b>191.5</b>	
ORNANE	170.1	
<b>EPRA NAV</b>	<b>5,318.2</b>	<b>79.4</b>
<b>IFRS NAV</b>	<b>4,639.3</b>	<b>69.3</b>

Valuations are carried out in accordance with the Code of conduct applicable to SIICs and the Charter of property valuation expertise, the recommendations of the COB/CNCC working group chaired by Mr Barthès de Ruyter and the international plan in accordance with European TEGoVA standards and those of the Red Book of the Royal Institution of Chartered Surveyors (RICS).

The real estate portfolio directly held by the Group underwent a complete valuation on 31 December 2015 by independent real estate experts such as REAG, DTZ Eurexi, CBRE, JLL, BNP Paribas Real Estate, Cushman and Yard Valtech.

Assets were estimated at values excluding and/or including duties, and rents at market value. Estimates were made using the comparative method, the rent capitalisation method and the discounted future cash flows method.

Car parks were valued by capitalising the gross operating surplus generated by the business.

Other assets and liabilities were valued using the principles of the IFRS standards on consolidated financial statements. The application of the fair value essentially concerns the valuation of the debt coverages and the ORNANES.

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

### Fair value adjustment for the buildings and business goodwill

In accordance with IFRS standards, properties in operation and in inventory are valued at historical cost. A value adjustment, in order to take into account the appraisal values, is recognised in the NAV for a total amount of €36.2 million.

Since goodwill borne by FDM Management is not valued in the consolidated accounts, a restatement to recognise its fair value (as calculated by the appraisers) was made in the NAV in the amount of €2.7 million at 31 December 2015.

### Fair value adjustment for the car parks

Car parks are valued at historical cost in the consolidated financial statements. A restatement is made in the NAV to take into account the appraisal value of these assets, as well as the effect of the farm-outs and subsidies received in advance. The impact on the NAV was €24.5 million at 31 December 2015.

### Fair value adjustment for fixed-rate debts

The Group has taken out fixed-rate loans. In accordance with EPRA principles, triple net NAV is adjusted by the fair value of fixed-rate debts, with a negative impact of €63.6 million at 31 December 2015.



### Impact of the increase in transfer duties applicable as at 1 January 2016

In the consolidated financial statements as at 31 December 2015, the increase in transfer duties passed by the Paris City Council in November 2015 (+70 bps) and the additional tax on disposals intended for office buildings in the Paris region by the Amended Finance Act for 2015 (+60 bps) are not factored into the calculation of the appraisal values excluding duties. In order to take these impacts into account, a -€31 million adjustment was included in the NAV calculations.

### Recalculation of the base cost excluding duties of certain assets

When a company, rather than the asset that it holds, can be sold off, transfer duties are recalculated based on the company's NAV. The difference between these recalculated duties and the transfer duties already deducted from the value of the assets generates a restatement of €18 million at 31 December 2015.

## 1.7.10. EPRA performance indicator reference table

EPRA information	Section	Amount (%)	Amount (€M)	Amount (€/share)
EPRA earnings	1.7.8		313.3	4.77
Net asset value (EPRA NAV)	1.7.9		5,318.2	79.4
EPRA triple net Net Asset Value (NAV)	1.7.9		4,609.3	68.8
EPRA NAV/IFRS NAV reconciliation	1.7.9			
EPRA <i>net initial yield</i>	1.7.6	4.9%		
EPRA topped-up net initial yield	1.7.6	5.1%		
EPRA vacancy rate at year-end	1.7.2			
EPRA costs ratio (including vacancy costs)	1.7.7	18.7%		
EPRA costs ratio (excluding vacancy costs)	1.7.7	16.7%		
EPRA indicators of main subsidiaries	1.6.6			



## 1.8. FINANCIAL RESOURCES

### 1.8.1. Main debt characteristics

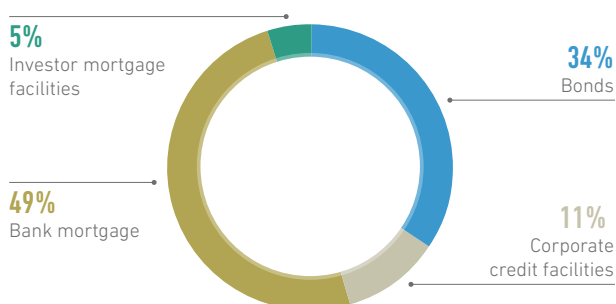
GS	2014	2015
Net debt, Group share (€M)	4,962	5,536
Average annual rate of debt	3.29%	2.80%
Average maturity of debt (years)	4.1	5.0
Debt active hedging spot rate	84%	88%
Average maturity of hedging	5.1	5.4
LTV Including Duties	46.1%	45.4%
ICR	2.76	3.02

### 1.8.2. Debt by type

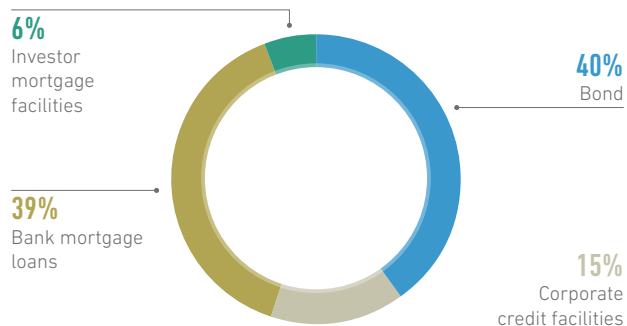
The net debt, Group share, of Foncière des Régions amounted to €5.5 billion (€8.5 billion on a consolidated basis) at 31 December 2015. As a share of total debt, corporate debt remains the highest at 55% at 31 December 2015.

In addition, at the end of December 2015, the cash and cash equivalents of Foncière des Régions totalled nearly €2.1 billion, Group share (€2.4 billion on a consolidated basis). In particular, Foncière des Régions had €805 million in commercial paper outstanding at 31 December 2015.

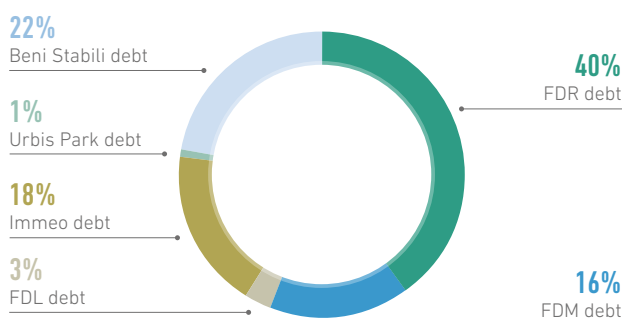
#### COMMITMENTS (100%)



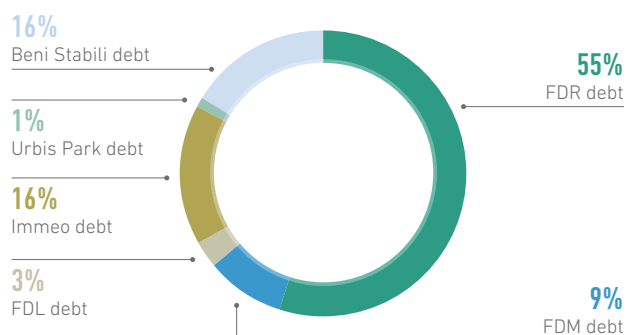
#### COMMITMENTS (GROUP SHARE)



#### CONSOLIDATED COMMITMENTS PER COMPANY



#### COMMITMENTS GROUP SHARE PER COMPANY

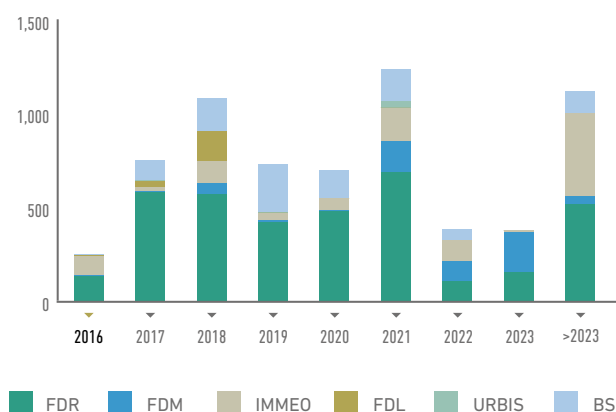


## 1.8.3. Debt maturities

The average maturity of debt for Foncière des Régions was extended by nearly one year to 5.0 years at the end of December 2015. The 2016 and 2017 maturities are covered entirely by existing cash and primarily involve corporate debts (particularly the ORNANE maturing in early 2017) in German Residential (Immeo) and in Italy Offices (Beni Stabili).

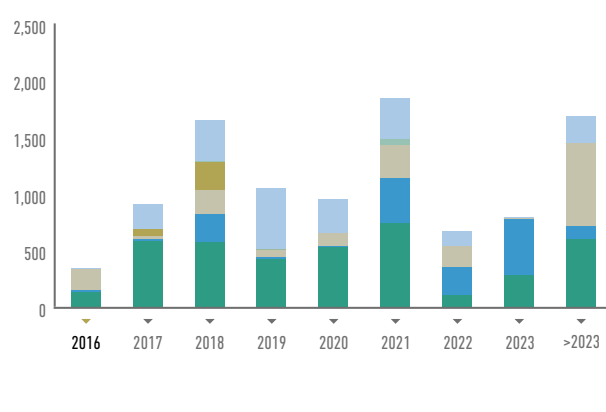
### DEBT AMORTISATION SCHEDULE BY COMPANY

(Group share)



### DEBT AMORTISATION SCHEDULE BY COMPANY

(on a consolidated basis)



## 1.8.4. Main changes during the period

### Particularly strong financing and refinancing activity: €4.2 billion at 100% (€2.5 billion in Group share)

- ◆ Foncière des Régions: €1.4 billion (Group share: €1.2 billion)
  - ◆ during 2015, Foncière des Régions continued the process of renegotiating its corporate credit facilities to optimise their financial conditions and extend their maturities. As a result, €290 million were renegotiated or refinanced. In addition, €60 million in new corporate debts were taken out
  - ◆ in March 2015, Foncière des Régions refinanced the Dassault Systèmes Campus in Vélizy for 8 years (€168 million). The financing of the extension of this same property, where work began at the start of 2015, was set up in June for €45 million
  - ◆ in July 2015, Foncière des Régions refinanced the debt on the CB21 asset (in the amount of €280 million) for 10 years
  - ◆ finally, in December 2015, Foncière des Régions refinanced the Carré Suffren asset for €145 million over 8 years.

These refinancing transactions provided a clear extension of the debt maturity under optimised financial terms.

#### Post-balance sheet events:

- ◆ at the end of January, Foncière des Régions renegotiated €125 million in corporate credit facilities (extension of the maturity and improvement of the financial terms)
- ◆ in early February, Foncière des Régions also obtained the refinancing of the Orange portfolio for €300 million with a 10-year maturity.

- ◆ Italy Offices (Beni Stabili): €1.0 billion raised in the period (Group share €0.5 billion)
  - ◆ in March 2015, Beni Stabili successfully completed a private placement of €125 million in bonds, with an annual coupon of 2.125% and maturing in seven years (March 2022). This supports the ongoing strategy of extensive diversification of financing sources, reduction in the cost of the debt and the extension of its maturity
  - ◆ in June 2015, Beni Stabili also obtained €255 million in new mortgage debt maturing in 10 years
  - ◆ Also in the first half, Beni Stabili took out a 6-year €110 million mortgage for a portfolio of assets mainly located in the Milan region
  - ◆ in August, Beni Stabili issued €200 million in convertible bonds maturing in January 2021 (ORNANE) with a 0.875% coupon permitting the buyback of the convertible bonds maturing in 2018.
- ◆ Hotels and Service Sector (Foncière des Murs): €1.0 billion raised in the period (Group share €0.4 billion):
  - ◆ in May 2015, FDM made a €200 million private placement with a May 2023 maturity at a rate of 2.218%. This supports the ongoing strategy of extensive diversification of financing sources, reduction in the cost of the debt and the extension of its maturity
  - ◆ during the second half of 2015, FDM also renegotiated a large portion of its mortgages for an approximate total amount of €730 million. These renegotiations brought about an extension of the maturities and the optimisation of the financial terms and conditions of these loans

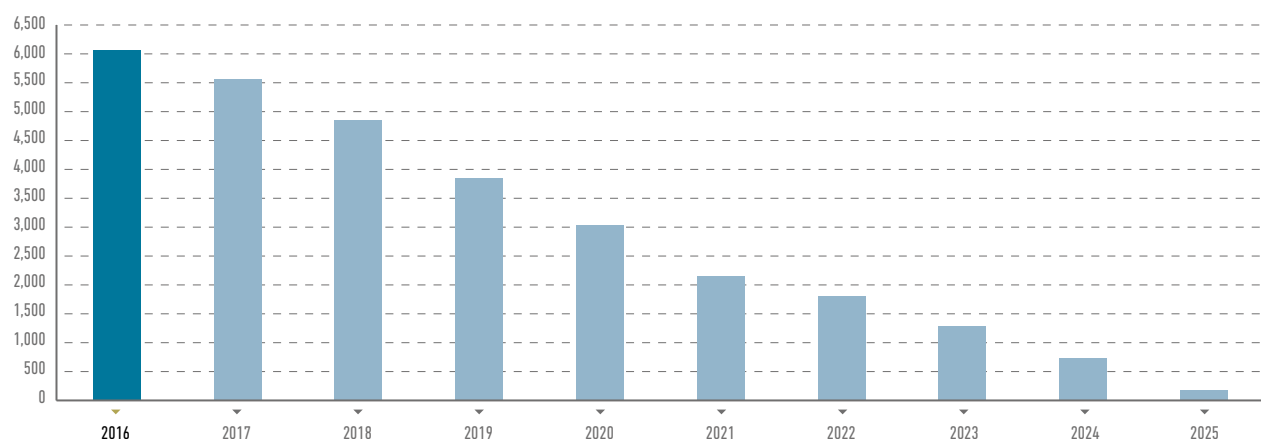


- ♦ in November 2015, as part of the acquisition of the portfolio consisting of 22 B&B assets in Germany, FDM took out a €75 million mortgage loan.
- ♦ German Residential (Immeo): €0.7 billion raised over the period (€0.5 billion in Group share)
  - ♦ during the first half of 2015, Immeo obtained ten-year refinancing of mortgages in the amount of €216 million allowing for marked improvements in financial conditions and the maturity of the debt
- ♦ Immeo also raised €270 million in new ten-year financing for the acquisitions, mainly in the regions of Berlin, Dresden, Hamburg, Leipzig and Cologne
- ♦ over the same period, Immeo refinanced over €200 million in mortgage debt in order to optimise the financial terms and conditions and to extend maturities.

### 1.8.5. Hedging profile

During 2015, the hedge management policy remained unchanged, with debt hedged at 90% to 100%, at least 75% of which had short-term hedges and all of which have maturities exceeding debt maturity.

Based on net debt at the end of December 2015, Foncière des Régions is hedged (in Group share) up to 89%, compared to 87% at the end of 2014. The average term of the hedges is 5.4 years in Group share.



### 1.8.6. Average interest rate on the debt and sensitivity

The average rate on the debt of Foncière des Régions stood at 2.8% in Group share, compared to 3.3% in 2014. This decrease was mainly due to the full-year impact of the refinancing of Beni Stabili's securitised debt in September 2014; the new issue in September 2014 of €500 million in Foncière des Régions bonds with an annual coupon of 1.75% and maturing in seven years; as well as the impact of renegotiations in 2014 and 2015 and hedge restructuring. For informational purposes, an increase of 50 basis points in the three-month Euribor rate would have a negative impact of €4.0 million on recurring net income in 2016.

#### 1.8.6.1. Financial structure

Excluding debts raised without recourse to the Group's property companies, the debts of Foncière des Régions and its subsidiaries generally include bank covenants (ICR and LTV) applying to the borrower's consolidated financial statements. If these covenants are breached, early debt repayment may be triggered. These covenants are established in Group share for Foncière des Régions and for FDM and on a consolidated basis for the other subsidiaries of Foncière des Régions (if their debts include them).

- ♦ The most restrictive consolidated LTV covenants amounted to 60% for Foncière des Régions, FDM, FDL and Beni Stabili at 31 December 2015.
- ♦ The threshold for consolidated ICR covenants differs from one REIT to another, depending on the type of assets, and may be different from one debt to another even for the same REIT, depending on debt seniority.

The most restrictive ICR consolidated covenants applicable to REITs are as follows:

- ♦ for Foncière des Régions: 200%
- ♦ for FDM: 200%
- ♦ for FDL: 150%
- ♦ for Beni Stabili: 150%.

With respect to Immeo, for which the debt raised is "non-recourse" debt, there are no consolidated covenants associated with portfolio financing.

Lastly, with respect to Foncière des Régions, some corporate credit facilities are subject to the following ratios:

Ratio	Covenant	2015
LTV	60% <sup>(1)</sup>	50.9%
ICR	200.0%	302.0%
Secural debt ratio	25% <sup>(2)</sup>	6.5%

<sup>(1)</sup> A single credit facility of €75 million maturing in less than one year is subject to a covenant at 55%.

<sup>(2)</sup> A €75 million credit facility is subject to a covenant at 22.5%.

All covenants were fully complied with at the end of December 2015. No loan has an accelerated payment clause contingent on a Foncière des Régions rating.

## 1.8.6.2. LTV calculation details

GS (€M)	2014	2015
Net book debt <sup>(1)</sup>	4,911	5,594
Receivables on disposals	-338	-609
Security deposits received	-39	-15
Finance lease-backed debt	-2	-2
<b>Net debt</b>	<b>4,532</b>	<b>4,968</b>
Appraised value of real estate assets (ID)	9,871	11,290
Preliminary sale agreements	-338	-609
Purchase Debt		-35
Financial assets	39	13
Goodwill	2	0
Receivables linked to associates	117	162
Share of equity affiliates	139	115
<b>Value of assets</b>	<b>9,829</b>	<b>10,937</b>
<b>LTV ED</b>	<b>48.5%</b>	<b>48.0%</b>
<b>LTV ID</b>	<b>46.1%</b>	<b>45.4%</b>

<sup>(1)</sup> Adjusted for changes in fair value of convertible bond and liabilities held for sale.



## 1.9. REAL ESTATE APPRAISALS

### 1.9.1. Introduction

Foncière des Régions consolidates the activities of three public companies. Thus, the section on the appraisals of assets in the Hotels and Service Sector, France Residential and Italy Offices can be consulted directly in the subsidiaries' Reference Documents, namely:

- ♦ Foncière des Murs for Hotels and Service Sector assets

- ♦ Foncière Développement Logements for France Residential
- ♦ Beni Stabili for Italy Offices.

A summary of the expert appraisals of the Logistics assets, held by FEL, and the Germany Residential portfolio, held by Immeo SE, is detailed below.

### 1.9.2. Market context

#### 1.9.2.1. The office market in France – 2015 review

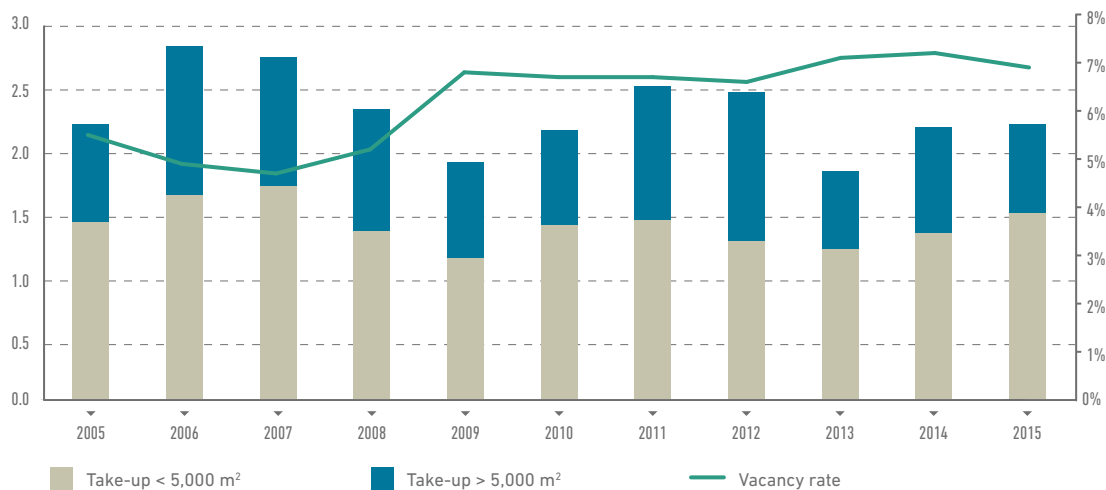
##### 1.9.2.1.1. Paris region

##### 1.9.2.1.1.1. Surge in take-up by the year-end

Solid performance in the fourth quarter allowed take-up to reach 2.2 million m<sup>2</sup> in 2015 (+1% over one year). The economic situation is nevertheless still having a negative impact on real estate choices and decisions made by companies, which are primarily geared toward the optimisation of surfaces and curtailing costs. The < 5,000 m<sup>2</sup> market was dynamic, particularly within the Paris city limits (at its highest level since 2007) whereas surfaces > 5,000 m<sup>2</sup> are experiencing a clear downturn (2<sup>nd</sup> lowest volume in ten years). Paris proper and the Western Crescent outperformed their long-term averages, unlike La Défense and the inner and outer suburbs.

#### CHANGE IN TAKE-UP AND IN VACANCY RATE IN THE PARIS REGION

(in millions of m<sup>2</sup>)



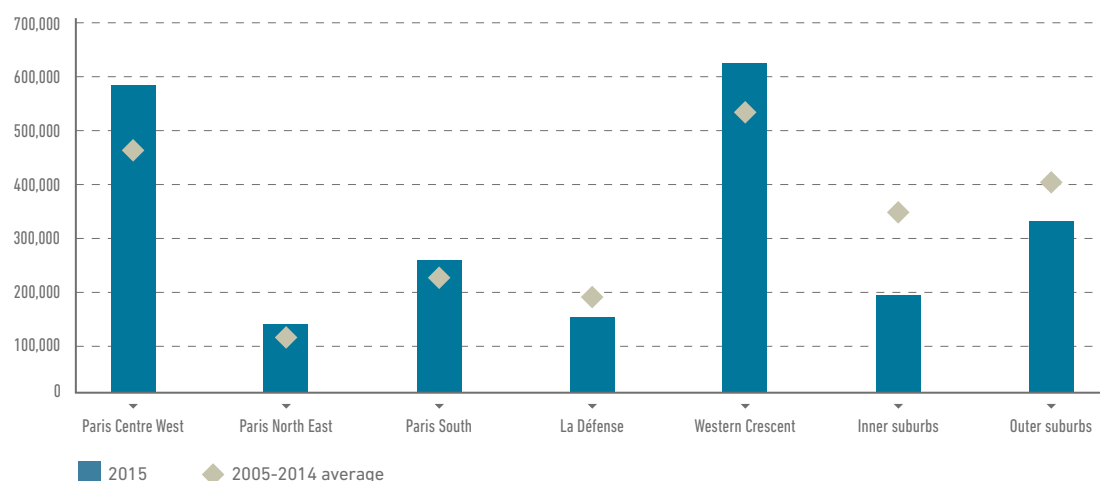
Source: CBRE and Immostat.

##### 1.9.2.1.1.2. The quality of the supply is decreasing

In early 2016, the immediate supply stands at 3.9 million m<sup>2</sup> (-3% over one year), equivalent to a 6.9% vacancy rate. The new or restructured portion of the premises has decreased to 18%. The geographic disparities remain significant between a tight Parisian market (4.5% in vacancies) and the West (La Défense and the

Western Crescent) where vacancy rates exceed 10%. Following a hiatus in 2014, there were more "on-spec" launches in 2015. Future new/restructured supply in the Paris region nevertheless appears to be under control since half the surfaces currently undergoing work have already been pre-leased.

## TAKE-UP BY GEOGRAPHICAL AREA

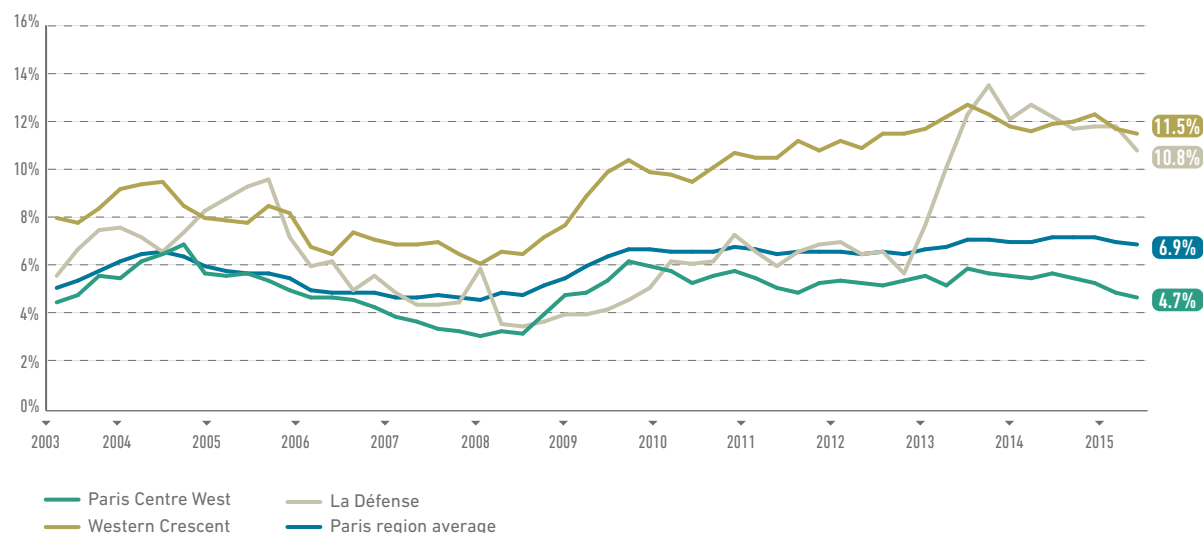
(in m<sup>2</sup>)


Source: CBRE/Immostat.

### 1.9.2.1.1.3. Attractive economical rents

In 2015, following several years of a downward trend, rental face values stabilised across the board. As for commercial benefits, they reached new historical highs representing on average 21.5% of the rental face value in the Paris region for leases > 1,000 m<sup>2</sup> in the fourth quarter of 2015, with some disparities between Paris Centre West (16.2%) and the La Défense area – Western Crescent (23.2%).

## CHANGE IN VACANCY RATE BY GEOGRAPHICAL AREA



Source: CBRE and Immostat.

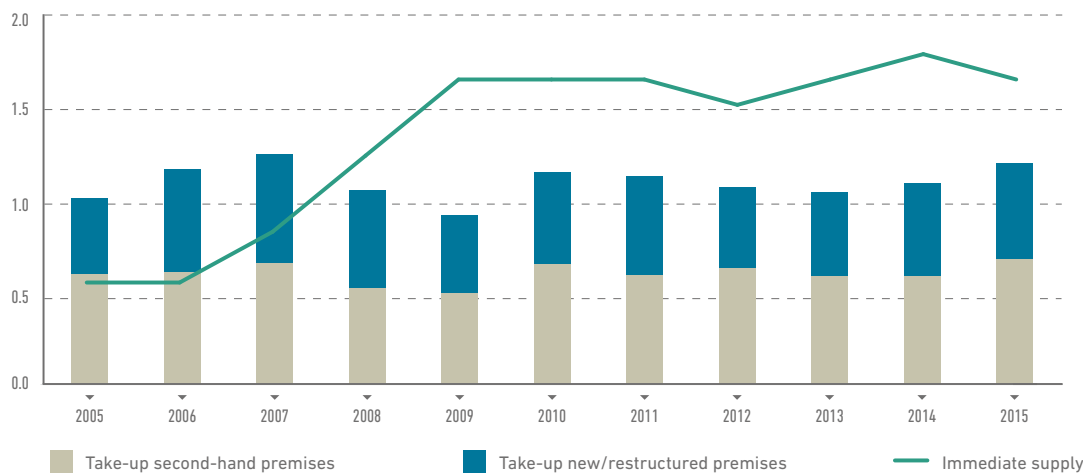
### 1.9.2.1.2. Regions

#### Dynamic markets that nevertheless still suffer from a lack of new supply

Nearly 1.2 million m<sup>2</sup> of offices were leased during 2015 in the ten main major regional cities\*. Activity increased by 10% over 2014 and compared to the ten year average, in particular due to the signature of 32 transactions > 5,000 m<sup>2</sup> (including 12 in Lyon), which represented nearly one fourth of the volumes taken up.

In early 2016, the immediate supply is slightly down (3% drop over one year) at nearly 1.75 million m<sup>2</sup> with a new/restructured portion reduced to 18%. Rental face values are relatively stable despite a slight decrease in "prime" assets.

\* Ten main major regional cities: Aix-en-Provence/Marseille, Bordeaux, Grenoble, Lille, Lyon, Montpellier, Nantes, Rennes, Strasbourg and Toulouse.

**CHANGE IN THE TAKE-UP OF THE IMMEDIATE SUPPLY IN THE TEN MAIN MAJOR REGIONAL CITIES**(in millions of m<sup>2</sup>)

Source: CBRE.

**1.9.2.1.3. Investments****Outstanding performance by France**

In early 2016, €23.4 billion in commitments were recorded for 2015, which should be counted as progress over an already excellent 2014. This result is all the more significant in that it was achieved without a massive number of exceptional mega-deals, thus showing a much more balanced market structure.

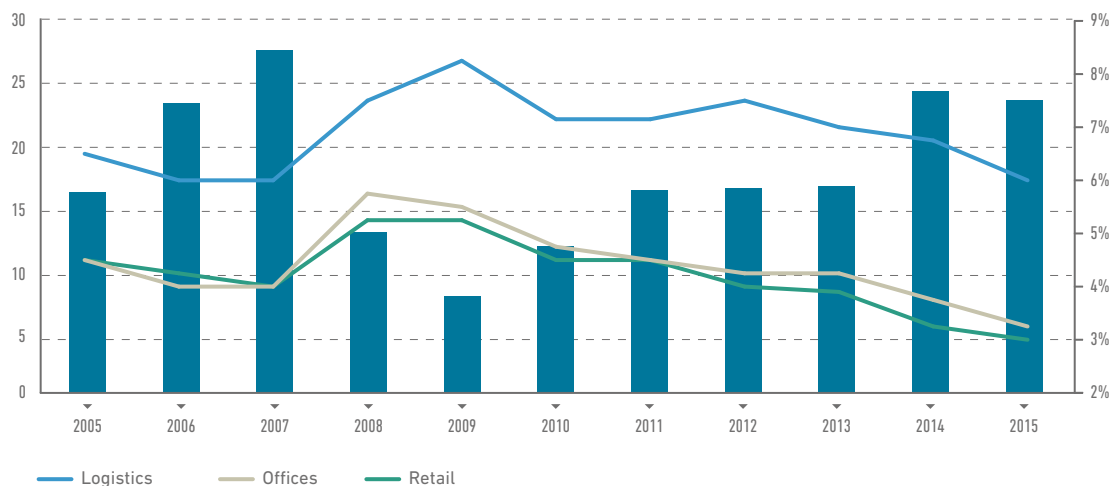
In an extremely competitive market, the compression of real estate yields for secured products accelerated and became

widespread, with some catch-up effects. Confronted with this situation, investors were forced to adapt their strategies to include non-core acquisitions, doing so, however, in very selective locations.

With 72% of committed volumes, offices had a very good year, particularly in Paris excluding CBD (Central Business District) and in the Western Crescent. The market of assets to be restructured saw its volume triple in one year whereas the market for properties purchased off-plan stagnated despite the near doubling of the volumes invested "on-spec".

**INVESTMENTS IN CORPORATE REAL ESTATE HAS BECOME WIDESPREAD IN FRANCE AND PRIME YIELD ON COST IN FRANCE**

(€BN at period end)



Source: CBRE &amp; Immostat.

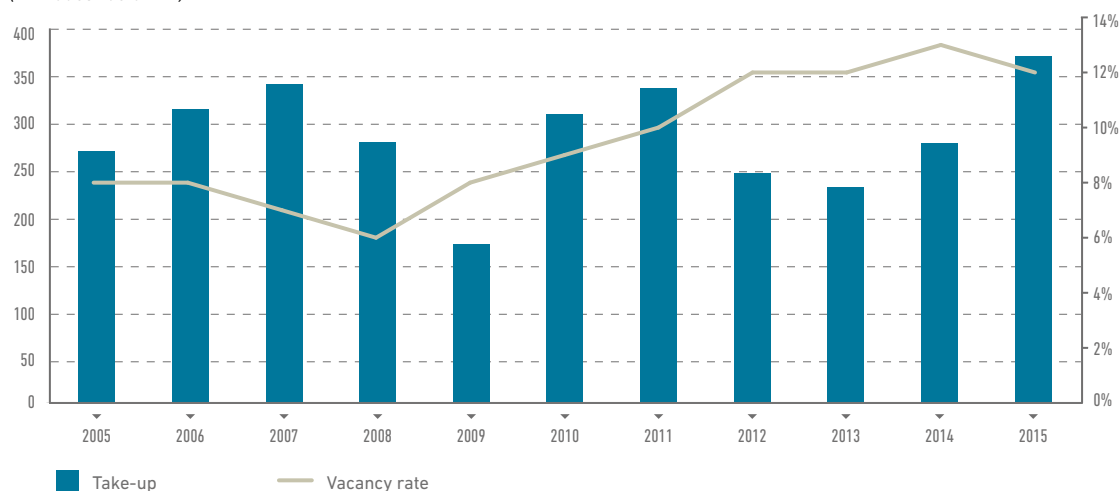
## 1.9.2.2. The office market in Italy – 2015 review

### 1.9.2.2.1. Milan: take-up and volumes invested reached record highs

Nearly 200,000 m<sup>2</sup> were taken up in the fourth quarter of 2015, bringing the year's volumes to 370,000 m<sup>2</sup>. The market was energised by two major pre-leases representing 30% of the volumes. Finance companies represented 26% of take-up, mostly in the "Semi-Centre" and Porta Nuova BD. The good performance of the rental market and the low number of surface deliveries allowed the vacancy rate to drop to 12% in early 2016. Prime rental income remained stable at €490 excl. tax ch/m<sup>2</sup>/year in the CBD and Porta Nuova BD.

#### CHANGE IN TAKE-UP AND IN THE VACANCY RATE IN MILAN

(in thousands of m<sup>2</sup>)

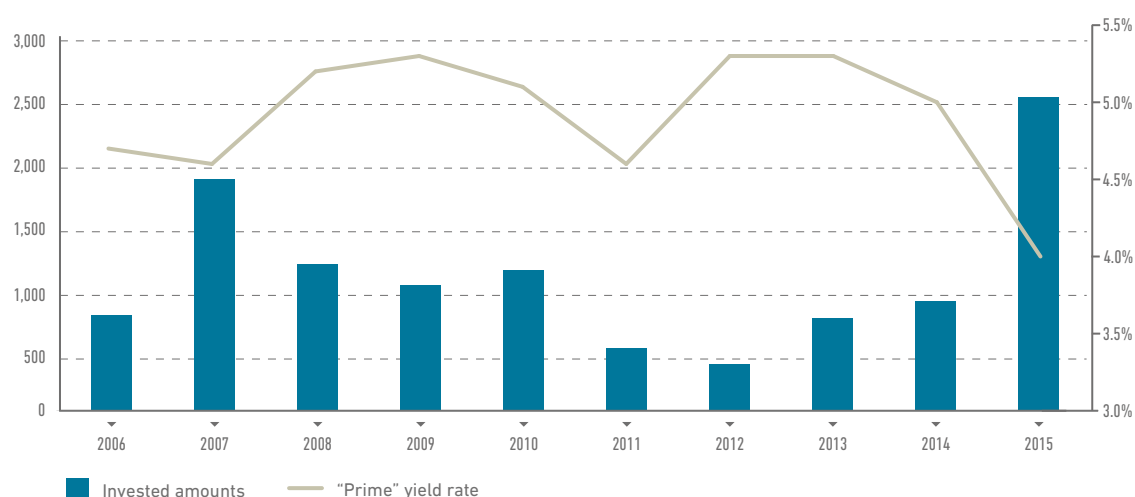


Source: CBRE.

€2.5 billion were invested in Milan in 2015, a record amount bolstered by the demand from foreign investors (61% of the amounts committed) and by the growing interest among domestic buyers (+40% in one year). The strong competition for the few available products led to a compression in the prime yield rate to 4%.

#### AMOUNTS INVESTED AND PRIME YIELD RATE IN MILAN

(in €M)



Source: CBRE.

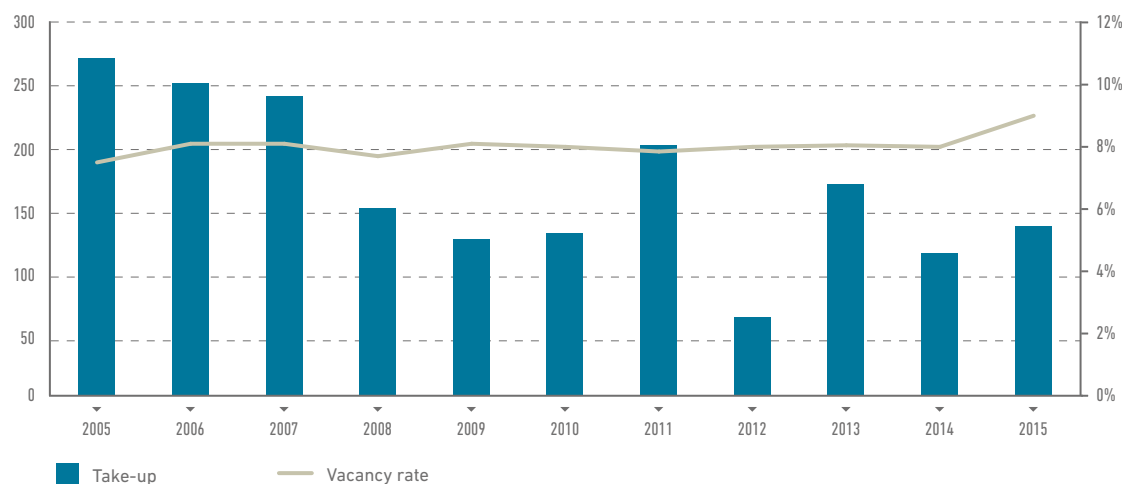


### 1.9.2.2.2. Rome: a rental market consistent with the decade average, a below average performance compared to investment

In 2015, 136,000 m<sup>2</sup> were taken up, a 20% increase over one year. This growth is particularly due to the pre-leasing of 31,000 m<sup>2</sup>. Central Rome experienced a concentration of 86% of the volumes taken up, with surfaces between 1,000 m<sup>2</sup> and 5,000 m<sup>2</sup> performing relatively well. Vacancy rates in the capital showed a slight increase to 9% at end-2015. Prime rents remained stable in the Central Business Districts and the EUR districts, with €380 and €320 excl. tax ch/m<sup>2</sup>/year respectively.

#### CHANGE IN TAKE-UP AND IN THE VACANCY RATE IN ROME

(in thousands of m<sup>2</sup>)

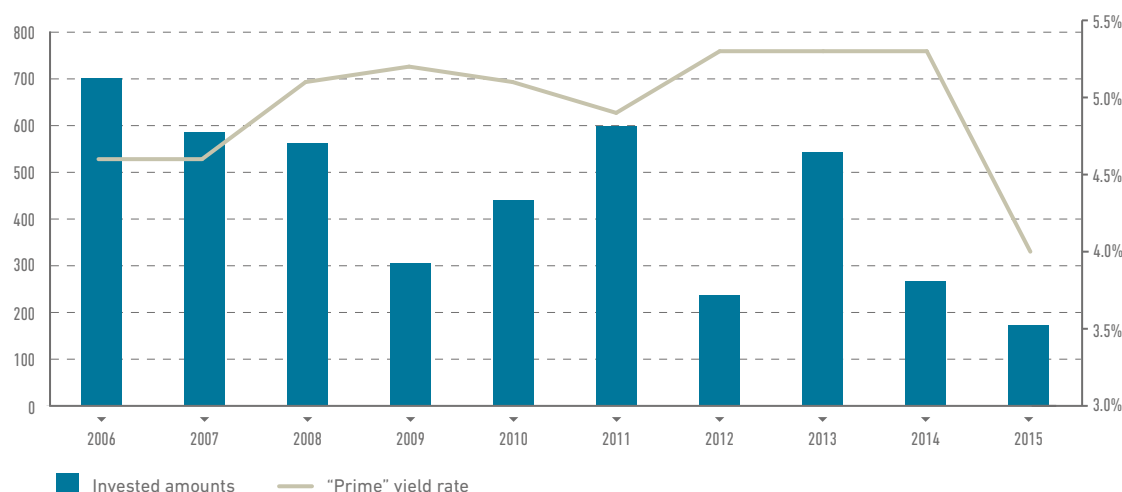


Source: CBRE.

€173 million were invested in 2015, a below-average performance that should however be contrasted to the very significant number of preliminary sales agreements and negotiations recorded at year-end. The strong competition among investors faced with the scarcity of products on the market led to a compression in the prime yield rate, which now stands at 4%.

#### AMOUNTS INVESTED AND PRIME YIELD RATE IN ROME

(in €M)



Source: CBRE.

## 1.9.2.3. German Residential market: 2015 review

Foncière des Régions' assets in Germany, held via its subsidiary Immeo SE, are located in the Rhine-Ruhr region and in Berlin, Dresden, Leipzig and Hamburg.

The Rhine-Ruhr metropolitan region has a population of ten million residents and is the top industrial area in Western Europe. Given de-industrialisation and the urban development of the service sector, the Ruhr region has had to rethink its economic model. It has now achieved a successful reconversion by becoming an e-intelligence hub.

Berlin, with approximately 3.5 million residents (4.4 million including the entire metropolitan area), is the largest city in Germany. The capital is now a very popular destination for international companies to set up their registered offices. Berlin is enjoying positive demographic growth, and as a consequence, is a highly dynamic real estate centre. Although Berlin has attracted institutional investors, the private real estate market is also very active for good quality housing located in small, well-placed real estate complexes. With ownership rates of properties among the lowest in Germany at 15% compared to 45% for all other countries, the perspectives for value creation in the long term appear significant.

Alongside Berlin, other cities in East Germany such as Dresden, Leipzig and Potsdam have gained in attractiveness. Due to an economic climate that generates higher growth than the average in Germany, these regions have reaped the advantages of innovative companies in new technologies and health setting up operations there. These factors have all contributed to the increase in real estate demand, primarily in town centres.

Immeo SE has been operating in Hamburg since the second half of 2015. With 1.7 million residents, Hamburg is the second largest city in Germany in terms of population. As the third largest European port, it is particularly attractive from an economic perspective and enjoys a per capita GDP above the German average. Due to very strong population growth, (+3% since 2009), the outlook for changes in housing demand is positive.

As at 31 December 2015, Immeo SE owned 43,653 residential properties in Germany with a combined value of €3.5 billion, or €2.1 billion for Foncière des Régions Group share.

### 1.9.2.3.1. The investment market in 2015

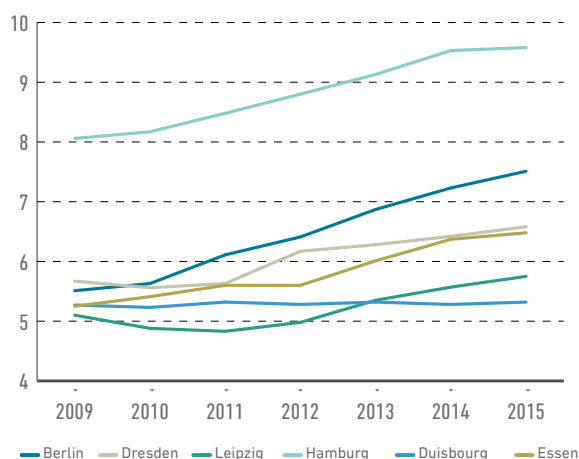
The investment market set records with over €25 billion in transactions performed over 12 months, i.e. over twice the amount for 2014. Large transactions (involving over 15,000 housing units) generated over half of the investment volume. Vonovia, originating from the takeover of GAGFAH by Deutsche Annington in March 2015 (€8 billion), acquired Südewo for €1.9 billion during the second half of 2015. The segment is thus continuing to consolidate and the big domestic public companies have reinforced their position as leading players in what is a highly liquid market. However, a record was also established on the market for transactions involving less than 4,000 housing units, with 450 completed transactions amounting to a volume of close to €10 billion.

Berlin is still considered the city for residential investment in Germany with over €5 billion in transactions completed. Domestic investors in particular turned to the residential segment, where yields were perceived as an attractive alternative to bond interest rates.

### 1.9.2.3.2. Rental and home ownership market

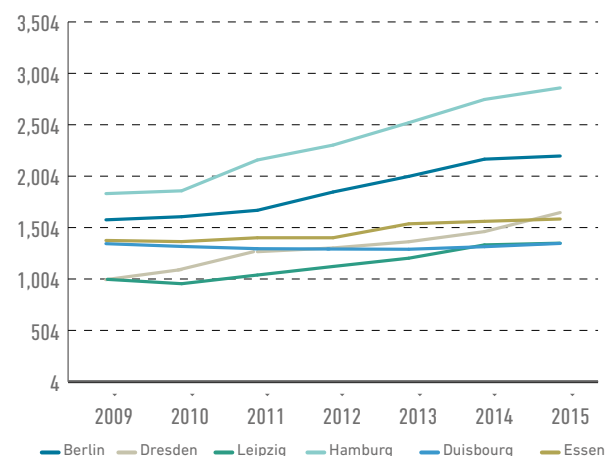
The German real estate market shows considerable variation in prices and rents. Depending on cities, rental values have undergone very different changes in recent years. Rents in the major cities in Western Germany have increased, albeit moderately. In the East, except for Berlin, Dresden and other attractive cities like Leipzig, an abundance of properties have kept rents low. In the large towns, however, a shortage of supply continues to drive the market. In Berlin, prices and rents are on a clear uptrend, sustained by a rising number of residents and households in the city.

**CHANGE IN AVERAGE RENT BY CITY: 2009-2015 PERIOD**  
(€/m<sup>2</sup>)



Source: IVD, BNPP REC. (All asset categories included).

**CHANGE IN AVERAGE PRICES BY CITY: 2009-2015 PERIOD**  
(€/m<sup>2</sup>)



Source: IVD, BNPP REC. (All asset categories included).



For Dresden, Leipzig and Hamburg, the average annual increase in rents amounts to approximately +3%. With a 5% average annual increase since 2009, Berlin has experienced the highest increase in rents among the main German cities. Depending on location and quality, housing in Berlin commands rents of €5.7 to €9.5. However, in the central city districts, rents can be higher, around €10/m<sup>2</sup>.

For Berlin, Dresden, Leipzig and Hamburg, flat prices have grown faster than rents over recent years, contributing to the downtrend in yield rates.

Dresden has experienced the greatest price increase with 9% in average annual increases since 2009. Depending on location and facilities, prices can range from €1,000 to €2,600 or even more for prime properties.

The energy of cities such as Berlin and Hamburg is confirmed by average price increases of 6% and 8% respectively since 2009.

### 1.9.3. Asset valuation method

The overall portfolio is appraised by independent experts on a half-yearly basis (30 June and 31 December), and according to the calculation methods determined by an internal set of specifications based on guidelines of the oversight bodies:

- ♦ recommendations from the *Autorité des Marchés Financiers* (AMF) on the representation of valuations and risk assessment data on the real estate portfolios of listed companies published on 8 February 2010
- ♦ instructions from the COB report of 3 February 2000 on real estate appraisals ("Report from the Working Group on expert appraisals of the real estate portfolios of companies issuing public calls for savings" chaired by Georges Barthès de Reyter).

Foncière des Régions also abides by the Listed Real Estate Investment Company (SIIC) Code of Ethics applicable to FSIF (*Fédération des Sociétés Immobilières et Foncières*) member companies, particularly in terms of real estate appraisals.

Moreover, the real estate experts selected, namely BNP Real Estate, DTZ Valuation France, Jones Lang LaSalle Expertise, CBRE Valuation and VIF Expertise, are all members of the AFREXIM (*Association Française des Experts Immobiliers* – French Association of Real Estate Appraisers), and are considered as such under the real estate appraisal charter approved by the AFREXIM. As a result of this, experts adhere to the various French standards. Their valuation methods comply with the RISC and IVSC international codes of conduct.

Each asset is subject to a full appraisal at the time of its acquisition, or when there is a change of appraiser. Updates to the file and sometimes asset inspections are performed during interim appraisals. Assets with an appraisal value of over €30 million<sup>(1)</sup> are subject to full appraisal every three years. The remainder are appraised every five years.

A complete appraisal consists of:

- ♦ preparation of a file including legal, technical and financial documents required for an objective analysis of the factors that enhance or reduce the value of the assets in consideration
- ♦ an internal visit to the sites and their environment

- ♦ research and analysis of comparison factors
- ♦ drafting of a report in which the final appraisal must be consistent with aforementioned observations, and a relevant analysis of the category market in question.

#### 1.9.3.1. Leasing revenue discount method

This approach involves recognising the revenues produced or capable of being produced by an asset and capitalising them at an appropriate rate. This rate is derived from the revenues recognised, the asset features and its foreseeable potential. It is based on the analysis of other rental properties and should be viewed as a whole from a general context of revenues expected from various investments in a given economic environment.

The main criteria for choosing rates of return are as follows:

- ♦ geographic location
- ♦ age and condition of the property complex
- ♦ possible convertibility of the property complex
- ♦ size and profitability of the establishment.

#### 1.9.3.2. Discounted future cash flow (DCF) method

This method takes into consideration future revenue, including recognised rental income, anticipated rental income, and work under contract for the lessor and residual gains from any sale at the end of the holding period. This method consists of discounting to present value the flows generated by the asset and adding in the present exit value of the assets in the last year.

In the case of an asset that is under development meeting the IAS 40 standard and subject to an appraisal, Foncière des Régions integrates a disbursement for future works in its cash flow.

<sup>(1)</sup> Excluding residential portfolio.



### 1.9.3.3. Unit value comparison method

This method consists in referring to the sale prices found on the market for equivalent assets. The comparison factors used derive specifically from internal databases in which each reference is

analysed, classified by situation and by category, and expressed in gross surface units or weighted surface units. It is more a method of cross-checking the two methods described above, than a principal method.

### 1.9.4. Appraiser remuneration at Foncière des Régions level

Appraisers (€ -100% - excl. tax)	2015 Total	(%)	Appraisers (€ -100% - excl. tax)	2015 Total	(%)
BNP Real Estate	558,167	21%	CW	151,773	6%
JLL	551,330	21%	CFE	130,310	5%
DTZ	528,450	20%	VIF	104,230	4%
CBRE	377,640	14%	REAG	80,000	3%
YARD Valltech	190,000	7%			
<b>TOTAL</b>			<b>2,671,900 100%</b>		

### 1.9.5. Valuation of the France Offices/Logistics and German Residential portfolios

#### 1.9.5.1. General background on the appraisals

##### 1.9.5.1.1. General framework

Foncière des Régions and Foncière Europe Logistique requested, under the terms of appraisal contracts, that appraisals of the fair value of their portfolio assets be completed as part of the half-year valuation of the portfolio. These appraisals were conducted with complete independence.

The appraisal companies DTZ Valuation France, CBRE Valuation, BNP Paribas Real Estate, Jones Lang LaSalle, Crédit Foncier Expertises and VIF Expertise have no capital ties with Foncière des Régions or Foncière Europe Logistique and certify that the appraisals were performed by, and under the responsibility, of qualified appraisers.

Annual fees billed to Foncière des Régions and to Foncière Europe Logistique are determined before the appraisal year. They account for less than 10% of the revenues of each appraisal company. The rotation of the appraisers is organised by the two companies. No conflicts of interest were identified in relation to this appraisal.

For the German Residential portfolio, Immeo SE has requested, through appraisal contracts or additional clauses dated 16 September 2015 in the case of BNP Paribas Real Estate and 27 March 2014 for Cushman & Wakefield, an estimation of the fair value of the assets comprising its portfolio in Germany. This request was part of the half-year valuation of its portfolio. Annual fees billed to Immeo SE are determined before the appraisal year. They account for less than 10% of the revenues of each appraisal company. The rotation of the appraisers is organised by Immeo SE.

##### 1.9.5.1.2. Current appraisal

In France Offices and Logistics, the appraisal focused on the fair value of 367 assets in France Offices or retail premises and eight Logistics assets. For this assignment, Foncière des Régions requested that initial appraisals or updates based on documentation be carried out when assets were first appraised less than five years ago. The assignment was to estimate the fair value with the occupancy rate announced at 31 December 2015.

The appraised assets are located in the national territory. These are investment assets that are either fully owned or under construction lease by Foncière des Régions and Foncière Europe Logistique. The assets are offices, retail premises, logistics facilities or commercial real estate. The assets in the various portfolios are leased to various tenants under commercial lease arrangements with (or without) firm 3-year, 6-year, 9-year or 12-year leases or exceptional leases.

It should be noted here that, when the principal is the tenant under the terms of a financial lease, the appraiser values only the assets underlying the contract, and not the financial lease contract itself. In the same way, when a real estate asset is held by a special purpose entity, its value was estimated on the assumption of the sale of the underlying real estate asset, and not the sale of the company.

In German Residential, the appraisers were tasked with assessing the fair value of 5,744 assets. For this assignment, Immeo SE asked the appraisers to carry out initial appraisals or updates based on documentation when assets were first appraised less than five years ago. The appraisers' assignment was to estimate the fair value with the occupancy rate announced at 31 December 2015.

The portfolio comprises residential assets wholly owned by Immeo SE or its subsidiaries. The assets are rented to many tenants, mainly under residential leases.

### 1.9.5.2. Conditions of performance

#### 1.9.5.2.1. Documents examined

This assignment was conducted on the basis of the documents and information provided, all of this information being assumed to be accurate and to represent all of the information and documents in the possession of, or known to, the principal, which could have an impact on the fair value of the portfolio. Accordingly, title deeds and zoning certificates are not examined.

In German Residential, the appraisal work described above was done based on the documentation and information provided to the appraisers in October 2015.

#### 1.9.5.2.2. Standards

The appraisals and valuations were completed in accordance with:

- ♦ the recommendations of the Barthès de Ruyter report on the valuation of real estate portfolios of listed/publicly traded companies, published in February 2000
- ♦ the Charter for Expert Appraisal in Real Estate Valuation
- ♦ the principles established in the Code of Ethics for Listed Real Estate Investment Companies (SIIC) and by the Royal Institution of Chartered Surveyors RED BOOK 2014
- ♦ the standards IAS/IFRS 40 and IFRS 13.

#### 1.9.5.2.3. Methodology used

For the investment assets making up the various portfolios, the appraisers used the Discounted Cash Flow method and the yield method (capitalization of revenues), with cross-checking by direct comparison.

### 1.9.5.3. Overview of the Offices/Logistics valuation of assets at year-end 2015

Foncière des Régions and Foncière Europe Logistique owned 382 assets at year-end 2015, of which 375 were appraised. Both abridged and full-length appraisal reports were compiled depending on the type of appraisal performed (update based on documentation or full appraisal). All figures are presented in euros.

		Offices		Logistics		Total		Total %
		Appraised value	Fair Value	Appraised value	Fair Value	Appraised value	Fair Value	
Paris	BNP Paribas Real Estate	675,700,000	675,700,000	0	0	675,700,000	675,700,000	37%
	Jones Lang LaSalle	170,390,000	170,390,000	0	0	170,390,000	170,390,000	9%
	DTZ Valuation France – CW	755,145,000	748,578,000	0	0	755,145,000	748,578,000	41%
	CBRE Valuation	137,470,000	137,470,000	0	0	137,470,000	137,470,000	8%
	Crédit Foncier Expertises	0	0	0	0	0	0	0%
	VIF Expertise	94,000,000	94,000,000	0	0	94,000,000	94,000,000	5%
	TOTAL PORTFOLIO APPRAISED	1,832,705,000	1,826,138,000	-	-	1,832,705,000	1,826,138,000	100%
	Assets under preliminary sale agreements	0		0		0		0%
	Assets valued internally	0		0		0		0%
	Acquisitions (< 2.5 months closing)	0		0		0		0%
Paris region – Others	TOTAL PORTFOLIO	1,832,705,000	1,826,138,000	-	-	1,832,705,000	1,826,138,000	100%
	BNP Paribas Real Estate	1,344,160,000	1,349,420,000	26,300,000	26,300,000	1,370,460,000	1,375,720,000	48%
	Jones Lang LaSalle	217,670,000	217,670,000	0	0	217,670,000	217,670,000	8%
	DTZ Valuation France – CW	702,374,000	714,042,242	0	0	702,374,000	714,042,242	25%
	CBRE Valuation	278,480,000	278,480,000	0	0	278,480,000	278,480,000	10%
	Crédit Foncier Expertises	0	0	0	0	0	0	0%
	VIF Expertise	189,045,000	189,045,000	0	0	189,045,000	189,045,000	7%
	TOTAL PORTFOLIO APPRAISED	2,731,729,000	2,748,657,242	26,300,000	26,300,000	2,758,029,000	2,774,957,242	98%
	Assets under preliminary sale agreements	3,310,000		0	0	3,310,000		0%
	Assets valued internally	25,922,000		0	0	25,922,000		1%
	Acquisitions (< 2.5 months closing)	38,836,000		0	0	38,836,000		1%
	TOTAL PORTFOLIO	2,799,797,000	2,816,725,242	26,300,000	26,300,000	2,826,097,000	2,843,025,242	100%

		Offices		Logistics		Total		Total %
		Appraised value	Fair Value	Appraised value	Fair Value	Appraised value	Fair Value	
Regions	BNP Paribas Real Estate	76,330,000	76,330,000	25,600,000	25,600,000	101,930,000	101,930,000	9%
	Jones Lang LaSalle	112,540,000	112,500,000	101,010,000	101,010,000	213,550,000	213,510,000	19%
	DTZ Valuation France – CW	509,955,000	512,321,075	10,300,000	10,300,000	520,255,000	522,621,075	46%
	CBRE Valuation	238,824,837	239,002,090			238,824,837	239,002,090	21%
	Crédit Foncier Expertises	110,000	110,000			110,000	110,000	0%
	VIF Expertise	22,820,000	22,820,000			22,820,000	22,820,000	2%
	<b>TOTAL PORTFOLIO APPRAISED</b>	<b>960,579,837</b>	<b>963,083,165</b>	<b>136,910,000</b>	<b>136,910,000</b>	<b>1,097,489,837</b>	<b>1,099,993,165</b>	<b>96%</b>
	Assets under preliminary sale agreements	10,340,000		0		10,340,000		1%
	Assets valued internally	35,302,000		0		35,302,000		3%
	Acquisitions (< 2.5 months closing)		0	0		0		0%
Total	<b>TOTAL PORTFOLIO</b>	<b>1,006,221,837</b>	<b>1,008,725,165</b>	<b>136,910,000</b>	<b>136,910,000</b>	<b>1,143,131,837</b>	<b>1,145,635,165</b>	<b>100%</b>
	BNP Paribas Real Estate	2,096,190,000	2,101,450,000	51,900,000	51,900,000	2,148,090,000	2,153,350,000	37%
	Jones Lang LaSalle	500,600,000	500,560,000	101,010,000	101,010,000	601,610,000	601,570,000	10%
	DTZ Valuation France – CW	1,967,474,000	1,974,941,317	10,300,000	10,300,000	1,977,774,000	1,985,241,317	34%
	CBRE Valuation	654,774,837	654,952,090	0	0	654,774,837	654,952,090	11%
	Crédit Foncier Expertises	110,000	110,000	0	0	110,000	110,000	0%
	VIF Expertise	305,865,000	305,865,000	0	0	305,865,000	305,865,000	5%
	<b>TOTAL PORTFOLIO APPRAISED</b>	<b>5,525,013,837</b>	<b>5,537,878,407</b>	<b>163,210,000</b>	<b>163,210,000</b>	<b>5,688,223,837</b>	<b>5,701,088,407</b>	<b>98%</b>
	Assets under preliminary sale agreements	13,650,000		0		13,650,000		0%
	Assets valued internally	61,224,000		0		61,224,000		1%
	Acquisitions (< 2.5 months closing)	38,836,000		0		38,836,000		1%
	<b>TOTAL PORTFOLIO</b>	<b>5,638,723,837</b>	<b>5,651,588,407</b>	<b>163,210,000</b>	<b>163,210,000</b>	<b>5,801,933,837</b>	<b>5,814,798,407</b>	<b>100%</b>

The differences between the value provided by the appraiser and the Fair Value are primarily due to the preliminary sales agreements, whether whole or partial, signed during the period (the value used being that of the agreement).

## 1.9.5.3.1. Appraisers' summary

### FRANCE OFFICES

Appraisers	Number of assets	100% Valuation Excluding Duties (€)	100% Fair value Excluding Duties (€)	Fair value (GS) Excluding Duties (€)
BNP Paribas Real Estate	37	2,096,190,000	2,101,450,000	1,644,016,000
Jones Lang LaSalle	50	500,600,000	500,560,000	500,560,000
DTZ Valuation France – CW	180	1,967,474,000	1,974,941,317	1,753,893,217
CBRE Valuation	48	654,774,837	654,952,090	607,702,090
Crédit Foncier Expertises	1	110,000	110,000	110,000
VIF Expertise	51	305,865,000	305,865,000	220,037,000
<b>TOTAL</b>	<b>367</b>	<b>5,525,013,837</b>	<b>5,537,878,407</b>	<b>4,726,318,307</b>



## LOGISTICS

Appraisers	Number of assets	100% Valuation Excluding Duties (€)	Fair value 100% Excluding Duties (€)	Fair Value (GS) Excluding Duties (€)
BNP Paribas Real Estate	3	51,900,000	51,900,000	51,900,000
Jones Lang LaSalle	4	101,010,000	101,010,000	101,010,000
DTZ Valuation France – CW	1	10,300,000	10,300,000	10,300,000
<b>TOTAL</b>	<b>8</b>	<b>163,210,000</b>	<b>163,210,000</b>	<b>163,210,000</b>

### 1.9.5.3.2. General observations

These values are understood as being based on the market remaining stable and on no significant changes occurring to the assets between the appraisal date and the value date. This abridged report cannot be taken separately from all the work performed as part of the appraisals, especially the detailed reports associated with them. Each of the appraisers confirms the values of the assets where they themselves performed the appraisal or update, without assuming responsibility for those performed by other appraisal companies.

### 1.9.5.4. Summary of the valuation of German residential assets at end-2015

Geographic breakdown	Appraised value (€)	Fair Value (€)	Total %
Berlin	1,034,939,000	1,456,913,000	40%
Dresden & Leipzig	272,795,000	272,795,000	8%
Hamburg	239,470,000	239,470,000	7%
NRW	1,635,222,000	1,634,023,000	45%
<b>TOTAL</b>	<b>3,182,426,000</b>	<b>3,603,201,000</b>	<b>100%</b>

The difference between the value provided by the appraisers and the fair value is primarily due to the impact of sales and preliminary sales agreements in North Rhine-Westphalia, as well as to the takeover of Berlin IV at year-end, a company whose assets were not appraised.

### 1.9.5.4.1. Summary of the valuation of German residential assets by appraisers

Appraisers	Number of assets	100% Valuation Excluding Duties (€)	100% Fair value Excluding Duties (€)	Fair Value GS Excluding Duties (€)
BNP Paribas Real Estate	457	1,547,204,000	1,969,178,000	1,176,282,000
Cushman & Wakefield	5,287	1,635,222,000	1,634,023,000	999,036,000
<b>TOTAL</b>	<b>5,744</b>	<b>3,182,426,000</b>	<b>3,603,201,000</b>	<b>2,175,318,000</b>

BNP Paribas Real Estate appraised the assets located in Berlin, Dresden, Leipzig and Hamburg. Cushman & Wakefield appraised the assets located in North Rhine-Westphalia.

### 1.9.5.4.2. General observations

The values presented by the appraisers are understood as being based on the market remaining stable and on no significant changes occurring to the assets between the appraisal date and the value date.

## 1.10. RISK FACTORS

The activities and growth of Foncière des Régions involve achieving objectives the Company has set for itself. In order to achieve these objectives, Foncière des Régions continuously assesses the risk exposure associated with each decision it makes. The Company has reviewed its risks and considers that there are no other significant risks than those presented hereunder, the occurrence of which would have a significant impact on the its financial position or its results. Investors should be aware that other risks that are known or that the Company does not consider, as of the date of this document, as having an adverse impact may exist. Furthermore, as Foncière des Régions has significant equity interests in the listed companies Foncière Développement Logements, Foncière des Murs and Beni Stabili, investors should refer to the risk factors section in the Reference Document of each of these companies. Certain specific information on the risk factors related to the German residential portfolio held by Immeo-Wohnen is provided below, as this company does not publish a Reference Document.

### 1.10.1. Risks linked to the environment in which Foncière des Régions operates

Risks	Prevention system – Sensitivity impact
<b>Economic risks</b>	
Changes in international and domestic economic conditions (economic growth, interest rates, unemployment rate, calculation method for rent indexation, changes in various indices, etc.) may have a significant negative impact on Foncière des Régions' business and financial results. Foncière des Régions could experience a downturn in demand for corporate real-estate projects, a drop in the occupancy rate and in the leasing or re-leasing price of its real-estate assets, and a decline in the valuation of its portfolio.	Foncière des Régions is largely protected against these risks thanks to its solid partnerships, the high residual term of its leases and the prudential standards applied to the launching of development operations (monitoring of the pre-leasing rate on assets under development, the limits on equity exposed to vacancy risk, etc.).
<b>Risks linked to changes in the real-estate market</b>	
The Company operates primarily in the office property sector in France and Italy, the residential sector in Germany and the hotel sector in Europe. The value of the Company's portfolio depends on developments in the real estate markets in which Foncière des Régions operates. They may fluctuate, particularly with respect to rental income and property values in light of the supply/demand balance and the overall economic situation. Foncière des Régions may not always be in a position to carry out its rental or leasing strategy, its investments and, where applicable, its disposals at a favourable time or under favourable market conditions. It may be forced to defer such strategy and investments depending on the fluctuations in the property market.	The leasing strategy defined and the policies implemented by Foncière des Régions aim to limit the negative effects of these risks, particularly by seeking to maintain a solid leasing base with major tenants and long leases (residual firm term of 7.3 years), completing developments for key accounts that are predominantly pre-leased prior to the launch or delivery and improving the quality of its portfolio. The diverse countries and business sectors in which Foncière des Régions operates mitigate the risk of the markets deteriorating simultaneously in each of the countries where it operates.
<b>Competition risks</b>	
The Company competes with a large number of players in its development activity. Some of its competitors may have more financial resources or, in certain cases, may benefit from better regional or local implementation than the company. Such factors may offer these competitors an opportunity to participate in tender offers for development operations under financial conditions that do not necessarily match the investment criteria Foncière des Régions has set for itself. The Company's rental activity is likewise subject to strong competitive pressure given the development of new office buildings located near its existing assets. As a whole, these factors could lead to uncertainty in relation to the Company's growth forecasts and have a negative impact on its business, its financial position and its results.	The management of these competition risks is properly ensured by the long-term partnership strategy pursued by Foncière des Régions as well as the continuous review of projects that are monitored from their earliest stages by dedicated teams. The professionalism of our teams and the soundness of the Company make us a key player who is well-known on the German, French and Italian markets.



## 1.10.2. Risks linked to the scope and type of business of Foncière des Régions

Risks	Prevention system – Sensitivity impact
<b>Risks linked to lease renewals and rental of real estate assets</b>	
Upon expiration of existing leases, the Company may not be in a position to renew them under equivalent terms or to lease the assets within a reasonable time frame, particularly due to macroeconomic and real estate market conditions. Foncière des Régions may fail to succeed in maintaining its occupancy rate and its rental income, which would have an adverse impact on its financial position and results.	For Foncière des Régions, managing these risks requires maintaining a high firm residual term of leases and the staggering of expiration dates, as well as ongoing discussions with its existing tenants. Accordingly, at 31 December, 2015, the firm residual duration of leases stands at 7.3 years, an increase of 1.6 year compared to 31 December 2014, even though 12 months have passed in the meantime. In German Residential, the presence of local agencies means that the search for tenants can be addressed immediately. Reports on vacancies are presented and monitored on a monthly basis by General Management.
<b>Risks linked to tenants</b>	
Foncière des Régions made the strategic choice to build tenant partnerships with key accounts and major companies, which means that revenue is exposed to these partnerships and could be impacted. Foncière des Régions and Immeo-Wohnen are also exposed to the risk that their tenants' financial stability deteriorates or that they even become insolvent. Accordingly, insolvency risks may impact the Company's earnings.	Partnership risks are managed through regular "Partnership Committee" meetings that help Foncière des Régions to closely monitor changes in its partners' business activities. Rental guarantees, guarantee deposits and the use of decision-making tools (Intuiz by ALTARES) make it possible to obtain targeted financial analyses on tenants, thereby allowing Foncière des Régions to forearm itself against the risk of insolvency. These measures are reinforced by the preparation of monthly reports on unpaid rent reviewed by General Management. Most of the rent for Foncière des Régions' residential portfolio in Germany is paid via direct debt. A national register of payment defaults that can be consulted by lessors and financial institutions is also a way to curtail the risk of unpaid rents. For informational purposes, unpaid rent by tenants (expense line item/unrecoverable receivables) represented 0.6% of total rent at 31 December 2015.
<b>Risks linked to asset valuation</b>	
Foncière des Régions recognises its investment properties at fair value in accordance with the option offered by IAS 40. It is therefore exposed to the risk of a change in the value of an asset assessed by appraisers that may occur following an adjustment in the main assumptions used (yield rate, rental value, occupancy rate), and likely to affect the Foncière des Régions revaluated net asset.	The appraisal process is regularly audited under a review procedure. For example, the Company has set very stringent rotation rules for the appraisers. The constant improvement in the quality of the Foncière des Régions portfolio, as well as in the firm residual duration of leases, ensures the resilience of the value of its assets during a crisis. A sensitivity analysis on the impact of changes in yield rates on asset value adjustments is provided in paragraph 3.2.6.1.1. of this report. A summary of methodologies and appraisals is given in paragraph 1.9.3 of this document.



Risks	Prevention system – Sensitivity impact
<b>Risks linked to development of new real estate assets</b>	
As part of its development activities performed for its own account or for its subsidiaries, Foncière des Régions is exposed to certain risks: higher than estimated construction costs, construction phases exceeding those initially estimated, technical difficulties or delays due to the failure to obtain administrative authorisations, impossibility of securing project financing at competitive terms, leasing risk, etc.	Foncière des Régions' development activities performed for its own account or that of its subsidiaries are subject to a specific procedure intended to manage the risks associated with this type of activity. This specific procedure encompasses all of the studies to be carried out prior to the launch of any project, selection process for external service providers, monitoring of the period ranging from construction to the delivery of the asset and the market launch of "on-spec" projects. Deadlines and costs are therefore fully assimilated and tracked during the entire project. Over the past few years, the building up of the team dedicated to development, which is now highly-skilled, has helped to reduce this risk. With respect to thresholds defined by management, developments are submitted to the Executive Committee, the Strategic and Investment Committee and the Board of Directors for validation. The risks, obstacles and opportunities are reviewed in detail during the validation procedure.
<b>Acquisition risks</b>	
The acquisition of real estate assets or companies that hold them is part of Foncière des Régions' growth strategy. This policy particularly includes the risk of overestimating the expected yield for an acquisition made at an overly high price. The purchased assets could also have latent defects, especially in terms of environmental compliance, or features not covered by the warranties given in the purchase contract due to non-compliance.	Risk management procedures are implemented as part of the analyses performed during the comprehensive due diligence performed before each acquisition with the aid of external specialised consultants, coupled with market analyses. These analyses are particularly intended to provide an understanding of potential risks and to set up guarantees for Foncière des Régions as well as other precautions. With respect to thresholds defined by management, acquisitions are submitted to the Executive Committee, the Strategic and Investment Committee and the Board of Directors for validation. The risks, obstacles and opportunities are reviewed in detail during the validation procedure.
<b>Risks linked to international exposure</b>	
Foncière des Régions has significant investments in companies that are active in Italy and Germany, and to a lesser extent, in the Netherlands, Portugal, Luxembourg and Belgium. Some of these countries may have particular risk profiles. The economic and political context may be less solid and less stable, and regulatory concerns and entry barriers less favourable. The country risk could have a negative effect on Foncière des Régions' operating income and financial position.	The Foncière des Régions' international operations are limited to countries within the Eurozone. This geographical diversification helps to pool the potential combined country risks. The performance monitoring broken down by activity and by country is provided in detail in Chapter 1 of this Reference Document. Moreover, in both Italy and Germany, Foncière des Régions has investments in real estate companies that work with locally-based teams that are experts in their respective markets.





### 1.10.3. Risks associated to the financial markets and the financial position of Foncière des Régions

The management of financial risks as described below is discussed in further detail in paragraph 3.2.2 of this Reference Document.

Risks	Prevention system – Sensitivity impact
<b>Liquidity risk</b>	
<p>To finance its investments and acquisitions and to refinance any debts that have reached maturity, Foncière des Régions must be in a position to raise significant financial resources. The Company runs the risk of experiencing a lack of liquidity if it is unable to raise the necessary resources in the form of equity or borrowing.</p> <p>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.</p> <p>Foncière des Régions also incurs the risk of insufficient liquidity to service its debt. 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. For more information, please see paragraph 3.2.2.2 of Chapter 3.</p>	<p>Foncière des Régions' policy of paying down debt, instituted several years ago, has minimised this risk.</p> <p>This risk is managed through tracking multi-year cash management plans and, in the short term, by using confirmed and undrawn lines of credit. Monitoring adherence to covenants is also a priority for the Company. Moreover, 18-month liquidity forecasts are analysed every month by the Finance Department and are submitted to General Management.</p> <p>The Investment <i>Grade BBB</i> rating from Standard &amp; Poor's (stable outlook) demonstrates that this risk is properly managed.</p>
<b>Risks linked to covenants and other undertakings stipulated in certain credit agreements</b>	
<p>The credit agreements entered into by Foncière des Régions contain commitments or covenants which the Company agrees to uphold, as detailed in part 3 of paragraph 3.2.6.11.4. If Foncière des Régions were to breach one of its financial undertakings and 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 backing the debt. Consequently, any failure to meet its financial undertakings could have an adverse impact on Foncière des Régions' financial situation, its results, and its flexibility in conducting business and pursuing its development.</p>	<p>Foncière des Régions has set up a check and monitoring system on its covenants in order to contain these risks.</p> <p>The Audit Committee reviews and analyses the covenants semi-annually, as does the Board of Directors.</p> <p>The Statutory Auditors certify the ratios of the main companies annually.</p> <p>The Investment <i>Grade BBB</i> rating from Standard &amp; Poor's (stable outlook) demonstrates that this risk is properly managed.</p>
<b>Interest rate risk</b>	
<p>The Company's use of debt exposes it to the risk of interest rate fluctuations that may lead to a significant increase in financial expenses if the rates were to rise dramatically.</p> <p>For more information, please see paragraph 3.2.2.3 of Chapter 3.</p>	<p>Foncière des Régions uses derivative instruments to hedge against its interest rate risk, primarily cap and swap contracts. The Group has no market transactions for any purpose other than to hedge against interest rate risk. Sensitivities to a rise in interest rates are described in paragraphs 3.2.2.3 of Chapter 3.</p>
<b>Financial counterparty risk</b>	
<p>The use lines of credit and of interest rate hedging contracts from financial institutions could expose Foncière des Régions to the risk of insolvency by the counter parties to such contracts, triggering payment delays or defaults, which could result to a negative impact on Foncière des Régions' results.</p> <p>For more information, please see paragraph 3.2.2.4 of Chapter 3.</p>	<p>Since Foncière des Régions and Immeo-Wohnen are structurally borrowers, counterparty risk is limited mainly to investments made by the Group. Foncière des Régions and Immeo-Wohnen make it a priority to work with diversified, first-rate institutions in order to reduce this risk. IFRS 13 explicitly provides for counterparty risk assessment in the fair value measurement of liabilities. This measurement was conducted by a specialist organisation and recognised in Foncière des Régions' financial statements.</p>

## 1.10.4. Legal, fiscal, regulatory, environmental and insurance risks of Foncière des Régions

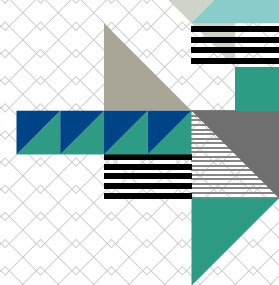
Risks	Prevention system – Sensitivity impact
<b>Risks linked to lease regulations</b>	
In France, regulations on commercial leases impose certain restrictions on the lessor. Changes in the regulations that apply to commercial leases, especially with respect to term, rent indexation and caps could adversely impact the valuation of the Company's portfolio, results, business activity or financial position.	A regulatory watch has been set up to anticipate and analyse such risks. In Germany, <i>leases</i> are subject to local regulations on residential leases. Local teams specialised in residential portfolio management ensure that these regulations are applied. Rent increases are guided and limited by the rents of comparable housing units in the same area (and may not exceed approximately 20% every 3 years). This rent level is determined by the towns and cities, which publish the current rents and break them down by location, construction year, building condition and the number of facilities in the building.
<b>Risks linked to the SIIC real estate trust status</b>	
Foncière des Régions is subject to the Tax System for French Listed Real Estate Investment Trusts (hereinafter SIIC), and as such, is not subject to corporate tax. Opting for the SIIC tax regime involves the immediate liability for an exit tax at the reduced rate of 19%, payable over four years, on unrealised capital gains relating to assets and securities of entities not subject to corporation tax. In return for this exemption, the Company undertakes to pay 95% of earnings derived from the leasing of its real estate assets, 60% of capital gains from disposals and 100% of dividends received from SIIC-status subsidiaries. These provisions require that other conditions be satisfied upon opting for the regime and/or throughout the entire period covered by the regime.	The conditions of the SIIC regime exemption are subject to regular monitoring and analyses, both internally by the Group Tax Department and by the external tax consultants, which makes it possible to limit the occurrence of risks and to keep abreast of any potential changes in positions, whether administrative or legal.
<b>Health and environmental risks</b>	
Health and environmental risks are fully described in Chapter 2 of this document. Changes in environmental regulations applicable to Foncière des Régions as a real estate owner and manager may lead to an increase in its costs, with subsequent repercussions on its results. In addition, Foncière des Régions' business activities expose it to potential risks such as health (asbestos, legionella) and environmental (particularly ground and subsoil contamination) risks that may tarnish the image and the reputation of the Company. These risks may generate significant remediation costs and long additional delays associated with the search for and removal of toxic substances or materials when engaging in development or asset renovation projects. They may also involve the civil and, potentially, the criminal liability of the Company.	Foncière des Régions' Department of Sustainable Development is responsible for tracking any changes in environmental regulations. It manages and disseminates any information required by the Foncière des Régions teams to implement objectives and associated actions plans needed to anticipate future regulations. Regarding the prevention of health and environmental risks, the Real Estate Engineering Department in charge of these risks applies a strict policy, specifically by carrying out the systematic replacement of cooling towers and by entrusting to its consultant, Provexi, the management of the asbestos and ground contamination risks of its assets.
<b>Risks related to the costs and availability of appropriate insurance cover</b>	
The Company could face an increase in its insurance policy premiums due to a claim rate deemed significant by its insurers over a given period or sustain losses that may not be fully covered by the insurance in place. The valuation of assets, the business, the financial position and the Company's results could be impacted.	The Insurance Department, which reports to the Audit and Risk Department, manages this risk by working with its broker to get the best conditions from various insurance companies, by working in the early phases of the policy renewals, and regularly reviewing the insurance coverage and coverage amounts. Foncière des Régions applies a diversification policy to its insurers in the distribution of its assets.



# 2

## SUSTAINABLE DEVELOPMENT

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## FOREWORD

Since 2001 and the NRE<sup>(1)</sup> law, the Group's various business activities, described on pages 2 to 7, have gradually incorporated all aspects of sustainable development. Every year, Chapter 2 of Foncière des Régions' Reference Document provide an accurate report of its policy, as well as its goals and achievements in this area. This section has been written in compliance with the Decree of 24 April 2012 on CSR transparency, the GRI4<sup>(2)</sup>, and the ERPA's<sup>(3)</sup> "Best Practice Recommendations" on environmental reporting. Lastly, this document takes into account the IIRC's<sup>(4)</sup> principles encouraging more integrated reporting and makes every effort to meet the Group's ambitions with regards to transparency and comparability.

This Chapter 2 has been subject to verification (see Section 2.12) since 2010 and results in the publication of a Sustainable Development Report on the day of the General Meeting, which will be on 27 April for 2016. All of these publications are available on the Foncière des Régions website at [www.en.foncièredesregions.fr](http://www.en.foncièredesregions.fr)

## 2.1. HEADING FOR 2020!

2015 was a pivotal year for environmental issues: The COP21<sup>(5)</sup> Climate Conference held in Paris, which focused on limiting climate change, helped the world transition from awareness to defining shared targets. In France, the Energy Transition Law and National Low Carbon Strategy followed the course set by the COP. Our targets already anticipated these measures: 25% decrease in energy consumption in our France Offices between 2008 and 2015 (-28% at the end of 2015), and set at 40% decrease between 2008/2020 and 20% reduction in carbon emissions from 2008 to 2020 (-12% at the end of 2015), thus structuring our policy to revalue our asset portfolios.

Discussions leading to an international agreement on the climate have once again demonstrated how interconnected environmental, social, societal, economic, cultural and governance issues can be. Foncière des Régions' sustainable development policy covers these different topics and organises them into four objectives: develop our portfolio to include changes relating to sustainable buildings; build a smarter, more user-friendly and sustainable city; develop, diversify and retain our human capital; guarantee ethical practices.

In this respect, I am especially proud that Foncière des Régions has joined the CDP<sup>(6)</sup> A list which brings together the 113 companies around the world doing the most to combat climate change. The grade of 99 (transparency) A (performance) establishes Foncière des Régions as the only A-rated REIT in France and in Benelux.

This further proves the success of our 2010/2015 CSR action plan. In 2015, we delivered nine certified building development or refurbishment projects totalling 105,000 m<sup>2</sup> and €444 million. We also increased our presence in Europe by purchasing the equivalent of €778 million in existing hotels or hotels to be built (€543 million Group share), including nearly €350 million in investments with our hotel partners, and by investing in new housing portfolios for our subsidiary Immeo SE (Berlin, Hamburg) for a total of €871 million (€529 million Group share). With a residual term

lease of 7.3 years on average, these changes in our portfolios, business lines and services build on solid partnerships forged with our tenants in particular, with constant efforts to improve the quality of our assets.

By the end of 2015, we had already improved the environmental performance of 61.2% of our France Offices portfolio, while our 2010/2015 plan had set a target of 50%. These results are due not only to the deliveries that took place in 2015, but also to obtaining three new operating certifications, following the implementation of environmental annexes. Our new 2015/2020 plan increases the level of our commitment, with our objective being to own 100% certified office buildings in France, 50% in Italy, and 66% for our hotels in Europe by the end of 2020.

For Foncière des Régions, sustainable development is an issue that can set us apart and create long-term value, while also serving as an excellent business plan. It is transforming and adding value to each business line, uniting every level of our organisation around a momentum promoted both internally and externally, as evidenced through the publication of Foncière des Régions' White Paper on supplier relations and the signing of the Responsible Supplier Relations Charter, thus demonstrating the maturity of our responsible purchasing policy.

A European leader in our industry, both strong and resilient, Foncière des Régions will continue to step up our development in the coming years by expanding our range of expertise as well as the partnership model that has made us successful.

Christophe Kullmann  
Chief Executive Officer

<sup>(1)</sup> NRE: New Economic Regulations.

<sup>(2)</sup> GRI: Global Reporting Initiative.

<sup>(3)</sup> EPRA: European Public Real Estate Association.

<sup>(4)</sup> IIRC: International Integrated Reporting Council.

<sup>(5)</sup> COP: COConference of Parties.

<sup>(6)</sup> CDP: Carbon Disclosure Project.

## 2.2. FONCIÈRE DES RÉGIONS, A BUSINESS MODEL BASED ON PARTNERSHIP

Since its creation, Foncière des Régions has become the partner of companies and regions, helping them achieve their real estate strategies with a dual purpose: enhancing the existing urban portfolio and designing the real estate of the future. Today, Foncière des Régions' total portfolio is worth €18 billion (€11 billion in Group share) in France, in Italy via its subsidiary Beni Stabili, in Germany via its residential subsidiary Immeo SE, and throughout Europe in the hotel market.

Foncière des Régions builds innovative real estate solutions with its tenants that meet their needs, with a long-term vision that prioritises an ambitious environmental and social policy. The quality of the partnerships that Foncière des Régions has built up with its Key Account tenants (such as Orange, EDF, Thales,

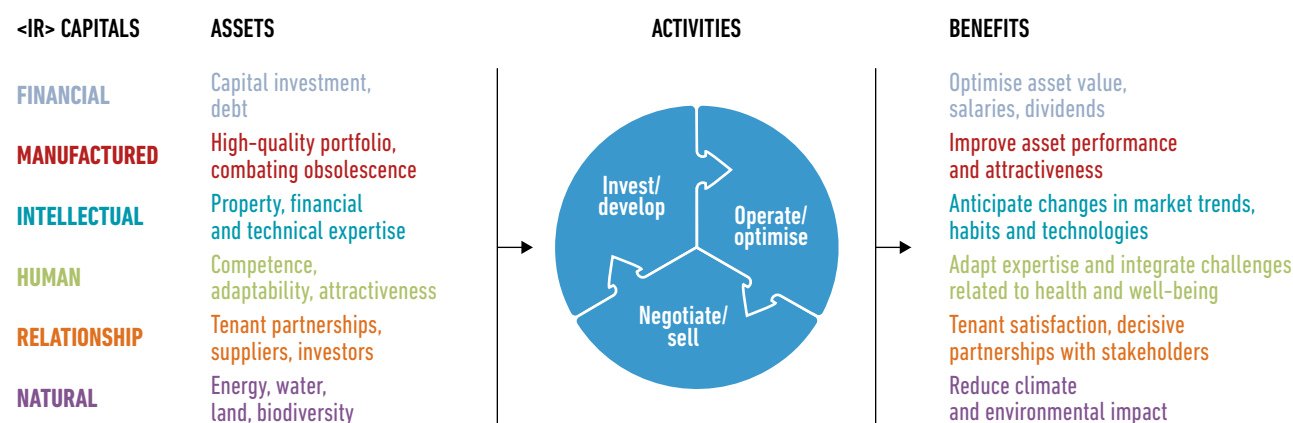
AccorHotels, B&B Hôtels, Suez Environnement, etc.), combined with a very long-term commitment, represents the basis for its strategy and is a major differentiator with respect to its peers. In addition, with an average occupancy rate of 96% Group wide, and 100% for our Hotels and Service Sector business, Foncière des Régions takes full advantage of an investment strategy that favours single tenant sites, without any structural vacancy or non-payments. Foncière des Régions has excellent visibility of its cash flows over the coming years, with an average residual lease term of 7.3 years in 2015 and debt contained at 45.4%. This performance results in a consistently high dividend (€4.30<sup>(1)</sup> in 2016, offering a yield of 5.9%). This pattern is a long-term value creator for all of our stakeholders.

### 2.2.1. 360° business expertise

Foncière des Régions manages every facet of the real estate business, enabling it to seize and optimise value creation at each stage of its business cycle.

The diagram below shows how Foncière des Régions' business cycle adds value to the Company's equity, based on the Integrated Reporting <IR> analytical framework.

#### THE FONCIÈRE DES RÉGIONS BUSINESS CYCLE



The Company's strategy, its areas of expertise, objectives and action plans for each of the capitals described above help create long-term tangible and intangible value for Foncière des Régions, its stakeholders and the community.

<sup>(1)</sup> Subject to a vote at the General Meeting of 27 April 2016.



## 2.2.2. A responsive and resilient model

The Group constantly listens to its stakeholders and to the market to analyse and anticipate changing expectations. One of Foncière des Régions' strengths lies in its ability to deeply understand and constantly adapt to the requirements of both companies and regions.

### 2.2.2.1. Relying on sound fundamentals

Despite a period of weak growth, the real estate market remains attractive and dynamic, particularly in France: in an environment experiencing persistently low interest rates, the returns offered by real estate are continuing to attract substantial capital flows. The Group is also highly trusted by its tenants, banks and shareholders, as evidenced by Foncière des Régions' successful capital increase in March 2015 (€255 million) and the Italian subsidiary Beni Stabili's €200 million convertible bond issue.

Foncière des Régions successfully refinanced or issued €4.2 billion in debt (€2.5 billion Group share) in 2015, which has enabled the Company to improve its debt profile with a longer maturity (5 years vs. 4.1 years at the end of 2014) and a lower average cost (2.8% vs. 3.29%). The Group maintains good control of its debt level, with an LTV ratio<sup>(1)</sup> of 45.4% at the end of 2015.

Major groups with an international presence are still turning to Foncière des Régions to design and own the buildings where they operate, in line with their own real estate and CSR policies. This

tenant trust and loyalty prevents Foncière des Régions from being too exposed to market risk.

### 2.2.2.2. Combining financial and CSR performance

In addition to its strong financial performance, Foncière des Régions is striving to change its real estate portfolio by including market developments, regulatory developments and changes in user needs. The French real estate market has turned toward favouring "green buildings" (HQE, BREEAM, etc.) more quickly than in Italy or even in Germany, which Foncière des Régions anticipated in 2010, and exhibited in its 2010-2020 plan which it is currently rolling out in Europe.

Foncière des Régions' asset turnover ratio is 7% on average per year, which makes it possible to more effectively rebalance the portfolio towards better performing assets.

Combating asset obsolescence helps reinforce their attractiveness, their liquidity, and lastly, their value over the long term. As such, a mapping of assets, carried out in 2009/2010 and updated and completed every year, highlights various levers for improving the assets' energy and environmental performance. Financial and CSR performance are complementary and thus help bolster Foncière des Régions' business model.

## 2.2.3. Identifying risks and seizing opportunities

Section 4.3.2 of this 2015 Reference Document details the risk factors that could have a significant effect on Foncière des Régions' financial and non-financial position or on its earnings.

Four risk mapping exercises have already been completed (2006, 2009, 2012 and 2014). They have ranked major risks and led to the implementation of action plans to prevent or limit potential consequences on corporate life, its cash position or valuation. The methodology and the results of these updates are presented in greater detail in the Report of the Chairman of the Board of Directors on corporate governance and internal control (see Section 1.10). Asset obsolescence or even business continuity in the event of exceptional circumstances (fire, pandemic, etc.) are some of the CSR risks identified. These action plans are periodically followed up on by General Management and the Audit Committee.

### 2.2.3.1. Anticipating risks related to climate change

The Energy Transition for Green Growth Act (LTECV) of 18 August 2015, followed by the COP21 in Paris this past December, were two major events in 2015 that brought to light risks and opportunities related to climate change. Assets will have to confront extreme climate events more frequently: heat waves, storms, etc. The frequency of heat advisories (+35°C) for example should be multiplied by three to six depending on the scenario, requiring changes in asset design and updates to heating and air conditioning equipment.

Foncière des Régions is taking measures to meet the dual requirement of reducing its own energy footprint and that of its portfolio, and also to adapt said footprint to climate change through risk analyses and investment decisions.

<sup>(1)</sup> LTV: Loan to value: debt/value ratio.





In France, the carbon tax (LTECV) should increase from €14.50/t in 2015 to €56/t in 2020, and €100/t by 2030. The energy mix of assets will have to change as a result, to help comply with the +2°C course targeted by the COP21. Foncière des Régions' sustainable development and investment policies have anticipated these risks since 2010, and are analysing others, such as rising sea levels, which could increase by one metre by the end of the 21<sup>st</sup> century according to certain GIEC<sup>(1)</sup> (International Group of Climate Experts) assumptions. A study of the portfolio conducted in 2015 showed that Foncière des Régions has one asset located at an altitude of slightly less than one metre below sea level, which accounts for less than 1% of its France Offices portfolio value. This asset benefit from tailored monitoring and safety measures, even if this potential risk is remote.

### 2.2.3.2. Managing risks related to buildings

In this respect, the regulatory framework is becoming more stringent and has accelerated substantially since the Grenelle Act (2009 and 2010), with regulations on energy performance (thermal regulation: RT2012), accessibility for persons with reduced mobility (PMR), biodiversity (law being drafted), pollution (change in regulations for installations classified for environmental protection (ICPE), etc. As a result, the LTECV includes an obligation to renovate the commercial portfolio, with energy performance levels to attain that increase every ten years over the 2020-2050 period, with an overall objective of -60% by 2050.

Additionally, changes in lifestyles and changes in working methods, which include more flexibility (working remotely, co-working spaces, etc.) and mobility (eco-friendly transport, etc.) are gradually affecting buildings, with a risk of obsolescence for portfolios in which no investments are made. Lastly, buildings are becoming more connected, particularly for facility management and for new services for occupants and visitors.

Assets developed or renovated by Foncière des Régions anticipate these changes and are ahead of sustainable city ambitions, protecting and even increasing the assets' rental and market values. For example, the renovation of the Le Floria asset in Fontenay (94), built in the 1980s, made it possible to update the asset to the most stringent standards (HQE Renovation with Exceptional label and BBC Renovation) and to conclude a new long-term lease with the tenant, Société Générale, which will create long-term value for both parties.

### 2.2.3.3. Managing market risks

Attentive to these changes, Foncière des Régions maintains solid and resilient real estate fundamentals. Less than three years after Foncière des Régions obtained an inaugural rating of BBB-, Stable outlook, Standard & Poor's raised the Group's rating to BBB, Stable outlook, recognising improved portfolio quality, continually strengthened cash flow and a sound balance sheet.

Foncière des Régions continues to reduce its market risks and to secure cash flows by pursuing complementary and dynamic segments: in the Greater Paris area, in dynamic French regional cities (Lyon, Marseille, Montpellier, etc.), in Italy (Milan and Rome), while increasing its residential presence in the most dynamic German cities (Berlin, Dresden, Hamburg, etc.), as well as in the hotel market in Europe.

Lastly, Foncière des Régions' ability to retain and develop talent is key in a rapidly changing competitive environment. Having an in-depth understanding of changes in real estate and financial trends in Europe is an essential factor in the Company's sustainability.

<sup>(1)</sup> Intergovernmental Panel on Climate Change.

### 2.2.4. Including stakeholders and challenges into the CSR policy

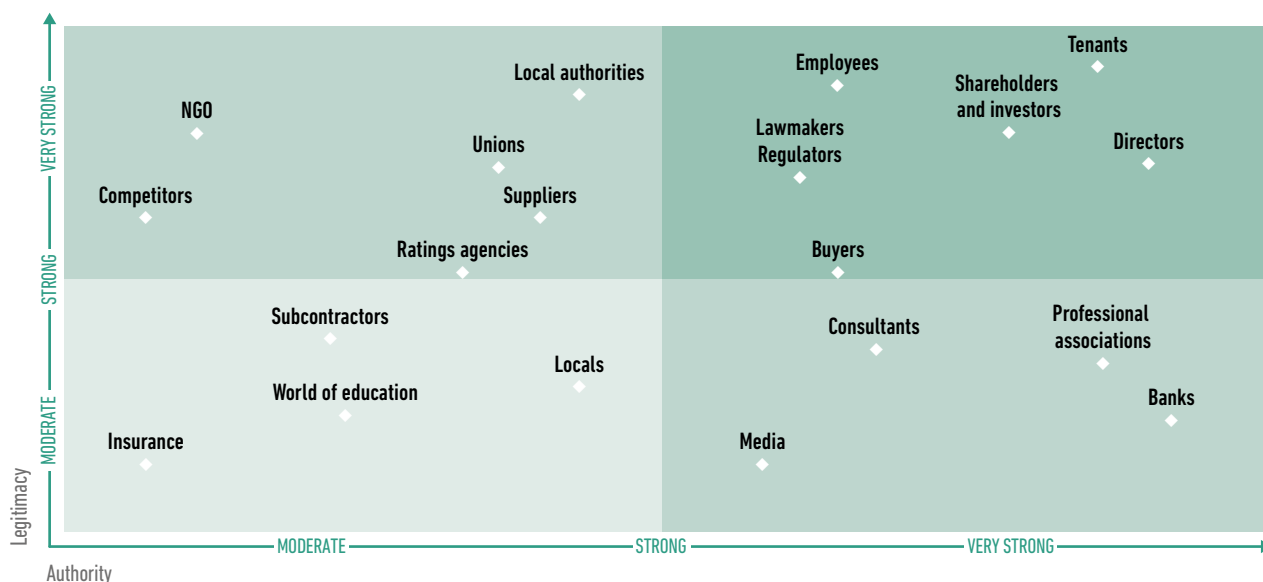
Since 2012, Foncière des Régions has conducted a materiality analysis to better understand and cross-reference its CSR challenges and those of its stakeholders using the various steps below:



#### 2.2.4.1. Meticulous identification of key stakeholders (G4-24; G4-25; G4-26; G4-27)

Interviews with internal stakeholders have made it possible to identify and characterise Foncière des Régions' primary external stakeholders. Subsequent interviews with external stakeholders have helped us to better understand their expectations, constraints and challenges in respect of CSR issues. Their challenges have been ranked according to their legitimacy and their ability to impact the Company's business, resulting in the mapping below.

#### MAPPING OF FONCIÈRE DES RÉGIONS' MAIN STAKEHOLDERS



In 2014, Foncière des Régions was awarded the Trophée France GBC in the "Stakeholders" category in recognition of its various initiatives in this field.

Foncière des Régions has specific communication media for its main stakeholders:

Tenants and buyers	Section 2.2 intro
Shareholders	Section 2.10.5
Directors	Section 2.10.2
Employees	Section 2.9
Local authorities	Section 2.8.1
Suppliers	Section 2.8.2

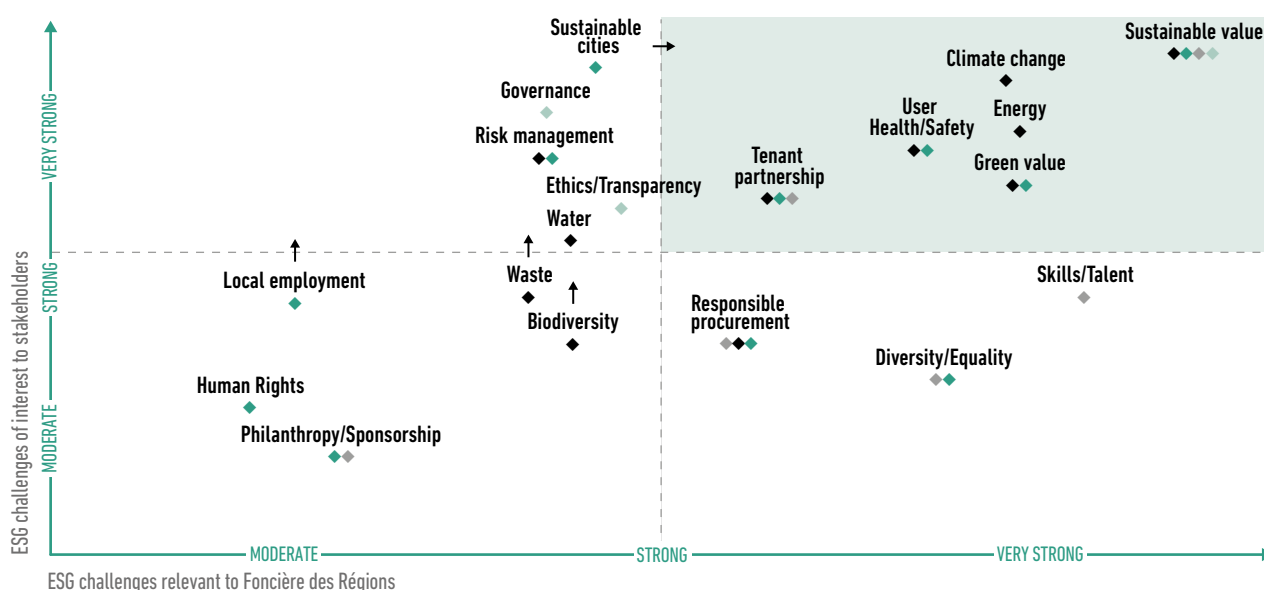
### 2.2.4.2. Ranking of material issues (G4-18; G4-22; G4-23)

Based on interviews conducted with external stakeholders, their CSR issues related to Foncière des Régions' business were ranked and cross-referenced with Foncière des Régions' CSR issues to create the materiality matrix.

Reassessed each year to ensure that results remain relevant over time, this study focuses initiatives on the most important

challenges, namely the most significant challenges for Foncière des Régions and its main stakeholders. The scope of the study includes the Group's business in France and Germany. Beni Stabili carried out a similar study in Italy, which can be found in its 2013 Sustainable Development Report. CSR issues are prioritised to continuously improve responses proposed to stakeholders and to implement policies and relevant monitoring indicators based on GRI G4 and IIRC guidelines in particular.

#### FONCIÈRE DES RÉGIONS MATERIALITY MATRIX



- E** ◆ Environment/Sustainable buildings (see Chapter 2.2 to 2.7)
- S** ◆ Societal (see Chapter 2.8)
- ◆ Social (see Chapter 2.9)
- G** ◆ Governance (see Chapter 2.10)

The main terms in this matrix are explained in Appendix 1 (Section 2.11.7).

This matrix has changed slightly with the adoption of the 2015-2020 Action Plan (see 2.2.7), which has made more room for issues related to sustainable cities, local employment and the circular economy, notably with regard to waste. The breakdown of topics inside the materiality matrix illustrate that the most significant issues for Foncière des Régions' stakeholders are prominently located in the CSR policy detailed in Section 2.2.5.

Human Rights is a moderate issue for the Group, located in France, Germany and Italy, as these countries have legislation designed to protect human rights. Furthermore, Foncière des Régions has a proactive philanthropy and skills-based sponsorship policy (see 2.8.5). These topics are expanded upon in Foncière des Régions' COP (Communication on Progress) to the Global Compact (see the United Nations' website: <https://www.unglobalcompact.org/what-is-gc/participants/15495>).

The aspects identified in the course of the materiality study and the CSR reporting put in place by Foncière des Régions enable us to achieve Core level compliance under the GRI G4 reporting framework.

## 2.2.5. Making CSR policy a central component of long-term strategy

The sustainable development strategy adopted by Foncière des Régions since 2009 is an integral part of the Group's overall strategy to create value. This includes a long-term vision built around a qualitative property policy that ensures gradual renewal for assets that perform strongly in the following areas: environmental, energy, location, financial, etc.

### 2.2.5.1. Four CSR strategic focus areas

Four sustainable development strategic focus areas have been created including the various issues described and ranked with the materiality matrix. Foncière des Régions' sustainable development policy is built around the standard three issues (Environmental/Economic/Social) which are then broken down into four focus areas: Sustainable buildings, Society, Social issues and Governance.



### 2.2.5.2. Innovating to acquire new expertise

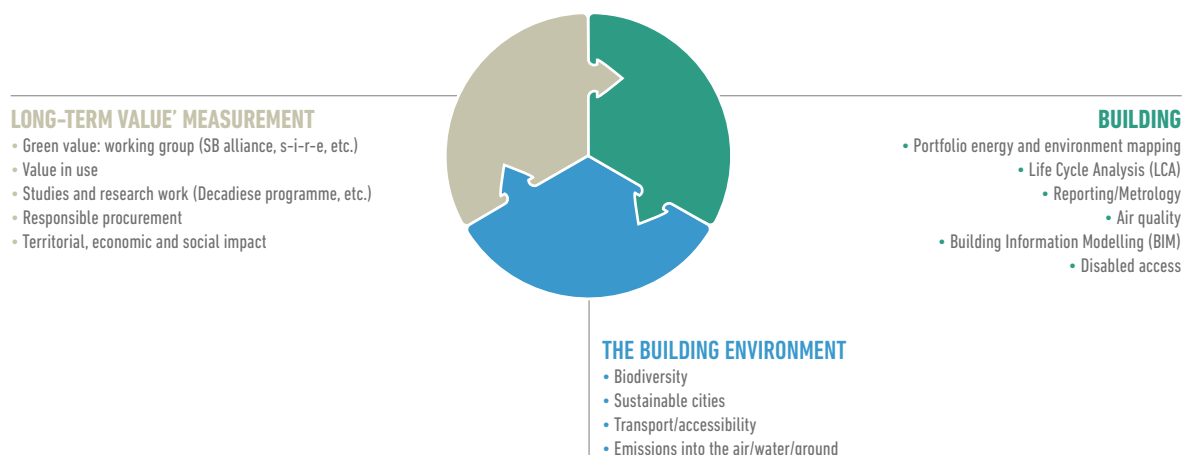
Foncière des Régions has developed two areas of profound expertise since its creation: in real estate and in finance. By combining its two areas of expertise, Foncière des Régions' prospective projects are structured around three major areas: the building, its environment and green value.

Led either independently or within working groups (professional associations, Building Plan, etc.), these innovative projects are really ramping up the development of expertise:

- ♦ energy and environmental asset mapping study (2009/2010)
- ♦ first environmental annexes (roll-out finalised in 2013) and completion of Life Cycle Analyses (LCA) (2010)
- ♦ roll-out of a responsible purchasing policy and launch of work on the functionality economy and intangible value (2011)
- ♦ Building Information Modelling (BIM) starting in 2012
- ♦ testing of BREEAM In-Use certification on a sample representing 11% of the value of the Offices portfolio and initial work on air quality (2013)
- ♦ analysis of Foncière des Régions' regional economic impact and first study on use value (2014)
- ♦ creation of biodiversity specifications and publication of a White Paper on supplier relationships (2015).



## INNOVATION AT FONCIÈRE DES RÉGIONS



### 2.2.5.3. Extensive dialogue with tenants

In addition to the Partnership Committees set up with Key Accounts, dedicated Sustainable Development Committees have been organised since 2010, leading to the signing of environmental annexes for all leases on offices or retail spaces exceeding 2,000 m<sup>2</sup> in France. Annexes have also been signed for several leases on premises with a smaller surface area (Courtepaille, Jardiland, etc.). They set out all the information that the parties must provide, in line with the provisions of the Decree of 31 December 2011 (energy, water, waste) or above and

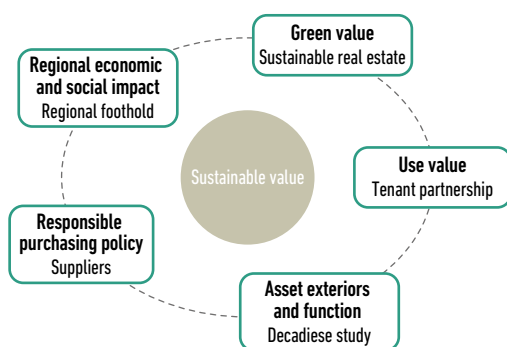
beyond them (transport, biodiversity, etc.). Designed at Foncière des Régions as a progress tool to enable the definition of shared goals, the annexes very quickly helped with implementing a CSR reporting process that complies with the best standards. They encourage obtaining in-use, HQE Exploitation or BREEAM In-Use certification, chosen in coordination with tenants.

The partnership approach of Foncière des Régions is a key factor in achieving customer satisfaction. Lease renewal rates and length are proof of this, particularly with the renewal of AccorHotels' leases in 2015 for 12 years firm and Telecom Italia's leases for an additional 9 years firm.

## 2.2.5.4. A long-term value creation strategy

Foncière des Régions is managing several innovative projects aiming to measure the economic and social impacts of its CSR initiatives. They cover all the different elements presented in the diagram below:

### FONCIÈRE DES RÉGIONS' AREAS OF WORK ON LONG-TERM VALUE



#### Focus: Foncière des Régions, at the cutting edge in terms of measuring sustainable value

**Green value:** related to the value of the building, and not currently singled out by real estate appraisers. However, appraisal values have implicitly factored it in for a number of years:

- ♦ *using the cash flow method:* green value notably represents the reduction in support work and compliance with standards, time to let or indeed a reduction in the rent-free period, all of which have a direct positive effect on cash flow
- ♦ *through the capitalisation rate:* green buildings have a lower risk premium, notably to reflect deferred obsolescence and greater liquidity.

**Use value:** in addition to the building's performance and cost control, the level of comfort and well-being of employees are of the utmost importance to the tenant, with challenges related to image, health and productivity.

This so-called "immaterial" use value led to an initial study conducted in 2014 with Bouygues Construction, on the Green Corner asset (Saint-Denis). On the basis of these initial findings, the method developed by Bouygues Construction together with the Goodwill Management firm to characterise and quantify the impact of a building on the productivity of occupants provided

an initial appraisal (ratings and weightings), translating into a performance assessment in euros for the occupant. This assessment includes the gains and losses relating to the building's direct costs and the gains and losses relating to the performance of occupants. (see Section 2.2.2.2 of the 2014 Reference Document).

In 2015/2016, Foncière des Régions then partnered with Thales, a tenant of its Hélios building in Vélizy-Villacoublay (78), Bouygues, EDF, Gecina, Sanofi and Technip to carry out a more in-depth study in collaboration with Goodwill Management. The goal is to identify the most relevant parameters and solutions to optimise use value. The results will be communicated in 2016.

**Quantifying an asset's positive exteriors and services:** the Decadiese project, in conjunction with tenants and/or suppliers (EDF, Bouygues, Vinci) and scholars (ARMINES, École Centrale Paris and Paris VII Diderot via LADYSS and Atemis), defined a broader economic assessment method for real estate projects (new or renovation). A decision-making tool that assesses various lifecycle scenarios for construction or renovation has been developed. It takes seven functions into account (space – atmosphere – relationship – goods and tools – site – protection – aesthetics) weighted according to the requirements of the tenant, owner or other stakeholders.

**The responsible purchasing policy:** Section 2.8.2 details the actions led by the Group in this area. Sharing values with suppliers, leading discussions and implementing joint innovation initiatives help Foncière des Régions remove to create a stronger economic and social foothold.

**The regional economic impact of a portfolio of assets:** In 2014, Foncière des Régions analysed the economic impact on the basis of the spending over a 12-month period, including the development, management and renovation of its office assets in France. The jobs supported, including direct (on-site) and indirect (suppliers, services, etc.) were thus modelled (see Section 2.8.3).

Lastly, the six capitals explained in Section 2.2.1 (financial, industrial, intellectual, human, relational and natural) all represent drivers for creating long-term value for the Company.



## 2.2.6. Preparing the organisation to implement the CSR strategy

The Sustainable Development Department, with the support of General Management, has given new momentum to the Group's various business activities via projects and action plans structured around the four strategic focus areas. This dedicated team provides technical expertise to the different departments, with a leadership role in terms of innovation, primarily to help guide development-related decisions and respond to requests from across the Group.

Sustainable development is incorporated into all levels of governance within the Group and its activities. The chart below shows the involvement of the Board of Directors and its Chairman Jean Laurent, who pay close attention to these matters and are regularly updated on progress made. The Chief Executive Officer, Christophe Kullmann, and the Deputy General Manager, Olivier Estève, both report on CSR subjects to the Board of Directors, which is informed of and approves the main initiatives in this area.

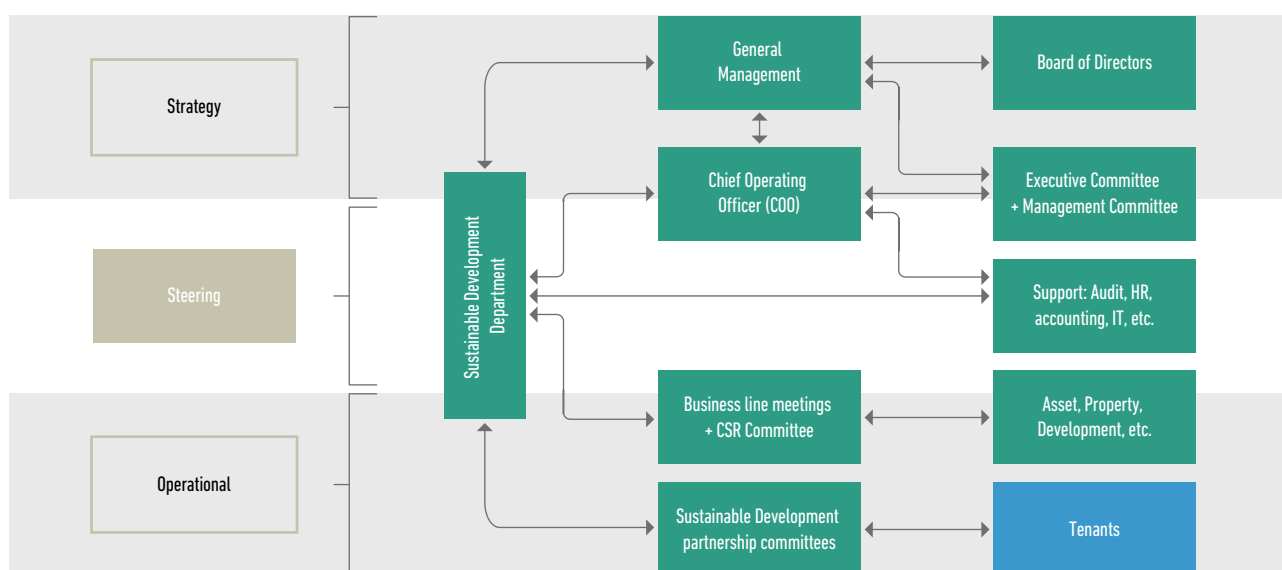
In order to roll out the Group's sustainable development policy, four committees have been created:

- ♦ The **Sustainable Development Steering Committee** meets monthly and includes Chief Executive Officer Christophe Kullmann and Chief Operating Officer Yves Marque, who relay

CSR subjects to the Management Committee and the Executive Committee. Deputy Chief Operating Officer Marion Pignol and Sustainable Development Director Jean-Éric Fournier are also part of the Committee.

- ♦ The latter organises the **Sustainable Development and Environmental Safety Committee (DDSE)** meeting every two months, which brings together twenty representatives across each of the activities and subsidiaries, and participates in business meetings with operations employees to share initiatives: Development Committees, etc.
- ♦ The success of these efforts requires involvement at all levels of the Company. This is facilitated by the network of contacts in the business lines, the **Project Steering Committees** (responsible purchasing, biodiversity, etc.), the Group Intranet and monthly awareness and information meetings (Green Meetings).
- ♦ In connection with the environmental annexes, the Sustainable Development Director jointly chairs the **Sustainable Development Partnership Committees** along with the relevant Asset Manager and Technical Manager, as well as with representatives of Key Accounts tenants.

### MANAGING SUSTAINABLE DEVELOPMENT AT FONCIÈRE DES RÉGIONS



## 2.2.7. A new Action Plan for 2015-2020, new objectives

Since the first 2010-2015 CSR action plan was a success that met, and even surpassed, almost all of the quantitative and qualitative targets, a new action plan for 2020 was drafted in 2014. The new plan expands upon ongoing efforts to improve the Group's performance in each of the four areas of its sustainable development policy. It illustrates the Group's high CSR ambition and pre-emptively energy and carbon trajectories in the energy transition and low-carbon strategy law published in 2015.

The multi-annual objectives set are regularly monitored at different levels of the Company's governance.



status at 31/12/2014



status at 31/12/2015



yet to be done

Subject	2010/2015 objectives	Scope covered	Progress	
<b>AREA 1 – REDUCING PROPERTIES' ENVIRONMENTAL FOOTPRINT, MAINTAINING THEIR ATTRACTIVENESS AND RETAINING THEIR VALUE</b>				
Green the portfolio	Hold 50% green assets	France Offices		
	100% "green" developments	France Offices		
Improve energy performance	Cut energy consumption by 25% over the 2008/2015 period	France Offices		
	Measure and reduce energy consumption and CO <sub>2</sub> emissions	France Offices		
	Keep GHG emissions at < 26 kgCO <sub>2</sub> e/m <sup>2</sup> /year	France Offices		
Lead the eco-transition	Measure and monitor water consumption across the entire reporting scope	France Offices		
	Measure and monitor waste management	France Offices		
	Turn each site into a biodiversity driver	France Offices	Permanent	
Control health and safety related risks	Control health and environmental risks	Group	Permanent	
Improve disabled access	Have 80% of assets accessible to people with reduced mobility by end 2020	France Offices		
Promote clean transport	Have 80% of Office assets owned accessible by public transport	France Offices		





2015 results	2015/2020 objectives	Deadlines	Chapter
♦ 61.2% green buildings at 31/12/2015	Own 2/3 green assets	2017	2.3.1
	100% green assets	2020	
♦ 8 certified deliveries	100% "green" developments and renovation	Permanent	2.3.2
♦ With climate adjustment: ♦ in 2008: 490 kWhpe/m <sup>2</sup> SHON/year ♦ in 2015: 351 kWhpe/m <sup>2</sup> SHON/year, i.e. -28.4%	Cut energy consumption by 15% over the 2015/2020 period i.e. a total of -40% over 2008/2020 Goal: 295 kWhpe/m <sup>2</sup> SHON/year	2020	2.3.5.1
♦ Coverage ratio: ♦ multi-let buildings: 94% in common parts areas and Common facilities ("operational control") ♦ headquarter buildings: 100%	Carry out pilot tests into the introduction of systems for the remote monitoring of consumption (smart metering)	2017	2.3.5.2
♦ 22.4 kgCO <sub>2</sub> e/m <sup>2</sup> SHON/year for the whole Office portfolio, ♦ i.e. -12% from 2008 to 2015	Cut CO <sub>2</sub> emissions by 20% between 2008 and 2020 Objective: 20 kgCO <sub>2</sub> e/m <sup>2</sup> SHON/year	2020	2.3.5.2
♦ In the operational control scope: ♦ in 2015: 96% ♦ in 2014: 93%	Keep consumption under 0.5 m <sup>3</sup> /m <sup>2</sup> /year	2020	2.3.5.4
♦ Site waste already monitored on development and renovation projects	Cut waste production and promote recycling across 100% of the portfolio and 100% of development and renovation projects	2020	2.3.5.5
♦ Completed: ♦ creation of 2 specifications and indicators ♦ already launched: biodiversity studies (Breeam) and mapping	Secure Biodiversity label across 100% of new development under asset management	Permanent	2.3.6
♦ Opening up of the Provexi tool to all employees	Control health and environmental risks	Permanent	2.3.7
♦ Compliance with standards as part of every renovation project	Have 80% of assets accessible to people with reduced mobility	2020	
♦ Offices within 10 minutes on foot (1 km) of public transport: ♦ 98% in value at 31/12/2015	Have 90% of Office assets owned located within 10 minutes on foot (1 km) of public transport	2020	2.3.5.3

Subject	2010/2015 objectives	Scope covered	Progress	
AREA 2 – CONTRIBUTING TO THE DISSEMINATION OF ECO-FRIENDLY PRACTICES AND TAKING AN ACTIVE ROLE IN CITY LIFE IN PARTNERSHIP WITH STAKEHOLDERS				
Act for sustainable cities	Act for sustainable construction and cities	Group	<div><div></div></div>	
	Take part in R&D studies		<div><div></div></div>	
	Promote regional economic development	Group	<div><div></div></div>	
	Defend respect for Human Rights		<div><div></div></div>	
Discuss with our stakeholders	Dialogue with our stakeholders	Group	<div><div></div></div>	
	Conduct a sponsorship programme		<div><div></div></div>	
	Conduct a responsible purchasing policy	Corporate, Offices	<div><div></div></div>	
AREA 3 – ENHANCING EMPLOYEES’ SKILLS, MOBILITY, DIVERSITY AND CAPACITY TO ADAPT TO A CHANGING ENVIRONMENT BY ADOPTING INNOVATIVE POLICIES				
Develop our human capital	Attract and develop talent	ESU Foncière des Régions	<div><div></div></div>	
	Manage and develop skills in line with changes in our businesses			
	Develop a policy of equality and diversity		<div><div></div></div>	
Be exemplary in the application of our CSR values	Reduce our CO <sub>2</sub> emissions per employee	ESU (Paris and Metz)	<div><div></div></div>	
	Training and raising awareness of sustainable development and eco-behaviour	ESU Foncière des Régions	<div><div></div></div>	
AREA 4 – GUARANTEEING AN ETHICAL AND TRANSPARENT FRAMEWORK ENSURING EXEMPLARY PRACTICES AT ALL LEVELS OF THE COMPANY				
Conduct effective governance	Monitor the performance of the Board of Directors	Group	<div><div></div></div>	
	Be transparent and exemplary in our business activities reporting		<div><div></div></div>	
	Increase the proportion of women sitting on the Board of Directors		<div><div></div></div>	
			<div><div></div></div>	
Promote ethical values	Anti-corruption awareness and training		<div><div></div></div>	
	Respect an ethical framework		<div><div></div></div>	



2015 results		2015/2020 objectives	Deadlines	Chapter
	<ul style="list-style-type: none"><li>◆ Partnership with the Palladio Institute; in 2015, participation in various conferences on the city of the future (e.g. Chaire Essec, etc.)</li><li>◆ Partnership with the Pic Vert Association to act on embodied biodiversity</li></ul>	Jointly build with our stakeholders a coherent and collaborative urban space	Permanent	2.8.4.2
	<ul style="list-style-type: none"><li>◆ Different Works, notably on:<ul style="list-style-type: none"><li>◆ use value</li><li>◆ the LCA and embodied energy (in conjunction with the CSTB)</li><li>◆ work on biodiversity with the Orée and HQE associations</li></ul></li></ul>	Develop innovation and undertake forward-looking studies with a view to value creation		2.2.5.4
	<ul style="list-style-type: none"><li>◆ Study on the economic impact of the France Offices portfolio on the regions</li></ul>	Participate in initiatives to boost the regions	Permanent	2.8.3
	<ul style="list-style-type: none"><li>◆ Promotion of Foncière des Régions' Global Compact Publication of the fourth COP ("Communication on progress")</li></ul>	Promote respect for Human Rights		2.9.4
	<ul style="list-style-type: none"><li>◆ Continuation of stakeholder analysis and materiality matrix with GRI 4 compliance</li></ul>	Develop targeted actions per stakeholder	Permanent	2.2.4
	<ul style="list-style-type: none"><li>◆ Pavillon de l'Arsenal, Essec, Palladio partnerships</li><li>◆ Passerelle, Frateli</li></ul>	Participate in cultural and social collaborative measures		2.8.5
	<ul style="list-style-type: none"><li>◆ 302 suppliers rated, verification of responses from 40 of them</li><li>◆ Studies/innovations in partnership with some twenty suppliers: including CSTB, EDF, Vinci, Bouygues, etc.</li></ul>	Innovate with our suppliers on Group values		2.8.2
	<ul style="list-style-type: none"><li>◆ Annual interviews and training plans</li><li>◆ Campus Programme (2015/2016)</li></ul>	Attract, develop and retain talent	Permanent	2.9.2
	<ul style="list-style-type: none"><li>◆ Signing of agreements/negotiation</li></ul>	Promote diversity and equality		2.9.4
	<ul style="list-style-type: none"><li>◆ Employee satisfaction survey</li></ul>	Improve the quality of life at work and find a work-life balance		2.9.3
	<ul style="list-style-type: none"><li>◆ Carbon footprint: carried out a maximum of every 3 years (2010, 2013, 2014, 2015). From 2010 to 2015: 20% decrease in CO<sub>2</sub> emissions per employee</li></ul>	Cut our CO <sub>2</sub> emissions per employee by 25% over the 2010/2020 period	2020	2.9.6.1
	<ul style="list-style-type: none"><li>◆ Monthly green meetings, visit noteworthy assets from a CSR perspective, etc.</li><li>◆ In 2015: employee training (Operations staff + management) in preventing psychosocial risks</li></ul>	Make every employee a player in sustainable development	2020	2.9.6.3
	<ul style="list-style-type: none"><li>◆ Assessment of members of the Board of Directors: annual internally + every 3 years by a third party</li></ul>	Optimise the performance of the Board of Directors	Permanent	2.10.2.4
	<ul style="list-style-type: none"><li>◆ Compliance with the best standards: EPRA Best Practices Recommendations, Afep-Medef Recommendations, FSIF, GRI4</li></ul>	Remain the leader in terms of the transparency of our business activities reporting		2.11.2
	<ul style="list-style-type: none"><li>◆ 40% women on the Board of Directors (subject to GM of 27/04/2016)</li></ul>	40% women on the Board of Directors	2016	2.10.2
	<ul style="list-style-type: none"><li>◆ 60% independent directors on the Board of Directors (subject to GM of 27/04/2016)</li></ul>	45% independents on the Board of Directors	Permanent	
	<ul style="list-style-type: none"><li>◆ At end-2015: 150 employees trained (in particular risk of fraud/calls for tender)</li><li>◆ Audit and internal control procedures</li></ul>	Disseminate and share ethical/anti-corruption best practices with all employees		
	<ul style="list-style-type: none"><li>◆ Updating of the Code of Ethics in 2015</li></ul>			



### 2.3. TOWARDS 100% GREEN ASSETS

With a portfolio of over 1.7 million m<sup>2</sup> in France, Foncière des Régions is a benchmark player in the development, ownership and management of office space.

Since its creation, Foncière des Régions has grown rapidly through the acquisition of portfolios of outsourced assets, and since the early 2000s, from large user companies including EDF, Orange and Eiffage. In addition to the management and enhancement of real estate assets, Foncière des Régions has become one of the major players in the development of commercial property in France. By overseeing the construction of its buildings, Foncière des Régions ensures its buildings meet client expectations. By controlling all aspects of its business, the Company is present

across the entire value creation chain. Its property development activity accelerates the trend towards a greener, higher quality portfolio.

Each year, Foncière des Régions replaces some assets (sales totalling €120 million in 2015) to focus on strategically located high-quality buildings meeting the highest international standards (HQE, BREEAM, etc.), with large surface areas and top-rate services, in line with new user needs and expectations.

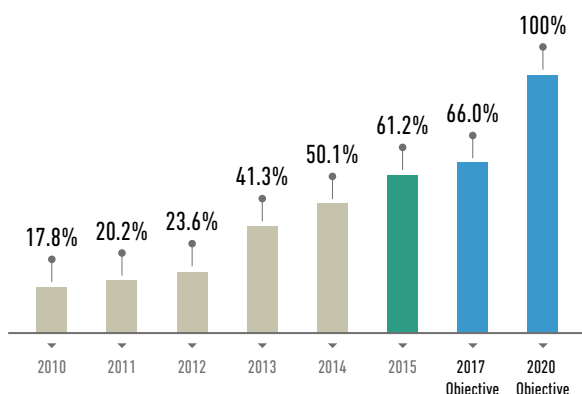
#### 2.3.1. Over 60% green assets

Ten years ago, Foncière des Régions launched its first development operation for Dassault Systèmes in Vélizy-Villacoublay (78). Completed in 2008, this operation (of over 56,000 m<sup>2</sup>) was the biggest to have been awarded HQE certification in France. Foncière des Régions subsequently set itself the objective of 100% "green" developments and renovations, to showcase their CSR performance. In the same pioneering spirit, Foncière des Régions will be taking part in the test for the future HQE certification standards in 2016, within the framework of the extension of the campus leased to Dassault Systèmes.

Assets whose buildings and/or operations have undergone certification (HQE, BREEAM, LEED, etc.) and/or have a well-known energy performance level (BBC-Effinergie®, HPE, THPE or RT Globale® labels) are considered "green". Beyond this definition shared with IPD, the buildings developed or restructured by Foncière des Régions increasingly obtain both HQE and BREEAM certifications, in particular in the Paris region.

The target of having 50% green office buildings by the end of 2015 was exceeded at the end of 2014 (50.1%). Based on the appraisal values of Foncière des Régions' office buildings in France at 31 December 2015, the proportion of its green buildings is clearly above the target, at 61.2%. The greening rate for the "Core" asset portfolio, namely assets intended to remain in the portfolio long-term, reached 80% at end-2015 (vs. 68.6% at end-2014).

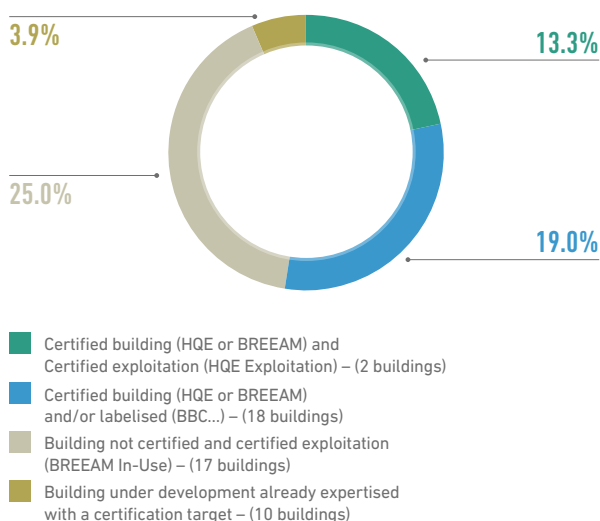
#### PROPORTION OF GREEN BUILDINGS IN THE FRANCE OFFICES PORTFOLIO



The diagram below shows that the growth in certification is not limited to new developments and restructuring operations, and concerns also a number of existing buildings, via the BREEAM In-Use certification, already accounting for 25% of the green assets.

#### BREAKDOWN OF CERTIFICATIONS OBTAINED AT 31 DECEMBER 2015

(in asset value)



The greening indicator is included in the monthly internal CSR report and plays a decisive role in the Group's development, renovation and asset replacement policy.



## 2.3.2. 10-points increase in green assets in 2015

The increase in the greening rate by over 10 points in 2015 was due in particular to the delivery of eight buildings, (all HQE and/or BREEAM certified), and the BREEAM In-Use certification of three buildings leased to Orange.

All of the new development and renovation operations are green, i.e. HQE and/or BREEAM certified. In addition, many of them have the BBC-Effinergie certification® to go beyond regulatory energy performance requirements.

### 2.3.2.1. Eight new deliveries in 2015

These deliveries consisted of five developments and three renovations. Each operation places users at the centre of the project and optimises the responses to the various CSR issues, along with cost efficiency. Below are three examples:

#### **Respiro in Nanterre (Hauts-de-Seine): successful partnership and emblematic renovation**

The new headquarters of GTM Bâtiment (a subsidiary of Vinci Construction France), inaugurated in Nanterre on 7 July 2015, stems from the restructuring of the site which housed Heudebert for 62 years. Having been awarded the NF HQE™ "Very good" and BREEAM® "Excellent" certifications, as well as the BBC-Effinergie® label, Respiro is participating in the city's renewal. Since last August, this complex houses GTM's 800 employees in premises totalling 11,000 m²; it has 20 dedicated parking spaces for electric vehicles and 10 for car pooling. The restructuring of the site ensured the preservation of the essence of the buildings, whose architecture uses brick and large glass surfaces. All work spaces are bathed in natural light and 20% of the total land surface consists of green areas. An in-depth landscaping study was conducted on those areas in conjunction with the Museum National d'Histoire Naturelle (MNHN) for the choice and positioning of plants. A vegetable garden was laid out on one of the accessible landscaped terraces. The building boasts a large central garden providing a restful and convivial environment. The site was chosen as a pilot to define the biodiversity indicators of the HQE Performance programme (see Section 2.3.4.1).

#### **Green Corner in Saint-Denis: helping to revitalise the area**

A new state-of-the-art building signed by Quadri Fiore, the Green Corner is an emblematic asset of the Plaine Commune area, one of the most dynamic service-sector hubs of Greater Paris. With service premises opening out onto landscaped patios, the multi-tenant building, 70% of which is leased to the *Haute Autorité de Santé*, offers large office floors for maximum flexibility and optimum comfort. Its design was guided by a search for high environmental quality. Having been awarded the NF HQE™ "Very good", and BREEAM® "Very Good" certifications, as well as the BBC-Effinergie®, accreditation, this 20,800 m² building offers a

hub of joint meeting rooms and optimum ease of access as it is located near the RER B train station and several bus lines, as well as the A86 motorway. The lifecycle analysis conducted confirmed the best choices in terms of energy efficiency and carbon footprint (see Section 2.3.4.2). Moreover, this project was the focus of Foncière des Régions' first study on use value, in 2014/2015 (see Section 2.2.5.4). Being both a showcase of know-how and the focus of studies to open up new avenues, the Green Corner building is a reflection of Foncière des Régions' innovation policy.

#### **Steel building at Paris Trocadéro: renovating and enhancing an Art Nouveau building**

Purchased from Orange, which remained its tenant for numerous years, this Eiffel-designed building was totally rethought and renovated on the tenant's departure. Having been awarded the NF HQE™ Renovation "Exceptional" certification and the BBC-Effinergie Renovation label, this vintage building was enhanced to set off its Art Nouveau style, while making use of today's highest construction standards. The Steel building now offers its tenant, OnePoint, 3,690 m² of working and living space with large interior volumes and exceptional features, accessible terraces, a prestigious entrance hall and office space laid out so as to facilitate co-working. Stimulating creativity and communication, the Steel building also has an interior garden and a magnificent view of the Eiffel Tower from its landscaped rooftop terrace.

### 2.3.2.2. In-Use certification, a green transformation driver

The improvement of environmental performance does not depend solely on that of the building. The modes of occupancy and the ways in which the building is used and maintained are also crucial. The environmental annex defines principles for data exchanges and dialogue with the tenants concerning fluid consumption, construction work, transport, biodiversity, waste, etc. Likewise, the control of the facilities and maintenance of the equipment play a role in this performance and are increasingly formalised in maintenance contracts. In-Use certification is thus a way of bringing tenants together, as well as suppliers, to drive progress through a rating system.

Foncière des Régions chooses operational certifications for its assets by taking into account its tenants' CSR policies. It was thus awarded the "NF HQE™ Bâtiments tertiaires en exploitation" certification for the CB 21 tower in early 2012 (68,000 m² in Paris-La Défense), then for Carré Suffren at end-2012 (25,000 m² in Paris 15). Since then, 15 assets representing 173,450 m² and an appraisal value of €1.14 billion at 31 December 2015 (vs. €761.6 million at end-2014) were also awarded BREEAM In-Use certification.

### 2.3.3. A pipeline of €1.2 billion

Foncière des Régions' growth is built on great trust from its stakeholders, in particular its tenants, banks and shareholders. The constant adjustment of Foncière des Régions' portfolio takes into consideration its medium/long-term vision with respect to its operations and market developments.

Foncière des Régions currently has a pipeline of projects under development totalling €1.2 billion (Group share) (100% green buildings) including €506 million already launched.

#### ONGOING PORTFOLIO ADJUSTMENT

	Committed Pipeline			Controlled Pipeline		
	2013	2014	2015	2013	2014	2015
Projects	13	17	14	12	13	9
Pre-let	73%	62%	28%	Launched on signature		
Budget	€522 M	€518 M	€506 M	€628 M	€778 M	€710 M
Additional annual rental income	€36 M	€35 M	€32 M	€42 M	€53 M	€47 M
Target Yield	> 7%	> 7%	> 6%	> 7%	> 7%	> 6%
Value creation	> 10%	> 10%	> 10%	> 10%	> 10%	> 10%

### 2.3.4. Innovating to address new challenges

According to the World Bank, the population in cities will rise from the current 3.9 billion people to 6.9 billion in 30 years' time. 70% of greenhouse gases are emitted by cities. The transition to a zero-carbon economy will take place while preserving cities, their architectural heritage and their history, with the participation of all users. This presents a twofold challenge: reducing environmental impacts and preserving the population's health.

The field of construction and the urban world are evolving rapidly under the influence of changes in technologies, lifestyles, ways of working, commerce, climate, cultures, agriculture, etc. Tomorrow's buildings will feature large common areas and service premises, with growing expectations in terms of flexibility and adaptability. New technologies (digital technology, robotics, etc.) will improve the monitoring and control of energy and water consumption, in a context of shared energy production and consumption via smart grids.

#### 2.3.4.1. Producing increasingly ambitious buildings

There are numerous real estate challenges: new energy sources, more rational consumption of energy and water, water recovery, recycling and re-use of materials, preservation of biodiversity, introduction of urban agriculture, etc. Foncière des Régions

factors in all of these new challenges and anticipates new regulations. For Foncière des Régions, innovation involves R&D encompassing the building, its environment and value implications (see 2.2.5.4). It also involves experimenting with the design and management of its buildings, before implementing sustainable solutions. Innovation also focuses on a variety of aspects including life cycle analysis (2.3.4.2), the use of the BIM mock-up (2.3.4.3), renewable energies (see Euromed Center insert below), biodiversity (2.3.6 and 2.8.4), air quality (2.3.7.1), etc.

As a landlord concerned with the economic and environmental performance of its assets, Foncière des Régions practices an approach that consists of questioning the overall cost, which enables it to take into account both construction and renovation expenses, as well as current operating expenses (rental costs, maintenance work). By being a step ahead, Foncière des Régions is leading the way, protecting our assets from rapid obsolescence and providing its teams access to learning future solutions. The experience gained through a project such as the one conducted under the "Réinventer Paris" operation is considerable: for several months, Foncière des Régions' teams worked hand-in-hand with some twenty partner companies on the feasibility of innovative solutions that will be put to use in other future operations (see 2.8.1.1).

In a number of respects, innovation constitutes a value-creation driver for Foncière des Régions.



### Euromed Center opts for ocean geothermal energy

Euromed Center is located in the middle of the Euroméditerranée business district in Marseille and is being developed by Foncière des Régions and Crédit Agricole Assurances. It includes the construction of 70,000 m<sup>2</sup> divided up into four office buildings, the 4\* hotel Golden Tulip and a public car park.

Starting in 2016, this programme will be put together with one of the largest ocean geothermal energy power stations in Europe, called "Thassalia", for four assets remaining to be built. It will pump seawater from the Port of Marseille to feed heat exchangers and pumps that will produce either heat or refrigeration to meet demand for both heating and cooling systems in the buildings. This installation will reduce greenhouse gas emissions by 70% and water consumption used in the cooling systems by two-thirds. Compared to a classic system, joining this installation will enable:

-40% of electrical consumption	-90% of refrigerants
+70% renewable energy	-65% of water consumption
-70% of CO <sub>2</sub> emissions	-80% of chemical product use

(Source : Cofely)

### 2.3.4.2. Measuring impacts over the entire life cycle

In 2010, Foncière des Régions decided to use Life Cycle Analysis (LCA) to measure the footprint of its development programmes. In addition to optimising the impacts linked to thermal regulations, LCA has enabled Foncière des Régions to identify the drivers efforts now need to be focused: energy and water consumption during the construction phase on CO<sub>2</sub> emissions and transportation. LCA is a decision-making tool which quantifies the environmental impacts of an operation at each stage of its life cycle (extraction, production of materials, use of the building, and lastly deconstruction). The LCAs conducted by Foncière des Régions comply with the HQE Performance programme, as they are built on the analysis of six modules (materials, energy, water, transport, work site and waste), and are based on nine environmental indicators: energy and water consumption, carbon emissions, waste, etc.

The LCA conducted in 2013 for the Steel operation (Paris 16<sup>th</sup>) – the first LCA focused on a building renovation – was used as a model in 2015 by CSTB engineers for the drafting of common standards for renovation LCAs, due to be released in 2016. The LCAs conducted by Foncière des Régions are added to the HQE Performance programme, thereby contributing to the construction of a database used for purposes such as BBCA certification. The BBCA gives a carbon performance rating to a building in relation to the average calculated by this database. The HQE Performance programme will also involve the defining of indicators that will be used in the next version of the HQE certification, and which Foncière is testing in several operations: 3DS – Dassault Systèmes Extension (see 2.3.1), Eiffage Campus Pierre Berger and Carré Suffren (see 2.8.4.2).

### 2.3.4.3. Building and Managing in 3D with BIM

The New Vélizy campus, developed by Foncière des Régions in Vélizy-Villacoublay, close to Paris, is one of the first French buildings whose construction has benefited from Building Information Modelling (BIM). Delivered in the autumn of 2014, the complex houses the Thales headquarters taking up three office buildings totalling 49,000 m<sup>2</sup>. This is the first operation in France to use BIM for its maintenance and operation.

Building Information Modelling (BIM) builds and sustains a comprehensive and coherent 3D building database throughout the life of the project: design, completion, operation, deconstruction. This database allows collaboration among all project players at each stage of the project. This collaborative platform is also useful for dealing with "cleantech" challenges (renewable energy, smart grids, etc.), as well as waste treatment, transport, etc.

For Foncière des Régions, BIM is a tool that helps building design and management, making it easier to monitor and manage operations at every stage of the life cycle. The first-year results are highly positive: BIM improves operational management by speeding up access to installations (geolocation of equipment in suspended ceilings and raised floors) and space layout.



### 2.3.5. Improving the portfolio's environmental performance

Foncière des Régions has set itself ambitious goals to improve its portfolio's performance, as detailed in the action plan presented in Section 2.2.7 and explained in the subsequent chapters. These goals were defined through the mapping of the portfolio's energy and environmental performance with CSTB in 2009/2010, using 2008 as the year of reference for the calculation of energy and carbon trajectories. To achieve these goals, the global energy policy implemented on the portfolio allows the simultaneous use of various drivers: development and renovation of green buildings, disposals and re-investment in higher-performance assets, optimisation of site maintenance through the lessons learned from the first in-use certifications obtained, annual works programmes involving 15-20% of materials or equipment that improve building performance.

Multi-annual works programmes thus promote the continuous improvement of the portfolio's energy performance, in line with tenant expectations, with the two-fold objective of controlling costs and reducing energy consumption. Low-energy equipment is used in all replacements of heating systems, air-conditioning systems, or lighting equipment. Insulation criteria are taken into consideration in terrace waterproofing renovations, etc. All of these initiatives automatically reduce energy consumption.

#### 2.3.5.1. Energy trajectory

Foncière des Régions targets a 40% reduction in its average primary energy consumption per m<sup>2</sup> in its France Offices portfolio between 2008 and end-2020, i.e. a 25% reduction in the 2008/2015 period and a 15% reduction between 2016 and end-2020, to bring its consumption below 295 kWhpe/m<sup>2</sup>/year at end-2020.

This target anticipates and exceeds the requirements of the French law on "energy transition for green growth" adopted on 17 August 2015, imposing a 50% reduction in the country's final energy consumption between 2012 and 2050 (-20% between 2012 and 2030) and a 30% drop in the primary energy consumption of fossil fuel based energy between 2012 and 2030. Concerning French service-sector buildings, the publication of a decree on energy performance is expected in mid-2016. This text should set a target of a 25% reduction in energy consumption (in kWh/m<sup>2</sup>/year) by end-2020 for all existing buildings of more than 2,000 m<sup>2</sup> used for office, commercial or educational purposes. Alternatively, tenants and proprietors should be able to choose to remain below a target set by decree and expressed in kWh/m<sup>2</sup>/year.

Through the efforts made to improve the performance of its buildings since 2009 (certification policy, energy efficiency studies conducted with CSTB, audits in 2015, etc.), Foncière des Régions has anticipated these requirements.

As a signatory of the French Charter for commercial and public building energy efficiency, Foncière des Régions communicates its energy consumption to the Sustainable Building Plan as part of an annual follow-up for the Charter, and is a member of the Charter Steering Committee.

#### About the energy audit requirement (Decree of 24 November 2014)

Foncière des Régions has been relatively unaffected by the energy audit requirement, which it had met before 5 December 2015. Indeed, this requirement applies to the party that "manages the energy" – in other words, specifically the entity, analysed by SIREN, that pays the invoices and is able to carry out improvement work. In practice, Foncière des Régions is subject to this requirement for some twenty multi-let French buildings that it directly manages. For single-let buildings, the issue is handled by the tenants.

Outcome: seven audits were conducted, validating the works policy already implemented.

#### 2.3.5.1.1. Results for the 2008/2015 period

Foncière des Régions strives to have a precise vision of the environmental footprint of its sites, based on the invoices paid by the Company or by its tenants. In 2015, the collection rate for energy consumption data amounted to 61% of the portfolio's surface area compared to 10% in 2008 (initial study sample). The set-up of Sustainable Development Committees and Environmental Annexes (completed in 2013) have contributed to this progress.

While the usable data is close to 100% for "directly managed" areas (corresponding to the management of common areas and equipment), certain figures are missing or not reliable enough for "tenant areas" of multi-let buildings (collection rate of 83%), and for "single-let" buildings (collection rate of 56%) (see 2.11.3.1); an increasing number of tenants now authorise Foncière des Régions to collect quantitative data directly from energy suppliers.

The level of energy consumption adjusted for climatic variations has fallen between 2008 and 2015 from 220 to 172 kWhfe/m<sup>2</sup>SHON/year, and from 490 to 351 kWhpe/m<sup>2</sup>SHON/year, representing a drop of 22% and 28.4% respectively. This is in line with the improvement of the portfolio's environmental quality, making it possible to achieve and even exceed the target of a 25% reduction in primary energy at the end of 2015.

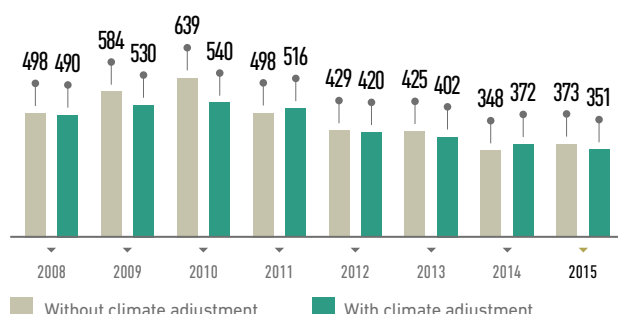
The reduction recorded in 2015 was due to efforts to reduce the portfolio's energy footprint as well as changes in the composition of the portfolio.



The two charts below show the results with and without climate adjustments (summer and winter), as calculated by the CSTB, so as to make consumption comparable since 2008, the benchmark year.

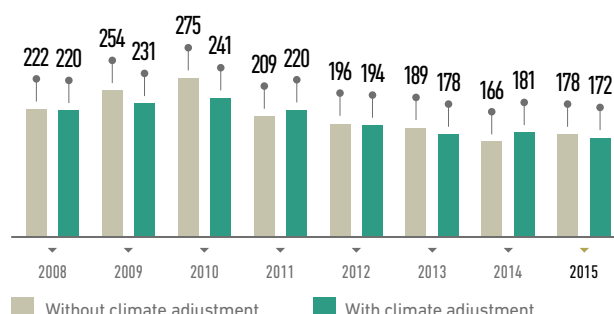
### CHANGE IN PRIMARY ENERGY RATIO

(kWhpe/m<sup>2</sup>/year)



### CHANGE IN FINAL ENERGY RATIO

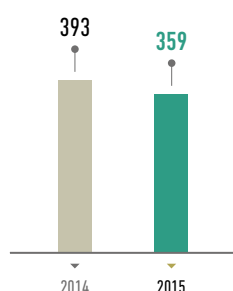
(kWhfe/m<sup>2</sup>/year)



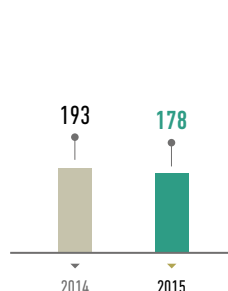
Like-for-like, energy consumption with climate adjustment shows a drop of 7.9% in final energy (consumed) and 8.6% in primary energy (gross energy before transformation) (see 2.11.3.1).

### LIKE-FOR-LIKE BUILDING ENERGY INTENSITY (WITH CLIMATE ADJUSTMENT)

(kWhpe/m<sup>2</sup>SHON/year)



(kWhfe/m<sup>2</sup>SHON/year)



Energy Performance Certificates (EPCs) are valid for 10 years, thus providing a more static view of the portfolio's energy performance. The table below shows a breakdown of the 69% of the France Offices portfolio according to EPC energy labels at 31 December 2015.

### BREAKDOWN OF FONCIÈRE DES RÉGIONS' OFFICE PORTFOLIO ACCORDING TO EPC ENERGY LABELS

Energy Label: energy consumption (kWhpe/m²/year)	Values (€M)		Surface (m²)	
Energy Label	2015		2015	
≤50 A	A	2505.6%	73,773	4.7%
51-110 B	B	1763.9%	92,499	5.9%
111-210 C	C	61613.7%	169,202	10.7%
211-350 D	D	48310.8%	172,347	10.9%
351-540 E	E	68015.2%	235,204	14.9%
541-750 F	F	3317.4%	109,740	7.0%
>750 G	G	64714.4%	233,961	14.9%
Total		3,18471%	1,086,725	69%

### 2.3.5.2. Carbon trajectory

In November 2015, France adopted a "National Low-Carbon Climate Strategy" (SNBC), which sets a reduction trajectory with "carbon budgets" (tiers) for the 2015-2018, 2019-2023 and 2024-2028 periods. These carbon budgets are broken down by major types of activity (transport, housing, industry, agriculture, energy and waste). For the building segment, the drop in emissions has thus been set at 54% between 2013 and 2028, and 87% between 2013 and 2050.

By setting itself a target of a 20% drop between 2008 and end-2020, Foncière des Régions is in line with the French and European trajectories (-20%) established by the COP21 last December.

#### 2.3.5.2.1. Results for the 2008/2015 period

Foncière des Régions' objective for the 2008/2015 period was to keep the average greenhouse gas (GHG) emissions of its Office portfolio below 26 kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year. This objective was achieved, as shown in the graph below. The carbon footprint

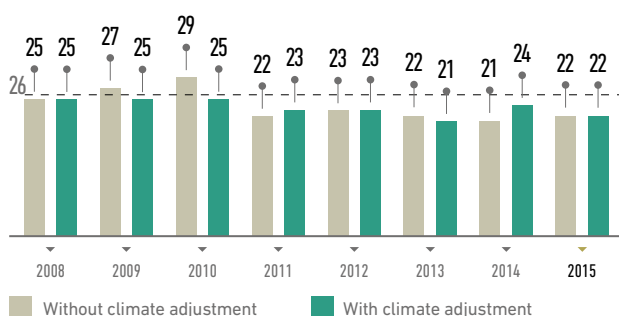
adjusted for climatic differences has declined from 25 kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year for the portfolio in 2008 to 22.4 kg kgCO<sub>2</sub>e in 2015 (vs. 23.5 kgCO<sub>2</sub>e in 2014), i.e. a decrease of 12%. For the 2014/2015 period, the drop shown is directly related to the observed reduction in average energy consumption.

The calculations were produced by CSTB, based on the invoice data collected and analysed for the energy report (2.3.5.1).

The carbon trajectory of the portfolio is improving through the delivery of new buildings, ambitious renovations, and active construction and asset replacement policies. The work carried out on the buildings plays a major role in the improvement of the energy mix: the progressive replacement of oil-fired boilers with gas or electric boilers is helping to improve Foncière des Régions' climate performance. For instance, based on regulatory calculations, renovations carried out on our operational portfolio resulted in a reduction of emissions in the Le Patio building in Lyon-Villeurbanne to 3 kgCO<sub>2</sub>e/m<sup>2</sup>/year, those of the Le Floria building in Fontenay-sous-Bois to 3 kgCO<sub>2</sub>e/m<sup>2</sup>/year and the Clermont-Ferrand ERDF site to 5 kgCO<sub>2</sub>e/m<sup>2</sup>/year. The decline reached -92% in the case of the last operation.

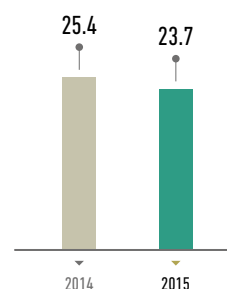
#### CARBON INTENSITY OF THE OFFICE PORTFOLIO

(kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year)



#### BUILDING CARBON INTENSITY LIKE-FOR-LIKE

(kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year)



On a like-for-like basis over the France Offices portfolio, the observed drop in carbon emissions adjusted for climate change was 6.7%. This data is detailed in Section 2.11.3.1.

The ratios of the like-for-like analysis are broken down by type of greenhouse gas in the table below.

#### GHG EMISSIONS LIKE-FOR-LIKE

	CO <sub>2</sub>	CH	NO <sub>2</sub>	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Others	Total emissions (kgCO <sub>2</sub> e/m <sup>2</sup> SHON/year)
2015	21.813	0.014	0.272	0.000	0.010	0.089	0.000	1.519	23.7
2014	23.326	0.015	0.299	0.000	0.011	0.098	0.000	1.612	25.4

In France, EPCs raise the awareness of tenants and building owners through labels which reflect the carbon footprint of the buildings put up for sale or rent. For the portfolio of buildings held at 31 December 2015, the surface areas analysed (69% of the total surface area and 71% of the total value) break down as

shown in the table below. EPCs are mandatory for the re-letting or sale of premises; analyses are thus conducted progressively and updated after major renovations affecting the buildings' carbon performance.

Breakdown according to carbon labels also known as "Climate Labels":

Climate Label: greenhouse gas emissions  
(kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year)

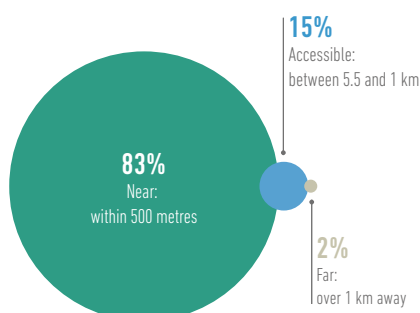
	Climate Label	Values (€M)		Surface (m <sup>2</sup> )	
		2015		2015	
≤5 A	A	73	1.6%	47,615	3.0%
6-15 B	B	370	8.2%	153,514	9.7%
16-30 C	C	1,767	39.4%	533,922	33.9%
31-60 D	D	671	15.0%	184,486	11.7%
61-100 E	E	226	5.0%	110,807	7.0%
101-145 F	F	11	0.2%	8,371	0.5%
>145 G	G	66	1.5%	48,010	3.0%
	<b>Total</b>	<b>3,184</b>	<b>71%</b>	<b>1,086,725</b>	<b>69%</b>

### 2.3.5.3. Transport and accessibility

Reducing the carbon footprint also involves choosing sites which promote public transport and environment-friendly commuting (walking, cycling, etc.) for employees and clients.

Foncière des Régions has set itself the objective of holding at least 90% buildings located within a 10-minute walk (1 km) of public transport (train, metro, bus, tramway, etc.). This objective, in value terms, covers all the office buildings held in France. It has now been reached and even exceeded, since in 2015 nearly 98% of the office buildings met this requirement.

#### OFFICE ACCESSIBILITY RATIO AT 31/12/2015 (in value)



### 2.3.5.4. Water trajectory

A building consumes water during its construction (concrete, cleaning, etc.) and during its operation (occupier usage, housekeeping, watering, company restaurant, etc.). With the operating portfolio and new operations, reducing our water footprint involves systematically using water-saving equipment

and carefully monitoring consumption, whether this concerns the occupants or, where applicable, company restaurants and green spaces. The new operations developed by Foncière des Régions most often recover rain water and use it for watering green areas.

#### 2.3.5.4.1. Results for the 2008/2015 period

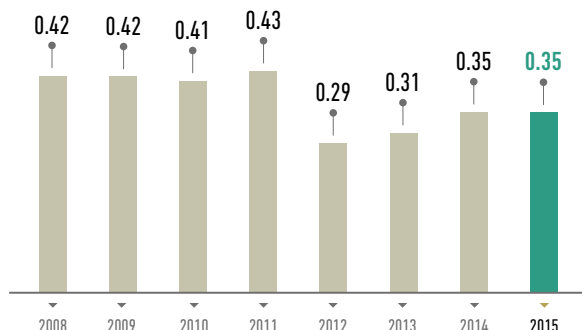
For the 2008/2015 period, Foncière des Régions set itself the objective of measuring and monitoring water consumption across its entire France Offices reporting scope. For the 2015/2020 period, Foncière des Régions will aim to keep water consumption below 0.5 m<sup>3</sup>/m<sup>2</sup>/year in its France Offices operating portfolio, and monitor volumes used as part of development and renovation operations.

The water usage reporting campaigns carried out each year achieved a data collection rate of 96% in 2015 for assets falling under "operational control", namely the multi-let sites managed directly by Foncière des Régions teams, and 30% for single-let buildings, for which the tenants directly take out water contracts and keep the invoices. Unlike energy, water is distributed by a large number of players. This has made data collection more complicated, preventing us from reaching a 100% collection rate.

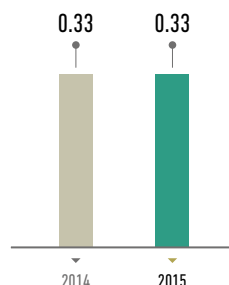
From 2008 to 2015, average water consumption dropped from 0.42 to 0.35m<sup>3</sup>/m<sup>2</sup>SHON/year with the deployment of solutions which optimise consumption (for toilets, watering, etc.) and the installation of rainwater harvesting tanks in new developments. These initiatives include the water management contract entered into by Orange, which made it possible to identify several ways of reducing water consumption and detect leaks. The chart below shows the history of consumption ratios.

The consolidated data shows the stability of water consumption over the portfolio on a like-for-like basis.

### WATER INTENSITY OF THE PORTFOLIO (m<sup>3</sup>/m<sup>2</sup>SHON/year)



### WATER INTENSITY OF THE PORTFOLIO, ON A LIKE-FOR-LIKE BASIS (m<sup>3</sup>/m<sup>2</sup>SHON/year)



### 2.3.5.5. Waste trajectory

Aware of the advent of the circular economy, Foncière des Régions is committed to raising awareness of waste-related challenges by promoting waste recycling with its tenants and its staff, at its own premises as well as its work sites (developments, renovations and major repairs).

For company restaurants, strict regulations govern the removal of food waste (requirement to install grease traps, etc.).

#### 2.3.5.5.1. Report for the 2008/2015 period

In France, the municipalities manage waste removal in almost all of the assets owned by Foncière des Régions. They do not provide any information on the amounts of waste collected. The only information which can be obtained concerns the selective nature (or not) of the collection. Out of the entire portfolio of

assets owned by Foncière des Régions as at 31 December 2015, 100% benefit from selective collection (*i.e.* separate collection of different waste streams to allow for it to be recycled or disposed of most appropriately). On a few sites, private companies are responsible for waste removal, which enabled us to monitor waste tonnage by type and the percentage of waste recycled for the 2008/2015 period (see Section 2.11.3.1). This is also the case in Foncière des Régions' Paris and Metz premises, where all paper and cardboard is recycled.

Moreover, development and renovation operations are strictly monitored in terms of waste production and treatment, just like energy and water consumption. The example of the Askia building (Cœur d'Orly programme) delivered in 2015, shows the growing proportion of recycled waste (92.52%) on Foncière des Régions work sites. At this particular work site, the final proportion of landfilled waste was only 2.66%, as shown in the table below.

### EXCERPT FROM A WORK SITE'S CONSOLIDATED ENVIRONMENTAL REPORT

Cœur d'Orly – Askia	
Office Surface (m <sup>2</sup> usable area)	19,023
Energy consumption	1,832,393 kWhfe of which 707,965 kWhfe linked to the living quarters
Water	3,079 m <sup>3</sup> of which 1,587 m <sup>3</sup> linked to the living quarters
Non-hazardous waste (DIB) (tonnes)	817 tonnes
Of which% recycled/reused	92.52%
Of which% incinerated for recycling as energy	4.82%
Of which% buried/dumped	2.66%
Of which% managed by the municipality	N/A
Hazardous Waste (tonnes)	0.5
Inert Waste (tonnes)	416

### 2.3.6. Turning each site into a Biodiversity driver

Biodiversity has been a strong focus of Foncière des Régions' sustainable development policy for several years. The Group's biodiversity policy is set out in Section 2.8.4. As a pioneer in this field, in 2015 the Group was involved in the development of ground-breaking projects taking biodiversity into consideration.

#### 2.3.6.1. Carré Suffren, the first operational site obtaining the BiodiverCity label


The Carré Suffren building is the first site in France to have obtained the BiodiverCity® label for the renovation of its landscaped areas. This accreditation aims to promote more ecological constructions which take living systems into consideration and improve the living environment without increasing operating costs (see insert).

Standing out from the standard lawn and conifer hedge landscape, the "Living Gardens" project favoured indigenous plants needing little water and attracting a greater variety of wildlife (bird nests, insect habitats, etc.). It features natural prairies (favourable to wild pollinators), shrubs (elderflower, etc.), fruit trees accessible to occupants (gooseberry bushes, blackcurrant bushes, hazelnuts, etc.) and a plant-covered wall.

By striving for chemical-free maintenance, consuming less water, replacing lawnmowers with the occasional grazing of sheep, considerably reducing waste production and ensuring that at least 30% of gardener travel is done by metro to reduce CO<sub>2</sub> emissions, the "Living Gardens" project has proven virtuous in several respects. The additional care it requires is financially offset by doing away with the need to mow the lawn a dozen times a year.

Through the Carré Suffren site, Foncière des Régions also joined a participative science initiative called Vigie-Chiro launched by the French natural history museum. This programme is aimed at tracking bat populations. Two recordings, which took place in June and July 2015, revealed that the site was of interest for tracking the common Pipistrelle, *Pipistrellus pipistrellus*, the most widespread species in urban areas.

Carré Suffren is also a pilot site for testing the HQE Biodiversity Performance 2015 indicator: Biodi(V)strict.

 **BiodiverCity® is the first construction accreditation for biodiversity. It has four main focuses**



**Commitment:** Focus on the Project Owner: The aim is to assess biodiversity commitment and knowledge, as well as project management which promotes biodiversity.



**The project:** Focus on the Project Manager: Innovation, through the site architecture and design of green areas, on the place of nature, even in dense urban areas.



**Ecological potential:** Focus on the ecologist: Assessment of the site's ecological potential in terms of biodiversity.



**Amenities:** Focus on users: The aim is to highlight, for the building's occupants and neighbours, the services and benefits stemming from biodiversity.

#### 2.3.6.2. Analysis based on the GRI 4 Biodiversity indicators

Foncière des Régions' report complies with version G4 of the Global Reporting Initiative (GRI), which defines four biodiversity performance indicators for organisations. Analyses were carried out on 16 office sites owned and managed by Foncière des Régions to assess their performance with respect to the GRI indicators.

##### ♦ Sensitivity of site location in relation to areas of high biodiversity value (EN11):

This indicator aims to describe the location and size of the land owned, leased or managed by the organisations in, or adjacent to, protected areas and areas of high biodiversity value.

Map analyses were carried out in respect of this indicator. All protected areas (Natura 2000, Decrees for the Protection of Biotopes) and areas of high biodiversity value (natural areas of ecological, faunistic and floristic interest, *i.e.* ZNIEFF

areas) were identified within radii of 1, 2 and 5 km of the sites concerned. The analyses showed that no site was located in an area of high biodiversity value as defined by the GRI. For 6% of the sites, there was no area of high biodiversity value within a 5 km radius, while most of the sites (69%) were within 5 km of a ZNIEFF area or within 2 km of a Natura 2000 area. Only 25% of the sites were found to be "sensitive" as they are located within 5 km of several areas of interest such as ZNIEFF areas, protected zones such as Natura 2000 areas or areas governed by biotope protection decrees.

Given the size of the sites and the layout of their landscaped areas, their impact on these areas can be considered low. However, construction activities and the operation of the buildings have indirect impacts on biodiversity: use of space, destruction and fragmentation of natural habitats, artificialisation of environments, soil sealing, and impacts on rainwater infiltration.

The use of building materials may have indirect impacts on "ex situ biodiversity" i.e. the biodiversity affected by the extraction of raw materials and the production and use of building materials. The operating impacts mainly relate to the design and management of the buildings and green areas. Foncière des Régions has adopted two Biodiversity Charters: one for construction and renovation operations and one for in-use assets. Their common objective is to maximise the attractiveness of the sites for biodiversity.

**Conclusion: with respect to the EN11 requirement, Foncière des Régions' activities can be considered as having a Good performance level.**

- ♦ **Impact of sites on areas of high biodiversity value (EN12):** this indicator sheds light on the direct and indirect impacts of the organisations' sites or activities on the biodiversity present in the areas of high biodiversity value.

Environmental inventories have shown that none of Foncière des Régions' buildings have been built in protected or restored habitats and that no red-listed species have been identified on the sites.

**With respect to the EN12 requirement, Foncière des Régions' activities can be considered as having a Fairly Good performance level.**

- ♦ **Presence of sites in protected or restored habitats (EN13):** this indicator makes it possible to measure the size and location of protected or restored habitats on the organisations' sites.

Out of all the habitats present on Foncière des Régions' sites that underwent analysis and ecological visits, none were in protected or restored habitats. Therefore, these sites have no impact on protected or restored habitats.

**With respect to the EN13 requirement, Foncière des Régions' activities can be considered as having a Very Good performance level.**

- ♦ **Impact of sites on species appearing on the IUCN's red lists (EN14):** this indicator assesses the total number of IUCN Red List species and National Conservation List species with habitats in areas affected by Foncière des Régions' operations, by level of extinction risk.

The ecological diagnostic tests performed under the BREEAM In-Use certifications obtained did not reveal any animal species appearing on the IUCN's red lists. Therefore, there was no impact.

**With respect to the EN14 requirement, Foncière des Régions' activities can be considered as having a Very Good performance level.**

### 2.3.7. Environmental safety and consumer health

There are several factors related to quality of work environment that influence employee health, well-being and performance, such as air quality, acoustics, lighting, etc.

#### 2.3.7.1. Indoor air quality, a health issue

Indoor air quality in commercial buildings is affected by the decorative materials used (carpeting, paint, suspended ceiling materials, etc.), the equipment present in the premises (printers, etc.), road traffic and the environment around the building, and the characteristic and proper maintenance of heating and air conditioning systems.

Foncière des Régions pays attention to each of these factors. It uses materials and products (paint, carpeting, etc.) with low emissions of volatile organic compounds (class A+) to preserve the health and comfort of occupants.

To better identify the avenues of improvement in terms of air quality, Foncière des Régions took part in the European research project Officair in conjunction with the CSTB, which is in charge

of the French indoor air quality observatory (OQAI), thereby contributing to the creation of the first database on air quality inside office buildings (volatile organic compounds, ozone, nitrogen dioxide, particles, etc.), available today thanks to the measures implemented. Reproduced during two contrasting seasons (summer/winter) and under various configurations, particularly on different floors of a building, these measures help us to understand the effect of certain parameters: proximity to roads, influence of temperature, etc. The study also revealed the presence of volatile compound emissions from floor cleaning products. A decrease in aldehyde concentration in the air was observed in the air of the spaces where a lower-emission product was used to clean the floors every day.

#### 2.3.7.2. Limiting noise pollution

Noise is one of the building-related factors which most significantly reduces employee productivity. Since user comfort and well-being are key concerns for Foncière des Régions, the Company strives to create buildings that provide optimal acoustic



conditions for their occupants. This is a growing concern in a context of increasing demand for open-space premises and urban densification. In its developments and renovations, Foncière des Régions strives to reduce occupant exposure to outdoor noise, and to reduce the buildings' noise pollution (rooftop equipment, etc.) for its neighbours.

### 2.3.7.3. Land use

Foncière des Régions strives to limit urban sprawl by including its developments in requalification operations that encourage "rebuilding the city on top of the city". The Company's economical use of land reflects its determination to limit land sealing, avoid the use of agricultural land for new buildings, and take flood risks into consideration. The Cœur d'Orly, Respiro (Nanterre), New Vélizy (Vélizy-Villacoublay) and Euromed Center (Marseille) operations illustrate this approach. They make use of urbanised land or existing buildings, thereby helping to preserve virgin areas with a strong biodiversity potential.

In 2015, no requirement was imposed on Foncière des Régions to decontaminate or clean up any of its sites in operation.

### 2.3.7.4. Adapting to the consequences of climate change

Foncière des Régions has identified the main risks which could have an impact on its business activities, and has set up prevention and adaptation measures which aim to:

- ♦ reduce the vulnerability of occupants to the effects of heat waves and increase summer comfort requirements in buildings
- ♦ analyse the risks of temporary or permanent river or sea flooding (flood risk prevention plan – PPRI) resulting from rising sea levels and due to storms
- ♦ study land quality and its vulnerability to flooding prior to any acquisition, and adapt building foundations to ground instability (shrinking and swelling of clay-based soils)
- ♦ implement recommended provisions in regulations of Natural Risk Prevention Plans.

Foncière des Régions reports on the various risks considered as relevant to its business activities:

Risks	Number of sites concerned		
	2013	2014	2015
Subsidence	44	46	44
Earthquake	2	2	1
Flood	84	75	81
Thermal effect	3	3	3
Waiver effect	3	3	3
Toxic effect	2	2	2
Drought	13	10	8
Avalanche	0	0	0
Forest fires	9	10	8
Torrential rain	0	0	0
Cyclone	0	0	0
Rise in groundwater level	2	2	2
Volcano	0	0	0
Mining	0	0	0
Other mining risks	1	1	1
Other natural risks	32	30	30
<b>TOTAL</b>	<b>195</b>	<b>184</b>	<b>183</b>

### 2.3.7.5. Controlling health and climate risks

Property acquisition and management require the performance of a number of diagnostic tests which may be mandatory depending on the date of construction of the building: asbestos, pest report depending on the municipality (termites), mining and technological risks report (risks of flood, subsidence, coastal submersion, Seveso risks, etc.), energy performance certificate, as well as lead, electricity and gas diagnoses for residential units.

Very attentive to the specific requirements for ICPE sites (*i.e.* establishment classified for environmental protection), Foncière des Régions strives to control the health and environmental risks of all its office assets. These risks may be subjected to additional investigations (ground contamination, etc.), periodic monitoring (asbestos, for example) or specific analysis (legionella, etc.).

Each asset undergoes all regulatory diagnostic testing. To this effect, Foncière des Régions relies on a dedicated team in charge of these environmental safety issues. It is involved in the analysis of acquisitions, and again during the management period, up to the creation of data rooms for sale.

As at 31 December 2015, the main risks for the Foncière des Régions Offices portfolio related to 355 sites (vs. 375 at 31 December 2014 – a difference due to disposals), were as follows:

Area	Diagnostic procedures in place			
		2014		2015
Technological and natural risks – number of cases surveyed	375 <sup>(1)</sup>	100%	355	100%
Cooling towers – number of sites concerned	2 <sup>(2)</sup>	100%	2	100%

<sup>(1)</sup> Status of risk surveys in place.

<sup>(2)</sup> Sites where the operator of the tower is the owner.

This year once again, Foncière des Régions has not had a conviction or judgement rendered against it for not complying with environmental regulations and has never had to book provisions or provide guarantees for environmental contingencies.

## 2.4. A LEADER IN HOTELS IN EUROPE

**With a portfolio of more than 400 hotels in Europe, Foncière des Régions is one of the leaders in hotels in Europe, via its subsidiary Foncière des Murs.**

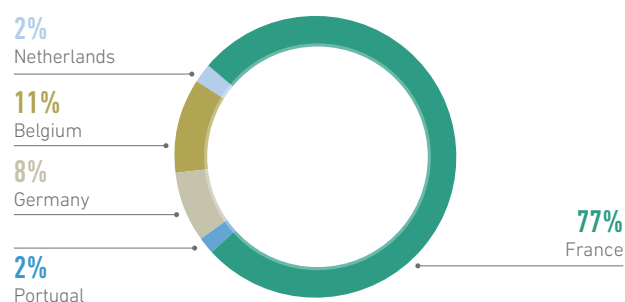
Specialised in owning and managing hotels, healthcare and retail assets, Foncière des Régions has diversified in 2015 to directly manage hotels. Foncière des Régions has renowned expertise in its ability to acquire and add value to real estate portfolios outsourced by leading players in the various sub-sectors, including hotels (Accor, B&B Hôtels, Louvre Hotels Group, NH Hotel Group and MEININGER, etc.), restaurants (Courtepaille, Quick), leisure (Club Med), health (Korian) and retail (Jardiland).

Each year, Foncière des Régions replaces some assets (€55 million sold in 2015) and focuses more on hotels by supporting major brands with the development of their business in Europe (B&B Hôtels, MEININGER, etc.), *i.e.* €331 million in investments in 2015. The occupancy rate of the assets remained at 100% at year end 2015, with long leases offering a residual term of 10.7 years on average. As at 31 December 2015, Foncière

des Régions' Hotels and Service Sector portfolio was valued at €3.5 billion, covering a total area of 1.52 million m<sup>2</sup>.

The Hotels and Service Sector staff belong to the Foncière des Régions Economic and Social Unit.

### GEOGRAPHICAL BREAKDOWN OF THE PORTFOLIO (in value)







### 2.4.1. Innovating to support users

The hotel market has changed rapidly with the arrival of new concepts and online businesses. Consumers' and tenants' lifestyles and needs have undergone rapid changes, which Foncière des Régions has anticipated and supports. Its European strategy encourages diversifying its partnerships and concepts used in its portfolio. For example, purchasing the NH 4\* Amsterdam hotel (€48.3 million), two Motel One hotels in Germany in early 2015 and entering into a partnership with MEININGER (first operation in Munich signed in 2015 to convert an office building into a hotel) were all part of this diversification. MEININGER has created a hybrid hotel concept where rooms or beds can be rented, targeting both families and business travellers.

Always looking to innovate and support its partners, Foncière des Régions decided to create a new structure in 2014 to acquire more goodwill in the service sector alongside major hotel brands in Europe. Led by hotel management specialists, this structure has a significant investment capacity. Its first acquisitions, which were completed in 2015, involved nine Motel One hotels in Germany, for €49.7 million, to transform them into "Première Classe" hotels (managed with the Louvre Hotels group), as well as the off-plan purchase from Eiffage of a 305-room Pullman hotel (€55 million) in Roissypole (Roissy-Charles de Gaulle airport), which will be run by Accor, also under a management contract.

### 2.4.2. Towards 66% certified assets

Foncière des Régions has set two defining objectives to help improve the environmental performance of its portfolio: Obtain certification for all new developments, and have 66% of the Hotels & Service Sector HQE/BREEAM or ISO-certified by the end of 2020.

Club Med obtained in particular for its Da Balaia site held by Foncière des Régions in Portugal.

As at 31 December 2015, 33.7%<sup>(1)</sup> of Hotel and Service Sector assets held in Europe by Foncière des Régions already met this objective, largely consisting of assets whose environmental management is ISO 14001-certified (31.2%).

#### 2.4.2.1. Certification, a lever to improve environmental performance

For Foncière des Régions, certification helps determine performance levels, making them easier to discern and compare. The certifications used correspond to industry-specific needs and features. These certifications are: HQE and BREEAM (for construction and use), ISO 14001 and 50001 (used by several tenants as a relevant environmental management solution), as well as Green Globe, specially adapted to vacation centres, which

In 2015, the BREEAM In-Use certification was tested out on a few assets. As a result, the Courtepaille in Guyancourt was the first BREEAM In-Use certified restaurant in the world; new ground has also been broken in BREEAM In-Use testing conducted with B&B Hotels and Jardiland. Beyond the innovative aspect of these processes, sharing lessons learned and wanting to improve the environmental performance of the portfolio motivated the parties involved.

### 2.4.3. Speeding up the environmental transition of the portfolio

#### 2.4.3.1. Positive results for the 2008/2015 period and 2015/2020 objectives

Objectives for the 2010/2015 period related to measuring the portfolio's environmental performance, with an objective of collecting 100% of data to expand our knowledge of the Hotels & Service Sector portfolio's performance, which determined the relevant objectives for this sector. Since all of the assets are

rented to single tenants, they pay for expenses related to their energy and water consumption as well as to their waste. Despite the implementation of environmental annexes starting in 2010, it was not possible to collect 100% of consumption data as initially planned, as the tenants themselves did not always have this information. Furthermore, certain invoices based on estimates were not usable. For 2015, the reporting covers approximately 88% of the entire reporting scope in surface area (see Section 2.11.3.2).

<sup>(1)</sup> In value/Group share.

Subject	2015 objectives	31/12/2015 results	2015/2020 objectives	Deadlines
Improve the portfolio's environmental performance		33.7% green buildings at 31/12/2015	Own 2/3 HQE or BREEAM and/or ISO 14001 or 50001 certified assets by the end of 2020, or Green globe, with at least half being HQE or BREEAM certified	2020
	100% "green" developments	1 HQE-certified asset as at 31/12/2015	100% "green" developments and renovation	Ongoing
Improve energy performance	Measure and reduce energy consumption	(-) 33.8% from 2008 to the end of 2015; 457 kWhpe/m <sup>2</sup> SHON/year in 2015 vs 690 kWhpe/m <sup>2</sup> SHON/year in 2008	Cut energy consumption by 40% over the 2008/2020 period Objective: 415 kWhpe/m <sup>2</sup> SHON/year	2020
	Measure and monitor greenhouse gas emissions for the entire reporting scope	(-) 42.1% from 2008 to the end of 2015; 33 kgCO <sub>2</sub> /m <sup>2</sup> SHON/year in 2015 vs 57 kgCO <sub>2</sub> /m <sup>2</sup> SHON/year in 2008	Cut CO <sub>2</sub> emissions by 40% between 2008 and 2020 Objective: 33.6 kgCO <sub>2</sub> /m <sup>2</sup> SHON/year	2020
Lead energy transition	Measure and monitor water consumption across the entire reporting scope	(-) 28.3% from 2008 to the end of 2015; 1.65 m <sup>3</sup> /m <sup>2</sup> /year in 2015 vs 2.3 m <sup>3</sup> /m <sup>2</sup> /year in 2008	Keep consumption under 2 m <sup>3</sup> /m <sup>2</sup> SHON/year	2020
Control health and safety related risks	Control health and environmental risks	Opening up of the Provexi tool to all employees	Control health and safety related risks	Ongoing
Promote clean transport	Ensure that 80% of hotels owned are accessible to public transport	93% (in value) at less than 10 minutes' walking distance (1 km) to public transport	Ensure that 80% of hotels owned are accessible to public transport	2020

## 2.4.3.2. Energy trajectory

The 2015/2020 action plan in particular aims to cut energy consumption by 40% over the 2008/2020 period to reach an average energy consumption of 415 kWhpe/m<sup>2</sup>SHON/year for the portfolio.

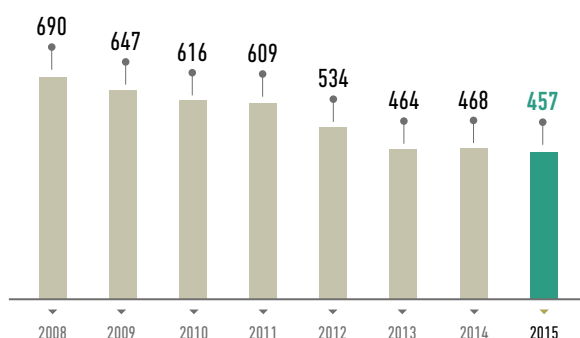
Energy consumption figures are collected from tenants and based on invoices. The two charts below show the results with and without climate adjustments (summer and winter), as calculated by the CSTB, in order to render them more comparable to 2008, the baseline year for Foncière des Régions. The tables in Section 2.11.3.2. show details on consumption for 2014 and 2015.

Following receipt of additional documentation from a tenant, the energy data published in this report has been recalculated for 2014 compared to last year's version (243 kWhpe/m<sup>2</sup>SHON/year vs. 246 and 468 kWhpe/m<sup>2</sup>SHON/year vs. 459). This slight increase makes results more accurate and provides more reliable information.

Primary energy consumption declined 33.8% during the 2008/2015 period, correlating to a set of initiatives pertaining to building use, raising users' awareness and implementing less energy-intensive equipment (lighting, heating, etc.). The graph below shows that after a sharp decrease between 2008 (690 kWhpe/m<sup>2</sup>SHON/year) and 2013 (464 kWhpe/m<sup>2</sup>SHON/year), the decrease in consumption stabilised and stalled in 2014 and 2015.

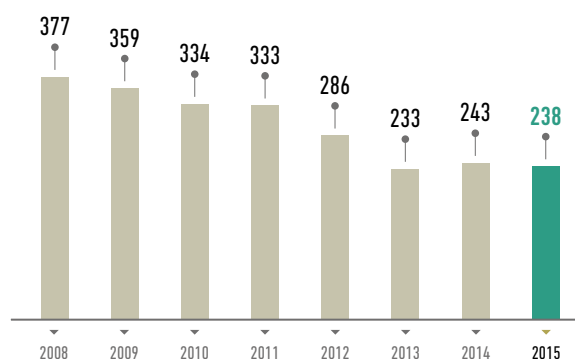
### CHANGE IN PRIMARY ENERGY RATIO

(kWhpe/m<sup>2</sup>SHON/year)



### CHANGE IN FINAL ENERGY RATIO

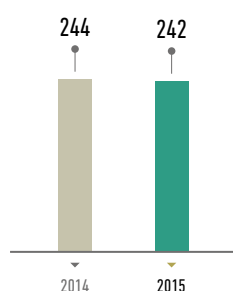
(kWhfe/m<sup>2</sup>SHON/year)



The consumption stability between 2014 and 2015 is confirmed in the graph below, which shows final average energy consumption on a like-for-like basis and calculated with climate adjustment.

### ENERGY INTENSITY OF THE PORTFOLIO, LIKE-FOR-LIKE

(kWhfe/m<sup>2</sup>SHON/year)



100% of Foncière des Régions' Hotels and Service Sector assets are single-let buildings. Most of the leases are so-called "triple net" leases, meaning that the tenant is responsible for ongoing maintenance, the major works in Article 606 of the French civil code as well as taxation. Ultimately, the tenants always manage the assets, subscriptions and invoices related to energy. Therefore it is the tenants who are required to undergo energy audits arising from the decree dated 24 November 2014.

### 2.4.3.3. Carbon trajectory

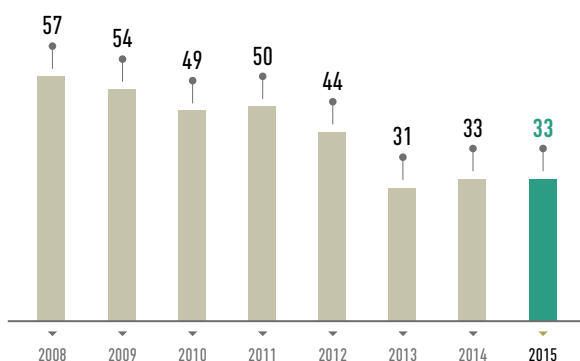
Carbon footprint is calculated by the CSTB using energy consumption data collected from tenants and based on invoices. The table in Section 2.11.3.2. details the results of these calculations.

For the 2015/2020 period, the objective is to cut CO<sub>2</sub> emissions by 40% between 2008 and 2020 to reach an average of 33 kgCO<sub>2</sub>/m<sup>2</sup>SHON/year for the portfolio.

Since 2008, the portfolio's greenhouse gas emissions fell from 57 kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year in 2008, the baseline year, to 33 kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year in 2015, i.e. down 42.1%. The emission ratio remained the same between 2014 and 2015, decreasing from 33.3 to 33 kgCO<sub>2</sub>/m<sup>2</sup>SHON/year, as shown in the graphs below.

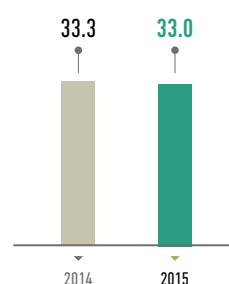
### CARBON INTENSITY OF THE PORTFOLIO

(kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year)



### CARBON INTENSITY OF THE PORTFOLIO LIKE-FOR-LIKE

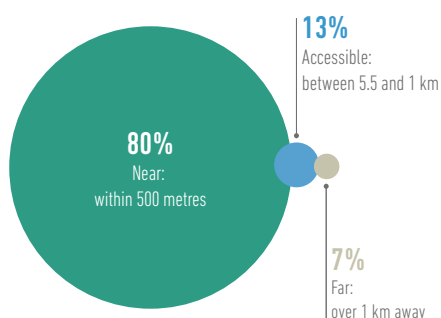
(kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year)



Carbon footprint is also reduced by choosing locations that promote public transport and eco-friendly transport for employees and customers. Foncière des Régions has been studying the distance from each of its sites in the French office and hotels portfolio to public transport options since 2011. At the end of 2015, 93% of hotels in its portfolio were located less than 10 minutes' walking distance (1 km) from public transport.

### HOTEL ACCESSIBILITY RATIO AT 31/12/2015

(in value)



Keep in mind that the 2015/2020 objective in this area is to continue holding at least 80% of hotels that can be reached by public transport.

The B&B Hotels construction in Porte des Lilas led to the first Life Cycle Analysis (LCA) conducted in France on a hotel. For Foncière des Régions and our Hotels and Service Sector, the LCA

is a measurement tool that studies a project's various impacts: energy and embodied energy, carbon, materials, water, waste, etc. The study conducted was modelled on 50 years; it pertained to the 11 HQE Performance programme indicators and shed light on the importance of certain choices in equipment, in particular. This LCA was reported to CSTB as part of the HQE Performance Charter, of which the Group is a partner.

### 2.4.3.4. Water trajectory

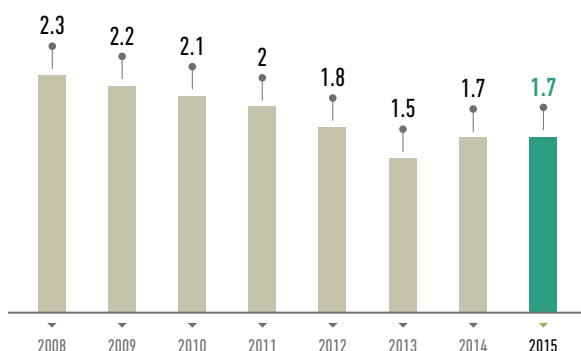
The tenants of the Hotels and Service Sector portfolio of Foncière des Régions have implemented water usage reduction programmes, which involved raising awareness among their staff and among their clients.

The 2015/2020 objective concerning average water consumption is to remain below 2 m<sup>3</sup>/m<sup>2</sup>SHON/year on average for the entire portfolio in use.

In 2015, average consumption was 1.65 m<sup>3</sup>/m<sup>2</sup>SHON/year, equivalent to that of 2014, showing a 28.3% drop in average water consumption since 2008, Foncière des Régions' baseline year for monitoring fluids. Efforts made since 2008 showed considerable results; however, it seems that once a certain threshold is met (around 1.7 m<sup>3</sup>/m<sup>2</sup>SHON/year), it will be difficult to continue reducing consumption.

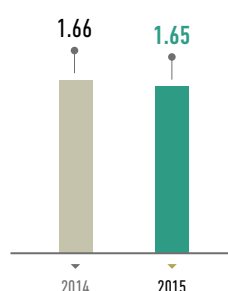
### WATER INTENSITY FOR THE PORTFOLIO

(m<sup>3</sup>/m<sup>2</sup>SHON/year)



### WATER INTENSITY FOR THE PORTFOLIO, LIKE-FOR-LIKE

(m<sup>3</sup>/m<sup>2</sup>SHON/year)



### 2.4.3.5. Monitoring of waste

Strict regulations govern the removal of food waste (requirement to install grease traps, etc.); these provisions apply to hotel (Accor, B&B Hôtels, etc.) and restaurant tenants (Courtepaille, Quick), in the same way as hygiene and consumer health matters. Similarly, health care facilities (Korian) are subject to rules governing health establishments that ensure waste is treated in an optimal manner.

At the same time, non-hazardous waste collection in France is generally done by local authorities, which do not provide information on the volumes or tonnages collected.

Municipalities are moving towards widespread waste sorting: at the end of 2015, of the 73% of assets within the entire reporting scope providing information on the existence or otherwise of selective sorting (vs. 75% at the end of 2014), 100% had selective collection.



### 2.4.3.6. Controlling health risks

Leases of the Hotels and Service Sector of Foncière des Régions systematically stipulate that the tenant retains control of and responsibility for environmental risks, the user or the site manager being responsible for the premises for the purposes of regulations governing environmental risks. However, diagnoses covering asbestos, ground pollution, etc. are set up when each asset is either purchased or sold. Environmental health and safety

risks are monitored within Foncière des Régions' Environmental Department in the Technical Department.

In 2015, Foncière des Régions' Hotels and Service Sector portfolio never had a conviction or judgement rendered against it for not complying with environmental regulations and never had to book provisions or provide guarantees for environmental contingencies. No land held has been under an obligation to be remediated or cleared to allow its legal use.

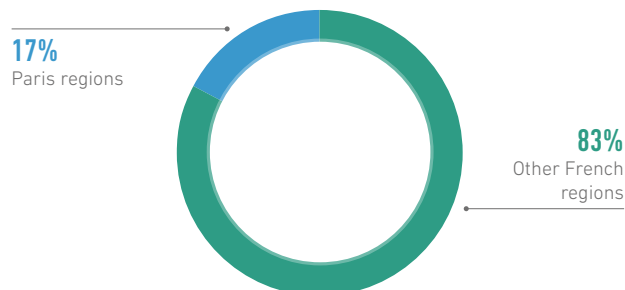
## 2.5. LOGISTICS, A SPECIFIC REGULATORY FRAMEWORK

Foncière des Régions' logistics business experienced considerable disposals in 2014, then in 2015, as the Group sped up its strategic refocusing towards its core businesses.

As at 31 December 2015, the Logistics portfolio included eight buildings for a total amount of €163 million (vs. €288 million at the end of 2014), *i.e.* less than 5% of the Group's value. The CSR reporting was thus reduced in 2015 to focus on the most significant challenges for Foncière des Régions.

The teams in charge of the Logistics portfolios form part of the Foncière des Régions ESU.

### GEOGRAPHIC BREAKDOWN OF THE LOGISTIC PORTFOLIO (in value)



### 2.5.1. Challenges specific to logistics

Logistics assets comprise a main component dedicated to storage, and an office component. Only the office component is subject to Thermal Regulations, as storage areas kept below 12°C (in order to frost-protect inventories) are exempt.

From an energy consumption and carbon emissions perspective, a Logistics asset's impact is marginal compared to that of

inbound and outbound inventory transportation. With regard to energy and climate challenges, the quality of locations is thus decisive in the Logistics business. For instance, proximity to downtown areas makes it easier to use electric vehicles. Foncière des Régions' Logistics assets have relevant locations in terms of road, rail, river or sea connections.

### 2.5.2. A CSR policy designed for a sales environment

Within this framework, environmental initiatives in the Logistics portfolio are focused on monitoring fluids and controlling expenses, biodiversity challenges that overlap with the Group's policy, monitoring health and environmental risks and, in all cases, operating permits and ICPE sites (installations classified for environmental protection), vital challenges related to logistics.

Considering the substantial decrease in the number of assets, consumption comparisons are no longer relevant. We did create an energy performance diagnostic report, however. It showed the quality and performance of Foncière des Régions' portfolio. As at 31 December 2015, the portfolio broke down as follows:

### ENERGY CONSUMPTION – PERFORMANCE AS A %

Label (kWh/m <sup>2</sup> /year)	Values	Surface
≤50 <b>A</b>	15.3%	13.9%
51-110 <b>B</b>	49.3%	57.7%
111-210 <b>C</b>	28.8%	25.6%
211-350 <b>D</b>	0.0%	0.0%
351-540 <b>E</b>	0.0%	0.0%
541-750 <b>F</b>	0.0%	0.0%
>750 <b>G</b>	6.6%	7.7%
Diagnostics completed	100%	100%

### GREENHOUSE GAS EMISSIONS – PERFORMANCE AS A %

Climate label (kgCO <sub>2</sub> e/m <sup>2</sup> /year)	Values	Surface
≤5 <b>A</b>	31.6%	36.2%
6-15 <b>B</b>	26.1%	23.1%
16-30 <b>C</b>	27.3%	25.8%
31-60 <b>D</b>	15.0%	14.9%
61-100 <b>E</b>	0.0%	0.0%
101-145 <b>F</b>	0.0%	0.0%
>145 <b>G</b>	0.0%	0.0%
Diagnostics completed	100%	100%

### 2.5.3. Strict management of environmental risks

Foncière des Régions' Logistics business strives to hold operating declarations and permits for all its sites. For Logistics, environmental risk is mainly monitored *via* operating declarations and permits for classified facilities and the management of fire risks. As at 31 December 2015, Foncière des Régions held 100% of the authorisation decrees and declarations for its Logistics business, (compared to 90% at the end of 2014 and 84% at the end of 2013), and it had not been convicted or judged for non-compliance in 2014.

In addition to the ICPE sites (installations classified for environmental protection), which already represent a major challenge for the Logistics business, the various compulsory analyses (EPC, DTA, etc.) were also completed. The studies and analyses regarding the various risks are coordinated by a team dedicated to service portfolios, which centralises and monitors 23 identified risks, in particular: floods (2 sites), subsidence (1), earthquakes (1), waiver effect (1), toxic effect (1), droughts (0), cyclones (0), rise in groundwater level (0), etc.

## 2.6. PROACTIVELY MANAGING THE RESIDENTIAL PORTFOLIO

In 2015, Foncière des Régions continued to strengthen its position in the Residential sector in Germany through its subsidiary Immeo SE, in particular with the purchase of assets in Berlin and in Dresden, increasing its portfolio to 46,653 units. In France, Foncière des Régions holds 60% of Foncière Développement Logements, which owns 1,619 units. The following section discusses these two subsidiaries' environmental objectives and performance.

### 2.6.1. Environmental challenges in the European residential sector

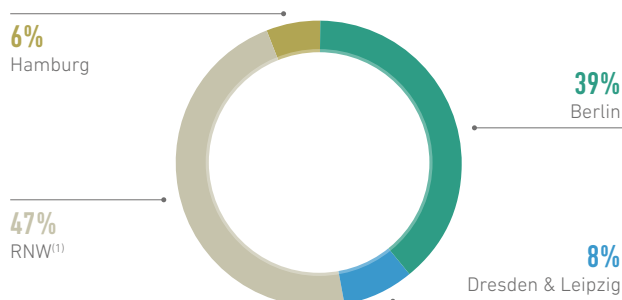
French and German energy and environmental policies are based on the 2001 EU Sustainable Development Strategy (EU SDS) and on related European directives that have since ensued, such as the European Energy Efficiency Directive (2012/27/EU). In 2015, COP21 provided new impetus to evolve towards a low-carbon society: each member state made commitments towards reducing greenhouse gas emissions, and the laws are gradually becoming tougher, particularly with respect to building and renovating assets to better take energy and water consumption into account. These measures pose several challenges for the Residential sector: reducing member states' environmental

impact and energy dependence on the one hand, and ensuring better cost control for individuals (household solvency) on the other hand.

In both Germany and France, Residential has a strong social component and is intrinsically linked to urban planning, the urban-social mix, rationalisation of urban spaces, accessibility and transportation. This sector is subject to specific regulations (concerning lead, safety requirements, compliance of gas facilities, electricity, etc.). The EU SDS targets five major long-term themes: climate change, transportation, health, natural resources and social exclusion.

## 2.6.2. Immeo SE, a German model of integrated CSR

In 2015, Immeo SE continued its geographic diversification in favour of vibrant cities, in particular through the acquisition of 2,477 housing units in Berlin (€222 million). These investments in dynamic and attractive markets, and upgrades to buildings, help add long-term value to the portfolio.



(1) North Rhine-Westphalia.

### 2.6.2.1. Energy trajectory

The Integrated Energy and Climate Plan adopted in August 2008 by the German government set a greenhouse gas (GHG) emissions reduction target of 40% by 2020, compared to 1990 levels. The proportion of nuclear energy in the country's energy mix fell from 28% in 1990 to 16% in 2014. This nuclear phase-out will be accelerated in the coming years, to be accompanied by the increasing deployment of renewable energies, in particular wind, geothermal and solar. Nevertheless, 43% of the electricity generated in Germany was from coal in 2014. Beginning in 2021, all building permits filed in Germany will need to relate exclusively to the construction of passive buildings, in line with the European Energy Performance of Buildings Directive (EPBD), which requires "nearly net zero energy" performance for all new construction by this date. The transposition of this European directive into German law gave rise to federal regulations mandating energy efficiency for buildings, known as EnEV (*Energieeinsparverordnung*) in 2007, 2009 and 2014. EnEV 2014 includes the requirement to improve building energy performance by 12.5% compared with EnEV 2009, and calls for a 30% improvement in energy efficiency after renovation work on existing properties.

Fully mindful of these developments as well as its tenants' concerns, Immeo SE carries out renovation work on an ongoing basis to reduce the energy consumption of its assets. This work includes installing double glazing (at more than 85% of its properties), replacing boilers with more efficient models, and even insulating exterior walls from the outside in some cases, as part of a multi-year renovation plan.

In 2015, 3,285 Immeo SE housing units were renovated and upgraded in order to improve their rental potential and increase their value. Two major projects in 2015 are especially worthy of mention: Gallwitzallee and Goldammerstr in Berlin, where 519 units were renovated to improve their thermal performance. Also this past year, 713 units received replacement windows with PVC double glazing. In addition, 4,300 m<sup>2</sup> of ceilings were insulated in the upper floors. At the same time, 29,150 m<sup>2</sup> of outside walls were insulated externally. Boiler systems are also regularly upgraded: in 2015, 29 condensation boilers were installed to

replace less efficient systems. In Essen and Berlin, 96 buildings are connected to urban heating systems that receive heat from cogeneration systems.

Alongside these initiatives, a circular economy was promoted by using recycled materials when carrying out works on the portfolio. This is the case for a certain number of materials used for external building insulation.

#### A success story in energy efficiency: renovation of 305 housing units in Berlin

This renovation consisted of installing highly efficient exterior insulation as well as replacing windows with better performing models.

Budget: €2.4 million.

Outcome: 50% reduction in energy consumption for heating, an improvement well in excess of the 30% EnEV requirement.

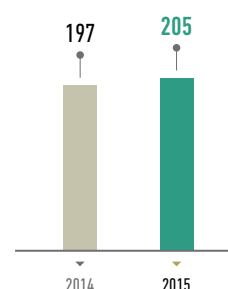
The findings of the energy and environmental mapping study conducted in 2009/2010 with the Building Scientific and Technical Centre (CSTB), based on some 20 indicators, had made clear the already high level of environmental performance achieved by the portfolio. Given the number of housing units in Immeo SE's portfolio, and the construction method of the buildings owned, it was decided in 2014 to monitor changes in energy consumption on the basis of a representative sample of buildings selected by CSTB. Each year, the reporting was monitored and expanded to better understand the portfolio's performance.

The measurement of Immeo SE's portfolio energy performance is based on two types of information collected:

1. For the representative sample, increased to 146 assets in 2015 (vs. 126 in 2014) to take into account changes in the composition of the portfolio: monitoring of changes in energy consumption paid by Immeo SE in connection with the management of shared equipment and common areas of the buildings. The monitoring scope therefore comprises exclusively of assets over which Immeo SE has operational control, thus excluding properties in joint ownership. Like-for-like, consumption has increased by 4% in final energy, primarily due to increased use of heating (heating networks). These results are satisfactory since they are not climate adjusted, and since Germany experienced a relatively harsh winter in 2015.

#### BUILDING ENERGY INTENSITY LIKE-FOR-LIKE

(kWh/m<sup>2</sup>/year)



2. Relating to the *Energieausweis* energy certificates for building energy performance obtained across the portfolio of assets. These certificates must be obtained each time a property is leased or sold. They are also updated at each renovation in order to provide an updated perspective on portfolio performance. The *Energieausweis* uses a different calculation method (see box) to the French EPC. In addition, these calculations multiply surface areas by a regulatory factor of 1.2 in order to take common areas, cellars, etc. into account.

*Energieausweise* are energy certificates that have been made compulsory since January 2009 in Germany in accordance with the European Energy Performance of Buildings Directive. These certificates must be drawn up when new buildings are delivered (residential or service sector) and each time a landlord leases premises or sells an asset. They only take a portion of consumption into account, primarily heating and domestic hot water, and specifically exclude lighting and household appliances.

### ENERGIEAUSWEIS ENERGY CERTIFICATES HAVE BEEN OBTAINED FOR 97.6% OF PORTFOLIO ASSETS

German law provides for two kinds of certificates, depending on the landlord's choice:

- a certificate based on the building's energy requirements – *Bedarfsausweis* – which must be drawn up by approved consultancies according to a standardised calculation method
- a certificate based on energy consumption – *Verbrauchsausweis* – which is drawn up by reading the previous occupants' meters (more similar to the French EPCs). This is the option mainly selected by Immeo SE, where the qualifications held by some engineers enable it to perform these assessments.

A+	A	B	C	D	E	F	G	H		
0	25	50	75	100	125	150	175	200	225	>250

### CLASSES OF ENERGY CERTIFICATES OBTAINED FOR HOUSING UNITS

(*Energieausweis*)

Class	At 31/12/2014			At 31/12/2015		
	In number	As a %	As a % of total portfolio	In number	As a %	As a % of total portfolio
A+	-	-	-	-	-	-
A	10	0.03%	0.02%	10	0.02%	0.02%
B	1,094	3%	2.6%	1,596	3.9%	3.8%
C	4,023	11%	9.7%	5,580	13.5%	13.2%
D	9,367	25.6%	22.7%	11,719	28.4%	27.8%
E	8,469	23.1%	20.5%	10,673	25.9%	25.2%
F	6,029	16.5%	14.6%	-	-	-
G	6,559	17.9%	15.9%	10,298	25%	24.4%
H	1,039	2.8%	2.5%	1,338	3.3%	3.2%
<b>TOTAL</b>	<b>36,590</b>	<b>100%</b>	<b>88.5%</b>	<b>41,214</b>	<b>100%</b>	<b>97.6%</b>
Diagnostic remaining to be performed	4,756	13%	11.5%	1,007	2%	2.4%
<b>TOTAL</b>	<b>41,346</b>		<b>100%</b>	<b>42,221</b>		<b>100%</b>

This table shows that the number of units increased for each class. The number of diagnostics continued to increase in 2015, offering better visibility on the portfolio's environmental performance.





### 2.6.2.2. Carbon trajectory

Germany's energy mix has a dominant fossil fuel component, particularly coal, which has a significant impact on greenhouse gas emissions.

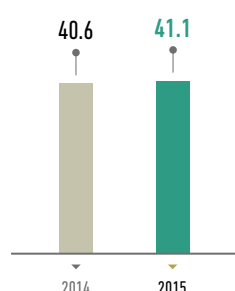
At Immeo SE, GHG emissions have been reduced through various initiatives, primarily consisting of insulating exterior walls and replacing 29 gas boilers with gas condensation boilers in 2015. Since 2014, six buildings in Oberhausen and Mülheim have had their night accumulation heating replaced by a connection to the urban heat cogeneration network.

Carbon emissions are monitored on the basis of energy consumption by a representative sample of assets. The German *Energieausweis* energy certificates do not include a carbon footprint rating, as is the case for the French EPCs. The monitoring scope is thus identical to the one mentioned above in Section 2.6.2.3.

Due to a favourable energy mix, the increase in carbon emissions is weaker (1.3%) than that of energy consumption (4%) observed by the panel.

#### BUILDING CARBON INTENSITY, LIKE-FOR-LIKE

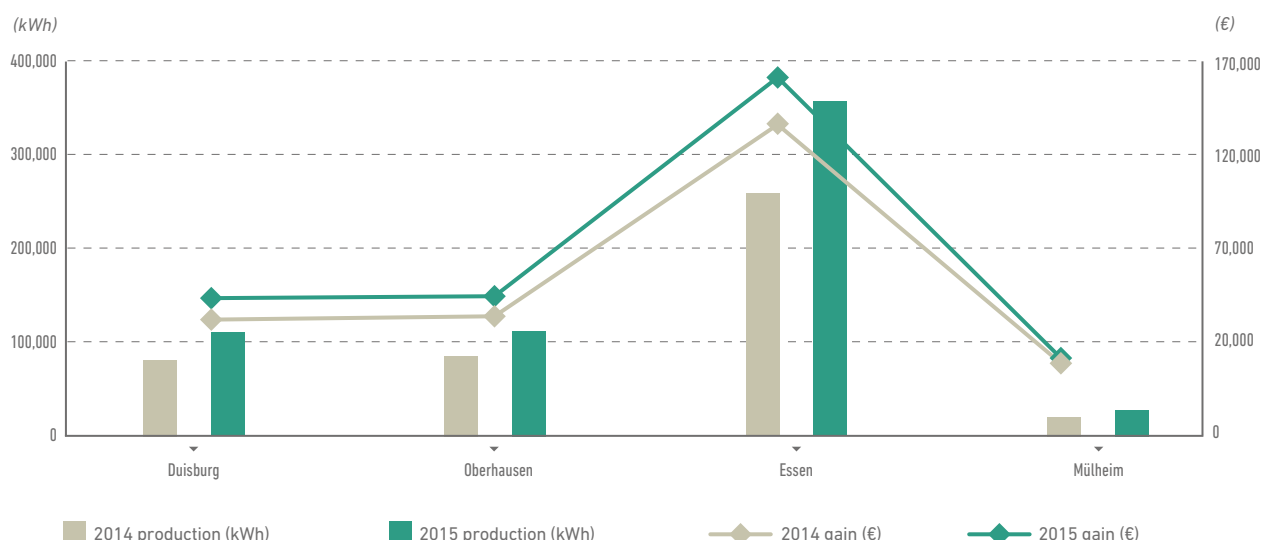
(kgCO<sub>2</sub>e/m<sup>2</sup>/year)



Immeo SE uses renewable energies to reduce its carbon footprint.

Photovoltaic facilities have been installed in six assets located mainly in the west of the country. The power from them, as detailed below, slightly exceeds the estimates provided by feasibility studies. The solar panels have been installed on (sloping) roofs, and provide an additional income stream. The equipment is depreciated over nine years. As a long-term player, Foncière des Régions has opted to own the equipment to capture all of the revenues generated by electricity production and to develop new know-how, in light of passive buildings becoming mandatory in 2020.

#### IMMEO SE 2014/2015 PHOTOVOLTAIC PRODUCTION AND GAINS



#### Key figures: Renewable energy production

- 5,000 m<sup>2</sup> of panels distributed over six sites in Essen, Duisburg, Oberhausen and Mülheim
- 621,563 kWh of production in 2015, vs. 608,370 kWh in 2014
- €268,000 excl. VAT generated in 2015 (vs. €262,000 in 2014), i.e. €51.50 excl. VAT/m<sup>2</sup> (vs. €50.40 in 2014)
- Average investment: €436 excl. VAT/m<sup>2</sup>
- Return on investment: 9 years on average (20 years of estimated useful life for the panels)

### 2.6.2.3. Water trajectory

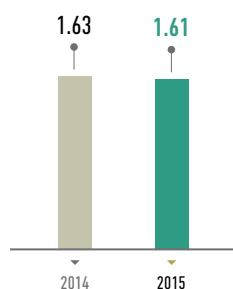
Water consumption is monitored carefully for the reduction of the ecological footprint and control of expenses. In addition to raising tenant and employee awareness, efficient systems are routinely installed during renovations to reduce water consumption (dual flush buttons, flow reduction, etc.).

Immeo SE's historical portfolio contained large amounts of green spaces. The acquisitions made since 2013, particularly in Berlin and Dresden, relate to assets in the city centre, which has far less land.

Reporting on water consumption is conducted on the basis of a representative sample using a single meter, which measures consumption in common areas (for cleaning, green spaces, etc.) as well as tenant areas (tenant consumption). Consumption is increasingly distributed through individual meters by housing unit, thus helping to raise tenant awareness and increase fairness.

Like-for-like, water consumption has stabilised at around 1.6 m<sup>3</sup>/m<sup>2</sup>/year.

#### WATER CONSUMPTION IN CUBIC METRES LIKE-FOR-LIKE (m<sup>3</sup>/m<sup>2</sup>/year)



### 2.6.2.4. Monitoring of waste

Since waste removal is performed by municipal services that do not produce any information as to the tonnage removed, it is not possible to conduct exhaustive monitoring. Nevertheless, in each building, waste sorting has been organised in connection with the city, with the setting up of containers of various colours.

Municipalities apply penalties if the waste is not disposed of in the correct containers. Tenants have been made aware of waste sorting by a service provider, which is paid according to the decrease in penalty amount.

Like-for-like (93% of the representative panel), 100% of assets have selective collection.

### 2.6.2.5. Managing health risks

Immeo SE pays very particular attention to health and environmental risks: the presence of asbestos or lead, water, air or soil pollution, natural and technological risks (flooding, etc.). Out of concern for the safety of the occupants and their property, assessments are performed before each acquisition and buildings are frequently monitored by specialised staff.

From 2012, Immeo SE launched a campaign to install monitoring devices on the collective domestic hot water equipment, thus anticipating by a year the drinking water legislation that has been applied in Germany since December 2013, and which aims to avoid legionnaire's disease in residential or commercial buildings.

In 2015, Immeo SE did not have any conviction or judgement rendered against it for not complying with environmental regulations, and did not need to book provisions or provide guarantees for environmental contingencies.

Lastly, in 2015, four incidents of soil pollution were discovered and treated. A provision for environmental risk in the amount of €25,000 was set aside in connection with these incidents.

### 2.6.2.6. A social and societal dynamic

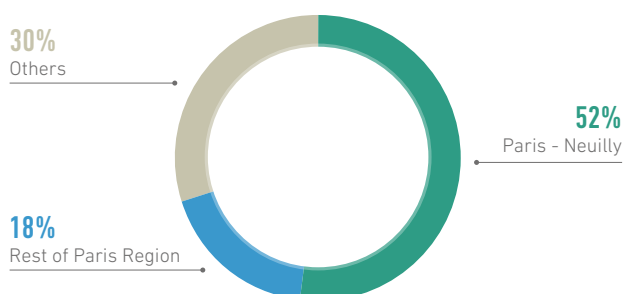
Since its consolidation into Foncière des Régions Group, in 2007, Immeo SE remained subject to German labour law and has its own Human Resources policy, separate from Foncière des Régions' ESU [see Section 2.11.4.2]. Branches have been opened in Berlin and in Dresden with local hiring to support development in these locations, with Immeo SE still handling administrative tasks in Oberhausen.

Immeo SE is very active in terms of societal issues, particularly with regard to adapted housing for the elderly or for people with disabilities. Several initiatives have been put in place since 2009, notably to customise dozens of apartments to disabled people's needs (in Essen, Duisbourg, Oberhausen, etc.). The *Probewohnen* project, launched in 2015, offers mentally disabled people the possibility to test out their own autonomy in suitable housing.

Very involved in the neighbourhoods in which it is located, Immeo has also created the *Wohnen im Pott* project, which consists of opening a local office in Oberhausen for people with disabilities to come to learn about the rights and solutions they can take advantage of with respect to housing. This multi-purpose room is open to all inhabitants and encourages inhabitants of the same neighbourhood to socialise with one another. Immeo also set up specific neighbourhoods for children and their parents.

## 2.6.3. French residential at a time of ecological transition

Foncière Développement Logements, a subsidiary of Foncière des Régions that specialises in holding residential assets in France, had a portfolio of 1,619 units valued at €609 million as at 31 December 2015. In 2015, this public subsidiary continued its real estate strategy, particularly through asset recovery work and by actively rotating the portfolio.



Foncière Développement Logements staff are part of the Foncière des Régions ESU (see Section 2.9.11.4).

### 2.6.3.1. Energy trajectory

Whereas the building sector accounts for 43% of energy consumption in France, the Residential sector accounts for two-thirds of it, *versus* one third for the service sector (source: ADEME). The Residential sector is thus central to the provisions of the Grenelle 1 and 2 Laws (of 2009 and 2010) and the August 2015 Energy Transition Law.

Work that improves the performance of the portfolio, in terms of both energy and carbon, mainly involves:

- rehabilitation of vacated housing: in this case, rehabilitation is carried out on equipment (energy-efficient heaters, installation of double-glazing, high-efficiency water fixtures, etc.)
- building renovation or the replacement of equipment to enhance the performance of the asset (boiler replacement, low-consumption lighting, etc.). For example, for the asset in rue Marcadet in Paris, the replacement of the air handling unit with a heat pump in 2012 led to a reduction in energy consumption of more than 40% in 2014 compared with 2011. This decrease is all the more remarkable given that the new equipment produces not only heating, like the previous one, but also provides cooling during the summer.

Considering the reduced proportion of French Housing in Foncière des Régions' portfolio and its non-strategic nature, CSR reporting has been cut back this year to exclusively monitor energy performance based on Energy Performance Certificates (EPCs). EPCs are compulsory for any sale or rental as per European directives. This document provides an initial level of information on energy consumption levels and carbon emissions from housing.

As at 31 December 2015, 1,335 EPCs had been completed (vs. 1,746 at the end of 2014) covering 91% of the housing units held by Foncière Développement Logements. The following table breaks down the allocation of housing by energy label and shows an overall stability in ratings despite the new diagnostics performed and asset rotations. EPCs are valid for ten years.

### PERFORMANCE AS A % OF THE NUMBER OF HOUSING UNITS RATED<sup>(1)</sup>

Energy label (kWh/m <sup>2</sup> SHAB/year)	2014	2015
≤50 A	0.1%	0.1%
51-90 B	0.7%	0.3%
91-150 C	8.9%	7.0%
151-230 D	43.0%	41.9%
231-330 E	34.7%	34.7%
331-450 F	8.5%	12.5%
>450 G	4.1%	3.6%
Diagnostics completed	1,746	1,335

### 2.6.3.2. Carbon trajectory

As with energy consumption, carbon emissions are monitored using EPCs, created based on energy invoices (electricity, gas, etc.). The scope covered is identical to the one explained for energy, *i.e.* 1,372 housing units as at 31 December 2015.

The table below shows that as at 31 December 2015, 52.8% of EPC climate labels range *from* A to D (vs. 51.1% at the end of 2014). The target set in 2010 that at least 50% of the portfolio should receive a D climate label by the end of 2015 has thus been reached.

### PERFORMANCE AS A % OF THE NUMBER OF HOUSING UNITS RATED<sup>(1)</sup>

Climate label (kgCO <sub>2</sub> e/m <sup>2</sup> SHAB/year)	2014	2015
≤5 A	0.6%	0.4%
6-10 B	14.7%	15.1%
11-20 C	17.4%	20.2%
21-35 D	17.6%	17.1%
36-55 E	26.8%	27.1%
56-80 F	16.1%	13.2%
>80 G	6.9%	6.9%
Diagnostics completed	1,746	1,335

<sup>(1)</sup> Out of all the EPCs completed in 2015, 9% were blank due to a lack of invoice history available for rating (12% in 2014).

### 2.6.3.3. Water trajectory

Rotating the portfolio significantly changes the proportion of assets with green spaces and more or less large common areas every year (entrance hall, landings, etc.) as well as tenant numbers (size of the housing units, occupancy density, etc.). Water consumption comparisons are difficult. In addition, the number of fully-owned buildings sharply declined to the point that in 2015, reporting on water was suspended on Foncière des Régions' French Residential portfolio.

### 2.6.3.4. Monitoring of waste

Almost all of Foncière Développement Logements' housing units are located in assets that receive selective collection: this measurement is being rolled out throughout most French cities. In France, municipal services or local authorities collect waste, and these service providers do not have systems that enable them to quantify the weight of waste.

### 2.6.3.5. Health risks

In France, many diagnostics have to be performed for a sale or a rental. Moreover, Foncière Développement Logements pays especially close attention to health and environmental risks, from the acquisition of the assets, and while they are held, with precise monitoring for each asset. More than 20 risks are monitored: asbestos, lead, soil pollution, technological and natural risks (flood, etc.), etc. Gas boiler installations are covered by maintenance agreements and there is strict follow-up, to ensure tenancy comfort and satisfaction and facility longevity, as well as for safety reasons (avoiding carbon monoxide emissions).

To 2015, Foncière Développement Logements has never had a conviction or judgement rendered against it for not complying with environmental regulations and has never had to book provisions or provide guarantees for environmental contingencies.

Lastly, no land held by Foncière Développement Logements is under an obligation to be remediated or cleared to allow its legal use.

## MONITORING HEALTH RISKS

	% of assets with an assessment as at 31/12/2015	Number of assets concerned as at 31/12/2014	Number of assets concerned as at 31/12/2015
Technical Asbestos Assessment (DTA)	100%	14	5
Lead Assessment	100%	9	8
Lead confinement (D3)	–	5 <sup>(1)</sup>	5

<sup>(1)</sup> Number of units that still need to be assessed.

## 2.7. A DYNAMIC SHARED WITH EACH SUBSIDIARY

The Group's Sustainable Growth Department drives each Foncière des Régions subsidiary to adopt a Corporate Social Responsibility (CSR) policy adapted to its specific requirements, business lines and stakeholders.

### 2.7.1. Beni Stabili, a business and CSR leader in Italy

The leading property company in Italy, Beni Stabili is a 48.47%-owned subsidiary of Foncière des Régions. The company has SIIC tax status and is listed on the Milan and Paris stock exchanges. Beni Stabili's objective for 2016 is to accelerate its asset valuation policy targeting Milan and undertaking ambitious developments both at the environmental level and in its portfolio, in a market that is gaining momentum again.

At the end of 2015, the Core portfolio comprised 91% office assets for a total surface area of 1,531,249 m<sup>2</sup> GLA<sup>(1)</sup> representing €3,220.2 million, with the remaining 9% comprising 92,230 m<sup>2</sup> GLA of retail space totalling €336.7 million in value. Beni Stabili has properties that are mainly located in the city centres of cities in northern and central Italy, specifically in Milan and Rome, which it rents to Key Account partners such as: Telecom Italia, Intesa San Paolo, Maire Tecnimont, the Italian government, Auchan, Coin, etc. Beni Stabili develops and renovates buildings;

it also buys assets already under operation for which it provides asset management services. The Beni Stabili teams are divided between Milan and Rome.

#### 2.7.1.1. Partnership and CSR, a central component of its business model

Like Foncière des Régions, Beni Stabili has developed and promoted partnerships with its Key Accounts. In 2002, the company acquired 227 assets occupied by Telecom Italia. Beginning last May, following the targeted disposals in this portfolio, the Group held 158 assets, which generated €117 million in annual rent, for a portfolio valued at €1.7 billion. In 2015, Beni Stabili and Telecom Italia signed a framework agreement for a very large €38 million project (city centre core assets) as well as the disposal of two buildings, a 6.9% decrease in rent and a

<sup>(1)</sup> Gross Leasing Area.



significant extension of the lease term. The residual term of the leases increased from 6.7 to 15 years.

### THE AVERAGE RESIDUAL LEASE TERM OF THE BENI STABILI PORTFOLIO IS 9.8 YEARS

A committed player with a long-term strategic vision, Beni Stabili has a three-pronged sustainable development strategy: transparency, professional expertise and innovation.

#### 2.7.1.2. Environmental performance – a core component of each project

To improve the environmental performance of its real estate portfolio, Beni Stabili uses various levers: eco-design of new developments, improvement of leased and leasable property through lease terms and renovation work, etc.

In order for the environmental performance of assets to be transparent and comparable, Beni Stabili uses certifications (LEED, etc.) and shared ratings (BRaVe/Green Rating, etc.) as benchmarks and tools to measure progress.

In addition, Beni Stabili organises or fosters a number of initiatives to improve the environmental performance of its projects. With respect to the choice of materials, the implications of which are numerous in terms of impact (energy, water, carbon, waste, etc.), Beni Stabili has been developing a database of sustainable construction materials since 2014, in cooperation with the University *Politecnico di Milano*. Available on the University's intranet, the database is continuously updated with materials used for the assets, to identify sustainable materials.

Beni Stabili publishes an annual sustainability report, in accordance with GRI14 standards, which is available on its website: [www.benistabili.it](http://www.benistabili.it), and covers all of its CSR initiatives. An independent organisation verifies the data in this report. The most significant data is set out in this Section 2.7.1. The primary objectives are indicated in the following table.

#### MONITORING OF PRIMARY OBJECTIVES

Area	Objectives	Progress
Sustainable buildings	Owning 50% green assets by 2020	22% of "green" office owned as of 31/12/2015
	Developing 100% green assets	Choice of LEED certification for the Symbiosis programme
	Using 100% green electricity on the parc under operational control	As of 1 December 2015, Beni Stabili signed a green electricity supply contract for 100% of its assets under operational control
	Developing a database on construction materials	Work undertaken with the Politecnico di Milano University
Tenant satisfaction	Tenant satisfaction survey	54% of tenants satisfied and 28% of tenants very satisfied
Sustainable city	Promoting the use of electric cars	8 charging stations installed in the Milan buildings

#### 2.7.1.3. Ambitious projects and objectives

Beni Stabili is firmly committed to improving the quality of new developments and renovations and to measure their environmental performance (energy, carbon footprint, water, waste, health and safety).

The company has set itself the target of having 50% green offices by 2020, encouraged by new building developments and the Symbiosis programme (see insert). For its new developments, Beni Stabili has set its sights on obtaining "AA" status in the "BRaVe" rating system.



#### BRaVe, an operational and benchmarking tool

After analysing the leading building certifications throughout the world, in 2008, *Politecnico di Milano* decided to create the BRaVe rating. This rating integrates building performance and best operating practices into a single evaluation system. The university's partners, which included Beni Stabili, Generali RE and even Pirelli RE, tested out this system.

The system takes into account energy and environmental performances, equipment features and management, safety criteria, and dialogue with tenants. All of this assists in obtaining certification. The 14 targets involve 220 criteria (which can be viewed at <http://www.braverating.com>).

Today, more than 100 Italy offices assets and 20 logistics sites use the BRaVe rating system.

After renovation, the Garibaldi Towers were awarded an AA rating. This programme was one of the very first in Italy to have a commissioning team, as early as 2012, to ensure asset performance post-construction and proper maintenance. In addition, Green Rating™ studies were conducted on some assets to analyse their strengths and weaknesses, as well as their potential with respect to a certain number of criteria.

### 2.7.1.4. Energy trajectory

The Italian national plan for energy efficiency, updated in 2014 for the 2014-2020 period, set a target for reducing primary energy consumption by 25% by 2020. Italy thus aspires to surpass the European targets, set at 20% for the same period.

These measures affect both new projects and existing assets through the implementation of energy performance assessments (ACE: *Attestato di Certificazione Energetica*), new thermal regulations which are mandatory as of 2012, tax incentives, etc.



#### Symbiosis, an exemplary renovation in Milan

The Symbiosis programme developed by Beni Stabili is set to deliver 119,000 m<sup>2</sup> of Prime offices once the Ripamonti brownfield area has been renovated. The project, designed by architects Citterio & Partners, will lead to the construction of ten new modular buildings combining offices and commercial space. It aims to achieve LEED Gold certification and an A energy rating from the Italian energy rating agency (ACE – *Attestato di Certificazione Energetica*). The technologies used include: earthquake-proof walls, windows made from recycled glass recovered from the Garibaldi Towers site, sound-proofing materials made from vegetable fibre, CO<sub>2</sub>-absorbing cement, as well as vegetable fibre flooring materials. Construction of the first building in this program, with an area of 12,072 m<sup>2</sup> GLA of offices, started in 2015; Adjacent to the Prada Foundation, the Symbiosis site will become a creative cluster.

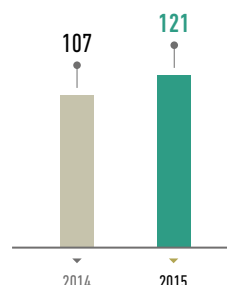
Beni Stabili has established environmental reporting that covers the 19 assets under full management (EPRA scope). Beni Stabili is carrying out improvement works on its assets, based on the energy mapping that was prepared in 2009 for the most representative assets in terms of value through its work with *Politecnico di Milano*. On 1 December 2015, Beni Stabili signed a green electricity supply contract (produced by renewable resources) for 100% of its rental assets under full management.

The energy performance of assets is measured on the basis of energy bills, without climate adjustment. The performance is described in Section 2.11.3.5. The monitoring and analysis are conducted on the portfolio's multi-let buildings that are directly managed by Beni Stabili, which therefore has the energy bills. The like-for-like results make it possible to define a 13.6% increase in energy consumption on a like-for-like basis, increasing from an average of 107 kWh/m<sup>2</sup>GLA in 2014 to 121 kWh/m<sup>2</sup>GLA in 2015. This increase should be put into perspective insofar as consumption relates to all shared equipment, which often includes heating and air conditioning. The summer was especially

hot in Italy in 2015, which was not weighted in the calculations due to the absence of climate adjustment. Additionally, the re-letting of certain net lettable areas also partly explains this change.

#### ENERGY CONSUMPTION LIKE-FOR-LIKE

(kWh/m<sup>2</sup>GLA/year)



Lastly, Italian regulations require the performance of the *Attestato di Certificazione Energetica* (ACE), which are the Italian counterpart of the French EPCs. They are mandatory for all real estate rentals or sales. They do not use the same calculation methods as the EPCs, which makes comparison irrelevant. In addition, they do not have climate labels.

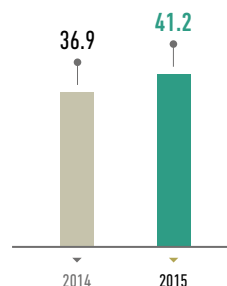
### 2.7.1.5. Carbon trajectory

The national action plan for energy efficiency aims to reduce CO<sub>2</sub> emissions and the import of fossil fuels (fuel oil, gas, carbon, etc.). It also promotes renewable energy and low GHG emission solutions. Beni Stabili takes ownership of these challenges via its building and investment policy.

Greenhouse gas emissions are monitored according to the same scope used for energy reporting. The 11.8% increase in CO<sub>2</sub> emissions between 2014 and 2015 relates to energy use and is due in particular to an exceptionally hot summer that resulted in more air conditioning use.

#### CARBON INTENSITY LIKE-FOR-LIKE

(kgCO<sub>2</sub>/m<sup>2</sup>GLA/year)



In the Milan – Piazza Cardona project, some of buildings will incorporate roof gardens. This will produce environmental benefits (increase of biodiversity in the city centre, regulation of carbon dioxide, heat absorption and management of storm water); energy savings (a 1°C reduction in surface temperature triggers a 5% reduction in electricity consumption for air conditioning), and lead to more energy-efficient housing units (sound and heat insulation) while ensuring the well-being of occupants (space for socialising and relaxation).

Energy efficiency and innovation in the Garibaldi Towers specifically includes bio-climatic architectural principles and an outdoor air pre-cooling system using geothermal technologies.

Green electricity will be generated by 804 m<sup>2</sup> of solar panels, *i.e.*:

### PRODUCTION OF ELECTRICITY

(in kWh)



### Electric vehicles, a challenge for urban mobility

Air pollution caused by dense city-centre traffic is a serious concern in Italy. In recent years, air quality has started to improve in Milan, thanks to a series of socio-economic measures in place since 2008. These measures include: congestion pricing, improvements to the public transportation system, and large-scale public awareness campaigns.

Electric cars are exempt from congestion charges. To support this initiative, in 2013, Beni Stabili installed charging stations for electric cars (free of charge for its tenants) in eight of its Milan properties, including its head office. It also provides an electric company car. In 2015, the Group's premises in Rome were equipped with recharging stations as well as a dedicated electric car and electric bicycles.

Moreover, 100% green energy powers all the sites where the charging stations are installed.

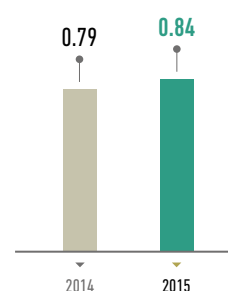
### 2.7.1.6. Water trajectory

Water consumption is monitored in the same multi-let building portfolio, all managed by Beni Stabili property management teams.

Average water consumption remained around 0.8 m<sup>3</sup>/m<sup>2</sup>GLA/year, with a marginal increase partly due to distributor billing methods that frequently use estimates, which are later refined.

### WATER INTENSITY LIKE-FOR-LIKE

(m<sup>3</sup>/m<sup>2</sup>GLA/year)



### 2.7.1.7. Monitoring of waste

An increasing number of Italian cities use selective collection. Beni Stabili keeps track of the assets that receive selective collection and estimates the volume of waste using the number of containers and frequency of output. Data from this analysis is relayed in Section 2.11.3.5.

### 2.7.1.8. Beni Stabili and the challenges of tomorrow's cities

A player in sustainable cities and urban renewal, Beni Stabili is committed to the "EC Horizon 2020 Lighthouse cities" European project. Led by the city of Milan and supported by Beni Stabili, Prada and Sistemi Urbani, this project aims to develop a complex in the former Porta Romana rail yard, in the south-east of the city. This initiative combines environmental protection, promotion of qualitative urban design and conservation of biodiversity.

It also includes "eco-friendly transportation methods" in the development of land occupied by abandoned railways (Porta Romana Railway Yard) to include the latest generation tram system, a cycling path and a footpath. This re-appropriation of urban space has a strong societal dimension, with the redevelopment of an old district, *Ripamonti*, in the heart of which the Symbiosis project is developed.

The economic revival that the site will offer combines commercial (offices and retail premises) and cultural (Prada Foundation, etc.) activities and an updated living space. The district will have multi-modal transport that will link it with the rest of the city of Milan, as the barrier posed by the disused tracks will have been removed. Several WiFi zones will be equipped with ultramodern urban furniture making it possible for visitors to relax, take advantage of access to broadband internet, recharge their devices and interact with space around them. An element of this complex will be the "Infinitrees", which are poles designed to resemble trees, embedded with telecommunications systems, as well as the LED lights, WiFi, cameras, vehicle detection and surveillance.



Beni Stabili has also developed applications for smartphones and tablets to give stakeholders information on the Garibaldi Towers and the development of the Symbiosis project. The two applications include a section on the environmental performance of these buildings.

### 2.7.1.9. A proactive social policy

The regulatory framework in Italy is based on national industry agreements, which take the form of collective bargaining agreements negotiated by representatives of staff affiliated with representative unions, within each company. Beni Stabili is not mentioned in the Human Resources chapter on Foncière des Régions' ESU employees (Section 2.9). Information relating to Beni Stabili employee relations is set out in Section 2.11.4.3.

For the past several years, Beni Stabili has had an Code of Ethics, which is signed by each new employee. Suppliers also have to demonstrate commitment by signing Beni Stabili's Code of Ethics.

These codes specifically prohibit any form of discrimination, protect occupational health and safety, condemn harassment and encourage environmental protection.

### 2.7.1.10. A renowned CSR policy

In 2015, Beni Stabili received an EPRA Gold Award for its non-financial reporting. Beni Stabili also won the Legambiente (Environmental League) prize in 2014 for the Monluè project, rewarding the renovation of an asset and a community park. The exemplary and participatory approach was applauded. Also in 2014, the refurbishment of the Piazza Cadorna asset resulted in Beni Stabili receiving the Gold Rebuild Award presented by Habitech and the Fraunhofer Centre for Engineering and Innovation. This prize rewarded the relevance of the solutions used as part of this project, in particular those related to fixtures and fittings.

## 2.7.2. Urbis Park, car parks supporting sustainable urban mobility

In a short space of time, Urbis Park has become one of the leaders in car parks in France and currently manages nearly 100,000 parking spaces in some thirty major cities. A subsidiary 60%-held by Foncière des Régions, Urbis Park shifted towards an innovative approach to sustainable development and mobility several years ago.

As an active participant in city development, Urbis Park helps improve urban traffic by offering "a simplified customer experience", particularly by reading license plates at car park entrances and exits, creating "tailor-made" products and services, and rolling out digitised means of payment solutions everywhere: direct debit and secure online payment.

### 2.7.2.1. Better synergy with the city thanks to mobility and innovation

Urbis Park addresses urban mobility challenges, users' expectations and customers' requirements through practical actions, both in terms of mobility choices and digital developments. Several car parks offer various mobility options at specially equipped locations, such as car sharing, organising carpooling (reserved parking areas), city or electric bike rentals, and even free access to electric charging stations. Urbis Park opened the first Mobility Space in Metz in September 2015 (2,100 spaces).

#### 2.7.2.1.2. Customer responsiveness: a continuous improvement process

Urbis Park works with retail associations and municipal teams to offer various customised products and services for visitors, locals, retailers, etc. Preferential rates in line with events in the city and satisfaction surveys are conducted with a well-known company (BVA): Urbis Park customers are surveyed about cleanliness, safety and security, quality of commercial services, services in general, etc. The results of these surveys measure the level of overall satisfaction and serve as the basis for improvement efforts. Urbis Park has implemented quality management plans, "customer relationship" reports (annual public service delegation reports), and has created a customer service number and a customer relations section on the Urbis Park website.

#### 2.7.2.1.1. Making parking easier through digital services

Urbis Park was one of the first parking companies to launch a mobile telephone payment option on streets and in car parks (2012). In continuation of this initiative, Urbis Park partnered with Orange in 2015 to create Pass Mobilités ([www.passmobilites.fr](http://www.passmobilites.fr)), a mobile application that enables customers with smartphones to access a range of mobile services, including access to parking, car sharing, self-service bikes or recharging electric vehicles. A beta version of this app was launched in September 2015 in Metz and is intended to be rolled out to other car parks.

### 2.7.2.2. Controlling the environmental impact of construction and operation activities

Car parks do not currently have any certification for their construction or operation. However, Urbis Park strives to pay close attention to environmental matters during development or renovation projects by calculating the carbon footprint of operations and by signing a Green Construction Site Charter.



### 2.7.2.2.1. Limiting the impact of construction sites

Urbis Park's Green Construction Site Charter takes into account proximity to people (residential buildings, etc.), the limiting of potential nuisances (smell, visual nuisances, noise pollution, etc.), the optimisation of the construction site's waste management, and the prevention of pollution during the construction phase. Social inclusion clauses are signed in conjunction with local authorities on hiring young people and/or disadvantaged groups at work sites.

### 2.7.2.2.2. Managing environmental challenges of car parks in use

Urbis Park strives to reduce the environmental impacts of its operations related to the management of its street car parks and parking decks:

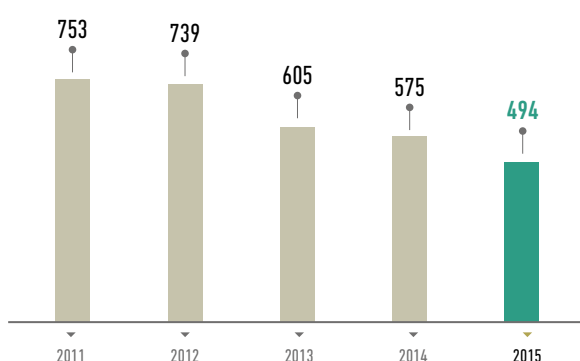
- ♦ LED lighting systems reduce energy consumption by around 30%
- ♦ air quality analysis: NO/NO<sub>2</sub> detectors, installing carbon monoxide analysers to detect and treat stale air
- ♦ waste reduction and sorting: recycling batteries used in ticket machines, using biodegradable cleaning products and adhering to a responsible purchasing policy, waste management at car parks.

### 2.7.2.2.3. Energy and carbon trajectory

The different kind of work described in the previous paragraph has a direct impact on electricity consumption levels, which is the only type of energy used at the car parks in the portfolio, and on carbon emissions. As a result, we saw a 34% decrease from 2011 to 2015, identical to the energy intensity ratio and to the carbon intensity ratio.

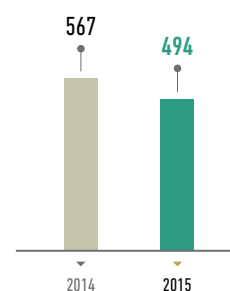
#### ENERGY EMISSION INTENSITY RATIO

(kWhfe/space/year)



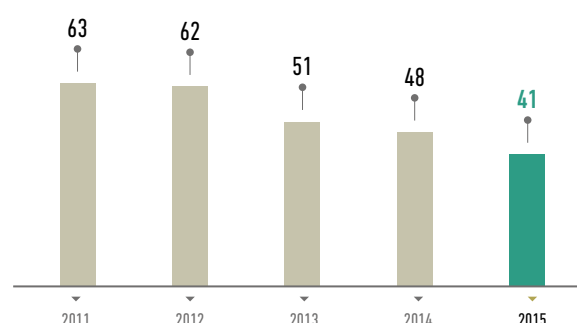
#### ENERGY CONSUMPTION LIKE-FOR-LIKE

(kWhfe/space/year)



#### CARBON EMISSIONS LIKE-FOR-LIKE

(KgeqCO<sub>2</sub>/space/year)



### 2.7.2.3. Urbis Park, a dedicated company

The Company regularly calls on local job insertion and/or social agencies for workers through the Local Job Insertion Plan (PLIE). For certain administrative jobs, Urbis Park contacts Work Aid Centres (CAT) first in order to promote certain categories of persons finding work. Additionally, during calls for tender, Urbis Park is getting involved alongside cities developing "small business act" initiatives to promote local employment.

In Bordeaux, Urbis Park has partnered with the city of Bordeaux for the city-wide architecture exposition called Agora, which takes place every two years. More generally, Urbis Park strives to offer a cultural component in its responses to calls for tender.

Since Urbis Park is not part of Foncière des Régions' ESU, it is not mentioned in the "Human capital" chapter relating to the Foncière des Régions ESU. Information relating to Urbis Park's employee relations is set out in Section 2.11.4.4.

## 2.8. INCREASING OUR REGIONAL FOOTHOLD

Real estate is currently precipitating major challenges for the city of the future: urban planning, economy, infrastructure, living together and the environment. Foncière des Régions aims to bring together different stakeholders' initiatives through the daily societal activities that we lead, thereby creating a smarter and more sustainable city.

### 2.8.1. Emphasising regional transformation

As an active builder in the city, Foncière des Régions contributes heavily to regional economic and social initiatives at each stage of our business cycle: asset development, management and renovation.

#### 2.8.1.1. An investment strategy focused on the Greater Paris area and major regional cities

In France, Foncière des Régions operates in dynamic markets such as the Paris region, which is tied to development plans under the Greater Paris project, and in Major Regional Cities. More than 70% of the value of our France Offices portfolio is located in the Greater Paris region, to make the most of the more coherent and better connected Parisian area. Foncière des Régions is renovating old and qualitative Parisian assets (Section 2.2.2.1) and is helping to revive the Vélizy-Meudon region by developing turnkey campuses for Key Account customers (Dassault Systèmes, Eiffage, Thales, etc.). As a result, since 2003, more than 150,000 m<sup>2</sup> have been built or redeveloped and delivered in this attractive area, on top of two development projects, Opale and Canopée, which will total between 60,000 m<sup>2</sup> and 90,000 m<sup>2</sup>.

Foncière des Régions has three regional offices in Lille, Lyon and Marseille, which further bolster its long-standing locations, Metz and Paris. The regional offices work closely with local stakeholders, such as tenants, local authorities, etc.

In these Major Regional Cities, Foncière des Régions focuses our investments on *prime* locations. In Marseille, for example, our Euromed Center project is a major project for the Euroméditerranée business district and for the city of Marseille, and involves creating a new element to the city that combines various urban conveniences: offices, the 4\* Golden Tulip hotel, shops, services, recreational areas and green spaces measuring 70,000 m<sup>2</sup>, 47,800 m<sup>2</sup> of which comprises offices. In Lyon, Foncière des Régions is striving to rebuild the city within the city, with the ambitious Silex<sup>1</sup> and Silex<sup>2</sup> projects to make the Part-Dieu district more attractive by building 40,000 m<sup>2</sup> of innovative office space equipped with numerous services.

In Marseille, where we developed the Euromed Center project in partnership with Predica (Crédit Agricole Assurances group), Foncière des Régions conducted a city-wide study in Marseille to identify corporate managers' expectations with regard to service sector real estate. A conference was organised in Marseille in November 2015 to present the information learned from this study (available at [www.en.foncieredesregions.fr](http://www.en.foncieredesregions.fr)) and to visit the Euromed Center.

Since our creation, Foncière des Régions has striven to anticipate major industry trends. The arrival of new services, platforms and tools via the Internet has shaken up habits and created new ways to consume, travel, educate oneself, get around, etc. In order to

#### Innovating and reinventing Paris

The Mayor of Paris launched a request for proposals for innovative urban projects to reinvent and add life to the city at 22 different sites around the capital. Foncière des Régions chose the Ternes-Villiers site to plan for the future, and our Les Arches Maillot project has been ranked a finalist in this incredible adventure.

Foncière des Régions got its team together to deliver an innovative and realistic response to the dual challenge of climate change and living together. With mixed-use and diverse users being the key concepts, Les Arches Maillot made up a new social and urban ecosystem. With over 6,000 m<sup>2</sup> of vegetated surface areas, an energy mix that includes more than 20% renewable energy and an evaporative facade that reduces the heat island effect, Les Arches Maillot embodies Foncière des Régions' vision of the city of the future. A finalist project but not the winner, Les Arches Maillot helped Foncière des Régions change the way we design projects, and we started incorporating lessons learned and moved forward the day after results were announced.

#### 2.8.1.2. Understanding and anticipating challenges relating to sustainable cities

As an active builder in the city of the future, Foncière des Régions participates in and supervises a number of studies, research and surveys so that our teams, customers and stakeholders can better understand challenges pertaining to sustainable cities. Our study on city attractiveness (SIMI, December 2014) sparked a lot of interest throughout 2015, confirming once again the importance of matters related to territory, attractiveness, economic strength and quality of life. The wealth of information learned from this study further fuelled Foncière des Régions' discussions and projects in major regional cities and improved our discussions with territories ([www.foncieredesregions.fr](http://www.foncieredesregions.fr)).

better understand the consequences of asset design and management, as well as their working space, Foncière des Régions conducted a study entitled "The Sharing Economy and Working Space from the viewpoint of European employees" in 2015. The

objective was to prepare a list of possible places for the sharing economy and test out respondents' inclination to contemplate these uses at the workplace. The study was conducted in five European countries: France, Italy, Germany, the Netherlands and the United Kingdom. [http://www.en.foncieredesregions.fr/media/actualites\\_etude\\_simi\\_2015](http://www.en.foncieredesregions.fr/media/actualites_etude_simi_2015)

This study was presented during a SIMI conference in 2015 on changing work spaces in Europe and on expectations from different facets of a company. Foncière des Régions also participated in various conferences, including several with local authorities in Hauts-de-Seine, Marseille Métropole, etc. as a sponsor of the "Territoires" conference cycle.

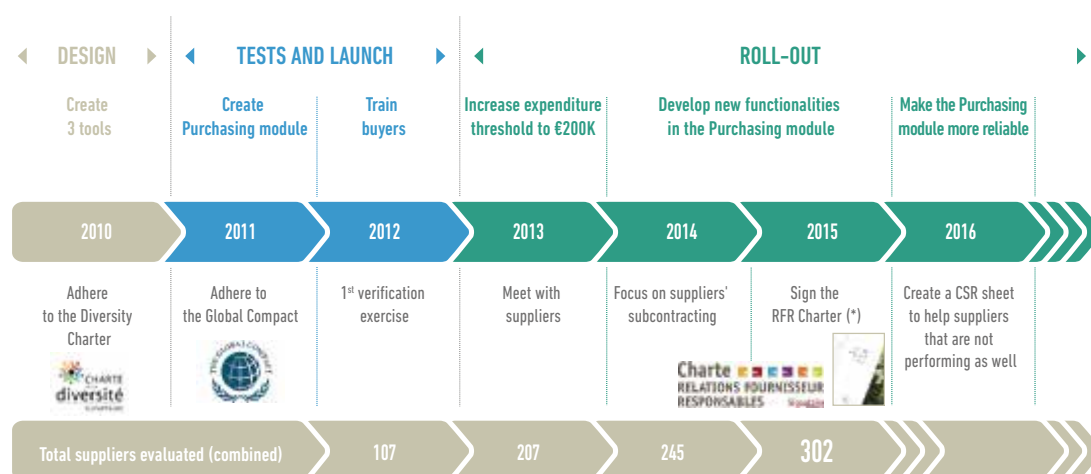
## 2.8.2. A new step in the responsible procurement policy

Five years after its launch, which made Foncière des Régions one of the first European REITs to create a responsible procurement policy, this process was rolled out throughout the entire supply chain in the Offices, Logistics and Car Parks businesses as well as in operational spending. It does not apply to the Hotels and Residential businesses because the tenant and external property manager are responsible for management and work.

### 2.8.2.1. Publication of a White Paper on Foncière des Régions' supplier relations

In 2015, the sophistication of this policy enabled the signing of the Responsible Supplier Relations Charter (RFR), a national initiative driven by the French government. This signing continues ongoing efforts to improve customer-supplier relations and encourage the dissemination of ethical procurement practices to suppliers. An internal mediator was appointed in the Group to manage any potential disputes with suppliers.

In addition, a White Paper on Foncière des Régions' supplier relations was published on the same day the charter was signed. This document, available on the Foncière des Régions website ([www.foncieredesregions.fr/media/publications](http://www.foncieredesregions.fr/media/publications)) explains changes to the responsible procurement policy, initiatives led under the policy, and benefits for the company, and includes a report and new areas for improvement.



(\*) RFR: Responsible Supplier Relations

### 2.8.2.2. More than 300 committed suppliers

Foncière des Régions' responsible procurement policy has been rolled out using three tools:

- ♦ a survey form: sent to all suppliers receiving more than €200 thousand excl. tax in orders one or more times over a consecutive 12-month period, except for orders relating to insurance, banking, joint-ownership, tenants, duties, taxes and royalties
- ♦ as part of the new contracts, five contractual clauses embody suppliers' CSR commitments
- ♦ an internal Responsible Procurement Charter, which promotes the principles of the Global Compact, the ILO Diversity Charter as well as the principles in its own Ethics Charter (payment terms and payment monitoring, etc.).

Survey responses characterise suppliers' CSR performance and identify potential risks (compliance with labour laws, etc.). Since 2013, this approach has encouraged meetings with suppliers on matters related to employees, society and technical issues in order to share R&D initiatives (BIM, Building Information Modeling), skills sponsorship (Passerelle) with secondary schools located in Priority Educational Zones, etc.

When annual audits are conducted by third parties, certain subjects are highlighted in particular, such as subcontracting, regional foothold, etc. (Section 2.8.3).

The share of 2014 strategic purchases analysed in 2015, covered under the responsible procurement policy, was 89% (i.e. 206 suppliers). Each response to the survey resulted in a rating weighted in relation to the supplier's net revenues and number of employees. Average grades were 11.1/20 in 2015, *versus* 11.2

in 2014), illustrating stability despite a considerable increase in the number of suppliers graded. These supplier assessments are verified by an independent body. To date, no serious anomaly has been recorded and no supplier has been removed from the list of approved suppliers, as shown in the table below.

### SUPPLIER STATISTICS AS AT 20 NOVEMBER 2015

Number of suppliers:	Queried	Evaluated	Response rate	Verified (combined)	Verification rate	Received recommendations (combined)	Removed from list of approved suppliers
<b>Total at 31/12/2015</b>	<b>434</b>	<b>302</b>	<b>70%</b>	<b>40</b>	<b>13%</b>	<b>33</b>	<b>0</b>
Total at 31/12/2014	377	245	65%	30	12%	23	0
Total at 31/12/2013	327	207	63%	20	10%	14	0
Total at 31/12/2012	159	107	67%	10	9%	4	0
2014/2015 change	+15%	+23%		33%		43%	
Indicators	<b>G4-EN32</b>					<b>G4-LA15</b>	
GRI 4	<b>G4-LA14</b>					<b>G4-S010</b>	
	<b>G4-S09</b>					<b>G4-EN33</b>	

#### 2.8.2.3. Paying special attention to subcontracting

Foncière des Régions pays close attention to its suppliers' use of subcontracting (construction, maintenance, consulting, etc.) and reserves the right in its contract to approve potential subcontractors based on a file detailing their expertise and practices. The policies developed and applied internally by the suppliers must also be distributed to their subcontractors (called "tier 2") to ensure the long-term viability and consistency of the process.

In keeping with the process that started in 2012, an audit was conducted by a specialised and independent third party on a diverse panel of 10 suppliers in 2015. They were asked questions about their subcontracting practices (terms and conditions, monitoring, etc.) and their initial processes for measuring their regional economic and social impact. Foncière des Régions does

not intend to conduct or initiate audits at sites, since on-site inspections are performed by Health and Safety Coordinators in France (*Coordonnateur SPS*) or by the Labour Inspectorate (French government body) for worker registration, working conditions, etc. In addition, suppliers have conducted a certain number of internal audits.

The audits performed in 2015 once again recorded that suppliers put in place specific initiatives concerning health, safety and security for both employees and subcontractors: having 15-minute safety meetings, applying a zero-tolerance policy for not wearing personal safety protection equipment, conducting audits or work site visits. Best practices have been identified, demonstrating continuous improvement among Foncière des Régions' suppliers: a well-organised responsible procurement process, subcontractor monitoring platforms helping to create reliable and consistent reporting on safety and security, etc.

### 2.8.3. Regional economic and social foothold

In order to characterise our regional foothold, in 2015 Foncière des Régions was one of the first players in our sector to quantify our socio-economic impact in our CSR report. This initial study was conducted using the LOCAL FOOTPRINT® methodology to estimate the economic benefits of its Offices business in France.

The analysis was based on a scope that included 395 Office assets in 76 French departments representing more than 1.5 million m<sup>2</sup> in surface area. It is based on data collected for the period ranging from 1 November 2013 to 31 October 2014. The magnitude of the economic benefits reaped from this study remain relevant at the end of 2015.

#### The main results were as follows:

**Direct impacts:** Foncière des Régions directly spent €315 million (suppliers and taxes). The Yvelines and Hauts-de-Seine French departments by themselves accounted for 56% of the total

amount spent. Most of this spending was made in the construction sector (75%).

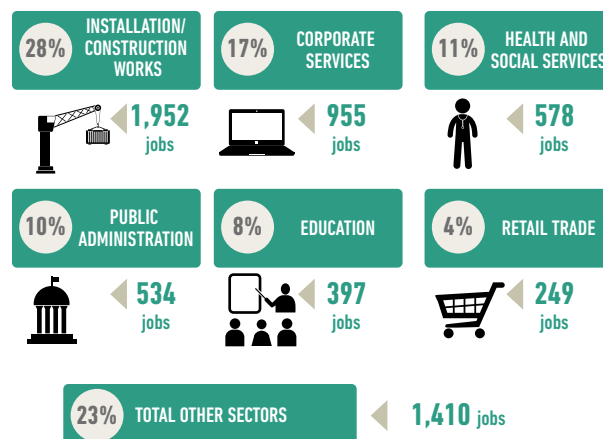
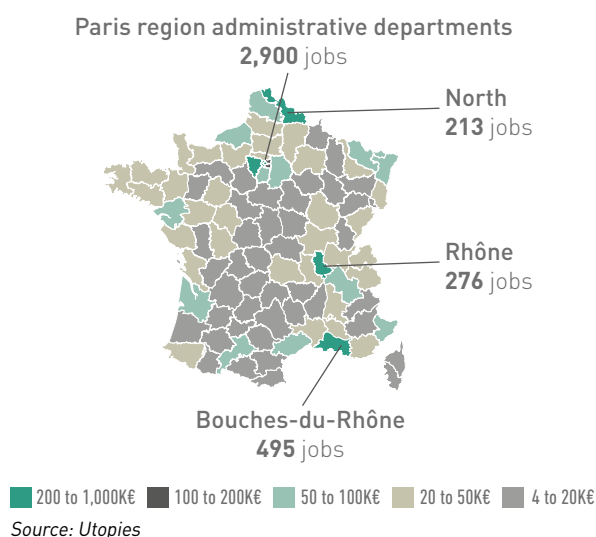
**Indirect impacts:** Foncière des Régions supports approximately 3,483 jobs in France through our purchases and their after-effects throughout the entire supply chain. This impact on employment breaks down as follows: 1,968 (56.5%) among TIER 1 suppliers and 1,515 (43.5%) among TIER 2 suppliers and after (subcontractors).

**Induced impacts:** Operating expenses for public administrations (generated by taxes paid by Foncière des Régions and parties in the supply chain) supported approximately 1,746 jobs in France. Furthermore, household consumption, supported by employees paid directly by Foncière des Régions and indirectly by parties in the supply chain, helped maintain or create an additional 846 jobs in France.

**Total impact:** corresponds to the sum of direct, indirect and induced impacts. Overall, Foncière des Régions supports around 6,075 jobs in France and generates €392 million in GDP. A major

portion of these jobs are located in departments in the Paris region (48%), followed by the Bouches-du-Rhône (8%), the Rhône (4.5%) and the Nord regional departments (3.5%).

### GEOGRAPHIC AND INDUSTRY BREAKDOWN OF THE TOTAL IMPACT ON EMPLOYMENT (DIRECT, INDIRECT AND INDUCED)



### CATALYTIC IMPACTS

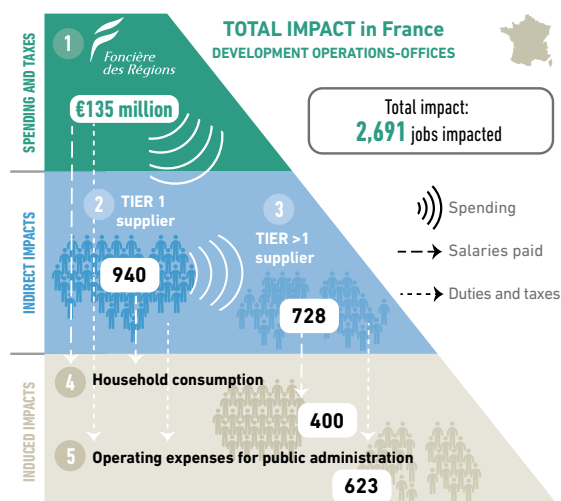
Foncière des Régions has also started assessing the economic weight of our office occupants, i.e. the direct, indirect and induced impact related to the operations of the companies that stay in our buildings. We estimate that these tenant companies support around 150,000 jobs in total in France. However, since this contribution is not directly attributed to Foncière des Régions, it has not been added to or compared with the socio-economic benefits from the Offices business.

### 2.8.3.1. Focus: Management and Development operations

#### 2.8.3.1.1. Development operations

This study was conducted on 16 buildings under development by Foncière des Régions in eight regional departments in France. According to the LOCAL FOOTPRINT® model, it is estimated that €135 million spent as part of these developments (suppliers, taxes, urban planning tax, etc.) supported 2,691 jobs in France and generated €174 million in GDP.

### BREAKDOWN OF THE IMPACT ON EMPLOYMENT FROM DEVELOPMENT OPERATIONS



Source: Utopies.

### The LOCAL FOOTPRINT model®

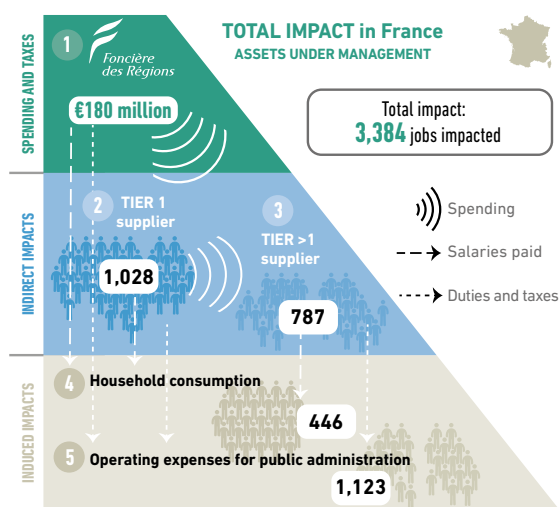
The LOCAL FOOTPRINT® model is based on national trade statistics tables between industries, in particular from Eurostat and renowned scientific work (such as the Wassily Leontief algorithm, which won the Nobel Prize for Economics in 1973, and research on regional economics from the University of Bristol).

Based on real purchasing data, payroll and corporate taxes, LOCAL FOOTPRINT® simulates the economic benefits of a company on a given region.

#### 2.8.3.1.2. Management operations

At the time of the study, Foncière des Régions managed 379 buildings in 76 regional departments in France. The €180 million in spending (suppliers, local taxes, property taxes, etc.) related to its management operations created or maintained **3,384 jobs** in France, and generated **€218 million in GDP**.

#### BREAKDOWN OF THE IMPACT ON EMPLOYMENT FROM MANAGEMENT OPERATIONS



Source: Utopies.

#### 2.8.3.2. Optimising its impact on the territory

A socio-economic footprint assessment is a tool that helps provide a better understanding of the broad impact of our business, and helps identify potential opportunities to optimise economic benefits for regions in which we are located. This optimisation may happen by increasing the *quantity* of impacts on the one hand (notably the number of local jobs supported), and by improving the *quality* of the impacts on the other hand (nature and type of job supported, working conditions, etc.).

Accordingly, Foncière des Régions identified two main levers to maximise the local impact of our businesses on which we intend to rely increasingly:

- ♦ the "Employment" lever: using local organisations that hire disabled people (protected workers sector) or the long-term unemployed (insertion companies)
- ♦ the "procurement" lever: promoting local suppliers and subcontractors in the supply chain.

In 2015, Foncière des Régions set up this process at several work sites, three examples of which are provided below:

#### Montpellier Egis (34)

6,100 m<sup>2</sup> – HQE – BREEAM – delivered in July 2014.

Action led: The construction project was entrusted to LinkCity, a subsidiary of the Bouygues Construction Group, which adopted a proactive regional development policy during building construction. One third of the suppliers selected were from the Languedoc-Roussillon region and 77% of subcontractors were local SMEs, also located in the region, as well as from the Gard (30) and Hérault (34) regional departments, in particular. Additionally, a company in the protected workers sector was hired to clean work site facilities.

#### Nanterre Respiro (92)

11,000 m<sup>2</sup> – HQE – BBC-effinergie – delivered in the summer of 2015.

Action led: an insertion clause was included in the project specifications, set at 5% (equating to 24,000 hours) – the threshold of insertion hours to complete over the total number of hours worked on the work site. In total, 25,040 hours were worked by employees on insertion contracts, meaning 104% of the target was reached.

This action also had positive impacts post-work site: GTM Bâtiment was able to hire five employees on inclusion contracts (one under a fixed-term contract, three professional intern contracts and one apprenticeship contract) and continued to work with two workers made available through one of the insertion companies.



### Cœur d'Orly (94)

Business district project by Aéroports de Paris, Altarea Cogedim and Foncière des Régions located in Orly (94).

The first asset, Askia, 18,500 m<sup>2</sup> – HQE – delivered in June 2015.

Action led: An insertion clause was included in the specifications, increasing the insertion hours threshold to be completed at the work site to 5%. Vinci Insertion Emploi (ViE) was assigned to implement this clause, and prioritised working with insertion organisations located in the Val-de-Marne (94) and Essonne (91) regional departments. In particular, five local insertion organisations were involved in this operation: Fresnes Services and Lancement (intermediary associations), Pro Emploi 94 and Humando 91 (Temporary Employment Agencies) and the construction GEIQ (group of employers supporting integration and qualification) in the Paris region. Out of the 24 employees inserted, 23 lived in the Val-de-Marne or Essonne regional departments.

In total, 4,432 insertion hours were completed, *i.e.* 111% of the target. Furthermore, 293 training hours were provided to employees under insertion contracts, equating to approximately 12 hours of training per person.

## 2.8.4. Biodiversity

Biodiversity is a completely separate matter in construction, building management and quality of urban life. It has thus held a significant place in Foncière des Régions' sustainable development policy for several years. Section 2.3.6 lists some concrete actions taken by the Group with regard to biodiversity as part of our projects under development and on the portfolio in use.

In 2015, Foncière des Régions participated in work on the Building Plan which led to publishing the "Building and Biodiversity" report<sup>[1]</sup>. This report defines biodiversity as "all living things, including micro-organisms and services provided by ecosystems"; biodiversity is the foundation of life and carries major global challenges. Biodiversity and the ecosystems within which they are expressed provide a large number of goods and services that support human life. Protecting biodiversity also helps increase the intangible value of assets by enhancing the well-being of their occupants (thermal comfort, scenery, recreation, etc.). An analysis was conducted on this topic in 2014 by Foncière des Régions using GRI4 criteria (see 2.3.6.2).

### 2.8.4.1. A comprehensive policy on biodiversity

Since 2010, Foncière des Régions' biodiversity policy has included the following various challenges, at each stage of an asset's life cycle:

- ♦ eco-design of developments and renovations by taking biodiversity into account upstream: eco-friendly hallways, stakeholders' expectations and material selection
- ♦ planting native plant species and preserving butterflies and birds
- ♦ enhancing the functions of green spaces for building users

- ♦ adapting the upkeep of green spaces to meet eco-responsible criteria (modifying maintenance schedules, limiting the use of plant protection products, etc.)

- ♦ participation in research and innovation (see 2.8.4.2).

Two internal charters were drafted in 2014 to ensure that challenges related to biodiversity are taken into account and labels are obtained in these areas:

- ♦ one charter concerning the creation of green spaces, intended for green space development or total renovation operations, which helped obtain labels such as the BiodiverCity™ label that Foncière des Régions aims to acquire for 100% of its new developments
- ♦ the other concerns managing green spaces and targets operations in use; compliance with its provisions will enable the company to receive the Eve or EcoJardin label.

These two charters implement a well thought-out maintenance and attentive management plan of grounds and green waste.

### 2.8.4.2. Exploring new avenues

Protecting biodiversity as a social commitment may consist of developing vegetated terraces in urban areas to reduce heat islands in the summer and manage rain water from major storms. Since 2008, Foncière des Régions has created vegetated terrace roofs to help mitigate these concerns while improving thermal isolation and visual comfort for locals with views of roofs.

Beyond building-level and city-level challenges lies the issue of impacts from human activities (transport, recreation, etc.) on biodiversity, and in particular industry and raw material production used to manufacture building materials. "Embodied" biodiversity or "ex-situ" biodiversity is a crucial challenge; the partnership led with the association Le Pic Vert falls under this approach.

<sup>[1]</sup> <http://www.planbatimentdurable.fr/publication-du-rapport-batiment-et-biodiversite-a943.html>.

In 2015, Foncière des Régions decided to support the association Le Pic Vert's project aiming to offset the impact of building material manufacturing on biodiversity, notably the manufacturing of granules. The partnership involves a social and environmental conversion of the old CARBIEV quarry in the Bièvre plain reserve (38) to add value for the public. Foncière des Régions has contributed financially to projects: arranging bird observation huts and creating water plans to help welcome wildlife and attract newts (amphibians that tend to disappear in the region). A birdhouse building built to house bank swallows, which is the first of its kind in France. The project has two purposes: restoring a 117 ha ecological site and opening it up to members of the association, to scientists as well as to the public (academics, etc.).

Foncière des Régions collaborates on biodiversity projects led jointly with HQE and Orée associations. These projects have resulted in the production of a general public educational handbook with players in construction and real estate, called

"Biodiversity and Buildings" (<http://www.oree.org>). In 2015, Foncière des Régions tested out the Biodi(v)strict® indicator used by these two associations as part of the HQE Performance programme. This indicator could prefigure the one that will be used in the HQE Certification.

The Biodi(v)strict® tool provides an initial overview of the biodiversity at a site, assesses the impact of buildings on the ecosystem (at the plot-level), then monitors it. It includes five sub-indicators: proportion of vegetated space at the site, water permeability, diversity of natural habitats, diversity of vegetation strata, and intra-site connectivity (connection between the site's habitats). It emerged from work carried out as part of the "Eco-Design for built complexes and infrastructure" Chair (VINCI, MINES ParisTech, l'École des Ponts ParisTech and AgroParisTech). The test carried out by Foncière des Régions pertained to the Carré Suffren asset as part of the 2015/2016 green space renovation to better integrate this Parisian site into the local Green Tram network.

### 2.8.5. Disseminating and sharing knowledge

Since 2008, Foncière des Régions has developed a collaborative policy with academia on applied research and skills sponsorship (also see the Decadièse project, Section 2.2.5.4).

#### 2.8.5.1. Training future industry decision-makers

The Palladio Foundation was created in 2008 under the aegis of Fondation de France, by real estate players, including Foncière des Régions. This Foundation seeks to include economic, technological, environmental, demographic and anthropological changes that affect city construction into our businesses. A place where political decision-makers, city supporters, thinkers and investors get together to discuss and think about the city of the future, the Foundation supports applied research, notably thanks to Palladio grants, and leads educational initiatives with future industry decision-makers. In 2016, the fourth Palladio Institute research programme will be themed "The city of the future in the era of societal responsibility". Anne Hidalgo will sponsor the class of 2016, succeeding Alain Juppé. More than fifteen Foncière des Régions employees have already been involved in initiatives and governance for the Foundation in 2015.

Since 2012, Foncière des Régions has also been involved in teaching students (mentorship, funding, internships) via the ESSEC Real Estate and Sustainable Development Chair. Several of our employees participate in the Chair's work. In 2015, Foncière des Régions participated in the annual conference based on the theme "Cities and the digital world: new territories for real estate?".

For the past four years, Foncière des Régions has participated in the Real Estate Industry Business Forum in Paris to showcase our businesses and expertise, share company values and identify candidates for future jobs. Beyond a simple candidate process, the Forum is first and foremost an occasion to have dynamic and valuable discussions between candidates and employers.

#### 2.8.5.2. Increasing societal and community involvement

In 2015, Foncière des Régions joined forces with **Frateli** and began a new sponsorship initiative focused on solidarity and equal opportunity, increasing our societal and community involvement. The Frateli association develops and manages the sponsorship of young high-potential scholarship students by professionals. The aim is to reveal talented students from modest backgrounds by providing them with tools, methods, access to networks and the confidence necessary to realise their potential. In addition, Foncière des Régions will soon finance the creation of a Maison Frateli, a university residence that brings together sponsored Frateli students at the university and other scholarship students from CROUS to create a supportive community conducive to learning.

Since 2008, via the "Passerelle" programme, Foncière des Régions has enabled young secondary school students located in priority educational zones (ZEP) in Bobigny (93) and Forbach (57) to meet professionals (IT, accounting, human resources, general management, real estate, etc.). During a time in their life when they must start making committed choices about their course of study, more than 2,000 secondary school students, technical school students or students of preparatory classes for both





schools took part in various activities (career counselling interviews, CV workshops, internships, participation in round-table discussions and visits to buildings, etc.) thanks to the volunteer actions of some 50 group employees. Summer internships and jobs enhance this system.

### 2.8.5.3. Investing in the urban life

Foncière des Régions has partnered with the Association des Directeurs Immobiliers (ADI) and works with it on development and research areas, in particular to draft "White Papers". A White Paper on rehabilitating urban and industrial brownfield areas was published in November 2015. In order to increase our regional foothold in major cities, the ADI ramps up its local representation and organises regional events/conferences in which Foncière des Régions actively participates.

Foncière des Régions also works a lot with Paris&Co, a Parisian economic development agency supported by the city of Paris, to serve entrepreneurs that want to start a business in Paris. We have also developed a new partnership with Pavillon de l'Arsenal, which aims to help influence and disseminate knowledge to the public about urban planning and the Paris and Greater Paris area's architectural heritage.

Since 2008, Foncière des Régions employees have also been invited to participate in Real Estate sporting events organised by students from the University of Paris-Dauphine's "Real Estate Management" Master 246 programme. All proceeds from this annual sporting event for real estate professionals, of which Foncière des Régions is one of the sponsors, go to the Abbé-Pierre Foundation to help provide housing to people in need. Lastly, Foncière des Régions backs the Perce Neige association to support the mentally disabled on this occasion.

## 2.9. HUMAN CAPITAL

The human resources policy of Foncière des Régions is based on four pillars, defined in 2012, which form part of the strategic 2015-2020 targets set out in Section 2.2.7, namely:

- ♦ raising levels of professionalism and seeking excellence at every level
- ♦ fair remuneration policy, directly related to performance and achievement
- ♦ transparent and exemplary management at local team level
- ♦ a transparent and constructive social climate.

### 2.9.1. A human resources policy that supports the Group strategy

Foncière des Régions' human resources management supports its strategic challenges through initiatives aimed at developing resources, paying attention to employees' needs and mobilising management.

#### 2.9.1.1. A consolidated workforce

In 2015, the headcount in Foncière des Régions' Economic and Social Unit (ESU) decreased slightly compared to 2014, with 269 employees at 31 December 2015 *versus* 277 at end-2014. This drop was mainly due to retirements (18% open-ended contract departures), and fewer apprentices – albeit offset by the number of interns in the final stages of their study programmes (6-month full-time internships) which are not included in workforce calculations. Moreover, there were many positions to be filled at end-2015, with strong job-creation momentum (13 open-ended positions to be filled, nearly half of which were newly created jobs). As a positive sign of workforce retention, the turnover for employees with over two years of service was 3%, a significant improvement over 2014.

The regional distribution of the teams remained stable, with 72% of employees in Paris and nearly one quarter of them in Metz. Likewise, the breakdown by socio-professional category remained stable with higher-level staff forming three quarters of the workforce.

A small number of employees were on fixed-term contracts (1.1%, *versus* 1.8% in 2014), reflecting the Group's determination to give priority to open-ended contracts. The proportion of apprenticeship contracts remained high (5.2%), with 14 apprentices, four of whom had started their apprenticeships with the Group in 2014 and continued their training in 2015 within supportive teams helping them to develop their skills. These students, along with nine interns not included in the headcount at 31 December, are assigned a tutor – a recognised professional in the particular field – and are monitored throughout the year by the Human Resources Department, which ensures the good progress of their apprenticeship in terms of the assignments entrusted to them, their integration in the Company and their workload.

The Company's support for the employment of young people is also reflected in the seasonal recruitment of students, 50% of whom are recruited as part of the Passerelle partnership on the sites of Paris and Metz. Young people from two schools, namely Louise Michel (Bobigny) and Blaise Pascal (Forbach), were thus offered their first professional experience, and a graduate from Lycée Blaise Pascal was hired on an open-ended contract (see Section 2.8.5.2).

### 2.9.1.2. An active long-term recruitment policy

The number of employees hired on open-ended contracts remained high. In more than 50% of cases, new jobs were created to fill the need for new skills or to boost the Company's expertise in specific fields such as real estate development and the hotel sector. The requirements in terms of the candidates' trade skills and professionalism have led Foncière des Régions to set up a dense recruitment process. Through a minimum of four interviews taking place in the form of discussions, the candidates get to meet the entire management line for the position to be filled, giving them a practical overview of the Company and its strategic challenges. In 2015, an English language test was introduced to adapt profiles to Foncière des Régions' expanding European dimension. An interview with the General Management concludes the recruitment process, acting as the first stage of a real work partnership.

With its long-standing focus on developing talents, Foncière des Régions continues to implement an "incubator" policy through the recruitment of young people: over one quarter of the people hired on open-ended contracts in 2015 were under the age of 30. This trend will be amplified in 2016 with the creation of tools to attract "young graduates": closer relations with schools through the presence of Foncière des Régions on the main student Forums, launch of international internships, participation in project competitions created by France's top higher education institutions, etc.

#### Campus Incubator Programme

The purpose of Campus is to stimulate the progress of a pool of 14 young employees who display operational and behavioural qualities which point to potentially rapid advancement. The programme, which is composed of three business modules, a study trip to London and two modules aimed at developing communication, public speaking and project management skills, implies high commitment on the part of the talents concerned, whose contributions are expected throughout the cycle. The 2015 graduates were thus brought together in a Think Tank which submitted an opinion and made proposals on the structure and form of Foncière des Régions' Reference Document.

To increase the diversity of profiles at Foncière des Régions and take practical measures to promote equal opportunities, the Group entered into a partnership with Frateli, an association which provides support to high-potential students from diverse backgrounds (see Section 2.8.5.2).

### 2.9.1.3. The Commitment Barometer

Through a large-scale online survey entrusted to TNS Sofres, Foncière des Régions sought to get the views of its employees on a number of issues identified as key factors for their daily motivation and commitment: quality of life at work, working methods, management, handling of change, cooperation, cross-functionality, and adherence to the strategy. The results of the survey, conducted in April 2015, were presented to the employees during the mid-year internal conferences.

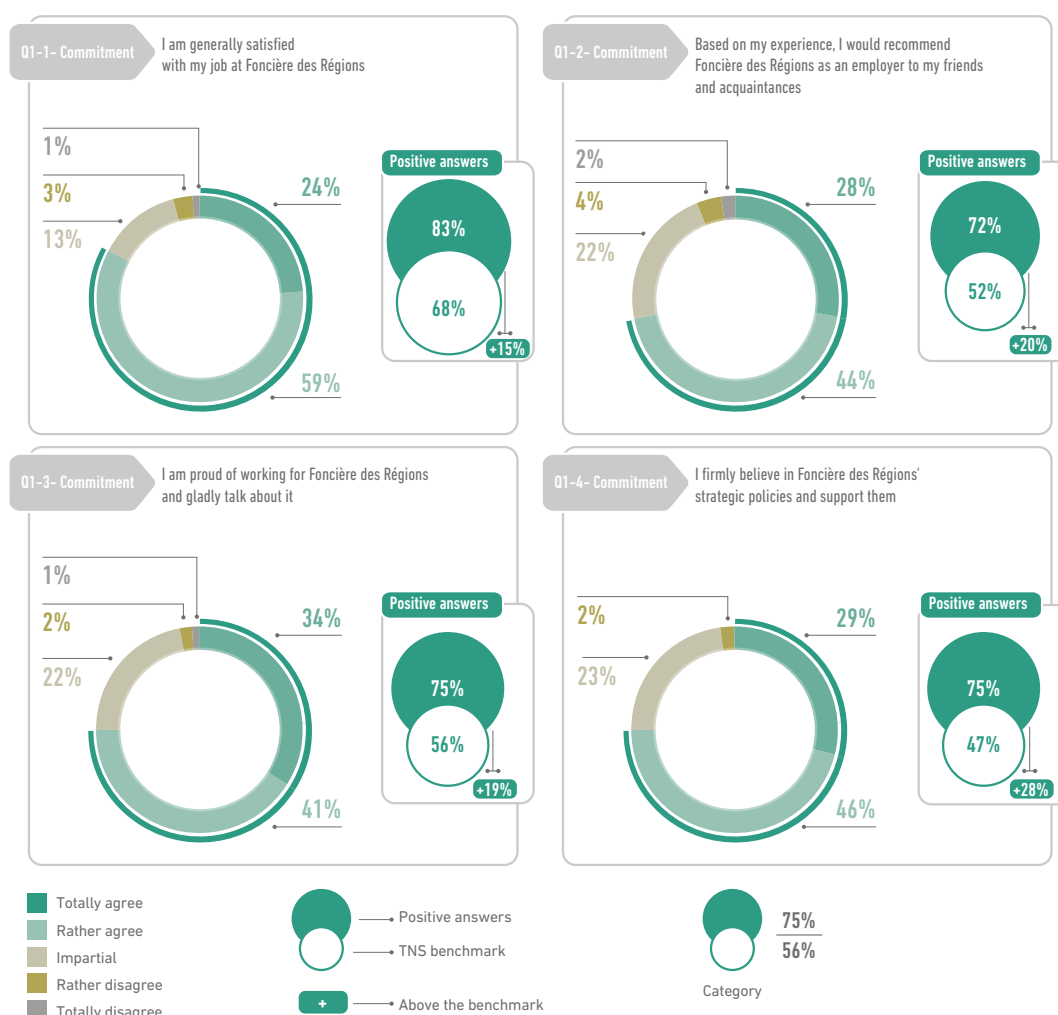
The survey participation rate for employees present was 88%. The results of the survey were highly positive, with the overall satisfaction index being 12 points above that of a representative sample of private-sector employees defined by TNS Sofres.

90% of respondents stated that their work was interesting and that there was a good atmosphere within the teams, while 83% stated that they were able to develop their skills, had a good work-life balance and an acceptable stress level.

Concerning strategy and top management, 80% of respondents stated they had confidence in the top management team and their direct managers, and 75% said they understood and supported the Company's strategy, with scores respectively 29% and 28% higher than the French benchmark.

This Commitment Barometer, which will be renewed every two years, is a steering instrument for the Group, allowing it to compare its results with other French companies on a variety of issues, as well as to define areas of improvement and measure the progress made. In 2016, measures will be implemented to stimulate more innovation, the main area of improvement underscored by the survey.

## COMMITMENT BAROMETER : EMPLOYEES EXTREMELY CONFIDENT WITH THE GROUP' STRATEGY AND PROUD OF WORKING FOR FONCIÈRE DES RÉGIONS



## 2.9.2. Ensuring the development of skills and rewarding the performance of each employee

The challenge of developing individual and collective skills within Foncière des Régions is one of its main concerns to offer the best service to its clients and partners, in addition to ensuring the appropriate and motivating development of each employee's career.

### 2.9.2.1. Ambitious training policy

Foncière des Régions devotes special attention to the development of employee skills: overall, 97% of employees received training during the year, either in-house or externally, individually or in groups. On average, each employee was given more than three days of training during the year (22.4 hours), up from 2014.

Business training sessions accounted for 35% of the courses provided, down compared to 2014, as major efforts were focused on the prevention of psychosocial risks (Section 2.9.3). Nevertheless, in budgetary terms, the business training investment per employee remained stable, reflecting a continued effort to adapt and develop our employees' real estate skills. The training provided may consist of individual or group courses, such as the legal training programme on the impacts of the Pinel law for employees in the Tenant Relations and Property Engineering divisions, deployed in-house, thereby allowing a tailored approach and teaching methods suited to Foncière des Régions' specific challenges and operational situations.

## 4.34% OF TOTAL PAYROLL DEDICATED TO TRAINING

Moreover, a large part of the training budget is dedicated to so-called "behavioural" skills which are essential in the real estate industry (training in negotiation, etc.). Public speaking courses were also introduced, while courses aimed at improving professional efficiency (management of working time, priorities, etc.) still account for a major part of the courses requested by employees at their year-end interviews.

English language courses are part of the Group's international development strategy: nearly 22% of managers took part in a programme with an individual online teacher. These courses accounted for 6% of the training provided in 2015.

### 2.9.2.2. Manager development

Foncière des Régions has precisely redefined its requirements from its managers in terms of decision-making, organisation, and development of staff skills. Six major areas of managerial expertise have been identified, each subdivided into three specific skills, thus forming a full set of management requirements, acting as guidelines for the evaluation of managers. Individual and collective support and training initiatives aimed at managers have also been identified. During the annual performance reviews, each manager gets staff feedback on organisational, leadership and development aspects, as part of a constructive dialogue-based approach to improve the workings of the teams.

#### MANAGEMENT REQUIREMENTS



- Ability to **decide**, as well as **implement and communicate** one's decisions
- Ability to **structure and organise** the work of one's team



- Ability to **lead a group** and **give meaning** to each person
- Ability to **develop individual and collective skills**



- Ability to **convey the strategy** and **embody the Group** in-house and externally
- Ability to **challenge the status quo** in order to **adapt** to future requirements

Three major training programmes have been rolled out to help managers exercise those skills. The first programme in this cycle concerns communication, in particular the managers' ability to provide feedback to their staff to stimulate their development. Theoretical inputs and case studies have also been provided on the need for managers to adapt their management style to the employees' competence level and motivation, in order to go beyond the mere "organisational" aspect of team management.

However, this aspect is part and parcel of the manager's role and implies good management of working time and legal constraints. In 2015, the Human Resources Department ran training sessions on legal requirements concerning working time for the various categories of personnel (managers, supervisors, workers, apprentices and interns), the tools and processes used within Foncière des Régions, and also the new interview procedures

deployed for the first time in June 2015 to monitor objectives and workloads.

Lastly, all managers received training in the prevention of psychosocial risks during one-day sessions combining a refresher on the legal framework, role play, and communication tools to manage high-risk situations (Section 2.9.3). This training was also provided to all members of the Management Committee.

### 2.9.2.3. Integrated and dynamic career management

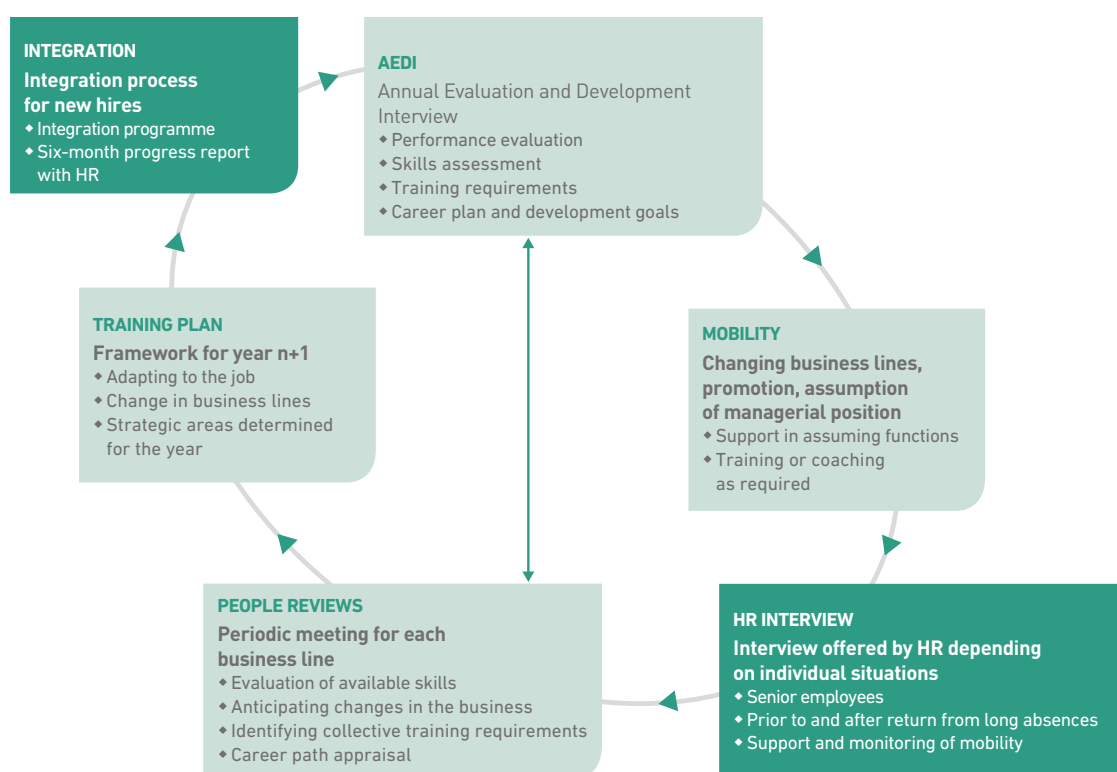
The annual appraisal meetings between employees and their managers, along with the various interviews conducted by the Human Resources Department, lie at the heart of Foncière des Régions' career development programme.

In 2015, 98% of employees present had their annual appraisal meeting with their manager backed by a new computer application fully developed in-house in close keeping with user needs. The interviews are now based on two separate aspects of equal importance: a first part dedicated to Performance which assesses the achievement of the objectives, measures the employee's main results, in terms of both quantity and quality, and sets the following year's objectives; the second part is fully dedicated to the development of skills and career management, which form the cornerstone of the new compulsory employee appraisal since

the coming into force of the French Professional Training Reform came into force. If mobility is requested in the short term (1 year) or medium term (3 years) during this interview, an additional exploratory interview is scheduled with the HR team to search for possibilities of internal postings.

Following requests made in this way, seven employees benefited from such postings in 2015. The Group also financed experience accreditation schemes for two employees and a long-term diploma course (3 years), enabling an employee to obtain a higher education qualification.

## CAREER MANAGEMENT



From a collective point of view, People Reviews provide an overview of a business line's talent pool and the keys to employee retention, development and recruitment, according to the business line's development, objectives, and associated job market.

### People Review Asset Management 2015

A detailed People Review is regularly conducted in each Group business line: the records of all employees of a business line are examined as a whole by the business line's managers and directors, in order to determine its strengths, its areas of improvement, and the action plans to be implemented (mobility, training, recruitment, specific support, etc.). In 2015, such a review was conducted on Asset Managers, Executive Assistants and Portfolio Managers, giving rise to practical measures such as the set-up of a training programme on financial modelling.

### 2.9.2.4. Compensating performance

The bonus-pay policy is incorporated into the concept of individual performance, based on the extent to which the business objectives determined during the annual appraisal meeting were achieved. The challenge is to make this essential element of an employee's contribution to the Group more objective and more transparent to our employees. 67% of individual bonuses awarded in 2015 thus varied compared with 2014.

Employee investments, profit-sharing schemes and savings agreements have been rolled out within the Group as part of the agreements negotiated and signed in 2013. An average incentive of 9.38% of annual salary averages was paid to employees in 2015 based on their performance in 2014. 82% of beneficiaries opted to invest all or part of their awards in the Group Savings Plan. 64%

of beneficiaries chose to invest in Foncière des Régions shares, as such an investment leads to an additional amount of Group share, thereby encouraging employee shareholding.

### 2.9.3. Act for Quality of Life at Work

Foncière des Régions remains committed to Quality of Life at Work, in particular on the basis of the Quality of Life at Work agreement signed on 19 December 2014, which laid down the framework for the deployment of numerous tools.

In 2015, 90% of the staff was trained in the prevention of psychosocial risks through 27 training sessions aimed at raising awareness of psychosocial risks, as well as giving clues to the detection of high-risk situations and enabling each person to take appropriate, timely action. All of the tools available within the Group since the signing of the agreement were presented during these sessions: whistleblowing procedure covering possible cases of harassment; *ad hoc* commission composed of CHCST elected representative, trade union representatives, management representatives; external, confidential telephone counselling by qualified psychologists available 24/7 via a freephone number. Having received the same training as the employees, the Management Committee has adopted a sponsor's role on these issues, while the Human Resources Department and personnel representatives have received training through joint sessions in order to develop a real partnership on these issues, as well as shared reflexes.

As of 2013, the bonus criteria of several senior executives include a CSR component, particularly in terms of improvement in portfolio quality and in the percentage of green portfolio achieved.

Within the same scope of Quality of Life at Work, all employees had a mid-year interview with their managers in June 2015, aimed at gauging the progress made on each person's objectives, adjusting priorities, and monitoring workloads.

The mid-year interviews, introduced by the agreement of 25 November 2014 on the reorganisation and reduction of working time, are an effective means of raising the alarm in the event of work overload, in line with the measures laid down for the prevention of stress and psychosocial risks. Where required, action plans are laid down in the computer application set up on that occasion. These plans are monitored throughout the year and reported on.

In terms of work safety, Foncière des Régions is committed beyond statutory regulations, with 10% of employees holding first-aid rescue worker (SST) certificates. The prevention of electrical risks is also taken into account through the H0-B0<sup>11</sup> accreditation of all employees confronted with this type of risk within the Real Estate Engineering and IT Departments. The workplace accident rate remains very low at 1.12%.

### 2.9.4. Promoting diversity and equality

A signatory of the Diversity Charter in 2010 and of the Global Compact in 2011, Foncière des Régions renewed the Professional Equality and Diversity agreement of 21 December 2011 in 2014. In 2015, this agreement was revised through a rider, involving the systematic in-depth analysis of wage differences among people performing the same job, starting at a positioning below 5% of the median (*versus* 10% in the previous agreement). Following this analysis, the salaries of thirteen people were adjusted.

In terms of recruitment, the review of candidacies and invitations for job interviews has been under analysis since 2013 to ensure diversity amongst profiles of those being considered for each job. Every year, the Human Resources Department presents a report to the members of the Equality Diversity Commission (staff representatives) regarding the number of candidacies processed by gender, age and disability, at each stage of the recruitment

process (sorting through CVs, feedback following the job interview, final decision).

Concerning the support provided to senior employees, Foncière des Régions introduced a systematic interview with the Human Resources Department in the year of each employee's 55<sup>th</sup> birthday. This interview, which can be renewed annually for employees at their request, examines issues relating to the workstation, transfer requests, and measures to be set up in terms of ergonomics, etc. In 2015, all senior employees were invited to this interview and 65% of them accepted the invitation. Moreover, under the Generation Contract signed in 2013, the Group allows employees over the age of 55 to switch to part-time work while maintaining their retirement contributions at their previous full-time level. In 2015, three employees took advantage of this provision, *i.e.* 12.5% of eligible employees.

#### Foncière des Régions applies ILO conventions

Foncière des Régions applies the eight conventions of the International Labour Organization (ILO) concerning: freedom of association, effective recognition of the right to collective bargaining, the abolition of all forms of forced labour, the abolition of child labour and the abolition of discrimination in employment, remuneration and professions.

<sup>11</sup> The H0-B0 electrical accreditation concerns all activities performed in electrical rooms and all electrical work carried out on a professional basis.

## 2.9.5. Guaranteeing transparent social dialogue

During the two Works Council meetings held in 2015, employee representatives were informed and consulted on the Group's policies in terms of product strategy (concerning the type of real estate assets) and the strategy per country. In addition to the strategic policies stretching to 2020, emphasis was placed on upcoming social impacts (in particular changes in ways of

working and skills), which will give rise to the defining and implementation of appropriate action plans (recruitment, training, mobility, etc.) within the framework of the strategic workforce planning agreement (GPEC) due to be entirely reviewed in 2016.

Moreover, constructive social dialogue continued in 2015, at the same level as in 2014, with two collective agreements signed.

## 2.9.6. The virtues of being exemplary

Foncière des Régions strives to be exemplary in its daily operations by applying the best practices to reduce the environmental footprint of its own premises. This stance is part of the Group's sustainable development policy and relies on the commitment of all employees.

### 2.9.6.1. Annual assessment of greenhouse gas emissions

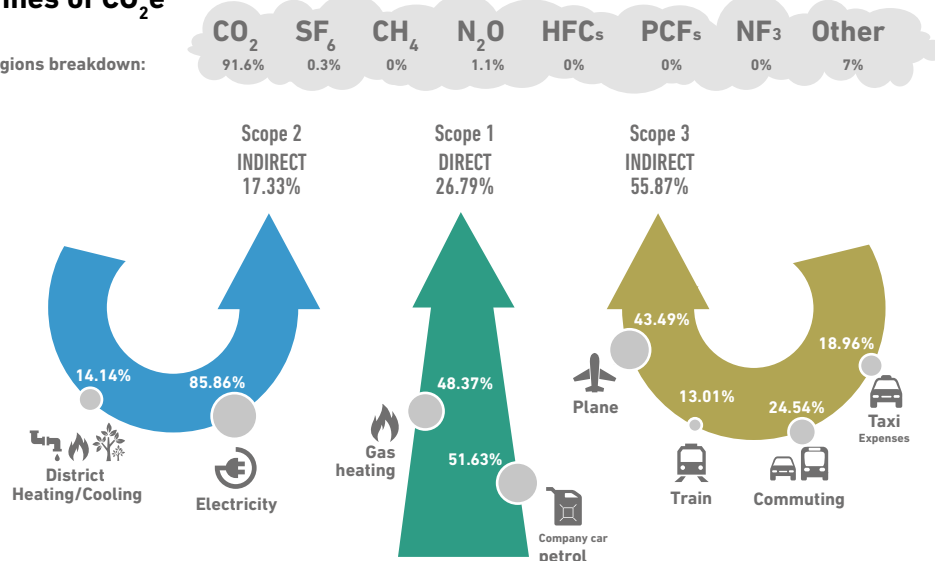
Every year, Foncière des Régions assesses the greenhouse gas emissions of its three sites: two in Paris and one in Metz (two floors of the seven-storey Le Divo building). In 2015, this scope covered 95% of the workforce of the Foncière des Régions ESU (same as in 2014). The measurements are monitored by an independent third party, Ernst & Young, as part of its assignment to verify the CSR information.

The greenhouse gas footprint is calculated based on the ADEME V6 carbon footprint table. The coefficient related to transportation by train has been updated in 2015. The results are presented according to the three emission scopes defined by the GHG Protocol, a recognised international standard:

- ♦ scope 1 – direct emissions: direct emissions related to the burning of fossil fuels from buildings or company vehicles. For Foncière des Régions, this corresponds to the consumption of natural gas (74 tCO<sub>2</sub>e/year) and fuel in service vehicles and company cars (79 tCO<sub>2</sub>e/year)
- ♦ scope 2 – indirect emissions from purchased electricity, heating, and cooling: for Foncière des Régions, this corresponds to the consumption of electricity (85 tCO<sub>2</sub>e/year) and district heating and cooling (14 tCO<sub>2</sub>e/year)
- ♦ scope 3 – other indirect emissions: all other indirect emissions, including passenger transport. For Foncière des Régions, other indirect emissions come primarily from transport inherent to the business (253 tCO<sub>2</sub>e/year), as well as commuting to work (66 tCO<sub>2</sub>e/year). Commuting emissions take account of the mode of transport of each employee, the type of energy of all motor vehicles used, as well as their precise mileage.

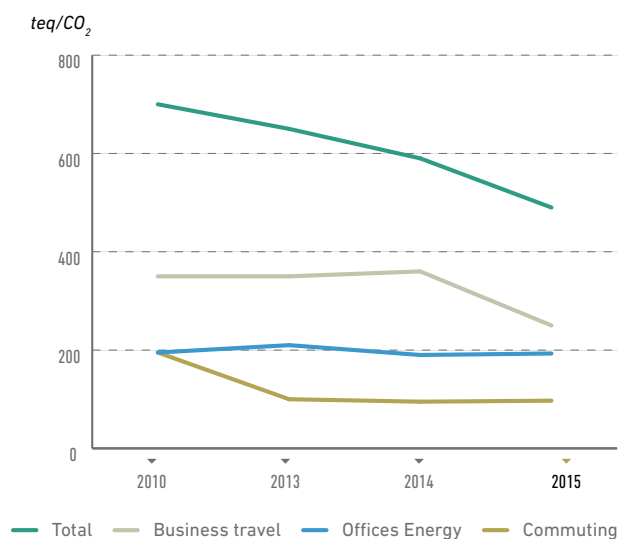
### Total: 571 tonnes of CO<sub>2</sub>e

Foncière des Régions breakdown:





### CARBON FOOTPRINT (EVOLUTION BETWEEN 2010/2015)



The average of 1.93 tCO<sub>2</sub>e per employee reflects a further reduction in 2015 (vs. 2.2 tCO<sub>2</sub>e in 2014, 2.3 tonnes in 2013 and 2.8 tonnes in 2010). The 20% reduction compared to 2010 is attributable to the various measures implemented under the carbon policy (renovation of the heating system at 30 Kleber, etc.) as well as to the move of the Metz teams from two low-performance buildings to a single site, the Le Divo building.



#### A virtuous travel policy

Employees are encouraged to use public transport. For business trips, air travel is restricted to trips that would take more than three hours by train. For Paris and surrounds, the Autolib' solution is offered as an alternative to taxi travel, and 50% of public transport and bicycle passes are paid for by the Company.

### 2.9.6.2. Exemplary premises

The Company's commitment to sustainable development relies on the active involvement of all employees, both in their work and through environmental reflexes that are gradually becoming essential in everyday life. Employees are demanding more and more practical efforts from the Company in favour of the environment. Initiatives taken in this area contribute to their pride in working for the Company. Such initiatives are numerous:

- ♦ HQE certification for the Le Divo building and BREEAM In-Use certification for the headquarters at 30 and 10 avenue Kléber in Paris (16<sup>th</sup> arrondissement)

- ♦ renovation work to improve the buildings' energy performance (efficient heating and cooling systems, LED lighting, motion detectors in common areas, etc.)
- ♦ waste sorting and recycling of all paper and cardboard (around 80% of office waste). In 2015, 18 tonnes of paper waste were collected at the two sites in Paris (vs. 21 in 2014)
- ♦ collecting of printer toners, batteries and plastic caps for their recycling
- ♦ water savings thanks to the introduction of motion-detector taps, and dual-flush toilets allowing significant reductions in water consumption
- ♦ Canibal waste compactor, which is used to collect aluminium cans, water cups and bottles, with an incentive system enabling users to make donations towards tree-planting projects (eight trees planted to date).

### 2.9.6.3. Committed employees

The process of change is backed by a comprehensive set of measures. These include the regular publication of awareness-raising articles via the Group's Intranet, monthly "Green Meetings" wherein experts (lawyers, building engineers, etc.) provide information to employees on CSR issues (BIM, wooden constructions, biodiversity, etc.), along with tours of remarkable "green" buildings.

In line with the paper policy launched in 2013, all paper used in Foncière des Régions' printers is PEFC certified<sup>(1)</sup> (paper stemming from sustainably managed forests), and bears the European Ecolabel (taking into account the product's entire life cycle, its quality and its use). This paper policy applies to all print-outs and external publications related to administration (reports, etc.) and marketing (brochures, etc.). At the same time, an awareness-raising campaign was launched to encourage all employees to reduce printing by more than 30% between April 2013 and the end of 2015.

### 2.9.6.4. Exemplary IT solutions

By firmly shifting its IT developments towards cloud computing, mobility and collaborative tools, Foncière des Régions has confirmed its commitment to sustainable development and innovation.

By managing its own infrastructures and deploying increasingly powerful tools, particularly in terms of consumption (electricity, data, etc.), Foncière des Régions is improving its carbon footprint.

Moreover, sensitive business data is managed and secured within a dedicated data centre. A business continuity plan has been rolled out and is tested periodically.

<sup>(1)</sup> Programme for the Endorsement of Forest Certification.



## 2.10. OPEN AND TRANSPARENT GOVERNANCE

As a French-registered limited company (*société anonyme*) with a Board of Directors, Foncière des Régions carefully and continuously analyses the best practices in consolidated corporate governance as laid down in the Afep-Medef Code, revised in November 2015, and is committed to applying these practices to ensure the efficient operation of its governing bodies. By opting to separate the roles of Chairman and Chief Executive Officer in 2011, the Company chose to allow the Chief Executive Officer to focus on executive management. The Chairman of the Board of

Directors, who is also an independent Director, ensures that the governance bodies are transparent and effective.

In 2015, the Company completed the roll-out of measures to ensure the coordinated staggering of Directors' terms of office and continued to increase the proportion of independent Directors and the number of female members of the Board, in accordance with the commitments made. It has also endeavoured to implement the recommendations from the first independent evaluation of the Board's operations.

### 2.10.1. A governance structure that adheres to the requirements of the Afep-Medef Code and ensures its effectiveness

Foncière des Régions has adopted an open, transparent, ethical and efficient governance system suited to its mode of operation and shareholding structure. In November 2008, it adopted the Afep-Medef corporate governance code for public companies as its frame of reference for corporate governance. Foncière des Régions currently refers to the revised version of that Code, which was published on 12 November 2015, and relies on the work of the High Committee on Corporate Governance, on the recommendations of the *Autorité des Marchés Financiers* (AMF) and EPRA, and on the Code of Ethics of the *Fédération des Sociétés Immobilières et Foncières* (FSIF).

In 2015, Foncière des Régions reinforced the organisation and efficiency of its corporate governance, in particular through the staggering of its Directors' terms of office, the appointment of a

new independent female Director to the Board, and a change in the composition of its various committees.

This progress helped to maintain dynamic governance oriented toward serving the long-term interests of the Company, its shareholders, tenants, stakeholders and employees.

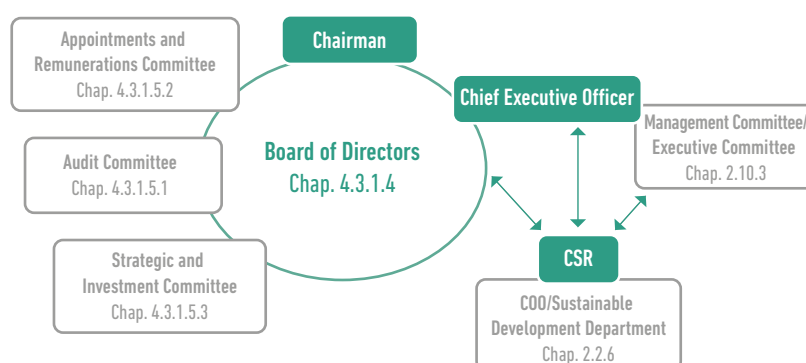
These efforts were applauded by analysts and rating agencies, and notably recompensed with a Bronze medal in the AGEFI Governance Process Competition for Dynamic Governance.

Foncière des Régions will continue this strategy in 2016, by consolidating the share of female and independent Directors on the Board, while securing the required skills to achieve efficient, expert, independent and diversified corporate governance.

### 2.10.2. Corporate governance around the Board of Directors

#### 2.10.2.1. Composition and operation of the Board of Directors and its Committees

The governance of Foncière des Régions is based on a Board structure that has opted to separate the functions of Chairman of the Board and Chief Executive Officer.



The following table summarises some of the corporate governance best practices adopted by the Company regarding the recommendations of the Afep-Medef Code:

	Board of Directors	Strategic and Investment Committee	Audit Committee	Appointments and Remunerations Committee
Independent/total members	8/14 (57%) <sup>(1)</sup>	1/6 (17%)	4/5 (80%)	2/3 (67%)
Chairman	Independent Director		Independent Director	Independent Director
Term of office	4 years <sup>(2)</sup>	N/A	N/A	N/A
Proportion of women	36% <sup>(3)</sup>	17%	40%	0%
Average age of Board members	57 years	61 years	53 years	59 years
Percentage of international Directors	36%	33%	60%	33%
Performance review	Annually	Annually	Annually	Annually
Number of meetings in 2015	5	2	3	3
2015 attendance rate	81%	50%	82%	100%

<sup>(1)</sup> Vs. 50% in 2014 and potentially 60% in 2016.

<sup>(2)</sup> Exceptional reduction, by 2 or 3 years, of certain Directors' terms of office jointly renewed in 2015, to promote the harmonious staggering of Board members' tenures.

<sup>(3)</sup> Vs. 29% in 2014 and potentially 40% in 2016.

N/A: Not Applicable.

The composition of the Board of Directors and its Committees is detailed in Section 4.4.3 of the Reference Document and the list of offices held by each Director is detailed in Section 5.5.3.

### 2.10.2.2. A mostly independent Board of Directors

Based on recommendations from the Appointments and Remunerations Committee, the Board of Directors analyses the independence of the serving Directors on an annual basis. 57% of the Directors in office in 2015 were classified as independent by the Board of Directors following its review conducted at its meeting of 17 February 2016. To carry out this analysis, the Board applied the Afep-Medef Code criteria. These criteria specifically require that, in order to be classified as independent, Directors may not have any sort of relationship with the Company, its Group or its management that may compromise them in exercising their free judgement. The Board appraised these requirements *in concreto*. The independence criteria used are set out in Foncière des Régions' internal regulations, published on its website [http://www.foncieredesregions.fr/groupe/gouvernance/conseil\\_d'administration](http://www.foncieredesregions.fr/groupe/gouvernance/conseil_d'administration).

At its meeting of 17 February 2016, the Board decided to recommend the appointment of Mesdames Patricia Savin and Catherine Soubie as new independent Directors, subject to the approval of the General Meeting of Shareholders on 27 April 2016. Subject to the approval of the General Meeting, the percentage of independent Directors would thus rise to 60%.

(1) To replace Micaela Le Divelec who did not seek the renewal of her term of office.

### 2.10.2.3. A better balance of men and women

Subject to the approval of the appointment of Mesdames Patricia Savin and Catherine Soubie as Director at the General Meeting of 27 April 2016, the percentage of women on the Board should rise from 36% to 40%, in compliance with the April 2016 deadline set by the Afep-Medef Code.

### 2.10.2.4. An effective Board of Directors

After producing several internal assessments, the Company undertook an initial independent evaluation at the end of 2013, performed by the specialised agency Egon Zehnder, to review the capacity of the Board of Directors to meet the expectations of shareholders and assess the contribution of each member through a review of its organisational structure and its functioning. All Directors expressed their satisfaction with the functioning of the Board, and with the Chairman – Chief Executive Officer two-man team, notably because of the quality and relevance of the information available to it. The results highlighted the Board's ability to take decisions, while recommending increased outside contributions, especially on macroeconomic issues. They were presented to the Board of Directors on 26 February 2014 and are detailed in the Report of the Chairman of the Board on corporate governance and internal controls (see Section 4.3.1.4.6).

Since then, the Chairman of the Board of Directors has been striving to implement all recommendations from this evaluation. As a reminder, in 2014, the Board strengthened its international and real estate expertise, improved the integration process for new Directors, systematised the monitoring of Board decisions and the implementation of post-mortem practices for investments, and extended risk management consultation through widespread sharing of the work of the Audit Committee on the subject.

These efforts continued in 2015. In particular, the Board extended the consultation on strategic issues beyond the bounds of the Strategic and Investment Committee at a seminar held in June 2015 in Berlin, during which the Board of Directors and Management Committee discussed Foncière des Régions' medium-term strategy. The form of the projects presented to the Board of Directors was also improved in order to make the presentations more concise, highlight the implications, risks and alternatives in each case, and support decision-making. The involvement of Foncière des Régions' management team in the presentation of projects, alongside the Chief Executive Officer, has also increased at Board meetings.



In addition, the Chairman and the Chief Executive Officer further stepped up preliminary discussions before Board meetings, thereby improving the workings of the Board and efficiency of the meetings.

An induction programme for new Directors has been in place since 2012. It helps new Directors to increase their knowledge of the Company and its sector of activity, particularly through meetings with management.

In compensation for their work with the Board, the Directors and the non-voting member receive attendance fees, the value of which is determined by the Board of Directors based on an overall amount for all Directors that is approved by the General Meeting of Shareholders. The attendance fees include a fixed rate and a variable portion linked to attendance at meetings and effective contribution to the work of the Board and its Committees. The remuneration of the Directors and that of the non-voting member of the Board are set out in Section 5.5.2. of the Reference Document.

The Works Council appoints two of its members as representatives at meetings of the Board of Directors. These members attend all the Board's meetings in a consultative capacity and receive the same documents as those issued to Directors.

The Board's rules of procedure provide a mechanism to prevent conflicts of interest arising when investment projects are submitted to the Board and/or the Strategy and Investment Committee. More specifically, it states that all Directors have the obligation to do their best to determine in good faith whether or not a conflict of interest exists and to report it to the Chairman as soon as they are aware of any situation that may constitute such a conflict between the Company and themselves or the Company they represent, or any company of which they are employees or corporate officers.

This applies in particular when, for any transaction being considered or undertaken by the Company, a member of the Board or a company of which a Director is an employee or corporate officer might have competing interests or interests opposed to those of the Company or the companies within its Group. In this case, the relevant Board member must refrain from participating in the deliberations of the Board or any Committee relating to the transaction, and more generally observe a strict duty of confidentiality.

### 2.10.2.5. A Board of Directors attentive to CSR challenges

Given the importance of the challenges posed by sustainable development for Foncière des Régions and its stakeholders, the Board is regularly consulted on CSR matters, so that they may be integrated into the Company's strategic focus. Since 2013, the Board devotes a large part of its meetings (in 2015, that of 17 April) to the review of the Company's environmental and CSR performance; it monitors the progress made on the objectives it has set, confirms the major opportunities for improving CSR performance and compares the Company's progress and results with those of other companies in the real estate sector.

The Board of Directors also examines the Company's social policy, as well as the non-financial information it publishes, particularly in corporate and environmental areas. Moreover, it analyses the ratings awarded by non-financial rating agencies. Lastly, it ensures that ethical rules set out by the Group are applied and evaluates sponsoring policies and sponsoring and philanthropic activities that have been implemented.

In April 2015, the state of progress with regard to the four lines of Foncière des Régions' sustainable development policy was presented to the Board of Directors (see Section 2.2.7).

## 2.10.3. An Executive Committee interested in CSR performance

The Executive Committee is the management body consulted for each major decision or transaction of Foncière des Régions concerning governance, monitoring of subsidiaries/holdings and financial/asset turnover policies. It is made up of:

- ♦ Christophe Kullmann – Chief Executive Officer
- ♦ Olivier Estève – Deputy General Manager
- ♦ Tugdual Millet – Chief Financial Officer
- ♦ Yves Marque – Chief Operating Officer

Each member of the Executive Committee is in charge of implementing the CSR objectives of the Group within their particular area of responsibility in coordination with the Sustainable Development Department. The results achieved in this domain are now systematically incorporated into the criteria for determining the variable portion of the remuneration of the Chief Executive Officer, Deputy General Manager and Chief Operating Officer.

## 2.10.4. General Meetings

Foncière des Régions encourages shareholder participation in General Meetings. With this in mind, it decided as from the 2013 Meeting to make an online tool available to shareholders in order to receive the notice of the Meeting, to obtain information about

the General Meeting, and to enter voting instructions before the General Meeting directly through the Internet. Accordingly, shareholders can now vote online. This initiative promotes the participation of individual shareholders in General Meetings.

This approach has helped to increase shareholder participation, as evidenced by the following results:

	Combined General Meeting of 28 April 2014		Combined General Meeting of 17 April 2015		2014/2015 change	
	Ordinary capacity	Extraordinary capacity	Ordinary capacity	Extraordinary capacity	Ordinary capacity	Extraordinary capacity
Number of shareholders present, represented or having a postal vote	1,316	1,310	1,710	1,707	+29.9%	+30.3%
Number of shares that voted	50,620,471	50,583,266	52,655,203	52,630,966	+4.02%	+4.05%
Attendance rate	80.94%	80.88%	79.11%	79.07%	-1.8 points	-1.8 points
Rate of approval of resolutions	97.60%	96.46%	95.48%	98.82%	-2.1 points	+2.4 points

Apart from the financial delegations, the main items submitted to the shareholders' vote generally relate to the approval of the Company's separate and consolidated financial statements, the allocation of net income, the distribution of dividends, the approval of related-party agreements, the advisory opinion on the elements of compensation payable to executive corporate officers, and decisions regarding the appointment and renewal of Directors.

At its General Meeting of 17 April 2015, Foncière des Régions proposed that the principle of "one share = one vote" be maintained. This was approved by the shareholders who waived the automatic assignment of double voting rights provided by the Florange law of 29 March 2014.

In accordance with applicable regulatory provisions and based on the Company's share capital as at 31 December 2015, the shareholders wishing to submit items or draft resolutions must show equity holdings of €1,198,196, representing around 0.60% of the Company's share capital.

In 2015, the General Meeting provided an opportunity to respond to shareholders' questions, in particular regarding dividends and related taxation, the subscription rules concerning the Company's takeover bid for Foncière des Murs and its chances of success, the allocation of the funds raised in the capital increase carried out in early 2015, the investment strategy in Germany and Italy, and the Company's development in Berlin's residential real estate sector.

The results of the votes at General Meetings are published on the Company's website within two business days of the meeting.

## 2.10.4.1. Implementation of "Say on pay"

In application of Article 24.3 of the Afep-Medef Code, shareholders attending the 17 April 2015 General Meeting were consulted about individual remuneration through the "Say on pay" scheme due for the year ended 31 December 2014 and pertaining to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy General Manager. Shareholders spoke very approvingly of these resolutions, thus welcoming the transparency efforts accomplished and the balance of the remuneration policy.

Percentage of Votes for:		
Jean Laurent	Chairman of the Board of Directors	99.78%
Christophe Kullmann	Chief Executive Officer	98.75%
Olivier Estève	Deputy General Manager	98.79%
Aldo Mazzocco	Deputy General Manager until 21 October 2015	86.65%

## 2.10.5. Addressing shareholder concerns and ensuring transparency of financial information

Foncière des Régions does its utmost to provide institutional investors and individual shareholders with quality information regarding its business and strategy. It is conducting a substantive piece of work to consolidate its long-term relationship of trust with the financial community and to develop its market transparency.

The Company is also helping to raise the level of professionalism within the industry and to issue high-quality information by means of its active involvement with the IEIF (Real Estate Savings Institution), the FSIF (*Fédération des Sociétés Immobilières et*

*Foncières*), and EPRA (European Public Real Estate Association). Every year, Foncière des Régions participates in some ten conferences aimed at international investors, organised by renowned brokerage firms (J.P. Morgan, Merrill Lynch, etc.).

Foncière des Régions also takes a proactive attitude in dealings with institutional investors. As such, management holds some 360 meetings every year with their main representatives, particularly when the annual and semi-annual results are released in the major European and US markets, and sets up some 15 site visits of representative assets in its portfolio for these groups.



### 2.10.5.1. Foncière des Régions listening to individual shareholders

Foncière des Régions posts an annual letter to its 11,800 individual shareholders. Foncière des Régions provides them with a dedicated section on the Company's website, a documentation service as well as a shareholders' freephone number (0 805 400 865).

This specific multimedia-type communication, which is available on a permanent basis, enables Foncière des Régions to answer its shareholders' questions more efficiently.

Foncière des Régions has also been a partner of FFCI (*Fédération Française des Clubs d'Investissement* – French Federation of Investment Clubs) since 2010.

### 2.10.5.2. A process recognised by the 2015 EPRA Awards

The quality and transparency of Foncière des Régions' financial and non-financial reporting were recognised at the EPRA Annual Conference of 2015 with two EPRA Gold Awards, for the second year running. The first award was for the financial portion of the 2014 Reference Document, and the second was for the quality of the non-financial portion of the same document, as well as the 2014 Sustainable Development Report.

## 2.10.6. Promoting fair and ethical practices

Foncière des Régions is a signatory of the Diversity Charter and, at the international level, it has been a member of the Global Compact since October 2011. Initiated by the United Nations (UN) and signed on a voluntary basis by companies, this Compact covers ten universal principles relating to Human Rights, labour standards, the environment and corruption. Foncière des Régions incorporates these principles into its strategy, reviews their progress and promotes the Global Compact with its stakeholders, in particular suppliers, by appending the document to its responsible purchasing charter.

In 2014, Foncière des Régions renewed its commitment by publishing its third "Communication On Progress" report, which is available on the Group's website: <http://www.en.foncièredesregions.fr/> and on the Global Compact website: <http://www.unglobalcompact.org/participant/15495-Fonciere-des-Regions>.

### 2.10.6.1. A Code of Ethics for greater responsibility

A Code of Ethics has been in place since 2011. As a cornerstone of Foncière des Régions' ethical and compliance strategy, it applies to all Group employees. The Code of Ethics can be viewed on Foncière des Régions' website (<http://www.foncièredesregions.fr/>). Codes of Ethics are also in place for the teams based in Germany and Italy.

The Code of Ethics defines the ethical principles that all Foncière des Régions employees must apply to their professional practices and behaviour with respect to all their outside contacts. The Code of Ethics describes ethical governance, as implemented in the Company's various business lines. The basic principles contained in this Code of Ethics are:

- ♦ compliance with laws and regulations
- ♦ respect for individuals (health and safety at work, prevention of discrimination, respect for third parties)
- ♦ respect for the environment
- ♦ compliance with rules concerning insider dealing
- ♦ prevention of conflicts of interest (links with competitors, clients, suppliers, compliance with anti-corruption rules)

- ♦ protection of Foncière des Régions' activities (protection of information, assets and resources)
- ♦ transparency and integrity of information.

The Code of Ethics was revised in 2015 to include the latest ethical measures introduced (such as whistleblowing) and to reinforce and clarify recommendations to employees concerning required behaviours regarding conflicts of interest.

The Audit and Internal Control Department ensures that the Code of Ethics is distributed to all current and new employees of Foncière des Régions. In addition, over the past two years, during training sessions known as "Process Mornings" (see Section 4.1.2.2.1.3 of the Reference Document), all employees were given a refresher on the main principles of the Code of Ethics and on the Ethics Officer's role. The Chief Operating Officer was appointed as the ethics officer. The Chief Operating Officer is involved in determining rules and duties in terms of professional ethics and ensures compliance across the Company. He provides assistance and advice on ethics to any employee who asks for it and helps in adopting and implementing the Code of Ethics. In this respect, he was consulted 12 times in 2015, mainly by employees wishing to avoid all risks of potential conflicts of interest in real estate investments, employees informing him of invitations received from partners, or personal ties with a possible supplier or service provider, or employees requesting authorisations for transactions involving Foncière des Régions securities.

### 2.10.6.2. Preventing the risk of fraud and corruption with the establishment of a whistle blowing system

In compliance with the 10<sup>th</sup> principle of the Global Compact, which urges companies to act against corruption in all its forms, including the extortion of funds and bribes, Foncière des Régions has increased its vigilance on these matters.

In view of the findings of the risk mapping process in December 2012, the Board of Directors deemed that, given its business activities and organisation, the potential risks of fraud and corruption were adequately managed. Transactions that are deemed sensitive, such as sales of assets or companies, major

construction or renovation works or calls for tenders are guided by stringent procedures, especially regarding ties with intermediaries. Moreover, the separation between orders and payments reduces the risk of fraud.

Since 2011, the Company has also implemented, during the Process Morning sessions (see Section 4.1.2), training for employees managing transactions that involve a risk of fraud. Anti-fraud audits are carried out regularly within the Group and have revealed no significant dysfunctions.

#### Establishment of a warning system

In order to strengthen its risk prevention tools, Foncière des Régions established a warning system in late 2014. It is restricted to specific cases of serious and intentional acts that may affect the Company exclusively in the following areas: accounting, banking, finance, fighting corruption, unfair competition, fighting discrimination and harassment in the workplace, and protection of the environment.

In this way, any Group employee can report a risk that he or she has identified in these areas by contacting the compliance officer by any convenient means, including via a dedicated e-mail address. The reporting process is described in greater detail in Foncière des Régions' Code of Ethics, available on the Company's website ([www.foncièresdesrégions.fr](http://www.foncièresdesrégions.fr)).

#### 2.10.6.3. Guaranteeing fair competition

Foncière des Régions, in its business and more specifically in its sales, acquisition and construction work, complies with the provision of Articles L. 410-1 *et seq.* of the French Commercial Code relating to competition. As such, the Company has set up procedures to address this risk contracts involving sums above a certain threshold require a mandatory competitive bidding process and the procedures put in place and validated by General Management set the bidding conditions.

The relevant employees have been briefed on this risk during the Process Morning sessions. The major control and validation principles were reiterated, notably the obligation of setting up bidding procedures for work, procurement, markets and also for the sale of assets. In this way, depending on the amounts and type of transaction, bids from one, two or three companies must be accepted and reviewed prior to awarding a job. In the same manner, the Company uses a procedure for opening bids involving a minimum of two employees and the drafting of a record of the opening of bids for some tender processes in order to ensure the widest degree of transparency and fair competition possible. Audits were carried out in 2013, 2014 and 2015 on certain development operations in order to ensure compliance with the tender procedure. These audits revealed no significant issues.

The risk of anti-trust behaviour is limited within the framework of Group activities as there are many owners of small real estate assets.

#### 2.10.6.4. Combating money laundering

In 2010, Foncière des Régions and its subsidiaries introduced a system for combating money laundering and the financing of terrorism (LAB/LFT), in the form of a procedure that lists and describes actions to be taken by the employees concerned. The procedure was reviewed in 2012 to clarify its scope of application. The Audit and Internal Control Director is the designated LAB/LFT Manager, while a Tracfin Correspondent and Registrant was appointed in the Legal Department.

This system is based on a vigilant stance adopted when third-party contracts are initiated, in all cases in which a company of the Group is involved as an intermediary for a third party and as a part of the sale or purchase of an asset, securities or stakes in real estate companies.

The implementation of the LAB mechanism was supported by an extensive training campaign that was initiated in 2010, involving some 60 employees via a dedicated training module set up by the Legal Department, which contributes to continued adjustments to the system. Training more specifically for asset managers took place in 2012 and a refresher during "Process Mornings" was carried out in 2014 and 2015.

#### 2.10.6.5. Association with, or membership of, domestic or international organisations

Foncière des Régions undertakes no direct lobbying activity. In contrast, the Company contributes to French government building policy through a strong commitment in working groups and professional associations. As a member of the Sustainable Development commissions of EPRA, the *Fédération des Sociétés Immobilières et Foncières* (FSIF), of which Christophe Kullmann, Chief Executive Officer of Foncière des Régions, has been president since 2011, it is also a founding member of SB Alliance and France GBC, under whose aegis it contributed to the drafting of the "CSR Reporting Guide – Article 225 Real Estate Construction". Foncière des Régions is also a member of the HQE Association and a signatory of the HQE Performance Charter of Commitment. Through involvement in these entities, Foncière des Régions plays a major role in promoting the assimilation of the environment and CSR. Its commitments in working groups such as Plan Bâtiment Durable and Orée, as well as its participation in national studies (Palladio, France GBC, etc.) and European studies (RICS, EPRA, Officair, s-i-r-e, etc.) bear witness to the Company's commitment to contribute to sustainable real estate discussions.

Foncière des Régions and its subsidiaries contribute no funds and provide no services to any political party whatsoever, nor to any government incumbent or candidate for any public position. Notwithstanding, the Company acknowledges the commitments of those of its staff who participate or wish to participate in public life in the capacity of private citizens.



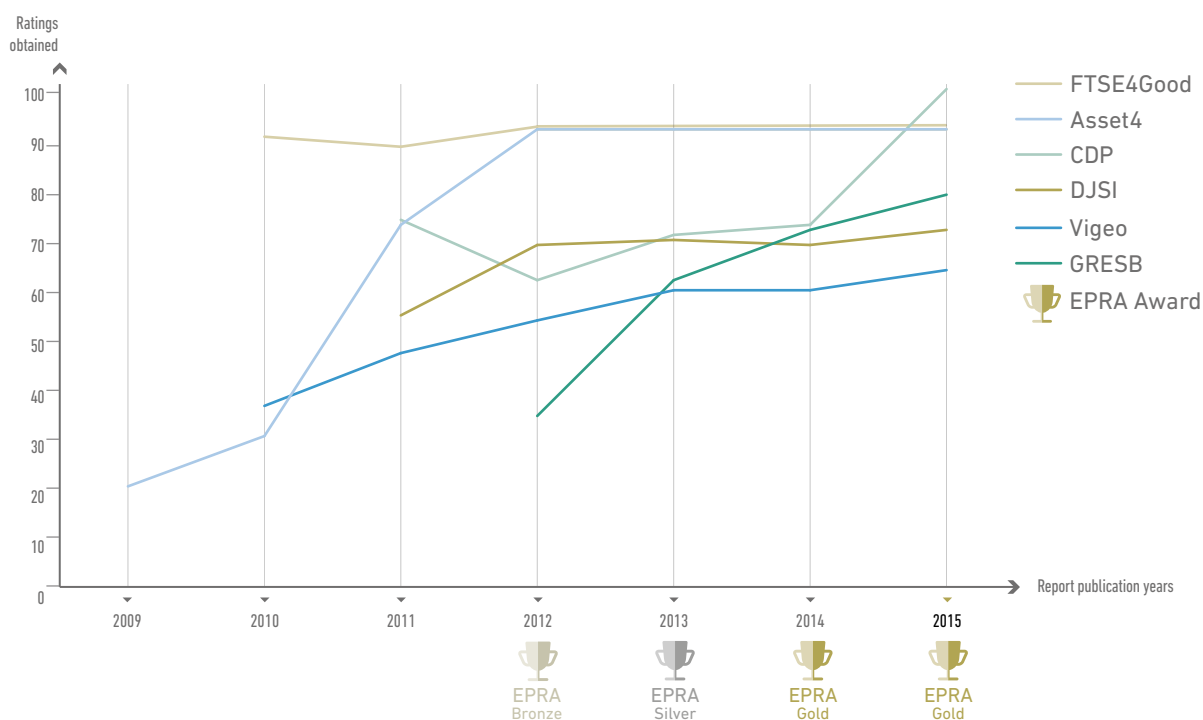
## 2.11. CSR PERFORMANCE

### 2.11.1. Non-financial performance lauded by analysts

Foncière des Régions' non-financial reporting complies with the provisions of the French Decree of 24 April 2012 on CSR transparency, and with the European Directive of 15 April 2014 as well as with the principles of Integrated Reporting. It adheres to CSR Reporting Guide recommendations, Article 225 of France GBC and the 2014 version of the Best Practice Recommendations issued by EPRA.

Lastly, Foncière des Régions' non-financial reporting has complied with GRI G4 and the GRI CRESO (Construction and Real Estate Sector Supplement) since the 2014 report. This approach was refined in 2015 by continuing to be based on a materiality study focusing on indicators that are central to steering the Company's CSR strategy. We achieved Core compliance as we did last year, demonstrating how much Foncière des Régions' overall strategy aligns with qualitative and quantitative compliance with our CSR policy.

Foncière des Régions' sustainable development policy was lauded once again this year by the main non-financial rating agencies and research bodies, as illustrated in the chart below.



**Asset 4:** this index created by Thomson Reuters, a CSR strategy consultant, evaluates companies according to ESG criteria<sup>[1]</sup>. Foncière des Régions scores saw a substantial improvement, moving from 20/100 in 2009 to 90/100 in 2012 and 2013. Foncière des Régions was included in the index once again in 2015.

**DJSI:** the Dow Jones Sustainability Indexes come out of annual analyses done by RobecoSAM for the Robeco bank. Foncière des Régions has been selected for the DJSI World Index since 2013, and our score has increased slightly (69/100 in 2013 to 71/100 in 2015), based on a questionnaire submitted voluntarily.

<sup>[1]</sup> ESG : Environnemental, Social/Sociétal, Gouvernance.

**EPRA BPRs Sustainability Awards:** the European Public Real Estate Association has awarded prizes each year since 2012 to real estate companies that implement EPRA best practices and key indicators in their non-financial reporting (Best Practice Recommendations). Foncière des Régions earned the EPRA Gold Award for the fourth annual awards ceremony in 2015, as it did in 2014.

**Carbon Disclosure Project:** the CDP was created nearly 15 years ago for investors. In 2015, 822 members totalling \$95,000 billion in capital<sup>(1)</sup> used CDP results to help make investment decisions. Wanting to see companies accurately and exhaustively report risks and opportunities related to climate change, Foncière des Régions significantly improved our CDP ratings with an overall score of 99A (vs. 71C in 2014 and 70C in 2013). Consequently, it was one of the 113 companies to make the "Climate A List", which includes the companies working the hardest to combat climate change. Foncière des Régions is the only French real estate company in the top 5 France and top 9 France/Benelux, all industries combined.

**Ethibel:** the Ethibel Forum is a nonprofit organisation with over twenty years of experience in the ratings, independent audit and CSR-specific product certification industry. Rated "B", Foncière des Régions has been selected for the 370-company Ethibel Excellence Investment Register index since 2013, and the Ethibel Pioneer index, a best-in-class index containing the organisation's best evaluations out of 370.

**FTSE4Good:** is a CSR index developed by the Financial Times Stock Exchange, known for its categories of stock market indices. Foncière des Régions has been selected for the FTSE4Good index since 2010.

**GRESB:** the GRESB is an industry initiative aiming to assess portfolios using ESG criteria. With a grade of 78/100, the Group improved its ratings by more than 10 points over the last three years. In 2015, Foncière des Régions was ranked 77<sup>th</sup> out of 688 companies analysed worldwide. In 2015, Foncière des Régions kept the "Green Star" rating acquired in 2013.

**Novethic Barometer:** in 2014, Foncière des Régions was ranked as a "Committed" REIT in this eco-performance barometer for buildings. For three years, Foncière des Régions has been one of the main leaders in this area. Since 2014, the barometer no longer exists and has not yet been replaced.

**NYSE Euronext Vigeo:** since its creation in 2014, Foncière des Régions has been selected to be listed in the "NYSE Euronext Vigeo France 20", "Europe 120", "Eurozone 120" and "World 120" indices.

**Oekom:** Oekom research AG rates more than 3,500 companies throughout the world every year, assigning grades ranging from D- to A+. Most of the 191 companies in the real estate sector are rated between D+ and D-. Based on our 2014 report, Foncière des Régions has been included in the Prime universe with a grade of C.

Each agency has its own approach, rating criteria and methodology. In addition, sometimes the agencies use methodologies that include Anglo-Saxon methods that in certain cases cannot be transposed in France. For example, for topics related to Human Resources, some data, such as employee ethnicity or religious affiliation, have not been monitored due to legal implications, in this case the French Data Protection laws of 1978 and 2004, and the company's own desire in this regard.

## 2.11.2. A transparent and tailored methodology

Every year since 2006, sustainable development has taken up a chapter of Foncière des Régions' Reference Document. 2010 was the first year for which a standalone Sustainable Development Report was published.

The tables presented in the following pages provide a summary of the indicators used by Foncière des Régions to measure environmental and corporate performance, particularly with respect to the targets that have been set. These indicators have been chosen based on international standards: GRI 4 and its sector-specific CRESO, EPRA Best Practice Recommendations on Sustainability Reporting as well as annual studies such as the Carbon Disclosure Project (CDP), Global Real Estate Sustainability Benchmark (GRESB).

### 2.11.2.1. External verification by an independent consultant

In compliance with the provisions of the Decree dated 24 April 2012 on CSR transparency, arising from Article 225 of the Grenelle 2 Law, Foncière des Régions' CSR reporting has been verified by an external independent consultant, Ernst & Young, since the report on 2011, in the interest of monitoring reporting reliability. This year, the verification notably measured the implementation of EPRA Sustainability Best Practice Recommendations (BPRs) as well as "Core" compliance under GRI 4 and its supplement, CRESO. This advisor's statement is included at the end of the chapter.

Application of GRI 4 – CRESO	Comprehensive	Core
Self-declaration		✓
External opinion Ernst & Young		✓

<sup>(1)</sup> Data at 1 November 2015.





### 2.11.3. Environmental indicators

In compliance with the provisions of the Decree dated 24 April 2012, the non-financial reporting scope is based on Foncière des Régions' financial scope, and includes the following activities: in France: Offices, Hotels and Service Sector, Residential, Logistics and car parks; in Germany: Residential (Immeo SE); in Italy: Offices (Beni Stabili).

In order to follow Foncière des Régions' financial approach, assets under construction or renovation are excluded from the reporting scope, as are assets acquired or sold during the year.

Potential material variations in the scope of each portfolio held, other than those arising from rotating the portfolio *via* disposals and acquisitions, are detailed below and the number of assets involved is specified where relevant.

#### Processing and analysis of consumption data by CSTB

Once consumption figures are collected and consolidated by the Sustainable Development Department of Foncière des Régions, they are then processed by the CSTB (Scientific and Technical Centre for Building), a French public organisation for innovation in buildings, which acts on two levels:

- ♦ by applying calculations to energy consumption data for the France Offices portfolio, headquarters' assets, and the Hotels and Service Sector portfolio, to take summer and winter weather-driven demand into account. This method adjusts the consumption levels of a given year under baseline weather conditions (statistics for each of the three major weather zones in mainland France have been gathered over a thirty-year period). This adjustment is also made for consumption related to heating and air. It is not applied to other consumption (lighting, etc.) and allows meaningful comparison of results from one year to another in line with the CSTB's scientific diligence
- ♦ by extrapolating a number of data to the complete portfolio, based on intensity ratios per m<sup>2</sup> based on actual consumption. These extrapolations are calculated outside EPRA recommendations for reference purposes only and are indicated to the reader.

#### Reporting tables and compliance with EPRA recommendations

As a member of the EPRA Sustainable Development Commission, Foncière des Régions helps promote good practices in sustainable reporting for the real estate sector. Since their publication, Foncière des Régions has included EPRA recommendations in our internal and external reporting.

In order to simplify the reading of Foncière des Régions' environmental performance, the indicators were grouped using the following colour code:

- ♦ **green background:** this is the **scope covered by EPRA recommendations** and represents the Foncière des Régions, Beni Stabili or Immeo SE teams that have **"operational control"**, meaning that it manages them directly. This involves:
  - ♦ multi-let buildings: France and Italy Offices, Residential in Germany for which environmental information concerning common areas is managed by internal property managers
  - ♦ Car Parks, for which all energy and water consumption data is managed directly by Urbis Park staff and in which there are no tenant areas
- ♦ **white background:** this involves buildings or parts of buildings over which Foncière des Régions or its subsidiaries do not have "operational control". In these cases, the tenant manages the building and obtains directly all energy, water consumption and waste. This information has been collected from the tenant where available. This refers to either:
  - ♦ the tenant areas of multi-let buildings: the data collected in this category either wholly or partially supplement data recorded under "operational control" (common areas)
  - ♦ single-let buildings: France Offices, Hotels and Service Sector are all included in this category.

As explained in Sections 2.5 and 2.6, the Logistics and France Residential portfolios are no longer included in the reporting table shown in the following pages.

The types of surface areas used to calculate the ratio is identical to those in the portfolios for each business activity: m<sup>2</sup> SHON in France – m<sup>2</sup> SHON in Italy – m<sup>2</sup> Nütz in Germany. For Car Parks, the ratios are calculated relative to parking space in accordance with common practices in the sector.

In order to ensure maximum accuracy and transparency, where consumption data is unavailable for any utility, it is not estimated and thus impacts the portfolio's coverage rate. However, if an estimate or extrapolation is calculated, it is specified in the comments accompanying the reporting table concerned.

In the table below, Foncière des Régions summarises its reporting method and process in connection with the EPRA's Best Practices Recommendations (BPRs) and its General Principles in order to achieve the highest level of compliance.

## COMPLIANCE WITH 2015 EPRA RECOMMENDATIONS (2014 EPRA GUIDELINES)

Conformité
 Conformité partielle
 Non conforme

EPRA Performance Indicators	Compliance self-assessment	The Foncière des Régions approach
<b>Total electricity consumption</b> (annual kWh)		Elec-Abs – Foncière des Régions reports its electricity consumption taking into account renewable energy production. Annual total energy consumption data is gathered based on invoice statements using the process described above. Consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.
<b>Total energy consumption from district heating and cooling</b> (annual kWh)		DH&C-Abs – Foncière des Régions reports on energy consumption from district heating and cooling, collected based on invoice statements using the process described above. Consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.
<b>Total energy consumption from fuels</b> (annual kWh)		Fuel-Abs – Foncière des Régions reports on total energy consumption from fuels (natural gas, fuel oil and wood), collected based on invoice statements using the process described above. Consumption is presented in terms of final energy. The total is expressed as final energy as well as primary energy.
<b>Energy intensity of buildings</b> (kWh/m <sup>2</sup> /year)		Energy-Int – Foncière des Régions reports on energy intensity ratios calculated per m <sup>2</sup> using invoice statements: energy (kWh), divided by corresponding surface occupied ( <i>in m<sup>2</sup>SHON</i> ). Consumption ratios are presented in terms of final energy and primary energy.
<b>Total direct GHG emissions</b> (tCO <sub>2</sub> e per year)		GHG-Dir-Abs – Foncière des Régions reports on all of its carbon emissions in CO <sub>2</sub> per year (CO <sub>2</sub> e/year) based on energy bills ( <i>natural gas, fuel oil and wood</i> ). These are scope 1 emissions as described in the <i>GHG Protocol</i> .
<b>Total indirect GHG emissions</b> (tCO <sub>2</sub> e per year)		GHG-Indir-Abs – This data is reported in tonnes of CO <sub>2</sub> equivalent per year (tCO <sub>2</sub> e/year) based on energy invoices for electricity and district heating and cooling. These are Scope 2 emissions as described in the <i>GHG protocol</i> .
<b>Carbon intensity of buildings</b> (kgCO <sub>2</sub> e/m <sup>2</sup> /year)		GHG-Int – Foncière des Régions intensity ratios per m <sup>2</sup> are calculated directly from invoice statements divided by corresponding occupied surface areas ( <i>in m<sup>2</sup>SHON</i> ).
<b>Total water withdrawal by source</b> (m <sup>3</sup> equivalent per year)		Water-Abs – Foncière des Régions reports its total annual water consumption in m <sup>3</sup> for all of its portfolios in operation and the headquarters buildings occupied by its teams. Annual total water consumption data is directly gathered on the basis of invoice statements using the process described in the box on the previous page.
<b>Water intensity of buildings</b> (litres/person/year or m <sup>3</sup> /m <sup>2</sup> /year)		Water-Int – Data is reported in m <sup>3</sup> /m <sup>2</sup> SHON/year. The intensity ratios per m <sup>2</sup> are calculated by comparing the volumes collected to the corresponding surface areas occupied ( <i>in m<sup>2</sup>SHON</i> ).
<b>Total mass of waste by treatment method</b> (tonnes per year)		Waste-Abs – Waste is collected by public organisations directly linked to the municipalities. Foncière des Régions then pays for this service through <i>local taxes</i> . It is not possible to establish monitoring procedures in terms of total mass, except for assets with private waste contractors (specified in the comments accompanying the waste reporting tables). The proportion of waste by disposal rate ( <i>% of total waste</i> ) is indicated when it can be monitored by service providers.



EPRA Overarching Recommendations	Compliance self-assessment	EPRA BPRs and methodology references
Organisational boundaries	●	<p>As in previous years, reporting is based on what is known as "Operational Control", which corresponds to the scope within which Foncière des Régions, its subsidiaries and investments directly manage energy, water and waste. The results for this scope are given on a green background in the tables in Section 2.11.3.</p> <p>This environmental reporting is based on Foncière des Régions' financial reporting boundaries and scope for consistency and in compliance with the Decree dated 24 April 2012. The scope includes the following businesses: France Offices, Hotels and Service Sector, German residential, as well as Urbis Park (Car Parks) and Beni Stabili (Offices Italy) investments.</p> <p>The reporting scope for year N includes all assets owned at 31/12/N. Assets under construction, in redevelopment, vacant and acquired or sold during the year are not included. If an asset is sold during the year, the tenant will not necessarily provide consumption data if no legal connection exists with the former owner of the asset.</p> <p>The environmental reporting period corresponds to the period from 1 January/31 December, except for car parks and Germany Residential, for which the period from 1 October/30 September was used.</p>
Breakdown of landlord – tenant consumption	●	<p>Foncière des Régions' reporting is separated into three levels of data collection and analysis:</p> <ul style="list-style-type: none"> <li>♦ "Corporate" scope: this includes headquarters buildings.</li> <li>♦ "Operational control" scope: this includes buildings under full management over which the teams of Foncière des Régions, Beni Stabili or Immeo SE control the management of shared equipment, i.e. equipment located in common areas of the building, and over consumption of water and energy, to include lighting, collective heating, etc. These are Scope 1 and 2 emissions as described in the <i>GHG protocol</i>. Reporting is done from invoices, with no estimates.</li> <li>♦ "Tenant areas" scope: this relates to the tenant areas of multi-let buildings for which Foncière des Régions has operational control over the building's common areas. Tenants are responsible for energy consumption and individual water use. It also relates to single-let buildings, for which users are wholly responsible for managing building equipment and the building's energy and water consumption.</li> </ul> <p>Foncière des Régions does not rebill its tenants for energy, unless it is consumed in the common areas (operating expenses) in multi-let buildings.</p> <p>Estimates are not made; however, data may be extrapolated based on intensity ratios. These cases are highlighted (on the white background, excluding the EPRA scope).</p>
Consumption reporting – headquarters buildings	●	<p>As previously indicated, Foncière des Régions reports the consumption for the assets occupied by its teams. The results are presented in Section 2.11.3.4 under the Headquarters heading.</p>
Intensity normalisation	●	<p>Intensity ratios by m<sup>2</sup> are calculated by dividing environmental data for a year N concerning energy, water and carbon to corresponding occupied areas in terms of m<sup>2</sup> SHON.</p> <p>These calculations are used to measure efficiency for each indicator.</p> <p>In France, a distinction is drawn between final energy (<i>fe</i>), which is consumed and invoiced, and primary energy (<i>pe</i>), which is required to produce final energy.</p>
Year-on-year like-for-like comparison	●	<p>Elec-LfL, DH&amp;C-LfL, Fuels-LfL, GHG-Dir-LfL, GHG-Indir-LfL, Water-LfL Waste-LfL – Like-for-like data is calculated for energy, greenhouse gas emissions, water and waste and is used to assess changes from one year to the next for assets owned over the last 24 months whose consumption is known for that period.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>♦ in year N-1, consumption data was collected on 70 assets, with a possible reporting scope of 90 assets</li> <li>♦ in year N, consumption data was collected on 95 assets, with a possible reporting scope of 100 assets</li> <li>♦ of these, data was collected on 65 assets in N-1 and N, while 93 assets were held in N-1 and N and are considered as applicable.</li> </ul> <p>→ The like-for-like basis therefore relates to 65 of 93 assets.</p>

EPRA Overarching Recommendations	Compliance self-assessment	EPRA BPRs and methodology references
Segmental analysis	●	Foncière des Régions has structured its analysis by segment and by business type: France Offices, Hotels and Service Sector, German residential, as well as Urbis Park (Car Parks) and Beni Stabili (Italy Offices) investments.
Coverage ratio of data collection	●	The coverage ratio is indicated by segment and business type in each reporting table (energy, carbon, water and waste). For each indicator, this coverage ratio is calculated as an area (% of m <sup>2</sup> SHON) and as a number of assets.
Narrative on performance	●	Foncière des Régions provides comments and explanations on environmental performance trends and data: <ul style="list-style-type: none"> <li>♦ in Sections 2.3 to 2.7</li> <li>♦ in the Chapter containing data relative to assessing performance for each business [see Section 2.11.3].</li> </ul>
Assurance – external verification by an independent consultant	●	Since the report for the 2011 fiscal year, the environmental, social, and societal data is verified by an independent third party. The EPRA indicators and compliance with its methodology are verified as part of the process, as are compliance with GRI 4 CRESO and the GHG emissions report. The advisor's statement is included in Foncière des Régions' annual Reference Document and its sustainability report. You will find these documents in both English and French on the Foncière des Régions website.
Location of EPRA Sustainability Performance Measurements	●	The EPRA performance measurements and correspondence to principles are disclosed and reported annually in the Foncière des Régions sustainability report and in its Reference Document. You will find these documents in both English and French on the Foncière des Régions website.
Type and number of assets certified	●	Cert-Tot – This indicator is expressed by dividing the value of the assets with certification at 31 December 2015 by the value of the total portfolio held by a business on the same date.

## 2.11.3.1. France Offices

At 31 December 2015, the France Offices reporting scope pertained to 213 sites of the 374 comprising the financial scope. Assets under construction or under renovation, acquired or sold during the year, are excluded from the reporting scope and the buildings located in the ASL (Associations Syndicales Libres). A portfolio of 93 non-core assets representing 1.4% of the value of the total portfolio was not included within the scope, since portfolio energy and environmental mapping has not yet been performed.

All consumption data is taken from invoice statements, with no estimates used at all. The ratios are calculated by comparing the consumption collected to all of the building's surface areas for all single-let buildings and for the tenant areas or proportional share of private areas for which data have been collected. The occupancy rate has an impact on the asset's overall consumption as well as on the ratios calculated. As an exception to the "process included" principle of energy consumption, the energy consumed by telephone equipment in the buildings rented to Orange is not included in the calculations based on an assessment performed by the CSTB.

The results are presented below with climate adjustment (winter and summer). Weather-related adjustments are calculated by the CSTB in order to make like-for-like performance more comparable; energy and carbon results are presented in the charts in Section 2.3.5.

### TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS (CERT-TOT) (SEE SECTION 2.3.1)

At 31 December 2015, 61.2% (in value) of the Office assets owned by Foncière des Régions had HQE and/or BREEAM certification (construction and/or operation) and/or were certified as low energy consumption buildings (BBC) or RT Globale. This percentage is expressed relative to all the assets held on this date, including both assets under construction and in operation.

The rate rose to 80% at the end of 2015 if we take the ratio of certified and or accredited buildings to the total core portfolio, i.e. those intended to remain in the portfolio in the long term.

## ENERGY – DIRECT AND INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE, AND ENERGY INTENSITY RATIO FOR BUILDINGS IN USE

The results are presented with climate adjustment.

The consumption values reported below are based on the data collected according to two scopes:

- ♦ operational control scope: assets managed by Foncière des Régions' teams (multi-let buildings). Reporting is done from invoices, with no estimates. This is the scope from the EPRA BPRs
- ♦ scope "excluding operational control": reporting created based on energy invoices communicated by the tenants which concern:
  - ♦ the tenant areas of multi-let buildings
  - ♦ all energy consumption in single-let buildings.

Within the "operational control" scope, the coverage ratio of the data collected is 94% of the area.

Multi-let buildings										
Total energy consumption (Abs)			Scope "operational control"		Scope "tenant areas"		Single-let buildings		Portfolio total	
	GRI4	EPRA BPRs	2014	2015	2014	2015	2014	2015	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> SHON)			160,281	158,115	111,926	118,155	818,710	641,281	978,991	799,396
Coverage of reporting scope in area (%)			96%	94%	93%	83%	77%	56%	79%	61%
Number of applicable properties			13/14	12/14	7/14	9/14	147/197	114/199	160/211	126/213
Proportion of estimated data			0%	0%	0%	0%	0%	0%	0%	0%
Intensity (kWhpe/m <sup>2</sup> SHON/year)	CRE1	Energy-Int	211	187	101	85	161	150	181	172
Intensity (kWhpe/m <sup>2</sup> SHON/year)			326	291	259	219	345	320	372	351
<b>Total direct energy (kWhfe)</b>	<b>G4-EN3</b>	<b>Fuels-Abs</b>	<b>7,817,944</b>	<b>7,289,612</b>	<b>0</b>	<b>0</b>	<b>31,805,138</b>	<b>25,257,792</b>	<b>39,623,082</b>	<b>32,547,404</b>
Natural gas (direct energy)	G4-EN3	Fuels-Abs	7,817,944	7,289,612	0	0	28,112,468	22,663,241	35,930,412	29,952,853
Fuel oil (direct energy)	G4-EN3	Fuels-Abs	0	0	0	0	3,608,133	2,391,354	3,608,133	2,391,354
Wood (direct energy)	G4-EN3	Fuels-Abs	0	0	0	0	84,538	203,197	84,538	203,197
<b>Total indirect energy (kWhfe)</b>	<b>G4-EN3</b>	<b>Elec-Abs</b>	<b>25,938,916</b>	<b>22,350,738</b>	<b>11,257,339</b>	<b>10,035,768</b>	<b>100,118,000</b>	<b>70,994,460</b>	<b>137,314,256</b>	<b>104,767,619</b>
Electricity (indirect energy)	G4-EN3	Elec-Abs	11,753,738	10,407,678	11,257,339	10,035,768	95,545,575	69,082,230	118,556,653	90,912,330
Renewable energy production	G4-EN3	Elec-Abs	0	0	0	0	0	0	0	0
District heating and cooling (indirect energy)	G4-EN3	DH&C-Abs	14,185,178	11,943,060	0	0	4,572,424	1,912,229	18,757,603	13,855,289
<b>Total energy consumption (kWhfe)</b>			<b>33,756,860</b>	<b>29,640,350</b>	<b>11,257,339</b>	<b>10,035,768</b>	<b>131,923,138</b>	<b>96,252,252</b>	<b>176,937,338</b>	<b>137,315,023</b>
Total energy (GJ)			121,525	106,705	40,526	36,129	474,923	346,508	636,974	494,334
<b>Total energy consumption (kWhpe)</b>			<b>52,327,767</b>	<b>46,084,482</b>	<b>29,043,936</b>	<b>25,892,282</b>	<b>282,851,332</b>	<b>205,320,897</b>	<b>364,223,035</b>	<b>280,875,225</b>
Estimated consumption for vacant space (kWhpe)			0	0	0	0	0	0	0	0
Estimated consumption for occupied areas where no data is available (kWhpe)			2,378,695	2,925,981	2,085,275	5,448,654	83,300,423	166,864,879	94,861,991	177,039,978
Total measured + extrapolated energy consumption (kWhpe)			54,706,461	49,010,463	31,129,211	31,340,936	366,151,755	372,185,776	459,085,026	457,915,204

The table below details the energy consumption paid for by the owner and re-invoiced for shared facilities and common areas in buildings. The landlord does not invoice tenants for private energy consumption. The energy consumption that the owner is responsible for concerns shared equipment such as lighting, elevators, etc., even when they are communal: heating, air conditioning, etc... corresponding costs are then divided up among the tenants.

		Total consumption (Abs) Operational control scope			On a like-for-like basis (LfL) Operational control scope			On a like-for-like basis (LfL) Portfolio total				
		2014	2015	Change [%]			2014	2015	Change [%]	2014	2015	Change [%]
Number of applicable properties	EPRA BPRs	13/14	12/14		EPRA BPRs	11/13				102/193		
Coverage of reporting scope in area (m² SHON)		160,281	158,115			150,829				631,435		
Coverage of reporting scope in area [%]		96%	94%			94%				55%		
Proportion of estimated data		0%	0%			0%				0%		
Paid by the owner									Of which paid by the owner			
Total Electricity (kWh)	Elec-Abs	11,753,738	10,407,678	-11%	Elec-LfL	11,216,153	9,825,462	-12%	79,680,326	72,305,008	-9%	
of which tenant areas		0	0			0	0		0	0		
of which shared services		11,753,738	10,407,678	-11%		11,216,153	9,825,462	-12%	79,680,326	72,305,008	-9%	
Total District heating and cooling (kWh)	DH&C-Abs	14,185,178	11,943,060	-16%	DH&C-LfL	13,835,421	11,981,862	-13%	15,406,344	13,584,577	-12%	
of which tenant areas		0	0			0	0		0	0		
of which shared services		14,185,178	11,943,060	-16%		13,835,421	11,981,862	-13%	15,406,344	13,584,577	-12%	
Total Gas-Fuel oil-Wood (kWh)	Fuels-Abs	7,817,944	7,289,612	-7%	Fuels-LfL	7,644,613	7,279,708	-5%	26,988,863	26,550,995	-2%	
of which tenant areas		0	0			0	0		0	0		
of which shared services		7,817,944	7,289,612	-7%		7,644,613	7,279,708	-5%	26,988,863	26,550,995	-2%	
INTENSITY (kWh/m²/year)					216,8			192,8	-11,04%	193,3	178,1	-8%



## CARBON – TOTAL DIRECT AND INDIRECT AND GREENHOUSE GAS EMISSIONS AND CARBON INTENSITY RATIO FROM BUILDINGS IN OPERATION

The data is calculated by the Building Scientific and Technical Centre (CSTB) based on the invoice statements, as detailed above. The scopes covered are identical.

Within the “operational control” scope, in accordance with EPRA recommendations, the coverage ratio of the data collected is 94% of the area.

Multi-let buildings										
GHG Protocol:			scope “operational control”		Scope “tenant areas”		Single-let buildings		Portfolio total	
			Scopes 1 & 2		Scope 3		Scope 3		Scopes 1, 2 and 3	
Total carbon emissions (Abs)	GRI4	EPRA BPRs	2014	2015	2014	2015	2014	2015	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> SHON)			160,281	158,115	111,926	118,155	818,710	641,281	978,991	799,396
Coverage of reporting scope in area (%)			96%	94%	93%	83%	77%	56%	79%	61%
Number of applicable properties			13/14	12/14	7/14	9/14	147/197	114/199	160/211	126/213
Proportion of estimated data			0%	0%	0%	0%	0%	0%	0%	0%
Carbon intensity (kgCO <sub>2</sub> e/m <sup>2</sup> SHON/year)	CRE3	GHG-Int	34	31	8	7	20	19	24	22
Total emissions (tCO <sub>2</sub> e)			5,512	4,849	946	843	16,556	12,189	23,014	17,882
of which direct emissions (tCO <sub>2</sub> e)	G4-EN15	GHG-Dir-Abs	1,829	1,706	0	0	7,662	6,023	9,491	7,729
of which indirect emissions (tCO <sub>2</sub> e)	G4-EN16	GHG-Indir-Abs	3,682	3,143	946	843	8,895	6,166	13,523	10,153
Estimated emissions for vacant space (tCO <sub>2</sub> e)			0	0	0	0	0	0	0	0
Estimated emissions for occupied areas where no data is available (tCO <sub>2</sub> e)			251	308	68	177	5,009	9,387	5,994	11,271
Total extrapolated carbon emissions (tCO <sub>2</sub> e)			5,762	5,157	1,014	1,020	21,565	21,576	29,008	29,153





Within the operational control scope, the results show a reduction of 12% in total carbon emissions and a reduction of 10.3% like-for-like.

			Total emissions (Abs) – “Operational control” scope			Emissions like-for-like (LfL) – “Operational control” scope			On a like-for-like basis (LfL) – portfolio total			
GRI4	EPRA BPRs	2014	2015	Change [%]		2014	2015	Change [%]	2014	2015	Change [%]	
Number of applicable properties		13/14	12/14			11/13			102/193			
Number of applicable assets in area [m <sup>2</sup> SHON]		16,0281	158,115			150,829			631,435			
Coverage of reporting scope in area [%]		96%	94%			94%			55%			
Proportion of estimated data		0%	0%			0%			0%			
Carbon intensity [kgCO <sub>2</sub> e/m <sup>2</sup> SHON/year]		CRE3	GHG-Int	34	31	-11%	36	32	-10,3%	25	24	-6.5%
GHG Protocol						EPRA BPRs						
Scope 1 – Total direct emissions (tCO <sub>2</sub> e)	G4-EN15	GHG-Dir-Abs	1,829	1,706	-7%	GHG-Dir-LfL	1,789	1,703	-5%	6,393	6,321	-1%
Scope 2 – Total indirect emissions (tCO <sub>2</sub> e)	G4-EN16	GHG-Indir-Abs	3,682	3,143	-15%	GHG-Indir-LfL	3,571	3,102	-13%	9,620	8,655	-10%
Scope 3 – Other emissions (tCO <sub>2</sub> e)		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0		0	0	
Total emissions (tCO <sub>2</sub> e/year)			5,512	4,849			5,360	4,805		16,013	14,975	
CHANGE IN CARBON EMISSIONS 2015/2014			-12.0%			-10.3%			-6.5%			



## WATER – TOTAL WATER CONSUMPTION AND WATER INTENSITY FOR BUILDINGS IN USE

Water used in the portfolio comes from a single source: municipal water supplies.

Multi-let buildings: the landlord receives the invoices; tenants do not have individual contracts

Single-let buildings: the tenant has an individual contract with the water supply concessionaire. All elements reported below originate with invoices.

In 2015, data was consolidated for 96% of the operational control scope based on the information collected, corresponding to the EPRA BPRs.

The consolidated data shows stable water consumption.

Multi-let buildings										
		Scope "operational control"		Scope "tenant areas"		Single-let buildings		Total portfolio		
Total water consumption (Abs)	GRI4	EPRA BPRs	2014	2015	2014	2015	2014	2015	2014	2015
Coverage of reporting scope in area ( $m^2$ SHON)			150,374	160,868	Not applicable		422,103	338,808	572,477	499,676
Coverage of reporting scope in area (%)			93%	96%			40%	30%	47%	38%
Number of applicable properties			11/14	13/14			46/197	26/199	57/211	39/213
<b>WATER INTENSITY</b> ( $m^3/m^2$ SHON/year)	<b>CRE2</b>	<b>Water-int</b>	<b>0.44</b>	<b>0.45</b>			<b>0.32</b>	<b>0.30</b>	<b>0.35</b>	<b>0.35</b>
<b>Total water consumption</b> ( $m^3$ )	<b>G4-EN8</b>	<b>Water-Abs</b>	<b>66,722</b>	<b>73,137</b>			<b>134,689</b>	<b>100,984</b>	<b>201,410</b>	<b>174,121</b>
Estimated water consumption in vacant space ( $m^3$ )			0	0			0	0	0	0
Estimated consumption in occupied areas for which data is not available ( $m^3$ )			7,629	3,312			204,771	237,344	229,759	280,025
Total extrapolated water consumption ( $m^3$ )			74,350	76,449			339,460	338,328	431,170	454,145
<b>Water consumption – Like- for-like (LfL)</b>										
Number of applicable properties			11/13		Not applicable		18/180		29/193	
Coverage of reporting scope in area ( $m^2$ SHON)			151,063				202,140		353,204	
Coverage of reporting scope in area (%)			95%				20%		31%	
Proportion of estimated data			0%				0%		0%	
<b>WATER INTENSITY</b> ( $m^3/m^2$ SHON/year)			<b>0.44</b>	<b>0.47</b>			<b>0.25</b>	<b>0.23</b>	<b>0.33</b>	<b>0.33</b>
Water consumption like-for-like ( $m^3$ )	G4-EN8	Water-LfL	66,868	70,397			50,431	46,548	117,299	116,944
<b>CHANGE IN WATER INTENSITY 2015/2014</b>			<b>5%</b>				<b>-8%</b>		<b>0%</b>	

## WASTE – TOTAL WEIGHT OF WASTE IN TONNES BY TYPE AND BY DISPOSAL METHOD

In France, waste is collected by municipal services that do not weigh or monitor data. Recording tonnage data is possible only where waste is managed by private waste contractors, which is the case for five assets. The tonnages were collected for five assets, *i.e.* 100% of the multi-let buildings concerned, which helped achieve the monitoring below.

			Multi-let buildings			
			Scope "operational control"		Scope "tenant areas"	
Total waste production (Abs)	GRI4	EPRA BPRs	2014	2015	2014	2015
Coverage of reporting scope in area ( <i>m² SHON</i> )			111,050	118,429		
Coverage of scope [%]			100%	100%		
Number of applicable properties			4/4	5/5		
Proportion of estimated data			0%	0%		
Total waste ( <i>tonnes</i> )	G4-EN23	Waste-Abs	502	1,084		
of which recycled, re-used or composted waste	G4-EN23	Waste-Abs	336	311	Not applicable	
or as a%			67%	29%		
of which incinerated (including with energy recovery)	G4-EN23	Waste-Abs	N/A	N/A		
of which landfill	G4-EN23	Waste-Abs	N/A	N/A		
of which other disposal methods	G4-EN23	Waste-Abs	N/A	N/A		
Rate of selective collection			100%	100%		
Total extrapolated production of waste ( <i>tonnes</i> )			0	0		
Production of waste – Like-for-like (LfL)						
Number of applicable properties			4/4			
Coverage of scope ( <i>m² SHON</i> )			111,050			
Coverage of scope [%]			100%			
Proportion of estimated data			0%			
Rate of selective collection			100%	100%		
Total waste ( <i>tonnes</i> )	G4-EN23	Waste-LfL	512	493	Not applicable	
of which recycled, re-used or composted waste			336	311		
or as a%			66%	63%		
of which incinerated (including with energy recovery)			N/A	N/A		
of which landfill			N/A	N/A		
of which other disposal methods			N/A	N/A		
CHANGE IN TOTAL WASTE PRODUCTION 2015/2014			-3.6%			

### 2.11.3.2. Hotels and Service Sector

The Hotels and Service Sector portfolio of Foncière des Régions is made up entirely of single let buildings. The tenants are responsible for the operation and management of energy, water and waste for each asset. **As such, Foncière des Régions does not have operational control of the assets and is thus exempted from environmental reporting in light of EPRA recommendations.**

Nonetheless, Foncière des Régions is determined to monitor and reduce the environmental footprint of its portfolio and organises reporting with its tenants, who provide their data on waste production, energy and water consumption each year.

The scope of environmental reporting is based on the consolidated financial reporting scope for Foncière des Murs. Any assets

excluded from this scope are detailed below. The reporting scope includes portfolios in operation in France, excluding the assets purchased in advance for future completion: AccorHotels, B&B, Courtepaille, Jardiland, Korian and Quick (excluding franchised establishments), accounted for 88% of the total portfolio surface area at 31 December 2015. The following assets are excluded from reporting: 1 Hotel NH in Amsterdam, 1 Club Med site in Portugal, 4 SunParks sites, the Motel One hotels and B&Bs located in Germany, as well as the Accor hotels in Belgium.

#### TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS (CERT-TOT)

At 31 December 2015, 33.7% of the reporting scope (in value Group share) has obtained HQE, BREEAM or ISO 14 001 and 50 001 or Green Globe certification.

#### ENERGY – DIRECT AND INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE AND ENERGY INTENSITY RATIO FOR BUILDINGS IN USE

The reporting scope coverage rate is high (88% for energy), which allows relevant comparison like-for-like, making the results directly comparable from one year to the next. The figures presented below correspond to Scope 3 emissions as described

in the GHG protocol, since none of this consumption is managed or paid for by the owner (operational control). All data is based on energy invoices paid by the tenants, giving the volume consumed (kWh).

	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area ( $m^2$ SHON)			1,033,200	961,520
Coverage of reporting scope in area (%)			94%	88%
Number of applicable assets			397/426	367/424
Proportion of estimated data			0%	0%
Intensity ( $kWh_{fe}/m^2$ SHON/year)	CRE1	Energy-Int	243	238
Intensity ( $kWh_{pe}/m^2$ SHON/year)			468	457
<b>Total direct energy (<math>kWh_{fe}</math>)</b>	<b>G4-EN3</b>	<b>Fuels-Abs</b>	<b>90,797,455</b>	<b>81,994,795</b>
Natural gas (direct energy)	G4-EN3	Fuels-Abs	82,655,427	74,826,084
Fuel oil (direct energy)	G4-EN3	Fuels-Abs	1,402,708	1,528,027
Wood (direct energy)	G4-EN3	Fuels-Abs	6,739,320	5,640,684
<b>Total indirect energy (<math>kWh_{fe}</math>)</b>	<b>G4-EN3</b>	<b>Elec-Abs</b>	<b>160,487,623</b>	<b>146,374,248</b>
Electricity (indirect energy)	G4-EN3	Elec-Abs	148,510,516	134,789,920
Renewable energy production	G4-EN3	Elec-Abs	0	124,461
o/w solar			0	124,461
District heating and cooling (indirect energy)	G4-EN3	DH&C-Abs	11,977,108	11,708,789
<b>Total energy consumption (<math>kWh_{fe}</math>)</b>			<b>251,285,079</b>	<b>228,369,043</b>
Total energy (GJ)			904,626	822,129
<b>Total energy consumption (<math>kWh_{pe}</math>)</b>			<b>483,235,966</b>	<b>439,205,304</b>
Estimated consumption for vacant space ( $kWh_{pe}$ )			0	0
Estimated consumption for occupied areas where no data is available ( $kWh_{pe}$ )			30,806,063	62,375,202
Total measured + extrapolated energy consumption ( $kWh_{pe}$ )			514,042,029	501,580,507

Total consumption (Abs)					On a like-for-like basis (LfL)				
		2014	2015	Change (%)			2014	2015	Change (%)
Number of applicable properties	EPRA BPRs	397/426	367/424		EPRA BPRs	352/419			
Coverage of reporting scope in area (m² SHON)		1,033,200	961,520			920,478			
Coverage of reporting scope in area (%)		94%	88%			85%			
Proportion of estimated data		0%	0%			0%			
Managed and PAID BY THE tenant									
Total Electricity (kWh)	Elec-Abs	148,510,516	134,789,920	-9%	Elec-LfL	135,670,941	134,490,403	-1%	
of which tenant areas									
of which shared services		148,510,516	134,789,920			135,670,941	134,490,403		
Total District heating and cooling (kWh)	DH&C-Abs	11,977,108	11,708,789	-2%	DH&C-LfL	11,293,739	11,701,268	4%	
of which tenant areas									
of which shared services		11,977,108	11,708,789			11,293,739	11,701,268		
Total Gas-Fuel oil-Wood (kWh)	Fuels-Abs	90,797,455	81,994,795	-10%	Fuels-LfL	78,048,721	76,576,575	-2%	
of which tenant areas									
of which shared services		90,797,455	81,994,795			78,048,721	76,576,575		
INTENSITY (kWh/m²/year)						244.5	242.0	-1.0%	

## CARBON – TOTAL DIRECT AND INDIRECT AND GREENHOUSE GAS EMISSIONS AND CARBON INTENSITY RATIO FROM BUILDINGS IN USE

Carbon emissions are calculated according to the provisions of the Decree of 15 September 2006. The reduction in emissions since 2008 is significant in terms of intensity. This improvement is due to a combination of the Group's carbon policy, the acquisition of energy-efficient assets and changes to the energy mix to less carbon-intensive energy products. The coverage of the reporting scope for carbon emissions is also 88%, since it is based on energy invoices. Reporting scope coverage is 85% from one year to another on a like-for-like basis.

	GRI4	EPRA BPRs	2014	2015	Change (%)		2014	2015	Change (%)
Number of applicable properties			397/426	367/424			352/419		
Number of applicable assets in area (m <sup>2</sup> SHON)			1,033,200	961,520			920,478		
Coverage of reporting scope in area (%)			94%	88%			85%		
Proportion of estimated data			0%	0%			0%		
<b>Carbon intensity (kgCO<sub>2</sub>e/m<sup>2</sup>SHON/year)</b>	<b>CRE3</b>	<b>GHG-Int</b>	<b>33.5</b>	<b>32.9</b>	<b>-2%</b>		<b>33.3</b>	<b>33.0</b>	<b>-0.8%</b>
<b>GHG Protocol</b>						<b>EPRA BPRs</b>			
Scope 1 – Total direct emissions (tCO <sub>2</sub> e)	G4-EN15	GHG-Dir-Abs	0	0		GHG-Dir-Lfl	0	0	
Scope 2 – Total indirect emissions (tCO <sub>2</sub> e)	G4-EN16	GHG-Indir-Abs	0	0		GHG-Indir-Lfl	0	0	
Scope 3 – Other emissions (tCO <sub>2</sub> e)		GHG-Indir-Abs	34,600	31,588	- 8.7%	GHG-Indir-Lfl	30,611	30,359	- 0.8%
<b>Total emissions (tCO<sub>2</sub>e/year)</b>			<b>34,600</b>	<b>31,588</b>			<b>30,611</b>	<b>30,359</b>	
<b>CHANGE IN CARBON EMISSIONS 2015/2014</b>			<b>-8.7%</b>			<b>-0.8%</b>			



## WATER – TOTAL WATER CONSUMPTION AND WATER INTENSITY FOR BUILDINGS IN USE

Water used in the portfolio comes from a single source: municipal water supplies. Missing consumption figures were not included in the evaluation. Internal audits by tenants helped complete the 2014 figures impacting 2014 consumption, which finally came to 1.65 m<sup>3</sup>/m<sup>2</sup>SHON/year vs. 2 m<sup>3</sup>/m<sup>2</sup>SHON/year calculated last year.

Total water consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> SHON)			973,930	950,777
Coverage of reporting scope in area (%)			89%	87%
Number of applicable properties			367/426	357/424
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup>SHON/year)</b>	<b>CRE2</b>	<b>Water-Int</b>	<b>1.65</b>	<b>1.65</b>
<b>Total water consumption (m<sup>3</sup>)</b>	<b>G4-EN8</b>	<b>Water-Abs</b>	<b>1,603,324</b>	<b>1,565,714</b>
Estimated water consumption in vacant space (m <sup>3</sup> )			0	0
Estimated consumption in occupied areas for which data is not available (m <sup>3</sup> )			206,003	242,564
Total extrapolated water consumption (m <sup>3</sup> )			1,809,327	1,808,278
<b>Water consumption – Like-for-like (LfL)</b>				
Number of applicable properties			335/419	
Coverage of reporting scope in area (m <sup>2</sup> SHON)			889,368	
Coverage of reporting scope in area (%)			82%	
Proportion of estimated data			0%	
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup>SHON/year)</b>			<b>1.66</b>	<b>1.65</b>
Water consumption like-for-like (m <sup>3</sup> )	G4-EN8	Water-LfL	1,475,799	1,471,494
<b>CHANGE IN WATER INTENSITY 2015/2014</b>			<b>-0.3%</b>	

## WASTE – TOTAL WEIGHT OF WASTE IN TONNES BY TYPE AND BY DISPOSAL METHOD

In France, the municipalities provide waste removal services. They provide no data with regard to the weight or exact disposal route. Foncière des Régions is looking to identify the proportion of assets with selective waste collection.

Total waste production (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> SHON)			821,764	806,643
Coverage of scope (%)			75%	73%
Number of applicable properties			258/431	252/424
Proportion of estimated data			0%	0%
<b>TOTAL WASTE (tonnes)</b>	<b>G4-EN23</b>	<b>Waste-Abs</b>	<b>11,119</b>	<b>11,035</b>
of which recycled, re-used or composted waste	G4-EN23	Waste-Abs	252	252
or as a%			2%	2%
of which incinerated (including with energy recovery)	G4-EN23	Waste-Abs	NC	NC
of which landfill	G4-EN23	Waste-Abs	NC	NC
of which other disposal methods	G4-EN23	Waste-Abs	NC	NC
<b>Rate of selective collection</b>			<b>100%</b>	<b>100%</b>
Total extrapolated production of waste (tonnes)			0	0
<b>Production of waste – Like-for-like (LfL)</b>				
Number of applicable properties			252/424	
Coverage of scope (m <sup>2</sup> SHON)			806,643	
Coverage of scope (%)			60%	
Proportion of estimated data			0%	
<b>Rate of selective collection</b>			<b>100%</b>	<b>100%</b>
<b>TOTAL WASTE (tonnes)</b>	<b>G4-EN23</b>	<b>Waste-LfL</b>	<b>11,119</b>	<b>11,035</b>
of which recycled, re-used or composted waste			252	252
or as a%			2%	2%
of which incinerated (including with energy recovery)			NC	NC
of which landfill			NC	NC
of which other disposal methods			NC	NC
<b>CHANGE IN TOTAL WASTE PRODUCTION 2015/2014</b>			<b>-0.8%</b>	

## 2.11.3.3. Germany Residential

In 2014, the Group decided to monitor energy consumption and waste production in a representative sample of this residential portfolio owned by Immeo SE. This panel was updated and supplemented in 2015 by the CSTB to take into account changes in the portfolio. It now includes 146 assets accounting for 2.4% of portfolio assets (in number). The coverage rate is based on this panel, which used the following representative criteria:

- ♦ seven geographic areas: Berlin, Duisburg, Essen, Oberhausen, Müllheim, Dresden, others
- ♦ four construction periods: Before 1945, 1945-1974, 1974-2000, after 2000
- ♦ two types of heat generation: Urban heating systems, district heating furnaces.

Section 2.6.2 explains this approach. All reported consumption relates to the "operational control" scope.

### TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS (CERT-TOT)

German residential assets were purchased in operation and without certifications.

### ENERGY – DIRECT AND INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE AND ENERGY INTENSITY RATIO FOR BUILDINGS IN USE (OPERATIONAL CONTROL SCOPE)

The data relates to the owner scope and is based on invoices with no estimates.

Tenants do not provide the data.

The results are presented without climate adjustment (see Section 2.6.2.1).

Total energy consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> Nutz)			76,142	77,496
Coverage of reporting scope in area (%)			96%	98%
Number of applicable assets			141/147	143/146
Proportion of estimated data			0%	0%
Intensity (kWh <sub>eff</sub> /m <sup>2</sup> Nutz/year)	CRE1	Energy-Int	197	205
Intensity (kWh <sub>pe</sub> /m <sup>2</sup> Nutz/year)			209	218
<b>Total direct energy (kWh<sub>eff</sub>)</b>	<b>G4-EN3</b>	<b>Fuels-Abs</b>	<b>10,010,416</b>	<b>9,932,912</b>
Natural gas (direct energy)	G4-EN3	Fuels-Abs	9,765,817	9,932,912
Fuel oil (direct energy)	G4-EN3	Fuels-Abs	244,599	0
Wood (direct energy)	G4-EN3	Fuels-Abs	0	0
<b>Total indirect energy (kWh<sub>eff</sub>)</b>	<b>G4-EN3</b>	<b>Elec-Abs</b>	<b>4,920,110</b>	<b>5,901,709</b>
Electricity (indirect energy)	G4-EN3	Elec-Abs	264,997	259,355
Renewable energy production	G4-EN3	Elec-Abs	79,166	82,115
o/w solar			79,166	82,115
District heating and cooling (indirect energy)	G4-EN3	DH&C-Abs	4,734,279	5,724,469
<b>Total energy consumption (kWh<sub>eff</sub>)</b>			<b>14,930,526</b>	<b>15,834,621</b>
Total energy (GJ)			53,750	57,005
<b>Total energy consumption (kWh<sub>pe</sub>)</b>			<b>15,907,829</b>	<b>16,883,030</b>
Estimated consumption for vacant space (kWh <sub>pe</sub> )			0	0
Estimated consumption for occupied areas where no data is available (kWh <sub>pe</sub> )			715,665	392,340
Total measured + extrapolated energy consumption (kWh <sub>pe</sub> )			16,623,494	17,275,370



Total consumption (Abs)					Like-for-Like (LfL)			
		2014	2015	Change [%]		2014	2015	Change [%]
Number of applicable properties	EPRA BPRs	141/147	143/146		EPRA BPRs	140/146		
Coverage of reporting scope in area <i>(m²Nutz)</i>		76,142	77,496			75,871		
Coverage of reporting scope in area [%]		96%	98%			96%		
Proportion of estimated data		0%	0%			0%		
Paid by the owner								
Total Electricity <i>(kWh)</i>	Elec-Abs	264,997	259,355	-2%	Elec-LfL	263,945	257,022	-3%
of which tenant areas		0	0			0	0	
of which shared services		264,997	259,355	-2%		263,945	257,022	-3%
Total District heating and cooling <i>(kWh)</i>	DH&C-Abs	4,734,279	5,724,469	21%	DH&C-LfL	4,734,279	5,468,317	16%
of which tenant areas		0	0			0	0	
of which shared services		4,734,279	5,724,469	21%		4,734,279	5,468,317	16%
Total Gas-Fuel oil-Wood <i>(kWh)</i>	Fuels-Abs	10,010,416	9,932,912	-1%	Fuels-LfL	9,983,873	9,863,653	-1%
of which tenant areas		0	0			0	0	
of which shared services		10,010,416	9,932,912	-1%		9,983,873	9,863,653	-1%
INTENSITY <i>(kWh/m²Nutz/year)</i>						197.5	205.5	4.05%

## CARBON – TOTAL DIRECT AND INDIRECT GHG EMISSIONS AND CARBON INTENSITY RATIO FROM BUILDINGS IN USE (OPERATIONAL CONTROL SCOPE)

Carbon emissions are calculated by the CSTB using energy bills (see 2.6.2.2).

			Total emissions (Abs)			Emissions like-for-like (LfL)			
Total carbon emissions (Abs)	GRI4	EPRA BPRs	2014	2015	Change [%]		2014	2015	Change [%]
Number of applicable assets			141/147	143/146		140/146			
Coverage of reporting scope in area <i>(m²Nutz)</i>			76,142	77,496		75,871			
Coverage of reporting scope in area [%]			96%	98%		96%			
Proportion of estimated data			0%	0%		0%			
Carbon intensity <i>(kgCO₂e/m²Nutz/year)</i>	CRE3	GHG-Int	40.6	40.9	0.8%		40.6	41.1	1.3%
GHG Protocol						EPRA BPRs			
Scope 1 – Total direct emissions <i>(tCO₂e)</i>	G4-EN15	GHG-Dir-Abs	2,359	2,324	-1%	GHG-Dir-LfL	2,352	2,308	-2%
Scope 2 – Total indirect emissions <i>(tCO₂e)</i>	G4-EN16	GHG-Indir-Abs	731	845	16%	GHG-Indir-LfL	730	813	11%
Scope 3 – Other emissions <i>(tCO₂e)</i>		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0	
Total emissions <i>(tCO₂e/year)</i>			3,090	3,170			3,083	3,122	
CHANGE IN CARBON EMISSIONS 2015/2014			2.6%			1.3%			





## WATER – TOTAL WATER CONSUMPTION AND WATER INTENSITY RATIO FOR BUILDINGS IN USE (OPERATIONAL CONTROL SCOPE)

Water used in the portfolio comes from a single source: municipal water supplies.

Total water consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> Nutz)			78,449	78,178
Coverage of reporting scope in area (%)			99%	99%
Number of applicable properties			145/147	144/146
<b>Water intensity (m<sup>3</sup>/m<sup>2</sup>Nutz/year)</b>	<b>CRE2</b>	<b>Water-Int</b>	<b>1.62</b>	<b>1.61</b>
<b>Total water consumption (m<sup>3</sup>)</b>	<b>G4-EN8</b>	<b>Water-Abs</b>	<b>127,408.9</b>	<b>126,058</b>
Estimated water consumption in vacant space (m <sup>3</sup> )			0	0
Estimated consumption in occupied areas for which data is not available (m <sup>3</sup> )			1,818	1,804
Total extrapolated water consumption (m <sup>3</sup> )			129,226	127,863
<b>Water consumption – Like-for-like (LfL)</b>				
Number of applicable properties			144/146	
Coverage of reporting scope in area (m <sup>2</sup> Nutz)			78,178	
Coverage of reporting scope in area (%)			99%	
Proportion of estimated data			0%	
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup>Nutz/year)</b>			<b>1.63</b>	<b>1.61</b>
Water consumption like-for-like (m <sup>3</sup> )	G4-EN8	Water-LfL	127,059	126,058
<b>CHANGE IN WATER INTENSITY 2015/2014</b>				<b>-0.8%</b>

## WASTE – TOTAL WEIGHT OF WASTE IN TONNES BY TYPE AND BY DISPOSAL METHOD (OPERATIONAL CONTROL SCOPE)

Waste data is estimated in volume (litres) and converted to cubic metres in the table below.

Selective collection is in operation for all of the assets in the reporting sample.

Total waste production (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> Nutz)			73,734	76,478
Coverage of scope (%)			93%	96%
Number of applicable assets			138/147	140/146
Proportion of estimated data			0%	0%
<b>Total waste (tonnes)</b>	<b>G4-EN23</b>	<b>Waste-Abs</b>	<b>13,689</b>	<b>12,925</b>
of which recycled, re-used or composted waste	G4-EN23	Waste-Abs	N/A	N/A
or as a %			N/A	N/A
of which incinerated (including with energy recovery)	G4-EN23	Waste-Abs	N/A	N/A
of which landfill	G4-EN23	Waste-Abs	N/A	N/A
of which other disposal methods	G4-EN23	Waste-Abs	N/A	N/A
<b>Rate of selective collection</b>			<b>100%</b>	<b>100%</b>
Total extrapolated production of waste (tonnes)			14,772	13,401
<b>Production of waste – Like-for-like (LfL)</b>				
Number of applicable properties			137/146	
Coverage of scope (m <sup>2</sup> Nutz)			73,462	
Coverage of scope (%)			93%	
Proportion of estimated data			0%	
<b>Rate of selective collection</b>			<b>100%</b>	<b>100%</b>
<b>Total waste (tonnes)</b>	<b>G4-EN23</b>	<b>Waste-LfL</b>	<b>13,676</b>	<b>12,801</b>
of which recycled, re-used or composted waste			N/A	N/A
or as a %			N/A	N/A
of which incinerated (including with energy recovery)			N/A	N/A
of which landfill			N/A	N/A
of which other disposal methods			N/A	N/A
<b>CHANGE IN TOTAL WASTE PRODUCTION 2015/2014</b>				<b>-6.4%</b>



### 2.11.3.4. Headquarters

#### TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS (CERT-TOT): 100%

The three buildings occupied in France by Foncière des Régions' teams are certified: HQE for Divo in Metz and BREEAM In-Use for the 10 and 30 Kléber assets in Paris, bringing the number of certified corporate assets to 100%.

#### ENERGY – DIRECT AND INDIRECT ENERGY CONSUMPTION BROKEN DOWN BY SOURCE AND RATIO OF PRIMARY ENERGY INTENSITY FROM CORPORATE BUILDINGS OCCUPIED BY FONCIÈRE DES RÉGIONS TEAMS (OPERATIONAL CONTROL SCOPE)

Consumption data is based on actual invoices obtained from the property management company or energy supply companies. No estimates were made. The results are presented with climate adjustment: they have been refined this year to prevent too large of a distortion due to an exceptionally hot year (one of the hottest in a century according to Météo France notably). The climate adjustment for 2014 was also corrected to offer a better basis for comparison. Ultimately, consumption was stable between 2014 and 2015.

Total energy consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area ( $m^2$ SHON)			7,196	7,196
Coverage of reporting scope in area (%)			100%	100%
Number of applicable properties			3/3	3/3
Proportion of estimated data			0%	0%
Intensity ( $kWh_{fe}/m^2$ SHON/year)	CRE1	Energy-Int	223	222
Intensity ( $kWh_{pe}/m^2$ SHON/year)			413	418
<b>Total direct energy (<math>kWh_{fe}</math>)</b>	<b>G4-EN3</b>	<b>Fuels-Abs</b>	<b>403,228</b>	<b>394,501</b>
Natural gas (direct energy)	G4-EN3	Fuels-Abs	403,228	394,501
Fuel oil (direct energy)	G4-EN3	Fuels-Abs	0	0
Wood (direct energy)	G4-EN3	Fuels-Abs	0	0
<b>Total indirect energy (<math>kWh_{fe}</math>)</b>	<b>G4-EN3</b>	<b>Elec-Abs</b>	<b>1,203,634</b>	<b>1,204,396</b>
Electricity (indirect energy)	G4-EN3	Elec-Abs	863,748	893,592
Renewable energy production	G4-EN3	Elec-Abs	0	0
District heating and cooling (indirect energy)	G4-EN3	DH&C-Abs	339,885	310,804
<b>Total energy consumption (<math>kWh_{fe}</math>)</b>			<b>1,606,861</b>	<b>1,598,898</b>
Total energy (GJ)			5,785	5,756
<b>Total energy consumption (<math>kWh_{pe}</math>)</b>			<b>2,971,584</b>	<b>3,010,774</b>
Estimated consumption for vacant space ( $kWh_{pe}$ )			0	0
Estimated consumption for occupied areas where no data is available ( $kWh_{pe}$ )			0	0
Total measured + extrapolated energy consumption ( $kWh_{pe}$ )			2,971,584	3,010,774

Total consumption (Abs) Operational control scope					Like-for-like Operational control scope				
		2014	2015	Change [%]			2014	2015	Change [%]
Number of applicable properties	EPRA BPRs	3/3.	3/3		EPRA BPRs	3/3			
Coverage of reporting scope in area ( <i>m² SHON</i> )		7,196	7,196			7,196			
Coverage of reporting scope in area [%]		100%	100%			100%			
Proportion of estimated data		0%	0%			0%			
Paid by the owner									
Total Electricity ( <i>kWh</i> )	Elec-Abs	863,748	893,592	3%	Elec-LfL	863,748	893,592	3%	
of which tenant areas		0	0			0	0		
of which shared services		863,748	893,592	3%		863,748	893,592	3%	
Total District heating and cooling ( <i>kWh</i> )	DH&C-Abs	339,885	310,804	-9%	DH&C-LfL	339,885	310,804	-9%	
of which tenant areas		0	0			0	0		
of which shared services		339,885	310,804	-9%		339,885	310,804	-9%	
Total Gas-Fuel oil-Wood ( <i>kWh</i> )	Fuels-Abs	403,228	394,501	-2%	Fuels-LfL	403,228	394,501	-2%	
of which tenant areas		0	0			0	0		
of which shared services		403,228	394,501	-2%		403,228	394,501	-2%	
INTENSITY ( <i>kWfe/m²/year</i> )						223	222	-0.5%	

## CARBON – TOTAL DIRECT AND INDIRECT GHG EMISSIONS AND CARBON INTENSITY RATIO FROM CORPORATE BUILDINGS (OPERATIONAL CONTROL SCOPE)

The decrease in carbon emissions like-for-like was generated by a decline related to heating over the period after the climate adjustment.

			Total emissions (Abs)			Emissions like-for-like (LfL)			
Total carbon emissions (Abs)	GRI4	EPRA BPRs	2014	2015	Change [%]		2014	2015	Change [%]
Number of applicable properties			3/3	3/3		3/3			
Number of applicable assets in area <i>[m² SHON]</i>			7,196	7,196		7,196			
Coverage of reporting scope in area [%]			100%	100%		100%			
Proportion of estimated data			0%	0%		0%			
Carbon intensity <i>[kgCO₂e/m²SHON/year]</i>	CRE3	GHG-Int	32	31	-2%		32	31	-2.2%
GHG Protocol						EPRA BPRs			
Scope 1 – Total direct emissions <i>[tCO₂e]</i>	G4-EN15	GHG-Dir-Abs	94	92	-2%	GHG-Dir-LfL	94	92	-2%
Scope 2 – Total indirect emissions <i>[tCO₂e]</i>	G4-EN16	GHG-Indir-Abs	137	134	-2%	GHG-Indir-LfL	137	134	-2%
Scope 3 – Other emissions <i>[tCO₂e]</i>		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0	
Total emissions <i>[tCO₂e/year]</i>			231	226		231		226	
CHANGE IN CARBON EMISSIONS 2015/2014			-2.2%			-2.2%			



## WATER – TOTAL WATER CONSUMPTION AND CORPORATE BUILDING WATER INTENSITY (OPERATIONAL CONTROL SCOPE)

Water used in the portfolio comes from a single source: municipal water supplies.

In 2015, water consumption was collected on the three Foncière des Régions locations with a slightly lower average, decreasing from 0.31 m<sup>3</sup>/m<sup>2</sup>SHON/year to 0.26 m<sup>3</sup>/m<sup>2</sup>SHON/year. Water supply concessionaires do not always bill based on the meter reading and regularly use consumption estimates which could have an impact on monitoring them.

Total water consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> SHON)			7,196	7,196
Coverage of reporting scope in area (%)			100%	100%
Number of applicable properties			3/3	3/3
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup> SHON/year)</b>	<b>CRE2</b>	<b>Water-int</b>	<b>0.31</b>	<b>0.26</b>
<b>Total water consumption (m<sup>3</sup>)</b>	<b>G4-EN8</b>	<b>Water-Abs</b>	<b>2,254</b>	<b>1,898</b>
Estimated water consumption in vacant space (m <sup>3</sup> )			0	0
Estimated consumption in occupied areas for which data is not available (m <sup>3</sup> )			0	0
Total extrapolated water consumption (m <sup>3</sup> )			2,254	1,898
<b>Water consumption – Like-for-like (LfL)</b>				
Number of applicable properties			3/3	
Coverage of reporting scope in area (m <sup>2</sup> SHON)			7,196	
Coverage of reporting scope in area (%)			100%	
Proportion of estimated data			0%	
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup> SHON/year)</b>			<b>0.31</b>	<b>0.26</b>
Water consumption like-for-like (m <sup>3</sup> )	G4-EN8	Water-LfL	2,254	1,898
<b>CHANGE IN WATER INTENSITY 2015/2014</b>			<b>-16%</b>	

## WASTE – TOTAL WEIGHT OF WASTE IN TONNES (BY TYPE AND BY DISPOSAL METHOD) OF CORPORATE BUILDINGS (OPERATIONAL CONTROL SCOPE)

Tonnage of waste produced by the three assets is monitored monthly, as well as the total paper and cardboard (100% recycled). The volumes recorded in 2015 marked a slight 3.2% increase, as shown in the table below. The 2014 scope retroactively takes into account the Le Divo asset, which was monitored in 2015, enabling us to refine the 2014 tonnage.

Total waste production (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area ( <i>m² SHON</i> )			7,196	7,196
Coverage of scope [%]			100%	100%
Number of applicable properties			3/3	3/3
Proportion of estimated data			0%	0%
<b>TOTAL WASTE (tonnes)</b>	<b>G4-EN23</b>	<b>Waste-Abs</b>	<b>73</b>	<b>75</b>
of which recycled, re-used or composted waste	G4-EN23	Waste-Abs	49	53
or as a%			67%	71%
of which incinerated (including with energy recovery)	G4-EN23	Waste-Abs	N/A	N/A
of which landfill	G4-EN23	Waste-Abs	N/A	N/A
of which other disposal methods	G4-EN23	Waste-Abs	N/A	N/A
<b>Rate of selective collection</b>			<b>100%</b>	<b>100%</b>
Total extrapolated production of waste (tonnes)			0	0
<b>Production of waste – Like-for-like (LfL)</b>				
Number of applicable properties			3/3	
Coverage of scope ( <i>m² SHON</i> )			7,196	
Coverage of scope [%]			100%	
Proportion of estimated data			0%	
<b>Rate of selective collection</b>			<b>100%</b>	<b>100%</b>
<b>TOTAL WASTE (tonnes)</b>	<b>G4-EN23</b>	<b>Waste-LfL</b>	<b>73</b>	<b>75</b>
of which recycled, re-used or composted waste			49	53
or as a%			67%	71%
of which incinerated (including with energy recovery)			N/A	N/A
of which landfill			N/A	N/A
of which other disposal methods			N/A	N/A
<b>CHANGE IN TOTAL WASTE PRODUCTION 2015/2014</b>			<b>3.2%</b>	



### 2.11.3.5. Beni Stabili

The surface areas used in the report are expressed in m<sup>2</sup> GLA (Gross leasing area). In 2015, GLA surface was refined, leading to marginal variations for some assets. The definitive 2014 consumption and intensity presented in the tables below did not change. However, the 2014/2015 data on a like-for-like basis were calculated using the 2015 GLA surface area for the sake of comparison.

The 2014 CSR reporting published by Beni Stabili in mid-2015 and verified by Bureau Veritas has less estimations due to obtaining definitive figures (energy, water, carbon), which are listed in the tables below.

Lastly, the 2014 reporting scope changed in 2015 due to obtaining more comprehensive data, leading to two partially-occupied and low-consumption assets from the portfolio studied being removed (accounting for 5.1% of GLA surface area) and reintegrating an asset accounting for 4.1%.

#### TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS (CERT-TOT)

As of December 31, 2015, the percentage of "green" assets in the Beni Stabili's portfolio is 22%.

The rate of building certification for the EPRA Cert-Tot indicator is detailed in the Beni Stabili sustainable development report.

#### ENERGY – DIRECT AND INDIRECT ENERGY CONSUMPTION BY ENERGY SOURCE AND INTENSITY RATIO FOR FULLY-OWNED ASSETS (OPERATIONAL CONTROL SCOPE)

Consumption data is based on actual invoices obtained from the property management company or energy supply companies. The results are presented without climate adjustment to ensure that change on a like-for-like basis depends on weather variations between 2014 and 2015.

Total energy consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> GLA)			155,918	137,295
Coverage of reporting scope in area (%)			87%	86%
Number of applicable properties			17/20	15/17
Proportion of estimated data			0%	0%
Intensity (kWhfe/m <sup>2</sup> GLA/year)	CRE1	Energy-Int	96	123
Intensity (kWhpe/m <sup>2</sup> GLA/year)			156	197
<b>Total direct energy (kWhfe)</b>	<b>G4-EN3</b>	<b>Fuels-Abs</b>	<b>7,013,658</b>	<b>8,295,452</b>
Natural gas (direct energy)	G4-EN3	Fuels-Abs	6,084,691	7,752,575
Fuel oil (direct energy)	G4-EN3	Fuels-Abs	928,967	542,877
Wood (direct energy)	G4-EN3	Fuels-Abs	0	0
<b>Total indirect energy (kWhfe)</b>	<b>G4-EN3</b>	<b>Elec-Abs</b>	<b>7,935,672</b>	<b>8,581,899</b>
Electricity (indirect energy)	G4-EN3	Elec-Abs	7,966,136	8,614,882
Renewable energy production	G4-EN3	Elec-Abs	30,464	32,983
o/w solar			30,464	32,983
District heating and cooling (indirect energy)	G4-EN3	DH&C-Abs	0	0
<b>Total energy consumption (kWhfe)</b>			<b>14,949,330</b>	<b>16,877,351</b>
Total energy (GJ)			53,818	60,758
<b>Total energy consumption (kWhpe)</b>			<b>24,379,834</b>	<b>27,075,894</b>
Estimated consumption for vacant space (kWhpe)			0	0
Estimated consumption for occupied areas where no data is available (kWhpe)			3,661,698	4,372,701
Total measured + extrapolated energy consumption (kWhpe)			28,041,532	31,448,596

There was a 13.6% increase on a like-for-like basis from 2014 to 2015, mainly due to an especially hot summer (see. 2.7.1.4.)

		Total consumption (Abs) "Operational control" scope			On a like-for-like basis (LfL) "Operational control" scope				
		2014	2015	Change [%]			2014	2015	Change [%]
Number of applicable assets		17/20	15/17		EPRA BPRs	14/16			
Coverage of reporting scope in area (m2 GLA)		155,918	137,295			130,310			
Coverage of reporting scope in area [%]		87%	86%			85%			
Proportion of estimated data		0%	0%			0%			
Paid by the owner									
Total Electricity (kWh)		7,966,136	8,614,882	8%	Elec-LfL	7,486,885	8,245,739	10%	
of which tenant areas		0	0			0	0		
of which shared services		7,966,136	8,614,882	8%		7,486,885	8,245,739	10%	
Total District heating and cooling (kWh)		0	0	0%	DH&C-LfL	0	0	0%	
of which tenant areas		0	0			0	0		
of which shared services		0	0			0	0	0%	
Total Gas-Fuel oil-Wood (kWh)		7,013,658	8,295,452	18%	Fuels-LfL	6,411,876	7,539,405	18%	
of which tenant areas		0	0			0	0		
of which shared services		7,013,658	8,295,452	18%		6,411,876	7,539,405	18%	
INTENSITY (kWh/m²GLA/year)									
						106.7	121.1	13.6%	

## CARBON – TOTAL GREENHOUSE GAS EMISSIONS FROM FULLY-OWNED ASSETS (OPERATIONAL CONTROL SCOPE)

Carbon emissions are calculated based on energy invoices. Emissions increased 11.8%, which directly correlated with an increase in energy consumption.

		Total emissions (Abs)			Emissions like-for-like (LfL)				
	GRI4	EPRA BPRs	2014	2015	Change (%)		2014	2015	Change (%)
Number of applicable properties			17/20	15/17		14/16			
Coverage of reporting scope in area (m² GLA)			155,918	137,295		130,310			
Coverage of reporting scope in area (%)			87%	86%		85%			
Proportion of estimated data			0%	0%		0%			
Carbon intensity (kgCO₂e/m²SHON/year)	CRE3	GHG-Int	33	42	26%		37	41	11.8%
GHG Protocol						EPRA BPRs			
Scope 1 – Total direct emissions (tCO₂e)	G4-EN15	GHG-Dir-Abs	1,703	1,977	16%	GHG-Dir-LfL	1,562	1,800	15%
Scope 2 – Total indirect emissions (CO₂e)	G4-EN16	GHG-Indir-Abs	3,451	3,732	8%	GHG-Indir-LfL	3,243	3,572	10%
Scope 3 – Other emissions (CO₂e)		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0	
Total emissions (tCO₂e/year)			5,153	5,709		4,805			5,372
CHANGE IN CARBON EMISSIONS 2015/2014			10.8%			11.8%			



## WATER – TOTAL WATER CONSUMPTION AND INTENSITY RATIO FOR FULLY-OWNED BUILDINGS (OPERATIONAL CONTROL SCOPE)

Water used in the portfolio comes from a single source: municipal water supplies. Consumption increased by 6% on a like-for-like basis between 2014 and 2015, rising from 0.79 to 0.84 m<sup>3</sup>/m<sup>2</sup>GLA/year.

Total water consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope in area (m <sup>2</sup> GLA)			158,218	137,089
Coverage of reporting scope in area (%)			88%	86%
Number of applicable assets			16/20	13/17
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup>GLA/year)</b>	<b>CRE2</b>	<b>Water-int</b>	<b>1.01</b>	<b>0.94</b>
<b>Total water consumption (m<sup>3</sup>)</b>	<b>G4-EN8</b>	<b>Water-Abs</b>	<b>159,122.66</b>	<b>128,399</b>
Estimated water consumption in vacant space (m <sup>3</sup> )			0	0
Estimated consumption in occupied areas for which data is not available (m <sup>3</sup> )			21,239	20,961
Total extrapolated water consumption (m <sup>3</sup> )			180,362	149,360
<b>Water consumption – Like-for-like (LfL)</b>				
Number of applicable assets			12/16	
Coverage of reporting scope (m <sup>2</sup> GLA)			130,104	
Coverage of reporting scope in area (%)			85%	
Proportion of estimated data			0%	
<b>WATER INTENSITY (m<sup>3</sup>/m<sup>2</sup>GLA/year)</b>			<b>0.79</b>	<b>0.84</b>
Water consumption like-for-like (m <sup>3</sup> )	G4-EN8	Water-LfL	103,429	109,916
<b>CHANGE IN WATER INTENSITY 2015/2014</b>			<b>6%</b>	

## WASTE – TOTAL WEIGHT OF WASTE IN TONNES BY TYPE AND BY DISPOSAL METHOD

66% of assets under full management (operational control) participated in selective collection to recycle waste.



## 2.11.3.6. Urbis Park

Reporting was carried out for 14 managed sites as of 31 December 2015 through a Public Service Delegation, a concession or a commercial lease for parking spaces, *i.e.* 9,170 parking spaces. The ratios are expressed per parking space and not per m<sup>2</sup> to reflect the business's practices. Assets delivered or disposed of during the year are excluded from the reporting scope. Likewise, assets under lease contracts are not used as the Urbis Park corporate purpose does not include work and operations. This reporting is based on the periods of 1 October N-1 to 30 September N, *i.e.* 12 months on a sliding scale.

There are no tenant areas in the car parks. Consumption listed in EPRA recommendations (in green in the tables) therefore exclusively concerned the scope of management of Urbis Park staff and pertained to 14 sites in 2015, vs. 17 in 2014.

### TYPE AND NUMBER OF SUSTAINABLY CERTIFIED ASSETS (CERT-TOT)

In France, there is no system of certification covering the construction or operation of car parks.

### ENERGY – DIRECT AND INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE AND ENERGY INTENSITY RATIO FOR BUILDINGS IN USE (OPERATIONAL CONTROL SCOPE)

Electricity is the only energy consumed at the Urbis Park. Due to the absence of air conditioning and heating, electricity consumption does not take into account adjustments for climate conditions. Initiatives taken on the portfolio (audits, replacement of lighting, etc.) and certain arbitration resulted in a 12.9% reduction in consumption between 2014 and 2015.

Total energy consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope ( <i>number of parking spaces</i> )			10,103	9,170
Coverage of reporting scope ( <i>parking spaces as a %</i> )			100%	100%
Number of applicable properties			17/17	14/14
Proportion of estimated data			0%	0%
Intensity ( <i>kWhfe/parking space/year</i> )	CRE1	Energy-Int	575	494
Intensity ( <i>kWhpe/parking space/year</i> )			1,483	1,274
Total direct energy ( <i>kWhfe</i> )	G4-EN3	Fuels-Abs	0	0
Natural gas ( <i>direct energy</i> )	G4-EN3	Fuels-Abs	0	0
Fuel oil ( <i>direct energy</i> )	G4-EN3	Fuels-Abs	0	0
Wood ( <i>direct energy</i> )	G4-EN3	Fuels-Abs	0	0
Total indirect energy ( <i>kWhfe</i> )	G4-EN3	Elec-Abs	5,807,906	4,527,313
Electricity ( <i>indirect energy</i> )	G4-EN3	Elec-Abs	5,807,906	4,527,313
Renewable energy production	G4-EN3	Elec-Abs	0	0
District heating and cooling ( <i>indirect energy</i> )	G4-EN3	DH&C-Abs	0	0
Total energy consumption ( <i>kWhfe</i> )			5,807,906	4,527,313
Total energy (GJ)			20,908	16,298
Total energy consumption ( <i>kWhpe</i> )			14,984,396	11,680,468
Estimated consumption for occupied areas where no data is available ( <i>kWhpe</i> )			0	0
Total measured + extrapolated energy consumption ( <i>kWhpe</i> )			14,984,396	11,680,468



		Total consumption (Abs)			On a like-for-like basis (LfL)				
		2014	2015	Change [%]			2014	2015	Change [%]
Number of applicable properties	EPRA BPRs	17/17	14/14		EPRA BPRs	14/14			
Coverage of reporting scope <i>(number of parking spaces)</i>		10,103	9,170			9,170			
Coverage of reporting scope <i>(parking spaces as a%)</i>		100%	100%			100%			
Proportion of estimated data		0%	0%			0%			
Paid by the owner									
Total Electricity <i>(kWh)</i>	Elec-Abs	5,807,906	4,527,313	-22%	Elec-LfL	5,195,642	4,527,313	-13%	
of which tenant areas		0	0			0	0		
of which shared services		5,807,906	4,527,313	-22%		5,195,642	4,527,313	-13%	
Total District heating and cooling <i>(kWh)</i>	DH&C-Abs	0	0		DH&C-LfL	0	0		
of which tenant areas		0	0			0	0		
of which shared services		0	0			0	0		
Total Gas-Fuel oil-Wood <i>(kWh)</i>	Fuels-Abs	0	0		Fuels-LfL	0	0		
of which tenant areas		0	0			0	0		
of which shared services		0	0			0	0		
		INTENSITY <i>(kWhfe/parking space/year)</i>				566.6	493.7	-13%	

## CARBON – TOTAL GREENHOUSE GAS EMISSIONS FROM FULLY-OWNED ASSETS (OPERATIONAL CONTROL SCOPE)

Total direct and indirect and greenhouse gas emissions from buildings in operation.

As the sites use a single type of energy utility, the drop observed in carbon emissions was the same as for energy consumption, i.e. 34% between 2011 and 2015.

			Total emissions (Abs)			Emissions like-for-like (LfL)		
			2014	2015	Change (%)	2014	2015	Change (%)
GRI4	EPRA BPRs							
Number of applicable properties			17/17	14/14		14/14		
Coverage of reporting scope <i>(number of parking spaces)</i>			10,103	9,170		9,170		
Coverage of reporting scope <i>(parking spaces as a%)</i>			100%	100%		1.00		
Proportion of estimated data			0%	0%		0%		
<b>Carbon intensity</b> <i>[kgCO<sub>2</sub>e/parking space/year]</i>								
CRE3	GHG-Int		48	41	-14%	48	41	-13%
GHG Protocol						EPRA BPRs		
Scope 1 – Total direct emissions <i>(tCO<sub>2</sub>e)</i>	G4-EN15	GHG-Dir-Abs	0	0		GHG-Dir-LfL	0	0
Scope 2 – Total indirect emissions <i>(tCO<sub>2</sub>e)</i>	G4-EN16	GHG-Indir-Abs	488	380	-22%	GHG-Indir-LfL	436	380
Scope 3 – Other emissions <i>(tCO<sub>2</sub>e)</i>		GHG-Indir-Abs	0	0		GHG-Indir-LfL	0	0
Total emissions <i>(tCO<sub>2</sub>e/year)</i>			488	380		436	380	
CHANGE IN CARBON EMISSIONS 2015/2014			-22%			-13%		



## WATER – TOTAL WATER CONSUMPTION AND INTENSITY RATIO FOR FULLY-OWNED BUILDINGS (OPERATIONAL CONTROL SCOPE)

Water used in the portfolio comes from a single source: municipal water supplies. Quantities of water consumed in car parks are very low, as shown below.

Total water consumption (Abs)	GRI4	EPRA BPRs	2014	2015
Coverage of reporting scope ( <i>number of parking spaces</i> )			9,105	8,494
Coverage of reporting scope ( <i>parking spaces as a %</i> )			90%	93%
Number of applicable properties ( <i>m<sup>2</sup>/space/year</i> )			15/17	12/14
<b>Water intensity (<i>m<sup>3</sup>/parking space/year</i>)</b>	<b>CRE2</b>	<b>Water-Int</b>	<b>0.17</b>	<b>0.16</b>
Total water consumption ( <i>m<sup>3</sup></i> )	G4-EN8	Water-Abs	1,590	1,400
Estimated water consumption in vacant space ( <i>m<sup>3</sup></i> )			0	0
Estimated consumption in occupied areas for which data is not available ( <i>m<sup>3</sup></i> )			174	111
Total extrapolated water consumption ( <i>m<sup>3</sup></i> )			1,764	1,512
<b>Water consumption – Like-for-like (LfL)</b>				
Number of applicable properties			12/14	
Coverage of reporting scope ( <i>number of parking spaces</i> )			8,494	
Coverage of reporting scope ( <i>parking spaces as a %</i> )			93%	
Proportion of estimated data			0%	
<b>Water intensity (<i>m<sup>3</sup>/parking space/year</i>)</b>			<b>0.18</b>	<b>0.16</b>
Water consumption like-for-like ( <i>m<sup>3</sup></i> )	G4-EN8	Water-LfL	1,543	1,400
<b>CHANGE IN WATER INTENSITY 2015/2014</b>			<b>-9%</b>	

## WASTE – TOTAL WEIGHT OF WASTE IN TONNES BY TYPE AND BY DISPOSAL METHOD (OPERATIONAL CONTROL SCOPE)

Volumes of waste collected in car parks are negligible and are not included in reported data. Furthermore, waste in all car parks included in the reporting scope is removed by municipal services who do not communicate any data relating to tonnage collected and proportions recycled or incinerated.

## 2.11.4. Social indicators

### 2.11.4.1. ESU Foncière des Régions

			2013	2014	2015
	G4 Protocol	Numbers of employees	290	277	269
Total workforce by type of employment contract broken down by gender		Open-ended contract	93.1%	92.1%	93.7%
		Men	44%	45%	44%
		Women	56%	55%	56%
		Temporary	3.4%	1.8%	1.1%
		Men	60%	20%	33%
		Women	40%	80%	67%
		CAP	3.4%	6.1%	5.2%
		Men	10%	18%	14%
		Women	90%	82%	86%
Total workforce by type of job broken down by gender		Full-time	90%	90%	89%
		Men	46%	47%	47%
		Women	54%	53%	53%
		Part-time	10%	10%	11%
		Men	17%	10%	10%
		Women	83%	90%	90%
Distribution of workforce by geographic area and broken down by gender	G4-10	Paris	70%	71%	72%
		Men	43%	44%	43%
		Women	57%	56%	57%
		Metz	23%	23%	23%
		Men	45%	43%	44%
		Women	55%	57%	56%
		Regional offices	7%	5%	5%
		Men	40%	40%	36%
		Women	60%	60%	64%
Breakdown of workforce by professional category		Managers	71%	73%	75%
		Men	51%	51%	49%
		Women	49%	49%	51%
		Supervisors	17%	16%	14%
		Men	24%	23%	26%
		Women	76%	77%	74%
		Employees	8%	9%	8%
		Men	17%	20%	18%
		Women	83%	80%	82%
		Building caretakers	4%	3%	2%
		Men	25%	25%	17%
		Women	75%	75%	83%

			2013	2014	2015
Breakdown of workforce by gender	G4-LA12	Men	43%	43%	43%
		Women	57%	57%	57%
Men Managers		58%	58%	58%	
Women Managers		42%	42%	42%	
Composition of Governance bodies (Committee or Council in charge of Strategic Leadership, Control, Management)		Men in Governance bodies	cf. chap. 2.10.2.1		
		Women in Governance bodies			
Breakdown of workforce by age group		Age < 30	16%	19%	16%
		30-50 years old	63%	58%	62%
		Age > 50	21%	23%	22%
Staff turnover M/W	G4-LA1	Total open-ended contract departures	26	36	17
		Rate of open-ended contract departure turnover	9.4%	8.5% <sup>(1)</sup>	6.66% <sup>(1)</sup>
		Men	5.4%	5.5%	2.7%
		Women	4.0%	7.8%	3.9%
Turnover by age group		Age < 30	1%	2%	2.0%
		30-50 years old	5%	7%	2.4%
		Age > 50	3%	4%	2.4%
Turnover by geographic area		Paris	6%	9%	5%
		Metz	1%	1%	2%
		Regional offices	2%	3%	0%
Turnover rate for less than 2 years		Rate of open-ended contract departure turnover after less than 2 years	10.0%	17.6%	3.0%
Rate of new hires by contract type		Total entries (first contract for staff position excluding replacement caretaker staff)	50	57	34
		Total recruitment under open-ended contracts	20	21	15
		Of which conversion to open-ended contract	7	6	1
		Of which Youth Policy (summer jobs or apprentices)	23	26	17
		Of which medium term/replacement temporary contracts	14	10	6
	Average number of hours of training per employee by gender and professional category	G4-LA9	Per employee	17.6	20.0
Per man			18.3	23.0	23.9
Per woman			17.0	18.0	21.2
Per manager			18.4	21	24
Per supervisor			19.7	20	21
Per employee			7.1	10	8
Percentage of employees receiving regular performance and career development reviews, by gender and professional category	G4-LA11	Total	99%	98%	98%
		Per man	45%	44%	43%
		Per woman	54%	55%	55%
		Per manager		72%	76%
		Per supervisor		17%	15%
		Per employee		9%	7%

<sup>(1)</sup> Restated for transfer of a building caretaker.



			2013	2014	2015
Rate of absenteeism by geographic area and by gender <sup>[3]</sup>	G4-LA6	Total	2.9%	2.6%	4.1% <sup>[2]</sup>
		Men	1.8%	1.9%	3.6%
		Women	3.9%	3.2%	4.5%
		Paris	2.3%	2.1%	3.7%
		Metz	2.4%	2.5%	2.0%
		Regional offices	13.5%	10.2%	19.8%
Work accident rate by geographic area and broken down by gender		Total	0.69%	0.72%	1.57%
		Severity rate	0.01	0.05	0.45
		Frequency rate	4.55	2.36	9.80
		Men	0.2%	0.4%	0.52%
		Women	0.5%	0.4%	1.05%
		Paris	0.5%	0.7%	1.57%
		Metz	0.0%	0.0%	0.0%
		Regional offices	0.2%	0.0%	0.0%
Occupational illness rate by geographic area and broken down by gender		Total	0%	0%	0%
	Men	0%	0%	0%	
	Women	0%	0%	0%	
	Paris	0%	0%	0%	
	Metz	0%	0%	0%	
	Regional offices	0%	0%	0%	
Percentage of all employees covered by collective bargaining agreements	G4-11		100%	100%	100%
Ratio between the base salary and remuneration for women compared with the ratio for men, by professional category by main operational sites	G4-LA13	Base salary for men (average) (excluding vocational training certificate contracts (CAP) and suspension)	62,411	64,727	67,711
		Base salary for women (average) (excluding vocational training certificate contracts (CAP) and suspension)	45,594	47,517	49,951
		M/W ratio (excluding vocational training certificate contracts and suspension of contract)	0.73	0.73	0.74
		Base salary, men, executive	67,923	69,204	72,250
		Base salary, women, executive	57,757	55,525	57,533
		Executive women-to-men ratio	0.85	0.80	0.80
		Average base salary, men, supervisors	32,133	33,848	34,645
		Average base salary, women, supervisors	31,722	31,971	32,520
		Ratio M/W Supervisors	0.99	0.94	0.94
		Base salary, men, office staff	24,345	26,064	26,396
		Base salary, women, office staff	23,536	24,635	24,645
		Office staff women-to-men ratio	0.97	0.95	0.93
		Average base salary, men, property agent	26,846	29,495	27,212
		Average base salary, women, property agent	26,339	25,097	24,773
		Ratio M/W property agent	0.98	0.85	0.91

<sup>[2]</sup> Restated for 2 long-term absences for all of 2015: 2.8%.

<sup>[3]</sup> The absenteeism rate by gender or by geographic area is calculated based on days absent recorded by category in proportion to the average number of employees of the category considered.

			2013	2014	2015
Return to work and retention rates after parental leave, by gender	G4-LA3	Number of employees with right to parental leave (with children younger than 3 years)	18%	17%	20%
		Women	10%	9%	12%
		Men	9%	7%	8%
		Employees who took parental leave (part-time or full-time)	19%	44%	15%
		Women	33%	55%	100%
		Men	0%	29%	0%
		Employees who have returned to work at the Company after their parental leave (for full-time departures only)	N/A	100%	100% <sup>(4)</sup>
		Women	N/A	100%	N/A
		Men	N/A	100%	100%
		Employees who have returned to work for the Company after their parental leave (for full-time departures only) and are still employed 12 months later	100%	N/A	100%
		Women	100%	N/A	100%
		Men	N/A	N/A	100%
Percentage of total workforce represented in mixed Management-employee committees for health and safety at work monitoring and submitting opinions on the Health and Safety at Work (HSW) programme	G4-LA5		100%	100%	100%
% of employees who received training	FdR indicator		90%	95%	97%
% of payroll dedicated to training	FdR indicator		3.38%	3.48%	4.34%
Internal mobility	FdR indicator		18	14	7
Loans to personnel <i>(% of employees who took out loans compared to total staff)</i>	FdR indicator		5%	3%	1.1%
Works Council subsidies <i>(percent of payroll)</i>	FdR indicator		2%	2%	2%

<sup>(4)</sup> Until 2014: employees who have returned to work after their parental leave (without renewal).



## 2.11.4.2. Immeo SE

At 31 December 2015, Immeo SE had 409 employees, the majority of whom are based in Oberhausen. In 2015, 51 new employees joined the company, 30% on open-ended contracts, to fill management positions at the agencies and as part of the strategic refocus on Berlin, Dresden and Leipzig. In addition, a property management agency was opened in Hamburg. As Immeo SE is not a member of the Foncière des Régions economic and social unit (ESU), the company has its own HR policy.

### G4-10 AND G4-LA12: TOTAL WORKFORCE BY TYPE OF EMPLOYMENT CONTRACT, BY PROFESSIONAL CATEGORY AND TYPE OF JOB, BROKEN DOWN BY GENDER AND AGE GROUP

			2013	2014	2015
	GRI 4	Numbers of employees	372	388	409
Total workforce by type of employment contract broken down by gender	G4-10	Open-ended contract	75%	74%	77%
		Men	59%	57%	56%
		Women	41%	43%	44%
		Temporary	23%	23%	21%
		Men	32%	40%	33%
		Women	68%	60%	67%
		CAP	2%	2%	2%
		Men	20%	10%	30%
		Women	80%	90%	70%
Total workforce by type of job broken down by gender		Full-time	88%	90%	86%
		Men	59%	59%	57%
		Women	41%	41%	43%
		Part-time	12%	10%	12%
		Men	9%	20%	6%
		Women	91%	80%	94%
Total workforce by professional category divided by gender		Managers	5%	4%	4.9%
		Men	88%	88%	70%
		Women	12%	12%	30%
	Supervisors	2%	2%	4.7%	
	Men	86%	78%	73.7%	
	Women	14%	22%	26.3%	
	Employees	82%	83%	80.4%	
	Men	45%	46%	43.5%	
	Women	55%	54%	56.5%	
	Building caretakers	12%	10%	10.0%	
	Men	90%	92%	87.8%	
	Women	10%	8%	12.2%	
Breakdown of workforce by gender	G4-LA12	Men	53%	52%	50.6%
		Women	47%	48%	49.4%
Breakdown of workforce by age group		Age < 30	9%	12%	13.7%
		30-50 years old	54%	56%	54.0%
		Age > 50	37%	32%	32.3%

The workforce grew by 5% in 2015 in comparison with 2014, reflecting an increase in business, particularly through the purchase of new portfolios in Berlin (15 new hires in 2015), Dresden (seven new hires in 2015) and Hamburg (seven new hires in 2015).



## G4-LA1: EMPLOYEE TURNOVER BY GENDER AND AGE GROUP AND NEW HIRES

			2013	2014	2015
Employee turnover	G4-LA1	Total departures	32	36	30
		Rate of departure turnover	8.8%	9.2%	7.7%
		Men	4%	3%	3%
		Women	4%	6%	4%
Turnover by age group		Age < 30	3%	3%	1%
		30-50 years old	5%	5%	4%
		Age > 50	4%	5%	10%
Rate of new recruitment by gender and age groups		Total incoming staff	27	48	51
		Recruitment rate	7%	12%	13.1%
		Men	1%	6%	5%
		Women	6%	6%	9%
		Age < 30	3%	6%	4%
		30-50 years old	3%	5%	7%
		Age > 50	1%	3%	2%

In 2015 as in 2014, the recruitment rate exceeded the turnover rate, explaining the increase in our workforce in 2015. Immeo SE has strengthened its position with the arrival of new employees hired as account managers and as property portfolio managers.

This is primarily due to increased business activity in 2014 and 2015 in the regions mentioned in the previous paragraph. These figures take account of all incoming staff, *i.e.* open-ended contracts, fixed-term contracts and students.

## G4-LA6: ABSENTEEISM RATE, WORKPLACE ACCIDENT RATE AND OCCUPATIONAL ILLNESS RATE BY GENDER

			2013	2014	2015
Rate of absenteeism by gender	G4-LA6	Total	2.0%	1.6%	1.4%
		Men	1.0%	0.7%	0.6%
		Women	1.0%	0.9%	0.8%

The absenteeism rate has remained stable, with a slight decrease of 0.2% between 2015 and 2014. No cases of occupational illness were reported in 2015, but there were three workplace accidents<sup>(1)</sup>.

## G4-LAQ AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE BY GENDER AND PROFESSIONAL CATEGORY

			2013	2014	2015
Average number of hours of training per employee by gender and professional category	G4-LA9	Per employee	7.6	18.0	13.3
		Per man	4.8	10.0	6.0
		Per woman	2.8	8.0	7.3
		Per manager	0.2	0.4	0.5
		Per supervisor	0.3	0.7	0.3
		Per employee	5.7	16.8	12.5
		Per building caretakers	1	0	0

<sup>(1)</sup> Under German law, in order for an incident to be considered a workplace accident, it must result in more than three consecutive lost days.

Training remains a major component of Immeo SE's Human Resources policy. Although the average number of training hours per employee declined in 2015 compared with 2014, this same average over the last three years is still 13 hours. In 2015, training efforts were focused in particular on operational staff in the agencies, with sessions on legal and technical management issues related to buildings.

#### G4-LA13: RATIO BETWEEN THE BASE SALARY AND REMUNERATION FOR WOMEN COMPARED WITH THE RATIO FOR MEN, BY PROFESSIONAL CATEGORY

Over the 2013–2015 period, the average salaries for men and women were €49,757 and €37,301, respectively. This difference is due to the fact that many women were hired in connection with the opening of new regional agencies, with salaries adjusted to the pay scales for these positions. The disparity is also due to differences in the number of years of company service and the fact that some women work flexible hours after maternity leave, representing the majority of part-time workers within the Group. Gender equality in the workplace is a key concern for Immeo SE's teams as it is one of the most important tenets of German labour law laid down in the AGG<sup>(1)</sup> and guaranteed by the collective bargaining agreement in force.

#### G4-11: PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

At 31 December 2015, 81% of Immeo SE staff were covered by the real estate management industry's collective bargaining agreements (the remaining 19% concern employees covered by

other agreements, such as managers). The Group is also bound by the AGG act concerning equality of treatment. Employees are regularly informed of new industrial agreements, most notably by means of meetings which they are invited to attend from time to time.

Efforts were also focused during the year on promoting the health and safety of employees, with training sessions on household hazards (products, practices, heaters, etc.). Workshops were also organised to encourage healthy eating habits.

#### 2.11.4.3. Beni Stabili

The workforce of Beni Stabili, the Italian subsidiary of Foncière des Régions, is divided evenly between Milan and Rome, with an overall total of 61 employees as at 31 December 2015. Beni Stabili has its own management team and Human Resources strategy. Consequently, its workforce is not part of the Foncière des Régions ESU.

The HR policy of Beni Stabili is based on compliance with nationwide collective bargaining agreements for real estate professions, respect for work-life balance, a remuneration policy tuned to each individual profile, business ethics disseminated to each employee via a specific code of ethics, an appropriate health and safety policy, and aspiring career development plans.

Under its sustainable development policy, Beni Stabili has built up a more in-depth HR strategy such as an employee training programme in 2016, in particular.

Governed by Italian law, Beni Stabili complies with the fundamental ILO conventions.

#### G4-10 AND G4-LA12: BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT, GENDER, AND AGE

		2013	2014	2015	
	GRI 4	Numbers of employees	58	59	61 <sup>(1)</sup>
Total workforce by type of employment contract broken down by gender	G4-10	Open-ended contract	91%	92%	97%
		Men	38%	44%	51%
		Women	62%	56%	49%
		Temporary	9%	8%	3%
		Men	60%	60%	2%
		Women	40%	40%	2%
Total workforce by type of job broken down by gender		Full-time	97%	100%	95%
		Men	41%	46%	52%
		Women	59%	54%	48%
		Part-time	3%	0%	2%
		Men	0%	0%	0%
		Women	100%	0%	100%
Breakdown of workforce by gender	G4-LA12	Men	39.7%	45.8%	51%
Women		60.3%	54.2%	49%	
Breakdown of workforce by age group		Age < 30	12%	14%	8%
		30-50 years old	76%	72%	69%
		Age > 50	12%	14%	22%

<sup>(1)</sup> Of which two are fixed-term contracts and not taken into account in the figures presented.

<sup>(1)</sup> Allgemeines Gleichbehandlungsgesetz (AGG), the General Act on Equal Treatment.

Reported figures do not take into account certain forms of employee status, such as students. However, Beni Stabili had eleven work-study students working for the Company in 2014 and 2015, and three of them were hired under open-ended contracts.

Within the Company, there is a balance between male and female employees. As at 31 December 2015, 95% of Beni Stabili employees work full-time. The Human Resources Department remains attentive to the need to adapt work schedules on a case-by-case basis.

#### G4-LA1: EMPLOYEE TURNOVER AND NEW EMPLOYEE HIRES

		2013	2014	2015	
Employee turnover	G4-LA1	Total open-ended contract departures	5	6	8
		Rate of open-ended contract departure turnover	9.0%	11%	13.1%
		Men	5%	4%	7%
		Women	4%	7%	7%
Turnover by age group		Age < 30	0%	2%	3%
		30-50 years old	8%	7%	8%
		Age > 50	2%	2%	2%
Level of incoming staff		Total incoming staff with open-ended contracts	1	2	9

In 2015, eight employees left the Company, and nine new employees were hired.

The rate of absenteeism was 2% in 2015 but does not only reflect sick leave; there were absences for personal reasons, provided for under Italian labour law allowing absences in cases of major family events. In 2015, no workplace accidents or cases of work-related illness were reported.

#### G4-LA13: RATIO BETWEEN THE BASE SALARY AND REMUNERATION FOR WOMEN COMPARED WITH THE RATIO FOR MEN, BY PROFESSIONAL CATEGORY

Base salaries have changed very little over the past three years; this apparent wage stability can be explained by the fact that salaries are set by a national branch agreement. The Beni Stabili remuneration policy is also based on performance-related bonuses awarded to employees geared to the achievement of their objectives. Salaries are still above the minimum levels provided for by the sector's collective bargaining agreement. Gender equality is respected in all categories of employment.

#### 2.11.4.4. Urbis Park

Urbis Park's workforce is not part of Foncière des Régions' Economic and Social Unit (ESU). As a result, Urbis Park has implemented its own Human Resources policy in line with its car park holding and management business.

The workforce increased by 4% between 2014 and 2015. In 2015, Urbis Park continued to promote local employment and actively hire young people, in particular via its commitment to the Plaine Commune "Local Company" charter (which comprises several towns and cities in the Seine-Saint-Denis area, including Saint-Ouen where the company is located), and its commitments to employment and integration in the labour force ensure the following:

- ♦ particular focus on local job applicants
- ♦ using local job market integration services
- ♦ mentoring young people to enter the workforce
- ♦ organising booths at job fairs and/or participating in local forums.

The breakdown of employees detailed below illustrates that nearly 80% of Urbis Park employees are employees who work at the operational sites.

**G4-10: TOTAL WORKFORCE BY GENDER, EMPLOYMENT CONTRACT AND PROFESSIONAL CATEGORY**

			2013	2014	2015
	GRI 4	Numbers of employees	236	237	246
Total workforce by type of employment contract broken down by gender	G4-10	Open-ended contract	86.4%	90.3%	91.9%
		Men	82%	83%	83.2%
		Women	18%	17%	16.8%
		Temporary	11.4%	7.2%	5.7%
		Men	81%	94%	64.3%
		Women	19%	6%	35.7%
		CAP (vocational training certificate) + Emploi d'Avenir contracts	2.1%	2.5%	2.4%
		Men	20%	67%	100%
		Women	80%	33%	0%
Total workforce by type of job broken down by gender		Full-time	90%	91%	91.5%
		Men	82%	86%	84.4%
		Women	18%	14%	15.6%
		Part-time	10%	9%	8.5%
		Men	71%	57%	61.9%
		Women	29%	43%	38.1%
Breakdown of workforce by professional category		Managers	10%	10%	10.6%
		Men	71%	71%	61.5%
		Women	29%	29%	38.5%
		Supervisors	12%	11%	11%
		Men	61%	67%	66.7%
		Women	39%	33%	33.3%
		Employees	78%	79%	78.5%
		Men	85%	85%	87.6%
		Women	15%	15%	12.4%

**G4-LA13: RATIO BETWEEN THE BASE SALARY AND REMUNERATION FOR WOMEN COMPARED WITH THE RATIO FOR MEN, BY PROFESSIONAL CATEGORY**

			2013	2014	2015
Ratio between the base salary and remuneration for women compared with the ratio for men	G4-LA13	Base salary for men (average) (excluding work-study and suspension)	€1,878	€1,965	€1,902
		Base salary for women (average) (excluding work-study and suspension)	€2,149	€2,170	€2,230
		M/W ratio (excluding vocational training certificate contracts and suspension of contract)	1.144	1.104	1.172

Salaries were relatively stable between 2013 and 2015. These indicators, particularly on remuneration, career development and training, are defined ahead of time and analysed during professional gender equality committee meetings in order to adjust the improvement plan where relevant. Issues of equal pay are analysed consistently during annual salary reviews.

## G4-LA1: TURNOVER AND NEW HIRES BY GENDER AND AGE GROUP

		2013	2014	2015	
Employee turnover	G4-LA1	Total open-ended contract departures	73	32	35
		Rate of open-ended contract departure turnover	31%	16%	15.5%
		Men	29%	11%	9.3%
		Women	3%	5%	0.4%
Turnover by age group		Age < 30	3.9%	3.4%	3.1%
		30-50 years old	14.2%	8.3%	5.3%
		Age > 50	13.4%	3.9%	1.3%
Level of incoming staff		Total recruitment	35	36	46
		Recruitment rate	15%	17%	20.4%
		Men	83%	80%	85%
		Women	17%	20%	15%
Number and rate of new hires by age group		Age < 30	31%	34%	28.4%
		30-50 years old	60%	52%	65.2%
		Age > 50	9%	14%	6.4%

Employee turnover reduced markedly between 2013 and 2015 and then stabilised, decreasing from 31% (more than half of which was accounted for by the non-renewal of a Public Service Delegation contract) to 15.5% by the end of 2015.

The recruitment rate increased by 5% between 2013 and 2015, notably with 46 new hires under open-ended contracts in 2015.

53% of new hires in 2015 were on fixed-term contracts as replacements or temporary personnel. This year, two new employees were hired under Emplois d'Avenir contracts, and one under a back-to-work contract (*contrat d'insertion*), increasing the workforce to six employees with government-assisted jobs. Two employees were offered internal mobility opportunities in 2015.

## G4-LA6 AND G4-11: ABSENTEEISM, WORKPLACE ACCIDENT AND OCCUPATIONAL ILLNESS RATES BY GENDER AND % OF EMPLOYEES COVERED UNDER A COLLECTIVE BARGAINING AGREEMENT

			2013	2014	2015
Rate of absenteeism by gender	G4-LA6	Total	4.5%	4.9%	4.6%
		Men	2.7%	3%	4.0%
		Women	1.8%	1.9%	0.6%
Workplace accident rate		Severity rate	1	0.2	0.6
		Frequency rate	16.56	14.22	36.3
Percentage of all employees covered by collective bargaining agreements	G4-11		100%	100%	100%

The absenteeism rate remained quite stable (up 0.1%) between 2013 and 2015. The severity rate also declined to 0.6 on average. The frequency rate of workplace accidents increased in 2015, due to minor accidents. In 2015, the proportion of street cleaning

employees increased overall; this population is more subject to risk of accidents, in particular related to carrying heavy loads. There were no occupational illnesses reported in the three years of reporting.

**G4-LA9: AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE BY GENDER AND PROFESSIONAL CATEGORY**

			2013	2014	2015
Average number of hours of training per employee by gender and professional category	G4-LA9	Per employee	6.9	7.2	4.5
		Per man	6.6	7.1	4.6
		Per woman	3.5	3.6	3.8
		Per manager	6	11.2	2.7
		Per supervisor	11.1	16.2	6.1
		Per employee	5.1	4.6	4.5

The number of hours of training over the 2013-2015 period was 6.2 hours per year, per employee. The training provided as part of the training plan falls under the company's strategy. Urbis Park thus trains the workforce to help them adapt to changes in their position and also to maintain their employability. For 2014/2015, training focus areas were: fire safety, first aid, accreditations in the areas of electricity, customer relations, operations, management and administration. Particular attention is paid to women,

as they are given priority in some business line training initiatives introduced by the French national automotive training association (*Association Nationale pour la Formation Automobile* – ANFA), for professional development, skills assessment and raising levels of professionalism in order to promote gender equality in the workplace. In addition, 99% of annual evaluation and development interviews were conducted in 2015.

## 2.11.5. Article 225 of the Grenelle 2 Law Concordance Table

Topics and sub-topics arising from the order of Article 225	Foncière des Régions (Offices France)	Foncière des Murs (Hotels and Service Sector)	Immeo SE (Residential Germany)	Foncière Développement Logements (Residential France)	Beni Stabili (Italy Offices)	Urbis Park (Car Parks)
<b>Employment</b>						
The total workforce and breakdown of employees by gender, age and geographic area	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
New hires and redundancies	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
Remuneration and changes in remuneration	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
<b>Organisation of work</b>						
Organisation of working hours	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
Absenteeism	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
<b>Labour/management relations</b>						
Organisation of staff dialogue, specifically information, employee consultation and employee negotiation procedures	2.9.5	2.9.5	2.11.4.2	2.9.5	2.11.4.3	2.11.4.4
Analysis of collective labour agreements	2.9.5	2.9.5	2.11.4.2	2.9.5	2.11.4.3	2.11.4.4
<b>Health and safety</b>						
Workplace health and safety conditions	2.9.3	2.9.3	2.11.4.2	2.9.3	2.11.4.3	2.11.4.4
Analysis of workplace health and safety agreements signed with trade union organisations or employee representatives	2.9.5	2.9.5	2.11.4.2	2.9.5	2.11.4.3	2.11.4.4
Workplace accidents, specifically their frequency and severity, and occupational illnesses	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
<b>Training</b>						
Training policies implemented	2.9.2	2.9.2	2.11.4.2	2.9.2	2.11.4.3	2.11.4.4
Total number of hours of training	2.11.4.1	2.11.4.1	2.11.4.2	2.11.4.1	2.11.4.3	2.11.4.4
<b>Diversity and equal opportunities/equal treatment</b>						
Policy implemented and steps taken to promote gender equality	2.9.4	2.9.4	2.11.4.2	2.9.4	2.11.4.3	2.11.4.4
Policy implemented and steps taken to promote hiring and integration of the disabled	2.9.4	2.9.4	2.11.4.2	2.9.4	2.11.4.3	2.11.4.4
Policy implemented and steps taken in the area of anti-discrimination	2.9.4	2.9.4	2.6.2.6	2.9.4	2.11.4.3	2.11.4.4
<b>Promotion of and compliance with the provisions of basic ILO agreements</b>						
Freedom of association and the right to bargain collectively	2.9.5	2.9.5	2.11.5	2.9.5	2.11.5	2.11.4.4
The elimination of discrimination in respect of employment and occupation	2.9.5	2.9.5	2.11.5	2.9.5	2.11.5	2.11.4.4
The elimination of forced or compulsory labour	2.9.5	2.9.5	2.11.5	2.9.5	2.11.5	2.11.4.4
The effective abolition of child labour	2.9.5	2.9.5	2.11.5	2.9.5	2.11.5	2.11.4.4
<b>General environmental policy</b>						
Company organisation to take environmental issues into account and, as necessary, environmental evaluation and certification processes	2.2.6	2.2.6	2.6.2	2.2.6	2.7.1.1	2.7.2.1
Employee environmental protection training and information	2.9.6.3	2.9.6.3	2.11.4.2	2.9.6.3	2.11.4.3	2.11.4.4
Resources dedicated to preventing environmental and pollution risks	2.3.7	2.4.3.6	2.6.2.5	2.6.3.5	2.7.1.7	2.7.2.2
The amount of provisions and insurance for environmental risks, except if the nature of this information would cause serious harm to the Company in connection with on-going litigation	2.3.7	2.4.3.6	2.6.2.5	2.6.3.5		



Topics and sub-topics arising from the order of Article 225	Foncière des Régions (Offices France)	Foncière des Murs (Hotels and Service Sector)	Immeo SE (Residential Germany)	Foncière Développement Logements (Residential France)	Beni Stabili (Italy Offices)	Urbis Park (Car Parks)
<b>Pollution and waste management</b>						
Measures to prevent, reduce or remedy discharges into the water, air and soil that have serious environmental effects	2.3.7.5	2.4.3.6	2.6.2.5	2.6.3.5	2.7.1.7	2.7.2.2
Measures to prevent, recycle and eliminate waste	2.3.5.3	2.4.3.5	2.6.2.4	2.6.3.4	2.11.3.5	2.7.2.2
Consideration of noise and other forms of pollution specific to a particular activity	2.3.7.2	2.4.3.5	2.6.2.5	2.6.3.4	2.7.1.7	2.7.2.2
<b>Sustainable use of resources</b>						
Water consumption and water supplies based on local constraints	2.3.5.3	2.4.3.4	2.6.2.3	2.6.3.3	2.7.1.6	2.7.2.2
Consumption of raw materials and steps taken to improve efficiency of use	2.3.4.2	2.4.3.1	2.6.2.1	2.6.3.1	2.7.1.2	2.7.2.2
Energy consumption, steps taken to improve energy efficiency and use of renewable energy	2.3.4.1	2.4.3.2	2.6.2.2	2.6.3.1	2.7.1.2	2.7.2.2
Land use	2.3.7.3	2.4.3.6	2.6.2.5	2.6.3.5	2.7.1.7	2.7.2.2
<b>Climate change</b>						
Greenhouse gas emissions	2.3.5.2	2.4.3.3	2.6.2.2	2.6.3.2	2.7.1.5	2.7.2.2
Adaptation to climate change impacts	2.3.7.4	2.4.3.3	2.6.2.2	2.6.3.2	2.7.1.5	2.7.2.2
<b>Protection of biodiversity</b>						
Steps taken to develop biodiversity	2.3.6	2.8.4	2.8.4	2.8.4	2.8.4	2.8.4
<b>Territorial, economic and social impact of the Company's operations</b>						
on employment and regional development	2.8.3	2.8.3	2.6.2.6	2.8.3	2.7.1.1	2.7.2.3
on neighbouring and local populations	2.8.3	2.8.3	2.6.2.6	2.8.3	2.7.1.1	2.7.2.3
<b>Relationships with individuals or organisations affected by the Company's operations</b>						
Conditions for dialogue with these individuals or organisations	2.2.4.1	2.2.4.1	2.6.2.6	2.2.4.1	2.7.1	2.7.2.3
Partnership and sponsorship activities	2.8.5	2.8.5	2.6.2.6	2.8.5	2.7.1.8	2.7.2.3
<b>Sub-contracting and suppliers</b>						
Consideration of social and environmental issues in the Company's purchasing policy	2.8.2	2.8.2	2.8.2	2.8.2	2.8.2	2.8.2
Significance of sub-contracting and consideration, in relationships with sub-contractors and suppliers, of their social and environmental responsibility	2.8.2	2.8.2	2.8.2	2.8.2	2.8.2	2.8.2
<b>Fair business practices</b>						
Actions taken to prevent corruption	2.10.6	2.10.6	2.10.6	2.10.6	2.7.1.9	2.10.6
Steps taken to ensure consumer health and safety	2.3.7	2.4.3.6	2.6.2.5	2.6.3.5	2.7.1.9	2.7.2.3
<b>Human Rights</b>						
Steps taken to support human rights	2.9.4	2.9.4	2.11.5	2.9.4	2.11.5	2.11.5

## Promotion of and compliance with the provisions of basic ILO agreements

The fundamental goal of the ILO is that each woman and man has access to decent and productive work in conditions of freedom, equality, safety and dignity. Foncière des Régions applies ILO conventions (see 2.9.5). In addition, the countries in which they operate their business have adopted legislation that is motivated and guided by conventions adopted by the International Labour Organisation (ILO).



## 2.11.6. GRI 4 Content Index and CRESO sector-specific supplement

The table below provides the indicators which Foncière des Régions has chosen to report in order to comply with version four of the GRI guidelines and its sector-specific supplement (CRESO). The table in the annex in Section 2.11.7 compares the topics emerging from the materiality analysis conducted by Foncière des Régions on the material aspects and the indicators proposed by GRI 4.

Accordingly, the list presented hereafter does not include all the indicators in the framework in order to concentrate on those deemed material in 2014, with respect to the challenges identified for the Group [see Section 2.2.4.2]. Foncière des Régions selected compliance with the "essential criteria" of GRI 4 and achieved "GRI 4 Core" compliance.

✓ = examination as part of external verification

✓ = in-depth examination as part of external verification (advisor's statement: Section 2.12)

### GENERAL INFORMATION

General information	Indicator content	Chapters	External verification
<b>Strategy and Analysis</b>			
G4-1	Statement from the most senior decision-maker of the organisation	2.1	✓
G4-2	Description of key impacts, risks, and opportunities	2.2.3	✓
<b>Organisational profile</b>			
G4-3	Name of the organisation	2.1	✓
G4-4	Primary brands, products and services	2.2	✓
G4-5	Location of organisation's headquarters	Back cover	✓
G4-6	Number of countries where the organisation operates, and names of countries that are specifically relevant to the sustainability topics covered in the report	2.2	✓
G4-7	Nature of ownership and legal form	2.2	✓
G4-8	Markets served	2.2	✓
G4-9	Scale of the reporting organisation	2.11.4	✓
G4-10	Total workforce by gender, employment contract, geographic breakdown, and change, where necessary	2.11.4	✓
G4-11	Percentage of all employees covered by collective bargaining agreements	2.11.4	✓
G4-12	Organisation's supply chain	2.8.2	✓
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	2.2	✓
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	2.3.7	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives	2.8.2	
G4-16	Memberships of associations and national or international organisations	2.10.6.5	
<b>Material aspects and scopes identified</b>			
G4-17	Entities included in the organisation's consolidated financial statements	3.2.3	✓
G4-18	Definition of the report content and the aspect boundaries, and implementation of the reporting principles for defining the report content	2.2.4	✓
G4-19	Material aspects identified in the process for defining report content	2.11.7	✓
G4-20	Aspect boundary within the organisation for the material aspects	2.11.7	✓
G4-21	Aspect boundary outside the organisation for each material aspect	2.11.7	✓
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	2.9.6.1	✓
		2.11.3.1	
		2.11.3.2	
		2.11.3	
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	2.2.4; 2.11.7	✓



General information	Indicator content	Chapters	External verification
<b>Prioritisation of stakeholders</b>			
G4-24	List of stakeholder groups engaged by the organisation	2.2.4.1	✓
G4-25	Criteria for identification and selection of stakeholders with whom to engage	2.2.4.1	✓
G4-26	Organisation's approach to stakeholder engagement	2.2.4.1	✓
G4-27	Key subjects and concerns raised during dialogue with stakeholders	2.2.4.2	✓
<b>Report profile</b>			
G4-28	Reporting period	2.11.3	✓
G4-29	Date of most recent report published	2015	✓
G4-30	Reporting cycle	2.11.3	✓
G4-31	Person to contact for questions regarding the report or its content	Back cover	✓
G4-32	Compliance option chosen, GRI Index, reference to the External Verification Report	2.11.2	✓
G4-33	External verification policy	2.11.2 & 2.12	✓
<b>Governance</b>			
G4-34	Governance structure of the organisation	2.10.2	✓
G4-38	Composition of the highest governance body and its committees	2.10.2	✓
G4-39	Independence of the Chairman and the highest governance body from management	2.10.2	✓
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	2.10.2.4	✓
G4-42	Highest governance body's and senior executives' roles in CSR policy	2.10.2.5	✓
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of the organisation's CSR policy	2.10.2.5	✓
G4-49	Process for informing the highest governance body about critical concerns	2.10.4.1	✓
G4-53	How stakeholders' views are sought and taken into account regarding remuneration of the members of the highest governance bodies	2.10.4.1	✓
<b>Ethics and integrity</b>			
G4-56	The organisation's values, principles, standards and norms of behaviour	2.10.6.1	✓
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity	2.10.6.1	✓
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity	2.10.6.2	✓

## SPECIFIC STANDARD DISCLOSURES

Material aspects	Indicator content	Chapters	External verification
<b>CATEGORY: ECONOMIC</b>			
<b>Material aspect: indirect economic impact</b>			
G4-DMA	Managerial approach	2.8.3	
G4-EC7	Development and impact of infrastructure investments and services supported	2.8.3	✓
<b>Material aspect: purchasing practices</b>			
G4-DMA	Managerial approach	2.8.2	
G4-EC9	Proportion of spending on local suppliers at significant operating locations	2.8.2	✓
<b>CATEGORY: ENVIRONMENT</b>			
<b>Material aspect: Energy</b>			
G4-DMA	Managerial approach	2.3.5	
G4-EN3	Energy consumption within the organisation	2.11.3	✓
G4-EN5	Energy intensity	2.11.3	✓
CRE1	Energy intensity of buildings in operation	2.11.3	✓
<b>Material aspect: water</b>			
G4-DMA	Managerial approach	2.3.5.3	
G4-EN8	Total water withdrawal by source	2.11.3	✓
CRE2	Water intensity of buildings in operation	2.11.3	✓
<b>Material aspect: biodiversity</b>			
G4-DMA	Managerial approach	2.3.6	
G4-EN11	Operational sites held, leased or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	2.3.6.2	✓
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	2.3.6.2	✓
G4-EN13	Habitats protected or restored	2.3.6.2	✓
G4-EN14	Total number of IUCN Red List species and National Conservation List species with habitats in areas affected by operations, by level of extinction risk	2.3.6.2	✓
<b>Material aspect: emissions</b>			
G4-DMA	Managerial approach	2.3.5.2	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	2.11.3	✓
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2) related to energy	2.11.3	✓
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	2.11.3	✓
G4-EN18	Greenhouse gas (GHG) emissions intensity	2.11.3	✓
G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	2.3.5.2	
CRE3	Carbon intensity of buildings in operation	2.11.3	✓
CRE4	Greenhouse gas intensity from buildings in construction or renovation	2.11.3	
<b>Material aspect: waste</b>			
G4-DMA	Managerial approach	2.3.5.5	
G4-EN23	Total weight of waste by type and disposal method	2.11.3	✓
<b>Material aspect: compliance</b>			
G4-DMA	Managerial approach	2.3.7.5	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	2.3.7.5	



Material aspects	Indicator content	Chapters	External verification
<b>Material aspect: environmental assessment of suppliers</b>			
G4-DMA	Managerial approach	2.8.2	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	2.8.2	
<b>CATEGORY: SOCIAL</b>			
<b>Sub-category: labour practices and decent work</b>			
<b>Material aspect: employment</b>			
G4-DMA	Managerial approach	2.9.1	
G4-LA1	Total number and percentage of new employee hires and employee turnover by age group, gender and geographic area	2.11.4	✓
G4-LA3	Return to work and retention rates after parental leave, by gender	2.11.4	✓
<b>Material aspect: employee relations/management</b>			
G4-DMA	Managerial approach	2.9.1	
G4-LA4	Minimum notice periods regarding operational changes including whether they are specified in collective agreements	2.9.1	
<b>Material aspect: health and safety at work</b>			
G4-DMA	Managerial approach	2.9.5	
G4-LA5	Percentage of total workforce represented in mixed committees for health and safety at work monitoring and submitting opinions on the Health and Safety at Work (HSW) programme	2.11.4	✓
G4-LA6	Type of injury and rates of injury, occupational diseases, absenteeism, lost days, and total work-related fatalities, by geographic area and by gender	2.11.4	✓
G4-LA8	Health and safety topics covered in formal agreements with trade unions	2.9.3	✓
CRE6	Percentage of the organisation operating under a certified health and safety management system	2.11.4	
<b>Material aspect: training and education</b>			
G4-DMA	Managerial approach	2.9.2	
G4/LA9	Average hours of training per year per employee by gender and by professional category	2.11.4	✓
G4-LA10	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	2.9.2	✓
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and professional category	2.11.4	✓
<b>Material aspect: diversity and equal opportunity</b>			
G4-DMA	Managerial approach	2.9.4	
G4-LA12	Composition of governance bodies and breakdown of employees by professional category according to gender, age group, minority group membership, and other indicators of diversity	2.10.2.1	✓
<b>Material aspect: equal remuneration for men and women</b>			
G4-DMA	Managerial approach	2.9.4	
G4/LA13	Ratio between the base salary and remuneration for women compared with the ratio for men, by professional category and for each main operating site	2.11.4	✓
<b>Material aspect: supplier assessment for labour practices</b>			
G4-DMA	Managerial approach	2.8.2	
G4/LA14	Percentage of new suppliers that were screened using labour practices criteria	2.8.2	
<b>Sub-category: Human rights</b>			
<b>Material aspect: non-discrimination</b>			
G4-DMA	Managerial approach	2.9.4	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	2.9.4	
<b>Material aspect: assessment of respect for human rights by suppliers</b>			

Material aspects	Indicator content	Chapters	External verification
G4-DMA	Managerial approach	2.8.2	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	2.8.2	✓
<b>Sub-category: society</b>			
<b>Material aspect: anti-corruption</b>			
G4-DMA	Managerial approach	2.10.6.1	
G4-S04	Communication and training on anti-corruption policies and procedures	2.10.6.1	
<b>Material aspect: public policy</b>			
G4-DMA	Managerial approach	2.10.6.5	
G4-S06	Total value of political contributions by country and recipient/beneficiary	2.10.6.5	
<b>Material aspect: compliance</b>			
G4-DMA	Managerial approach		
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No fines or sanctions in 2015	
<b>Material aspect: assessment of suppliers' impact on society</b>			
G4-DMA	Managerial approach	2.8.2	
G4-S09	Percentage of new suppliers that were screened using criteria relating to impacts on society	2.8.2	✓
<b>Sub-category: product responsibility</b>			
<b>Material aspect: Customer health and safety</b>			
G4-DMA	Managerial approach		
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the life cycle, by type of outcome	No incident of this type	
CRE5	Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations	2.3.7.5	
CRE7	Number of people voluntarily or involuntarily displaced and/or rehoused as part of development projects, by project	Nobody was displaced	
<b>Material aspect: product and service labelling</b>			
G4-DMA	Managerial approach		
CRE8	Type and number of certifications and accreditations for new buildings, operations, and renovation	2.3.1	✓
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome	No incident	



## 2.11.7. Annex: Foncière des Régions materiality and GRI 4 indicator cross-reference table

Foncière des Régions' topics	GRI 4 aspects	Scope of the aspects (G4 20 and 21)	Related GRI 4 indicators
Responsible Procurements	Purchasing practices/ Environmental assessment/ Human rights/Suppliers' employment practices	France Offices, Logistics, Urbis Park Corporate France (Int Imp + Ext Imp) <sup>(1)</sup>	G4-EN32 – Percentage of new suppliers that were screened using environmental criteria [see Section 2.8.2]. G4-SO9/ G4-LA14/G4-HR10
Biodiversity	Biodiversity	All portfolios (Int Imp + Ext Imp)	G4-EN13 – Habitats protected or restored. G4-EN11/ G4-EN12/G4-EN14 See 2.3.6.2
Climate change	Emissions	All portfolios (Int Imp + Ext Imp)	G4-EN15 – Direct greenhouse gas emissions (Scope 1) See GHG for each business section in Section 2.11.3. Other G4 indicators: G4-EN 16, G4-EN 21
Skills/Talent	Employment Training/Education	ESU Foncière des Régions, Beni Stabili, Immeo SE (Int Imp)	G4-LA9 – Average number of training hours per employee per year, by gender and by professional category See Section 2.11.4
Waste	Effluents and waste	All portfolios (Int Imp + Ext Imp)	G4-EN23 – Total weight of waste by type and disposal method See section on Waste for each business, Section 2.11.3
Diversity/Equality	Diversity and equal opportunity Equal remuneration for Men and Women Employer/employee relations	ESU for Foncière des Régions, Beni Stabili, Immeo SE, Urbis Park (Int Imp)	G4-LA1 – Total number and percentage of new employee hires and employee turnover by age group, gender and geographic area. G4-LA3/ G4-LA4/ G4 LA5/ G4 LA13 See Section 2.11.4
Human Rights	Non discrimination	ESU for Foncière des Régions, Beni Stabili, Immeo SE, Urbis Park (Int Imp + Ext Imp)	G4-HR3 – Total number of incidents of discrimination and corrective actions taken See Section 2.9.4. G4-HR1/G4-HR6/G4-HR10
Water	Water	All portfolios (Int Imp + Ext Imp)	G4-EN8 – Total water withdrawal by source. CRE-2 – Water intensity of buildings in operation See section on Water for each business, Section 2.11.3
Local employment	Indirect economic impacts	France Offices (Ext Imp)	G4-EC7 – Development and impact of infrastructure investments and services supported See Section 2.8.3
Energy	Energy	All portfolios (Int Imp + Ext Imp)	G4-EN3 – Energy consumption within the organisation. Other indicators: G4-EN5; CRE1 See section on Energy for each business, Section 2.11.3
Ethics/Transparency	Ethics and integrity/anti-corruption/Compliance	Foncière des Régions Beni Stabili (Internal Impacts)	G4-SO4 – Communication and training on anti-corruption policies and procedures See 2.10.6 G4-56 – The organisation's values, principles, standards and norms of behaviour See Section 2.10.6.1
Risk management	Consumer health and safety	All portfolios (Int Imp + Ext Imp)	G4-PR2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the life cycle, by type of outcome. CRE-5 – Land and other assets remediated and in need of remediation for existing or intended land use according to applicable legal designations. See Section 2.3.7
Governance	General information Ethics and integrity/Combating corruption	Foncière des Régions (Int Imp)	G4-34 – Governance structure of the organisation. See Section 2.10.2. G4-56/G4-SO4 – Communication and training on anti-corruption policies and procedures. See Section 2.10.6.2
Tenant partnership	Non-GRI 4 definition	All portfolios (Int Imp + Ext Imp)	N/A



Foncière des Régions' topics	GRI 4 aspects	Scope of the aspects (G4 20 and 21)	Related GRI 4 indicators
Philanthropy/ Sponsorship	Non-GRI 4 definition	ESU Foncière des Régions Immeo SE (Int Imp)	N/A
User Health/ Safety	Customer health and safety	All portfolios (Int Imp + Ext Imp)	G4-PR2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during the life cycle, by type of outcome See Section 2.3.7.5
Sustainable value	Non-GRI 4 definition	All portfolios	N/A
Green value	Non-GRI 4	All portfolios	N/A
Sustainable cities	Indirect economic impact	All portfolios (Int Imp + Ext Imp)	G4-EC7 – Development and impact of infrastructure investments and services supported See Section 2.8.3. CRE7 – Number of people voluntarily or involuntarily displaced and/or rehoused by portfolio, detailed by project

<sup>(1)</sup> Int Imp = Internal Impact / Ext Imp= External Impact.

## 2.12. VERIFICATION BY AN INDEPENDENT THIRD PARTY AUDITOR

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

### Year ended the 31/12/2015

#### Independent verifier's report on consolidated social, environmental and societal information presented in the management report

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC<sup>(1)</sup>, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Foncière des Régions we present our report on the consolidated social, environmental and societal information established for the year ended on the 31/12/2015, presented in chapter 2 of the management report, hereafter referred to as the "CSR Information", pursuant to the provisions of the article L.225-102-1 of the French Commercial code (*Code de commerce*).

### Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial code (*Code de commerce*), in accordance with the reporting protocols used by the company (hereafter referred to as the "Criteria"), and of which a summary is included in introduction to chapter 2 of the management report and available on request at the company's headquarters.

### Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

### Responsibility of the independent verifier

It is our role, based on our work:

- ♦ to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial code (*Code de commerce*) (Attestation of presence of CSR Information);
- ♦ to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria;

Our verification work was undertaken by a team of four people between October 2015 and March 2016 for an estimated duration of nine weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000<sup>(2)</sup>.

#### 1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial code (*Code de commerce*).

<sup>(1)</sup> Scope available at [www.cofrac.fr](http://www.cofrac.fr).

<sup>(2)</sup> ISAE 3000 – Assurance engagements other than audits or reviews of historical information.





## SUSTAINABLE DEVELOPMENT

Verification by an independent third party auditor

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial code (*Code de commerce*).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial code (*Code de commerce*) with the limitations specified in the Methodological Note in chapter 2 of the management report, notably.

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

## 2. Limited assurance on CSR Information

### Nature and scope of the work

We undertook nine interviews with the people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- ♦ Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- ♦ Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

Concerning the CSR Information that we deemed to be the most important<sup>[3]</sup>:

- ♦ We consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- ♦ We undertook interviews to verify the correct application of the procedures and to identify potential omissions and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information taking into account, if relevant, professional best practices.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

## Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

<sup>[3]</sup> **Environmental and societal information:** the overall environment policy (the company's organisation to take into account environmental issues and the environmental assessment approaches or certifications), sustainable use of resources and climate change (energy consumption and greenhouse gas emissions of the portfolio, measures taken to improve energy efficiency and use of renewable energy), relations with stakeholders (dialogue conditions with stakeholders, including environmental schedules) and taking into account social and environmental issues in responsible purchasing.

**Social Information:** employment (total number of employees and breakdown by gender, by age and by geographic region,) absenteeism and total number of training hours per trained employee.

## Observations

Without qualifying our conclusion above, we draw your attention to the following points:

- ♦ The reporting scope of the Offices business represents 96% of the portfolio concerned by the EPRA's Best Practices Recommendations on Sustainability Reporting and 79% of the surface area of the company's asset base ; that of Foncière des Murs represents 76,5% based on the company's asset base and 73,1% based on surfaces.
- ♦ The energy consumption reported for Immeo Wohnen is based on 146 assets representing about 2,5% of the total portfolio value of Immeo Wohnen, which represents 17% of the portfolio value, Group share.
- ♦ Furthermore, the ratios of energy and carbon intensity per square meter are calculated based on the consumption data of the tenants of these surfaces; their reliability depends on the quality of internal and external controls implemented by the tenants.

In addition, and according to a specific request, we designated with a  sign in chapter 2 of the management report the consolidated CSR information required by the GRI G4 guidelines (Global Reporting Initiative) in accordance with the Core option, as well as sector information in accordance with the GRI G4 "Construction and Real Estate" sector supplement.

Paris-La Défense, March 30<sup>th</sup>, 2016



French original signed by:  
Independent Verifier  
ERNST & YOUNG et Associés  
Éric Duvaud  
Partner  
Cleantech and Sustainability  
Bruno Perrin  
Associé



# 3

## FINANCIAL INFORMATION

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## CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

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## 3.1. CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 3.1.1. Statement of financial position

#### ASSETS

(€K)	Note	31/12/2015	31/12/2014
<b>INTANGIBLE FIXED ASSETS</b>	<b>3.2.6.1.1</b>		
Goodwill		8,194	8,194
Other intangible asset		29,712	136,701
<b>TANGIBLE FIXED ASSETS</b>	<b>3.2.6.1.1</b>		
Operating properties		65,896	68,916
Other fixed assets		7,760	7,066
Fixed assets in progress		15,171	3,654
Investment properties	3.2.6.1.2	15,728,453	14,535,291
Non-current financial assets	3.2.6.2.	210,790	184,782
Investments in equity affiliates	3.2.6.3.	179,376	188,718
Deferred tax assets	3.2.6.4.	19,376	16,628
Long-term derivatives	3.2.6.11.3	29,419	39,283
<b>Total non-current assets</b>		<b>16,294,148</b>	<b>15,189,233</b>
Assets held for sale	3.2.6.1.2 & 3.2.6.1.4	956,314	536,965
Loans and finance lease receivables	3.2.6.5.	6,370	8,044
Inventories and work-in-progress	3.2.6.6.	42,663	72,928
Short-term derivatives	3.2.6.11.3	24,656	20,963
Trade receivables	3.2.6.7.	266,657	264,273
Tax receivables		4,762	3,117
Other receivables	3.2.6.8.	79,355	122,777
Accrued expenses		14,044	9,929
Cash and Cash equivalents	3.2.6.9.	949,684	1,026,507
Discontinued operations <sup>(1)</sup>	3.2.5.7.1	174,215	310,924
<b>Total current assets</b>		<b>2,518,720</b>	<b>2,376,427</b>
<b>TOTAL ASSETS</b>		<b>18,812,868</b>	<b>17,565,660</b>

<sup>(1)</sup> Following its divestment of the Logistics segment, this segment has been presented under "Discontinued operations" since 1 January 2014. The change during the fiscal year is due to the disposal of an asset.



## FINANCIAL INFORMATION

Consolidated financial statements as at 31 December 2015

### LIABILITIES

(€K)	Note	31/12/2015	31/12/2014
Share capital		199,889	188,051
Share premium account		2,449,065	2,291,130
Treasury shares		-4,264	-3,632
Consolidated reserves		1,513,162	1,563,979
Net income		481,472	118,479
<b>Total shareholders' equity, group share</b>	<b>3.2.6.10.</b>	<b>4,639,323</b>	<b>4,158,007</b>
Minority interests		3,088,884	3,141,678
<b>Total shareholders' equity</b>		<b>7,728,208</b>	<b>7,299,685</b>
Long-term borrowings	3.2.6.11.	8,408,151	7,708,710
Long-term derivatives	3.2.6.11.3	514,316	519,790
Deferred tax liabilities	3.2.6.4.	356,948	261,232
Pension and other liabilities	3.2.6.12.	45,229	43,829
Other long-term liabilities		7,494	6,834
<b>Total non-current liabilities</b>		<b>9,332,138</b>	<b>8,540,395</b>
Liabilities held for sale	3.2.6.1.4	53,677	2,447
Trade payables		111,103	86,827
Short-term borrowings	3.2.6.11.	1,083,473	1,204,207
Short-term derivatives	3.2.6.11.3	83,068	98,137
Guarantee deposits		5,397	5,365
Advances and pre-payments		149,554	139,088
Short-term provisions	3.2.6.12.	60,701	17,105
Current tax		7,785	6,067
Other short-term liabilities	3.2.6.13.	144,226	81,824
Pre-booked income		18,617	37,160
Discontinued operations		34,921	47,353
<b>Total current liabilities</b>		<b>1,752,522</b>	<b>1,725,580</b>
<b>TOTAL LIABILITIES</b>		<b>18,812,868</b>	<b>17,565,660</b>

### 3.1.2. Statement of net income (EPRA format)

(€K)	Note	31/12/2015	31/12/2014
Rental income	3.2.7.1.1	885,141	875,368
Unrecovered rental costs	3.2.7.1.2	-40,952	-39,442
Expenses on properties	3.2.7.1.2	-28,447	-28,020
Net losses on unrecoverable receivables	3.2.7.1.2	-5,663	-8,701
<b>Net rental income</b>		<b>810,079</b>	<b>799,206</b>
Management and administration income		15,660	23,325
Business expenses		-4,669	-5,415
Overhead		-99,385	-102,979
Development costs (not capitalised)		-1,077	-226
<b>Net cost of operations</b>	<b>3.2.7.1.3</b>	<b>-89,471</b>	<b>-85,295</b>
Income from other activities		57,885	56,416
Expenses of other activities		-34,129	-29,475
<b>Income from other activities</b>	<b>3.2.7.1.4</b>	<b>23,756</b>	<b>26,941</b>
Depreciation of operating assets		-14,819	-15,609
Net allowances to provisions and other	3.2.6.12.	-53,300	-16,368
<b>CURRENT OPERATING INCOME</b>		<b>676,245</b>	<b>708,875</b>
Income from disposals of trading properties		5,449	13,764
Exit value and/or amortisations of trading properties		-11,868	-15,814
<b>Net gain (loss) on disposal from trading properties</b>		<b>-6,419</b>	<b>-2,050</b>
Income from asset disposals		655,324	656,758
Carrying value of investment properties sold		-652,589	-654,718
<b>Net gain (loss) from asset disposals</b>		<b>2,735</b>	<b>2,040</b>
Gains in value of investment properties		629,062	288,225
Losses in value of investment properties		-184,055	-120,867
<b>Net valuation gains and losses</b>	<b>3.2.7.2.</b>	<b>445,007</b>	<b>167,358</b>
<b>Income (loss) from disposal of securities</b>		<b>46</b>	<b>0</b>
<b>Income from changes in consolidation scope</b>	<b>3.2.7.3.</b>	<b>-10,032</b>	<b>1,948</b>
<b>OPERATING INCOME (LOSS)</b>		<b>1,107,582</b>	<b>878,171</b>
Net income of non-consolidated affiliates		197	883
Net cost of financial debt	3.2.7.4.	-265,477	-282,174
Share in income of equity affiliates	3.2.7.5.	-141,596	-303,736
Discounting of liabilities and receivables	3.2.7.5.	-4,610	-3,291
Net change in financial and other provisions	3.2.7.5.	-33,543	-123,970
Share in income of equity affiliates	3.2.6.3.	47,376	21,120
<b>PRE-TAX NET INCOME</b>		<b>709,929</b>	<b>187,002</b>
Deferred tax liabilities	3.2.7.6.2	-34,369	-81,092
Current income tax	3.2.7.6.2	-8,265	-10,274
<b>NET INCOME FROM CONTINUING OPERATIONS</b>		<b>667,295</b>	<b>95,636</b>
Profit (loss) after tax of discontinued operations		-12,983	23,964
<b>Net income from discontinued operations</b>		<b>-12,983</b>	<b>23,964</b>
<b>NET INCOME FOR THE PERIOD</b>		<b>654,312</b>	<b>119,601</b>
Minority interest		-172,840	-1,121
<b>NET INCOME (LOSS) FOR THE PERIOD – GROUP SHARE</b>		<b>481,472</b>	<b>118,479</b>
Group net income (loss) per share in euros <sup>(1)</sup>	3.2.8.2.	7.33	1.87
Group diluted net income (loss) per share in euros <sup>(1)</sup>	3.2.8.2.	7.29	1.86

<sup>(1)</sup> A factor of 0.9864 has been applied to 2014 data to take account of the impact of the capital increase and the distribution of preferential subscription rights, in accordance with IAS 33. 2014 reported Group net income (loss) per share: €1.89; 2014 reported Group diluted net income (loss) per share: €1.88.



### 3.1.3. Statement of comprehensive income

(€K)	31/12/2015	31/12/2014
<b>NET INCOME FOR THE PERIOD</b>	<b>654,312</b>	<b>119,601</b>
Other items in the comprehensive income statement recognised directly in shareholders' equity and:		
Destined for subsequent reclassification in the "Net income" section of the income statement		
Actuarial losses on personnel benefits	-1,989	-2,960
Changes due to revaluation of financial assets available for sale	0	0
Change in the value of investment assets	0	0
Effective portion of gains or losses on hedging instruments	19,690	85,521
Tax on other items of comprehensive income	296	31
Not destined for subsequent reclassification in the "Net income" section	0	0
Other items of comprehensive income	17,997	82,592
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>672,309</b>	<b>202,193</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE</b>		
To the owners of the parent company	493,597	159,494
To minority interests	178,712	42,698
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>672,309</b>	<b>202,193</b>
Group net income (loss) per share <sup>(1)</sup>	7.52	2.52
Group diluted net income (loss) per share <sup>(1)</sup>	7.47	2.50

<sup>(1)</sup> A factor of 0.9864 has been applied to 2014 data to take account of the impact of the capital increase and the distribution of preferential subscription rights, in accordance with IAS 33. 2014 reported Group net income (loss) per share: €2.55; 2014 reported Group diluted net income (loss) per share: €2.50.

### 3.1.4. Statement of changes in shareholders' equity

(€K)	Share capital	Share premium account	Treasury shares	Non distributed reserves and income	Gains and losses recognised directly in shareholders' equity	Group share of total shareholders' equity	Minority interests	Total shareholders' equity
<b>Position as at 31 December 2013</b>	<b>188,049</b>	<b>2,370,863</b>	<b>-10,961</b>	<b>1,825,905</b>	<b>-83,715</b>	<b>4,290,141</b>	<b>2,925,030</b>	<b>7,215,171</b>
Securities transactions	2	36	2,302			2,340	-85	2,255
Distribution of dividends		-79,810		-182,911		-262,721	-163,698	-426,419
Others		41	5,027	-5,565		-497	-1,432	-1,929
<b>Total comprehensive income for the period</b>				<b>118,479</b>	<b>41,015</b>	<b>159,494</b>	<b>42,698</b>	<b>202,192</b>
<i>Of which actuarial gains and losses on employee benefits (IAS 19 revised)</i>					-1,518	-1,518	-975	-2,493
<i>Of which effective portion of gains or losses on hedging instruments</i>					42,533	42,533	42,552	85,085
<i>Of which net income</i>				118,479		118,479	1,121	119,600
Impact of change in shareholding/ Capital increase				-33,723		-33,723	339,165	305,442
Shared-based payments				2,974		2,974		2,974
<b>Position as at 31 December 2014</b>	<b>188,051</b>	<b>2,291,130</b>	<b>-3,632</b>	<b>1,725,159</b>	<b>-42,700</b>	<b>4,158,007</b>	<b>3,141,678</b>	<b>7,299,685</b>
Securities transactions	85	-85				0		0
Distribution of dividends		-81,772		-187,585		-269,357	-159,559	-428,916
Capital increase	11,753	240,874		-253		252,374	4,686	257,060
Allocation to the legal reserve		-1,081		1,081		0		0
Others			-632	-440		-1,072	-7,010	-8,082
<b>Total comprehensive income for the period</b>				<b>481,472</b>	<b>12,125</b>	<b>493,597</b>	<b>178,712</b>	<b>672,309</b>
<i>Of which actuarial gains and losses on employee benefits (IAS 19 revised)</i>					-1,040	-1,040	-653	-1,693
<i>Of which effective portion of gains or losses on hedging instruments</i>					13,165	13,165	6,525	19,690
<i>Of which net income</i>				481,472		481,472	172,840	654,312
Impact of change in shareholding/ Capital increase				1,337		1,337	-69,633	-68,296
Shared-based payments				4,437		4,437	10	4,447
<b>POSITION AS AT 31 DECEMBER 2015</b>	<b>199,889</b>	<b>2,449,065</b>	<b>-4,264</b>	<b>2,025,208</b>	<b>-30,575</b>	<b>4,639,323</b>	<b>3,088,884</b>	<b>7,728,207</b>

Dividends paid in cash during the year amounted to €269.4 million, including €81.8 million applied to the share premium accounts and €187.6 million to net income and retained earnings.

In March 2015, Foncière des Régions increased its capital by €254.6 million (€252.4 million net of costs) with the issue of 3,917,722 new shares at €65 per share.

### 3.1.5. Statement of cash flows

(€K)	Note	31/12/2015	31/12/2014
Total consolidated net income of continuing operations		667,295	95,636
Total consolidated net income of discontinued operations		-12,983	23,965
<b>Net consolidated income (including minority interests)</b>		<b>654,312</b>	<b>119,601</b>
Net amortisation, depreciation and provisions – (excluding those provisions relating to current assets)		80,447	41,570
Unrealised gains and losses relating to changes in fair value	3.2.6.11.3 & 3.2.7.2	-303,411	136,349
Income and expenses calculated on stock options and related share-based payments		4,447	2,974
Other calculated income and expenses		23,791	39,038
Gains or losses on disposals		-5,978	-7,657
Gains or losses from dilution and accretion		-3,900	0
Share of income from companies accounted for under the equity method		-47,376	-21,124
Dividends (non-consolidated securities)		-197	-896
<b>Cash flow from continuing operations after tax and cost of net financial debt</b>		<b>415,118</b>	<b>285,890</b>
<b>Cash flow from discontinued operations after tax and cost of net financial debt</b>		<b>7,260</b>	<b>16,048</b>
<b>Cash flow after cost of net financial debt and taxes</b>		<b>422,378</b>	<b>301,938</b>
Net cost of financial debt	3.2.7.4.	265,155	287,642
Income tax expense (including deferred taxes)	3.2.7.6.2	42,634	91,366
<b>Cash flow from continuing operations before tax and cost of net financial debt</b>		<b>722,907</b>	<b>664,898</b>
<b>Cash flow from discontinued operations before tax and cost of net financial debt</b>		<b>9,988</b>	<b>16,645</b>
<b>Cash flow before cost of net financial debt and taxes</b>		<b>732,895</b>	<b>681,543</b>
Taxes paid		-28,751	-27,769
Change in working capital requirements on continuing operations (including employee benefits liabilities)		56,021	13,893
<b>Net cash flow from operating activities of continuing operations</b>		<b>750,177</b>	<b>651,022</b>
<b>Net cash flow from operating activities of discontinued operations</b>		<b>-43,346</b>	<b>104,081</b>
<b>Net cash flow from operating activities</b>		<b>706,831</b>	<b>755,103</b>
Impact of changes in the scope of consolidation <sup>(1)</sup>		-464,707	-237,984
Disbursements related to acquisition of tangible and intangible fixed assets	3.2.6.1.1	-469,743	-551,955
Investments in equity affiliates	3.2.6.1.1	687,876	597,375
Disbursements on acquisitions of financial assets (non-consolidated securities)		-28,147	-458
Proceeds from the disposal of financial assets (non-consolidated securities)		23,085	1,212
Dividends received (companies accounted for under the equity method, non-consolidated securities)		64,122	13,022
Change in loans and advances granted		-42,644	113,611
Investment grants received		0	0
Other cash flow from investment activities		2,771	-4,526
<b>Net cash flow from investment activities of continuing operations</b>		<b>-227,387</b>	<b>-69,703</b>
<b>Net cash flow from investment activities of discontinued operations</b>		<b>105,795</b>	<b>193,018</b>
<b>Net cash flow from investment activities</b>		<b>-121,592</b>	<b>123,315</b>



(€K)	Note	31/12/2015	31/12/2014
Amounts received from shareholders in connection with capital increases:			
Paid by parent company shareholders		315,305	301,729
Paid by minority shareholders of consolidated companies		0	0
Purchases and sales of treasury shares		-1,049	2,217
Dividends paid during the fiscal year:			
Dividends paid to parent company shareholders	3.1.4	-269,357	-262,720
Dividends paid to minority shareholders	3.1.4	-159,559	-163,698
Proceeds related to new borrowings	3.2.6.11.	3,035,985	3,258,294
Repayments of borrowings (including finance lease agreements)	3.2.6.11.	-3,072,554	-2,838,049
Net interest paid (including finance lease agreements)		-266,097	-275,535
Other cash flow from financing activities		-139,339	-176,885
<b>Net cash flow used in financing activities of continuing operations</b>		<b>-556,665</b>	<b>-154,647</b>
<b>Net cash flow used in financing activities of discontinued operations</b>		<b>-64,532</b>	<b>-22,129</b>
<b>Net cash flow used in financing activities</b>		<b>-621,197</b>	<b>-176,776</b>
Impact of changes in accounting policies		0	-3,302
<b>Change in net cash of continuing operations</b>		<b>-33,875</b>	<b>423,371</b>
<b>Change in net cash of discontinued operations</b>		<b>-2,083</b>	<b>274,970</b>
<b>CHANGE IN NET CASH</b>		<b>-35,958</b>	<b>698,341</b>
Opening cash position		926,502	228,161
Closing cash position		890,544	926,502
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>-35,958</b>	<b>698,341</b>

(€K)		31/12/2015	31/12/2014
Gross cash flow from continuing operations (a)	3.2.6.9.	949,684	1,026,507
Gross cash flow from discontinued operations (a)		56	2,135
Debit balances and bank overdrafts from continuing operations (b)	3.2.6.11.	-54,135	-94,312
Debit balances and bank overdrafts from discontinued operations (b)		-4	0
<b>Net cash and cash equivalents (c) = (a) - (b)</b>		<b>895,601</b>	<b>934,330</b>
<b>Of which available net cash of continuing operations</b>		<b>890,492</b>	<b>924,367</b>
<b>Of which available net cash of discontinued operations</b>		<b>52</b>	<b>2,135</b>
<b>Of which unavailable net cash and cash equivalents</b>		<b>5,057</b>	<b>7,828</b>
Gross debt (d)	3.2.6.11.	9,511,194	8,892,916
Amortisation of financing costs (e)	3.2.6.11.	-73,705	-74,311
<b>NET DEBT (D) - (C) + (E)</b>		<b>8,541,888</b>	<b>7,884,275</b>

<sup>(1)</sup> The -€464.7 million impact of changes in the scope of consolidation primarily correspond to:

- disbursements related to the acquisition of additional stakes in the Hotels & Service Sector (-€233.4 million) and the acquisition of companies in the Germany Residential (-€347 million) and Hotels & Service sectors (-€91.3 million), as well as the deposit paid on the acquisition of non-consolidated securities in the Germany Residential segment (-€3 million)
- proceeds from the disposal of Germany Residential companies (+€110.2 million) and an advance received on the sale price of Germany Residential sector assets (+€95.2 million).

## 3.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3.2.1. Accounting principles and methods

#### 3.2.1.1. General principles – Accounting references

The consolidated financial statements of the Foncière des Régions group at 31 December 2015 were prepared in compliance with the international accounting standards and interpretations issued by the IASB (International Accounting Standards Board) and adopted by the European Union as of the preparation date. These standards comprise IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards) as well as their interpretations.

They were approved by the Board of Directors on 17 February 2016.

##### 3.2.1.1.1. Accounting principles and methods used

The accounting principles applied to the consolidated financial statements as at 31 December 2015 are identical to those used for the consolidated financial statements as at 31 December 2014, with the exception of new standards and amendments whose application is mandatory as from 1 January 2015 and which were not applied early by the Group.

New standards for which application is mandatory on or after 1 January 2015 include:

- ♦ IFRIC 21 “Levies” adopted by the European Union on 13 June 2014 and mandatory for fiscal years beginning on or after 17 June 2014. This first-time application is retrospective. IFRIC 21 is an interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. IAS 37 sets out the recognition criteria for liabilities, including the requirement for the entity to have a present Bonds arising from past events. IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy or duty, as defined in legal or regulatory provisions. For example, if the levy is payable by virtue of the generation of revenues in the current period and if the levy is calculated on the basis of revenues generated in the prior period, the obligating event is the generation of revenues in the current period. If the Bonds to pay the levy arises from the progressive performance of the activity over the period, it must also be recognised progressively over the period. If a levy is only due above a certain threshold (for example, above a minimum amount of revenues), the corresponding liability should only be recognised when this threshold is reached. This standard has an impact on the interim financial statements, but has no impact on the annual financial statements
- ♦ annual improvements to IFRS (2011-2013 cycle) adopted by the European Union on 19 December 2014. These improvements are meant to resolve issues, deemed necessary but not urgent, that the IASB looked at in the course of the cycle that began in 2011. Improvements relate to IFRS 13, IFRS 3 and IAS 40.

The new amendments and standards adopted by the European Union for which application was not mandatory at 1 January 2015 and which are not being applied early by the Foncière des Régions group are:

- ♦ amendments to IAS 19 “Defined Benefit Plans – Employee contributions” published on 9 January 2015. These limited amendments apply to employee contributions to defined benefit plans. The purpose of the amendments is to clarify and simplify the recognition of contributions that are not linked to the number of years of service of employees, for example employee contributions calculated on the basis of a fixed percentage of salary. These contributions can be recognised as a reduction in the cost of service in the period in which the service is rendered, rather than being allocated to the service periods
- ♦ annual improvements to IFRS (2010-2012 cycle), adopted by the European Union on 9 January 2015; The IASB uses this process to make changes deemed necessary, but not urgent, to its standards, when they are not already included in another project
- ♦ amendments to IFRS 11 “Amendments: Accounting for Acquisitions of Interests in Joint Operations”, adopted by the European Union on 25 November 2015. This amendment specifies that the acquisition of an interest in a joint operation, which constitutes a business under IFRS 3, must be accounted for according to IFRS 3, save where exceptions apply
- ♦ amendments to IAS 16 and IAS 38 “Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation”, adopted by the European Union on 3 December 2015. For tangible assets, this amendment prohibits the use of depreciation or amortisation methods based on the revenue generated by the use of the asset
- ♦ annual improvements to IFRS (2012-2014 cycle) adopted by the European Union on 15 December 2015; These amendments relate to IFRS 5, IFRS 7, IAS 19, IAS 34 and IFRS 1
- ♦ amendments to IAS 1 “Presentation of Financial Statements” adopted by the European Union on 15 December 2015. The purpose of these amendments is to encourage companies to apply their professional judgement in determining which information to disclose in their financial statements pursuant to IAS 1.

IFRS standards and amendments published by the IASB but not adopted by the European Union, not yet mandatory for fiscal years beginning on or after 1 January 2015:

- ♦ IFRS 15 “Revenue from Contracts with Customers”; it will enter into force for fiscal years beginning on after 1 January 2018, according to the IASB, and is expected to be adopted by the European Union in the second quarter of 2016. In May 2014, the IASB and the FASB published IFRS 15, which changes how revenue is recognised and supersedes IAS 18 “Revenue” and IAS 11 “Construction Contracts”. IFRS 15 establishes a funda-

mental principle that requires revenues from contracts with customers to be recognised in a way that reflects the amount to which a seller expects to be entitled when transferring control of a good or service to a customer.

For the Group, the standard could have an impact on real estate developments under consideration

- ♦ IFRS 9 "Financial Instruments: Hedge Accounting and Amendments to IFRS 9, IFRS 7 and IAS 39"; Effective for reporting periods beginning on or after 1 January 2018; expected to be adopted by the European Union in the first-half of 2016. This standard will replace IAS 39 "Financial Instruments" and should have only a limited impact on the financial statements.

### 3.2.1.2. Presentation of the financial statements

The Foncière des Régions group has applied the recommendations of the EPRA (European Public Real Estate Association) since its consolidated financial statements for the year ended 31 December 2010.

### 3.2.1.3. Consolidation principles

#### 3.2.1.3.1. Consolidated subsidiaries and structured entities

These financial statements include the financial statements of Foncière des Régions and the financial statements of the entities (including structured entities) that it controls and its subsidiaries.

The Foncière des Régions group has control when it:

- ♦ has power over the issuing entity
- ♦ is exposed or is entitled to variable returns due to its ties with the issuing entity
- ♦ has the ability to exercise its power in such a manner as to affect the amount of returns that it receives.

The Foncière des Régions group must reassess whether it controls the issuing entity when facts and circumstances indicate that one or more of the three factors of control listed above have changed.

A structured entity is an entity structured in such a way that the voting rights or similar rights do not represent the determining factor in establishing control of the entity. This is particularly the case when the voting rights only involve administrative tasks and the relevant business activities are governed by contractual agreements.

If the Group does not hold a majority of the voting rights in an issuing entity in order to determine the power exercised over an entity, it analyses whether it has sufficient rights to unilaterally manage the issuing entity's relevant business activities. The Group takes into consideration any facts and circumstances when it evaluates whether the voting rights that it holds in the issuing entity are sufficient to confer power to the Group, including the following:

- ♦ the number of voting rights that the Group holds compared to the number of rights held respectively by the other holders of voting rights and their distribution
- ♦ the potential voting rights held by the Group, other holders of voting rights or other parties

- ♦ the rights under other contractual agreements
- ♦ the other facts and circumstances, where applicable, which indicate that the Group has or does not have the actual ability to manage relevant business activities at the moment when decisions must be made, including voting patterns during previous General Meetings.

Subsidiaries and structured entities are fully consolidated.

#### 3.2.1.3.2. Associates

An associate is an entity in which the Group has significant control. Significant control is the power to participate in decisions relating to the financial and operational policy of an issuing entity without exercising joint control on these policies.

The results and the assets and liabilities of associates were accounted for in these consolidated financial statements according to the equity method.

#### 3.2.1.3.3. Partnerships (or joint control)

Joint control means the contractual agreement to share the control exercised over a company, which only exists in the event where the decisions concerning relevant business activities require the unanimous consent of the parties sharing the control.

##### 3.2.1.3.3.1. Joint ventures

A joint venture is a partnership in which the parties which exercise joint control over the entity have rights to its net assets.

The results and the assets and liabilities of joint ventures were accounted for in these consolidated financial statements according to the equity method.

##### 3.2.1.3.3.2. Joint operations

A joint operation is a partnership in which the parties exercising joint control over the operation have rights to the assets, and obligations for the liabilities relating to it. Those parties are called joint operators.

A joint operator must recognise the following items relating to its interest in the joint operation:

- ♦ its assets, including its proportionate share of assets held jointly, where applicable
- ♦ its liabilities, including its proportionate share of liabilities assumed jointly, where applicable
- ♦ the income that it made from the sale of its proportionate share in the yield generated by the joint operation
- ♦ its proportionate share of income from the sale of the yield generated by the joint operation
- ♦ the expenses that it has committed, including its proportionate share of expenses committed jointly, where applicable.

The joint operator accounts for the assets, liabilities, income and expenses pertaining to its interests in a joint operation in accordance with the IFRS that apply to these assets, liabilities, income and expenses.

No group company is considered to constitute a joint operation.

#### 3.2.1.4. Estimates and judgments

The financial statements have been prepared in accordance with the historic cost convention, with the exception of investment properties and certain financial instruments, which were accounted for in accordance with the fair value convention. In accordance with the conceptual framework for IFRS, preparation of the financial statements requires making estimates and using assumptions that affect the amounts shown in these financial statements.

The significant estimates made by the Foncière des Régions group in preparing the financial statements mainly relate to:

- ♦ the valuations used for testing impairment, in particular assessing the recoverable value of goodwill and intangible fixed assets
- ♦ measurement of the fair value of investment properties
- ♦ the assessment of the fair value of derivative financial instruments
- ♦ measurement of provisions.

Because of the uncertainties inherent in any valuation process, the Foncière des Régions group reviews its estimates based on regularly updated information. The future results of the transactions in question may differ from these estimates.

In addition to the use of estimates, Group management makes use of judgements to define the appropriate accounting treatment of certain business activities and transactions when the IFRS standards and interpretations in effect do not precisely handle the accounting issues involved.

#### 3.2.1.5. Operating segments

The Foncière des Régions group holds a wide range of real estate assets to collect rental income and benefit from appreciation in the assets held. Segment reporting is organised by asset type.

The Foncière des Régions group changed its operating segments when presenting the consolidated financial statements at 31 December 2014, in line with the strategy and reporting segments used by management at end-2014. The Residential segment is split into the France Residential segment and the Germany Residential segment.

As a result, the operating segments are as follows:

- ♦ France Offices: office property assets located in France
- ♦ Italy Offices: office and commercial property assets located in Italy
- ♦ Hotels & Service: commercial buildings in the hotel, retail and health sectors held by Foncière des Murs
- ♦ Germany Residential: residential real estate assets in Germany held by Immeo SE
- ♦ France Residential: residential real estate assets in France and Luxembourg held by Foncière Développement Logements
- ♦ Car Parks: parking facilities leased by Urbis Park, and related business activities.

These segments are reported on and analysed regularly by Group management in order to make decisions on what resources to allocate to the segment and to evaluate their performance.

Since 1 January 2014, Logistics no longer appears under operating segments. In accordance with the application of IFRS 5, the Logistics business activity, which is being sold, is presented in the financial statements as discontinued operations.

The summary financial statements are presented after adjustment for discontinued operations.

#### 3.2.1.6. Valuation methods and principles applied by Foncière des Régions

##### 3.2.1.6.1. Intangible fixed assets

Identifiable intangible fixed assets are amortised on a straight-line basis over their expected useful lives. Intangible fixed assets acquired appear on the balance sheet at acquisition cost. They primarily include entry fees (long-term leases conferring ad rem rights and occupancy rights for car parks) and computer software.

Intangible fixed assets are amortised on a straight-line basis, as follows:

- ♦ software: over a period of 1 to 3 years
- ♦ occupancy rights: 30 years.

##### 3.2.1.6.1.1. Fixed assets in the concession segment – Concession activity

The Foncière des Régions group has applied IFRIC 12 to the consolidated financial statements since 1 January 2008. An analysis of the Group's concession agreements results in classifying agreements as intangible assets as the group is paid directly by users for all car parks operated without a subsidy from public authorities. These concession assets are assessed at historical cost less accumulated depreciation and any impairment. Wholly-owned car parks remain classified under property, plant and equipment.

##### 3.2.1.6.2. Business combinations (IFRS 3)

An entity must determine whether a transaction or event constitutes a business combination within the meaning of the definition of IFRS 3, which stipulates that a business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return directly to investors in the form of dividends, lower costs or other economic advantages.

In this case, acquisition costs are set at fair value on the date of the exchange of assets and liabilities and equity instruments issued for the purpose of acquiring the entity. Goodwill is accounted for as an asset for the surplus of the acquisition cost on the portion of the buyer's interest in the fair value of assets and liabilities acquired, net of any deferred taxes. Negative goodwill is recorded in the income statement.



To determine whether a transaction constitutes a business combination, the Group considers whether an integrated set of businesses is acquired in addition to real estate. The criteria the Group uses may be the number of assets and the existence of a process such as asset management or sales and marketing units.

Related acquisition costs are recognised in expense in accordance with IFRS 3 under "Income from changes in consolidation scope" in the EPRA income statement.

If the Group concludes that the transaction is not a business combination, it is accounted for as acquisition of assets and applies the standards appropriate to acquired assets.

### 3.2.1.6.3. Investment properties (IAS 40)

Investment properties are real estate properties held for purposes of leasing within the context of operating leases or long-term capital appreciation (or both).

Investment properties represent the majority of the Group's portfolio. Assets occupied by the Foncière des Régions group are accounted for under tangible fixed assets.

Under the option offered by IAS 40, investment properties are assessed at fair value. Changes in fair value are recorded in the income statement. Investment properties are not depreciated.

Valuations are carried out in accordance with the code of conduct applicable to SIICs and the Charter of property valuation expertise, the recommendations of the COB/CNCC working group chaired by Mr Barthès de Ruyter, the international plan in accordance with European TEGoVA standards and those of the Red Book of the Royal Institution of Chartered Surveyors (RICS).

The property portfolio directly held by the Group was appraised in full on 31 December 2015 by independent property experts such as BNP Paribas Real Estate, JLL, DTZ Eurex/Cushman & Wakefield, CBRE, Yard Valltech, CFE, VIF Expertises and REAG.

Assets were estimated at values excluding and/or including duties, and rents at market value. Estimates were made using the comparative method, the rent capitalisation method and the discounted future cash flows method.

The assets are accounted for at their net market value.

- ♦ For France Offices, Italy Offices and Logistics, valuations are performed via two methods:
  - ♦ the yield (or income capitalisation) method:

This approach consists of capitalising an annual income, which, in general, is rental income from occupied assets, with the possible impact of a reversion potential, and market rent for vacant assets, taking into account the time needed to find new tenants, any renovation work and other costs

- ♦ the discounted cash flow (DCF) method

This method consists of determining the useful value of an asset by discounting the forecast cash flows that it is likely to generate over a given time frame. The discount rate is determined on the basis of the risk-free rate plus a risk premium associated with the asset and defined by comparison with the discount rates applied to cash flows generated by similar assets

- ♦ For the Hotels & Service Sector, the methodology changes according to the type of asset:
  - ♦ the rent capitalisation method is used for retirement homes, clinics, restaurants, garden centres and Club Méditerranée holiday villages
  - ♦ the DCF method is used for hotels (including the revenue forecasts determined by the appraiser) and Sunparks holiday villages
- ♦ For the Residential segment, the methodology changes according to the type of asset:

The assets are accounted for at their net fair value. The fair value is determined based on:

- ♦ a block value for assets for which no sales strategy has been developed or which have not been marketed
- ♦ an occupied retail value for assets on which at least one offer has been made before the closing date

The following valuation methods were used:

- ♦ for assets located in France: the leasing revenue discount method and the comparison method
- ♦ for assets located in Luxembourg: the leasing revenue discount method
- ♦ for assets located in Germany: the discounted cash flow method

The resulting values are also compared with the initial rate of return and the monetary values per square metre of comparable transactions and transactions carried out by the Group.

IFRS 13 – Fair Value Measurement establishes a fair value hierarchy that categorises the inputs used in valuation techniques into three levels:

- ♦ level 1: the valuation refers to quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- ♦ level 2: the valuation refers to valuation methods using inputs that are observable for the asset or liability, either directly or indirectly, in an active market
- ♦ level 3: the valuation refers to valuation methods using inputs that are unobservable in an active market.

The fair value measurement of investment properties requires the use of different valuation methods using unobservable or observable inputs to which some adjustments have been applied. Accordingly, the Group's portfolio is mainly categorised as level 3 according to the IFRS 13 fair value hierarchy.



#### **3.2.1.6.4. Assets under development (revised IAS 40)**

Since 1 January 2009, in accordance with amended IAS 40, assets under construction are valued according to the general fair-value principle, except where it is not possible to determine this fair value on a reliable and ongoing basis. In such cases, the asset is valued at cost.

As a result, development programmes and extensions or remodelling of existing assets that are not yet commissioned are valued at their fair value, and are treated as investment properties whenever the administrative and technical fair-value reliability criteria – *i.e.* administrative, technical and commercial criteria – are met.

In accordance with revised IAS 23, the borrowing cost during a period of construction and renovation is included in the cost of the assets. The capitalised amount is determined on the basis of fees paid for specific borrowings and, where applicable, for financing from general borrowings based on the weighted average rate of the particular debt.

#### **3.2.1.6.5. Tangible fixed assets (IAS 16)**

Pursuant to the preferred method proposed by IAS 16, operating assets and wholly-owned car parks are valued at historical cost less accumulated depreciation and any potential impairment.

#### **3.2.1.6.6. Non-current assets held for sale (IFRS 5)**

In accordance with IFRS 5, when Foncière des Régions decides to dispose of an asset or group of assets, it classifies it/them as an asset or assets held for sale if:

- ♦ the asset or group of assets is available for immediate sale in its current condition, subject only to normal and customary conditions for the sale of such assets
- ♦ its sale is likely within one year and marketing for the property has been initiated.

For the Foncière des Régions group, only assets corresponding to the above criteria and included in a planned sales programme drawn up by the Board of Directors are classified as non-current assets held for sale.

The conditions for valuing these assets are identical to those expressed above for investment properties if no sale commitment has been signed. If a sale commitment exists on the account closing date, the price of the commitment net of expenses constitutes the fair value of the asset held for sale.

#### **3.2.1.6.7. Financial assets**

##### **3.2.1.6.7.1. Other financial assets**

Other financial assets consist of investment-fund holdings, which cannot be classified as cash or cash equivalents.

These securities are accounted for upon acquisition at acquisition cost plus transaction costs. They are then valued at fair value in the income statement on the closing date. The fair value is arrived at on the basis of recognised valuation techniques (reference to recent transactions, discounted cash flows, etc.). Some securities that cannot be reliably valued at fair value are valued at acquisition cost.

Securities available for sale of public and private companies are recorded at their stock-market price with an offsetting entry in shareholders' equity in accordance with IAS 39.

Dividends received are recognised when they have been approved by vote.

##### **3.2.1.6.7.2. Loans**

At each closing date, loans are recorded at their amortised cost. Moreover, impairment is booked and accounted for on the income statement when there is an objective indication of impairment as a result of an event occurring after the initial recognition of the asset.

##### **3.2.1.6.7.3 Cash and cash equivalents**

Cash and cash equivalents include cash, short-term deposits, and money-market funds. These are short-term, highly liquid assets that are easily convertible into a known cash amount, and for which the risk of a change in value is negligible.

#### **3.2.1.6.8. Investments in associates (IAS 28)**

In accordance with IAS 28, and IFRS 10, 11 and 12, an equity affiliate is an entity in which the Group has significant influence on its financial and operational policies without having control.

Investments in associates are accounted for by the equity method. According to this method, the Group's investment in the associate is initially accounted for at cost, increased or reduced by changes subsequent to acquisition in the share of the net assets of the associate. The goodwill related to an associate is included in the book value of the investment, if it is not impaired. The share in earnings for the period is shown in the line item "Share in income of equity affiliates".

The financial statements of associates are prepared for the same accounting period as for the parent company, and adjustments are made, where relevant, to adapt the accounting methods to those of the Foncière des Régions group.

#### **3.2.1.6.9. Inventories**

The inventories held by the Foncière des Régions group relate mainly to Beni Stabili's Trading portfolio and the Germany Residential segment. They are intended to be sold during the normal course of business. They are recorded at acquisition price and, as applicable, are depreciated in relation to the sale value (independent appraisal value).

### 3.2.1.6.10. Trade receivables

Receivables consist mainly of operating and finance lease receivables. These items are valued at amortised cost. In the event that the recoverable value is lower than net book value, the Group may be required to account for an impairment charge through profit or loss.

#### 3.2.1.6.10.1. Receivables from operating-lease transactions

For operating-lease receivables, a provision is made at the first non-payment. The impairment rates applied by Foncière des Régions are as follows:

- 10% of the total amount of the receivable for tenants whose receivables are less than three months overdue
- 50% of the total amount of the receivable for tenants whose receivables are between three and six months overdue
- 100% of the total amount of the receivable for tenants whose receivables are more than six months overdue, or involving a vacated tenant.

Receivables and the theoretical provisions arising from these rules above are reviewed on a case-by-case basis in order to factor in any specific situations.

#### 3.2.1.6.10.2. Receivables from finance-lease transactions

Receivables are accounted for at their amortised value. When the financial position of the debtor gives grounds for the likelihood of non-recovery, a provision is made.

Provisions for doubtful unpaid receivables in relation to financial contracts are made for at least the interest billed according to the terms of the contract.

Termination fees are accounted for when invoiced. Given the significant possibility of non-recovery, these revenues are generally depreciated by an identical amount.

Moreover, finance-lease assets related to doubtful contracts manifesting termination risks that are considered significant are independently appraised at market value. When these valuations, net of transfer taxes, and line-by-line, are lower than the net financial value, an impairment provision equal to the difference is accounted for.

### 3.2.1.6.11. Treasury shares

If the Group buys back its own equity instruments (treasury shares), these are deducted from shareholders' equity. No profit or loss is accounted for in the income statement when group equity capital instruments are purchased, sold, issued or cancelled.

### 3.2.1.6.12. Retirement commitments

Retirement commitments are accounted for in accordance with revised IAS 19. Liabilities arising from defined benefit pension schemes are provisioned on the balance sheet for existing staff

at the closing date. They are calculated according to the projected credit units method based on valuations made at each year-end. The past service cost corresponds to benefits granted, either when the company adopts a new defined-benefits scheme, or when it changes the level of benefits of an existing scheme. When new benefits are granted upon adoption of a new scheme or change in an existing scheme, the past service cost is immediately accounted for in the income statement.

Conversely, when adoption of a new scheme or change in an existing scheme gives rise to the vesting of benefits after its implementation date, the past service cost is accounted for as an expense on a straight-line basis over the average remaining period until the benefits become fully vested. Actuarial gains and losses result from the effects of changes in actuarial assumptions and experience adjustments (differences between actuarial assumptions and what has actually occurred). The change in actuarial gains and losses is accounted for in other comprehensive income. The expense recognised in operating income includes the cost of services rendered during the year, amortisation of past service costs and the effects of any reduction or liquidation of the scheme; the cost of discounting is accounted for in net financial income. Valuations are made taking into account the Collective Agreements applicable in each country and in keeping with various local regulations. For each employee, the retirement age is the social security eligibility age.

### 3.2.1.6.13. Financial liabilities

Financial liabilities include borrowings and other interest-bearing debt.

At initial recognition, financial liabilities are measured at fair value, plus or minus the transaction costs directly attributable to the issue of the liability. They are then accounted for at amortised cost based on the effective interest rate. The effective rate includes the nominal rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Financial liabilities of less than one year are posted under "Current financial liabilities".

Convertible bonds (ORNANE-type) issued by the Foncière des Régions group are either (i) accounted for at fair value in the income statement or (ii) accounted for separately as a financial liability at amortised cost and an embedded derivative measured at fair value in the income statement.

For Foncière des Régions, the fair value is determined according to the closing bond price.

In the case of financial liabilities resulting from the recognition of finance lease agreements, the financial liability recognised against the tangible fixed asset is initially accounted for at the leased asset's fair value, or if lower, at the discounted value of the minimum lease payments.

#### 3.2.1.6.13.1. Tenant security deposits

The Foncière des Régions group discounts security deposits at the average financing rate of the structure and over the average remaining term of the leases determined for each type of asset.

#### 3.2.1.6.14. Derivatives and hedging instruments

The Foncière des Régions group uses derivatives to hedge its floating rate debt against interest rate risk (hedging of future cash flows).

Derivative financial instruments are recorded on the balance sheet at fair value. Fair value is calculated using valuation techniques that use mathematical calculations based on recognised financial theories and parameters that incorporate the prices of market-traded instruments. This valuation is carried out by an external service provider.

The Group has been applying IFRS 13 since 1 January 2013. This standard requires accounting for counterparty risk (i.e. the risk of a counterparty defaulting on its commitments) in the assessment of the fair value of financial assets and liabilities.

The majority of the financial instruments in the Italy Offices segment qualify for hedge accounting as defined by IAS 39.

In this case, changes in fair value of the effective portion of the hedge are accounted for net of tax in shareholders' equity until the hedged transaction occurs. The ineffective portion is recorded in the income statement.

Only Beni Stabili used hedge accounting as at 31 December 2015.

In other cases, given the characteristics of its debt, as at 1 January 2007, the Foncière des Régions group no longer qualifies for hedge accounting under IAS 39 and no longer qualifies for FDR 4 as of the end of July 2015. All derivative instruments are therefore accounted for at their fair value, and changes are reflected in the income statement. The revaluation reserve for financial instruments recorded in shareholders' equity until 31 December 2006 is amortised over the remaining maturity of the hedges.

#### 3.2.1.6.15. Current taxation and deferred taxes (including the Exit Tax)

##### 3.2.1.6.15.1. SIIC tax regime (French companies)

Opting for the SIIC tax regime involves the immediate liability for an exit tax at the reduced rate of 19% on unrealised capital gains relating to assets and securities of entities not subject to corporation tax. Exit tax is payable over four years, in four instalments, starting with the year the option is taken up. In return, the Company is exempted from income tax on the SIIC business and is then subject to distribution obligations.

##### 1. Exemption of SIIC revenues

SIIC revenues are exempt from taxes concerning:

- ♦ income from the leasing of assets
- ♦ capital gains realised on asset disposals, investments in companies having opted for the tax treatment or companies not subject to corporation tax in the same business, as well as the rights under a lease contract and real estate rights under certain conditions
- ♦ dividends of SIIC subsidiaries.

##### 2. Distribution obligations

The distribution obligations associated with exemption profits are the following:

- ♦ 95% of earnings derived from asset leasing
- ♦ 60% of the capital gains from disposals of assets and shares in subsidiaries having opted for the tax treatment or subsidiaries not subject to corporation tax with a SIIC corporate purpose for two years
- ♦ 100% of dividends from subsidiaries that have opted for the tax treatment.

The Exit Tax liability is discounted on the basis of the initial payment schedule determined from the first day the relevant entities adopted SIIC status.

The liability initially accounted for is discounted and an interest charge is applied at each closing, allowing the liability to reflect the net discounted value as at the closing date. The discount rate used is based on the yield curve, given the deferred payment.

##### 3.2.1.6.15.2. Ordinary law regime and deferred taxes

Deferred taxes result from temporary differences in taxation or deduction and are calculated using the liability method, and on all temporary differences in the Company financial statements, or resulting from consolidation adjustments. The valuation of the deferred tax assets and liabilities must reflect the tax consequences that would result from the method by which the Company seeks to recover or settle the book value of its assets and liabilities at year-end. Deferred taxes are applicable to Foncière des Régions' entities that are not eligible for or have not opted for the SIIC tax regime.

A deferred tax asset is recognised in the case of deferrable tax losses in the likely event that the entity in question, not eligible for the SIIC regime, will have taxable future profits against which the tax losses may be applied.

In the case where a French company intends to opt directly or indirectly for SIIC tax treatment in the near future, an exception under the ordinary law regime is applied by anticipating the application of the reduced rate (Exit Tax) in the valuation of deferred taxes.

### 3.2.1.6.15.3. SIIQ tax regime (Italian companies)

Opting for the SIIQ tax treatment triggers immediate liability for exit tax at a reduced 20% tax rate on the unrealised capital gains relating to the assets eligible for SIIQ tax treatment. The exit tax is payable over a maximum of five years.

Note that in 2014, a new decree was enacted (Law Decree No. 133/2014). Previously, the Company was exempted from tax on the SIIQ revenues ("rental" asset rental income and dividends of subsidiaries subject to the tax treatment) on condition of an 85% distribution ceiling. This ceiling has now been lowered to 70%.

Moreover, the decree requires that 50% of the capital gains on the disposal of assets eligible for the SIIQ regime be distributed within two years following their recognition.

In compensation, no tax is payable on capital gains from asset disposals and earnings from this business activity.

### 3.2.1.6.16. Rental income

According to the presentation of the income statement recommended by the EPRA, rental income is treated as revenues. Car-park receipts, disposals of assets in inventory and service charges are now shown in specific lines of the income statement below net rental income.

As a general rule, invoicing is quarterly. The rental income of investment properties is accounted for over a straight-line basis over the term of ongoing leases. Any benefits granted to tenants (rent-free periods, step rental leases) are amortised on a straight-line basis over the duration of the lease agreement, in compliance with SIC 15.

### 3.2.1.6.17. Share-based payments (IFRS 2)

The application of IFRS 2 has resulted in the recognition of an expense for benefits granted to employees as share-based payments. This expense is recorded in income for the year.

Bonus shares are valued by Foncière des Régions at the date of their award according to a binomial valuation model. This model takes into account the features of the plan (price and exercise period), market data upon award (risk free rate, share price, volatility and expected dividends), and assumptions of beneficiary behaviour. The benefits thus granted are accounted for as expenses for the vesting period, and offset by an increase in shareholders' equity.

### 3.2.1.6.18. Earnings per share (IAS 33)

Basic earnings per share are calculated by dividing the income attributable to holders of ordinary Foncière des Régions shares (the numerator) by the average weighted number of ordinary shares outstanding (the denominator) over the period.

In accordance with the rules set out in IAS 33, when shares are issued with the preferential subscription rights, the number of ordinary shares to take into account when calculating basic and diluted earnings per share for all periods prior to the rights issue is the number of ordinary shares outstanding before the issue, multiplied by the following factor:

- ♦ Fair value per share immediately prior to exercise of the right/Theoretical fair value per share ex-right.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to reflect the conversion of all dilutive potential ordinary shares, including bonus shares being vested and convertible bonds (ORNANE-type).

The impact of the dilution is only taken into account if it is dilutive.

The dilutive effect is calculated using the treasury stock method. The number calculated using this method is added to the average number of shares outstanding and becomes the denominator. To calculate diluted earnings, income attributable to holders of ordinary Foncière des Régions shares is adjusted by:

- ♦ all dividends or other items under dilutive potential ordinary shares that were deducted to arrive at the income attributable to holders of ordinary shares
- ♦ interest accounted for during the fiscal year to dilutive potential ordinary shares
- ♦ any change in income and expenses resulting from the conversion of dilutive potential ordinary shares.

### 3.2.1.6.19. IFRS 7 – Reference table

♦ Liquidity risk	§ 3.2.2.2
♦ Financial expense sensitivity	§ 3.2.2.3
♦ Credit risk	§ 3.2.2.4
♦ Market risk	§ 3.2.2.6
♦ Sensitivity of the fair value of investment properties	§ 3.2.6.1.2
♦ Covenants	§ 3.2.6.11.4

## 3.2.2. Financial risk management

The operating and financial activities of the Company are exposed to the following risks:

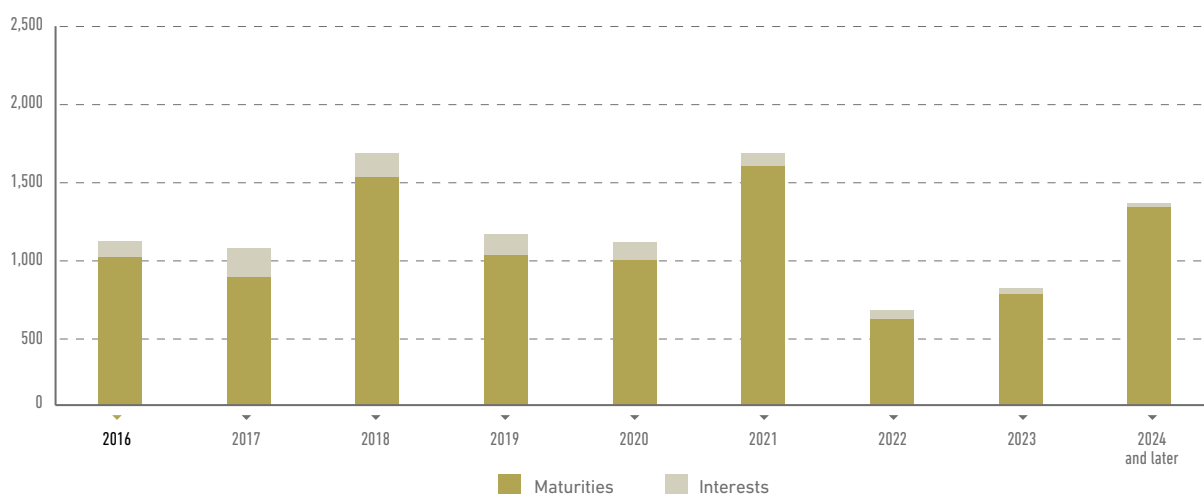
### 3.2.2.1. Marketing risk for properties under development

The Group develops properties and as such is exposed to a number of different risks, particularly the risks associated with construction costs, completion delays and the sale of the asset. These risks can be assessed in light of the schedule of properties under development (§ 3.2.6.1.3).

### 3.2.2.2. Liquidity risk

Liquidity risk is managed in the medium and long term with multi-year cash management plans and, in the short term, by using confirmed and undrawn lines of credit. At the end of December 2015, Foncière des Régions' available cash and cash equivalents amounted to €2,387 million, including €1,200 million in usable unconditional credit lines, €950 million in investments and €237 million in unused overdraft facilities.

The graph below summarises borrowing maturities in €m, including treasury bills existing at 31 December 2015:



2016 maturities include €748 million in treasury bills.

The amount of interest payable up to the maturity of the debt, estimated on the basis of the outstanding amount at 31 December 2015 and the average interest rate on the debt, totalled €929 million.

Details concerning debt maturities are provided in Note 3.2.6.11.1, and a description of banking covenants and accelerated payment clauses included in the loan agreements is presented in Note 3.2.6.11.4.

The Group set up or negotiated financing facilities in 2015 to cover liquidity risk. These renegotiations brought about an extension of the maturities and the optimisation of the financial terms and conditions of these loans.

#### ♦ France Offices

During the 2015 fiscal year, Foncière des Régions continued to renegotiate its corporate credit facilities. As a result, €290 million were renegotiated or refinanced. In addition, €60 million in new corporate debts were taken out.

In March 2015, Foncière des Régions refinanced the Dassault Systèmes Campus asset in Vélizy (€168 million) over eight years. In June 2015, Foncière des Régions also put in place financing in the amount of €45 million for the extension to this same property, where work began at the start of the year.

In July 2015, Foncière des Régions also obtained ten-year refinancing of the debt on the CB21 asset (in the amount of €280 million).

Finally, in December 2015, Foncière des Régions refinanced the Carré Suffren asset for €145 million over ten years.

#### ♦ Italy Offices

In March 2015, Beni Stabili successfully completed a private placement of €125 million in bonds, with an annual coupon of 2.125% and maturing in seven years (March 2022). This supports the ongoing strategy of extensive diversification of financing sources, reduction in the cost of the debt and the extension of its maturity.

In June 2015, Beni Stabili also obtained €255 million in new mortgage debt maturing in ten years.

Also in the first half, Beni Stabili took out a €110 million mortgage for a portfolio of assets mainly located in the Milan region and renegotiated €96 million in existing mortgage debt.

In July 2015, Beni Stabili issued €200 million in convertible bonds maturing in January 2021 with a coupon of 0.875% to be used to redeem convertible bonds maturing in 2018.

#### ♦ Hotels & Service Sector

In May 2015, Foncière des Murs issued a private placement for €200 million at a rate of 2.218% maturing in May 2023.

During the second half of 2015, Foncière des Murs also renegotiated a significant portion of its mortgage facilities for a total of €730 million.

As part of the acquisition of a portfolio of 22 B&B properties in Germany, in November 2015, Foncière des Murs arranged €75 million in non-recourse mortgage financing.

♦ Germany Residential

Immeo SE obtained ten-year refinancing of mortgages in the amount of €216 million during the first quarter of 2015.

Immeo SE also raised nearly €270 million in new ten-year financing for acquisitions, mainly in the regions of Berlin, Dresden, Hamburg, Leipzig and Cologne.

It raised close to €180 million in new financing in the second half of 2015 for acquisitions in Berlin, including 2,735 units through its takeover of Berlin IV, a listed real estate company.

In the same period, Immeo refinanced mortgaged debt for over €200 million.

### 3.2.2.3. Interest rate risk

The Group's exposure to the risk of changes in market interest rate rates is linked to its floating rate and long-term financial debt.

To the extent possible, bank debt is almost always hedged *via* financial instruments (see 3.2.6.11.3). At 31 December 2015, after taking interest rate swaps into account, approximately 89% of the Group's debt was hedged, and most of the remainder is covered by interest rate caps, which resulted in the following sensitivity to changes in interest rates:

The impact of a 100 bps rate increase as at 31 December 2015 is a loss of €8,744 thousand on the 2016 recurring net income, Group share.

The impact of a 50 bps rate increase as at 31 December 2015 is a loss of €4,036 thousand on the 2016 recurring net income, Group share.

The impact of a 50 bps rate reduction as at 31 December 2015 is an increase of €2,456 thousand on the 2016 recurring net income, Group share.

### 3.2.2.4. Financial counterparty risk

Given Foncière des Régions' contractual relationships with its financial partners, the Company is exposed to counterparty risk. If one of its partners is not in a position to honour its undertakings, the Group's net income could suffer an adverse effect.

This risk primarily involves the hedging instruments entered into by the Group and for which a default by the counterparty could make it necessary to replace a hedging transaction at the current market rate.

The counterparty risk is limited by the fact that Foncière des Régions is a borrower, from a structural standpoint. The risk is therefore mainly restricted to the investments made by the Group and to its counterparties in derivative product transactions. The Company continually monitors its exposure to financial counterparty risk. The Company's policy is to deal only with top-tier counterparties, while diversifying its financial partners and its sources of funding.

Counterparty risk is included in the measurement of cash instruments and totals €11,895 thousand for 2015.

### 3.2.2.5. Lease counterparty risk

The rental income of Foncière des Régions is subject to a certain degree of concentration, to the extent that the principal tenants (Orange, Telecom Italia, Suez environnement, EDF, AccorHotels, Korian) generate the main part of the annual rental income.

Foncière des Régions does not believe it is significantly exposed to the risk of insolvency, since its tenants are selected based on their creditworthiness and the economic prospects of their market segments. The operating and financial performance of the main tenants is regularly reviewed. In addition, tenants grant the Group financial guarantees when leases are signed.

The Group has not recorded any significant overdue payments.

### 3.2.2.6. Risks related to changes in the value of the portfolio

Changes in fair value of investment properties are accounted for in the income statement. Changes in property values can thus have a material impact on the operating performance of the Group.

In addition, part of the Company's operating income is generated by the sales plan, the income from which is equally dependent on property values and on the volume of possible transactions.

Rentals and property values are cyclical in nature, the duration of the cycles being variable but generally long-term. Different domestic markets have differing cycles that vary from each other in relation to specific economic and market conditions. Within each national market, prices also follow the cycle in different ways and with varying degrees of intensity, depending on the location and category of the assets.

The macroeconomic factors that have the greatest influence on property values and determine the various cyclical trends include the following:

- ♦ interest rates
- ♦ the liquidity on the market and the availability of other profitable alternative investments
- ♦ economic growth.

Low interest rates, abundant liquidity on the market and a lack of profitable alternative investments generally lead to an increase in property asset values.

Economic growth generally increases demand for leased space and paves the way for rent levels to rise, particularly in the office sector. These two consequences lead to an increase in the price of property assets. Nevertheless, in the medium term, economic growth generally leads to an increase in inflation and then an increase in interest rates, expanding the availability of profitable alternative investments. Such factors exert downward pressure on property values.



The investment policy of Foncière des Régions is to minimise the impact of various stages of the cycle by choosing investments that:

- ♦ have long-term leases and high quality tenants, which soften the blow of a reduction in market rental income and the resulting decline in real estate prices
- ♦ are located in major city centres
- ♦ have low vacancy rates, in order to avoid the risk of having to re-let vacant space in an environment where demand may be limited.

The holding of real estate assets intended for leasing exposes Foncière des Régions to the risk of fluctuation in the value of real estate assets and lease payments.

Despite the uncertainty created by the economic downturn, this exposure is limited to the extent that the rentals invoiced are derived from rental agreements, the term and diversification of which mitigate the effects of fluctuations in the rental market.

The sensitivity of the fair value of investment properties to changes in capitalisation rates is analysed in § 3.2.6.1.2.

### 3.2.2.7. Exchange rate risk

The Company operates in the Euro zone. It is therefore not exposed to exchange rate risk.

### 3.2.2.8. Risks related to changes in the value of shares and bonds

The Group is exposed to risks for two classes of shares (see § 3.2.6.2).

This risk primarily involves listed securities in companies consolidated using the equity method, which are valued according to their value in use. Value in use is determined based on independent assessments of property assets and financial instruments and there is no goodwill attached to these companies.

In addition, Foncière des Régions and Beni Stabili issued bonds (ORNANE) valued at their fair value in the income statement at each closing. The fair value corresponds to the monthly closing price of the bond, exposing the Group to changes in the value of the bond. The specific features of the ORNANE are described in Note 3.2.6.11.2.

### 3.2.2.9. Tax environment

#### 3.2.2.9.1. Changes in the French tax environment

Changes in the French tax environment may affect the Group's tax situation, particularly with regard to registration fees, with as of 1 January 2016:

- the introduction of an additional 0.6% tax on conveyancing of office, commercial and storage buildings in the Paris region completed more than five years ago
- the 0.7% increase in registration fees in Paris.

#### 3.2.2.9.2. Changes in the Italian tax environment

Changes in the tax regulations in Italy concern the corporation tax rate (IRES by the Italian acronym), which is lowered from 27.5% to 24% as of fiscal years ending in 2017.

#### 3.2.2.9.3. Changes in the German tax environment

The Group has not observed any significant change in the German tax environment.

#### 3.2.2.9.4. Tax risk

Given the ongoing changes to tax legislation, the Group is likely to be subject to reassessment proposals from the Tax Administration. If an adjustment presents a risk of reassessment in the opinion of our counsel, a provision is made at that point. The list of the main ongoing proceedings includes the following:

- ♦ Foncière des Régions tax inspection  
Foncière des Régions' accounts were audited for the 2012 and 2013 fiscal years, which resulted in a reassessment proposal in December 2015 for corporate value added tax (CVAE) generating:
  - ♦ a €9.7 million tax impact on the principal, relating to (i) corporation tax, with a correlative increase in deficits on the taxable segment in the amount of €36.6 million and (ii) CVAE. The Group is disputing this reassessment and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015
  - ♦ a reduction in deficits in the taxable segment of €1 million on a total of €240 million. This reassessment proposal was accepted.
- ♦ Foncière Europe Logistique tax audit  
The accounts of Foncière Europe Logistique for fiscal years 2012 and 2013 were audited. In April 2015, this audit concluded with a corporate income tax reassessment proposal that generated:
  - ♦ a financial impact of €1.3 million in principal with a consequential increase in the deficits of the taxable segment of €7 million, on the same basis as previous reassessment proposals for fiscal years 2007 to 2011. The Group is disputing this reassessment and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015
  - ♦ a reduction of deficits in the taxable segment of €11 million on a total of €81 million. This reassessment proposal was accepted.

A corporate income tax reassessment proposal was received by Foncière Europe Logistique amounting to €3.2 million for fiscal years 2007 and 2008, followed by a tax collection procedure and a payment during the first half of 2012. Foncière Europe Logistique is nonetheless contesting this reassessment and filed a claim against it. The Tax Administration rejected the claim on the merits but nevertheless granted an abatement of €2.4 million in principal and interest to take into account the fact that the financial consequences were spread out over 2008, 2009, 2010 and 2011.

Since 2009 was required, a final abatement of €0.8 million was obtained. The case was referred to the Administrative Court, which rejected Foncière Europe Logistique's application in December 2015. Foncière Europe Logistique maintains its position and has submitted an appeal to the Paris Administrative Appeals Court. The Administrative Court's ruling is being appealed and, based on our legal counsel's analysis, has not been provisioned as at 31 December 2015.

An accounting audit pertaining to the 2010 and 2011 fiscal years took place during the 2013 fiscal year, which ended in a reassessment proposal on the corporate tax for €3.5 million on the same grounds as the previous adjustment proposal for 2007 and 2008. This notification, which was followed by a tax collection procedure and a payment, is being contested and, based on our legal counsel's analysis, has not been provisioned. The case has been referred to the Administrative Court. Proceedings are currently underway.

- ♦ Foncière des Murs tax audit

Foncière des Murs' accounts were audited for the 2010 and 2011 fiscal years, which resulted in a reassessment proposal for the CVAE in the amount of €2.4 million. This reassessment proposal was confirmed in April 2015 following administrative reviews. The proposal is being contested in its entirety, and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015.

Foncière des Murs' accounts were also audited for the 2012, 2013 and 2014 fiscal years, which, in December 2015, resulted in a reassessment proposal for corporate value added tax (CVAE) generating:

- ♦ a financial impact of €2 million on the principal, relating to CVAE on the same grounds as the previous reassessment proposal for 2010 and 2011. The Group is disputing this reassessment and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015
- ♦ a reduction of deficits in the taxable segment of €5.6 million on a total of €70 million. This reassessment proposal was accepted.

An abatement was obtained in respect of the contribution of 3% for a total of €0.117 million.

- ♦ SNC Otello (Foncière des Murs subsidiary) tax audit

SNC Otello's accounts were audited for the 2011, 2012 and 2013 fiscal years, which resulted in a reassessment proposal for the CVAE in the amount of €0.5 million. This reassessment proposal was confirmed in April 2015 following administrative reviews. This proposal is being contested in its entirety, and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015.

- ♦ Urbis Park tax audit

Urbis Park had a tax audit for the 2008, 2009 and 2010 fiscal years. A tax reassessment proposal for 2008, which has no impact on the corporate tax owed, was submitted at the end of December 2011. Claims have been filed in this matter.

- ♦ Tax audit of the Germany Residential segment

Immeo and all its subsidiaries had a tax audit for the 2008, 2009 and 2010 fiscal years, resulting in total tax adjustments of €4.5 million, which have been taken into account in the results as at 31 December 2015.

New audits commenced in 2015 and were ongoing as at 31 December 2015. They cover the 2009/2010 and 2011/2012/2013 fiscal years, depending on the company concerned. No provision has been set aside for these new audits as at 31 December 2015.

- ♦ Tax audit of the France Residential segment

The accounts of Foncière Développement Logements were audited for the 2011, 2012 and 2013 fiscal years. The audit resulted in a reassessment proposal in April 2015 in respect of the contribution of 3%, for a total of €117.5 thousand on the principal and in a reduction of deficits in the taxable segment of €13.2 million on a total of €70 million. The reassessment proposal was accepted.

- ♦ Tax audits of the Italy Offices segment:

- ♦ Comit Fund tax dispute - Beni Stabili

On 17 April 2012, following a court decision, the Italian Tax Administration refunded the debt borne by Beni Stabili for the Comit Fund dispute (principal: €58.2 million and interest: €2.3 million). In April 2012, the Tax Administration appealed this decision. The Court of Appeal ruled in favour of the Tax Administration on 18 December 2015. Beni Stabili maintains its position and continues to contest the ruling. A provision of €55.3 million was set aside for this dispute as at 31 December 2015.

- ♦ Tax audits

A tax audit of Beni Stabili began during the first half of 2013 (covering 2009 and 2010). The administration issued a tax adjustment of €3.7 million for these fiscal years, which the Company disputed in its entirety. The dispute was ongoing at 31 December 2015 and the adjustment has not been provisioned.

In 2015, the audit was extended to the 2011 fiscal year, with a resulting tax adjustment of €3.4 million. However, Beni Stabili and its advisors believe that this reassessment is unfounded and the Company is contesting the entire adjustment, which has not been provisioned at 31 December 2015.

Furthermore, the tax audit for the 2008 fiscal year, for which the Tax Administration had proposed an adjustment on the non-deductibility of interest expenses on mortgage loans, was reconsidered by the administration and the amount that was revised downward to €3.7 million then €2.7 million. However, Beni Stabili and its counsel believe that this reassessment is unfounded and the Company is contesting the entire adjustment. At 31 December 2015, the procedure was still under way.

### 3.2.2.9.5. Deferred tax liabilities

Most of the Group's property companies have opted for the SIIC regime in France or for the SIQ in Italy. The impact of deferred tax liabilities is therefore essentially related to the Germany Residential segment and to investments in the Hotels & Service Sector in Germany and Belgium.



### 3.2.3. Scope of consolidation

#### 3.2.3.1. Additions to the scope of consolidation

Additions to the scope of consolidation for each business are presented in the scope reporting table detailed by company at the start of each segment. Segments concerned are France Offices, Hotels & Service, Germany Residential and Car Parks.

#### 3.2.3.2. Removals from the scope of consolidation

Removals from the scope of consolidation for each business are presented in the scope reporting table detailed by company at the start of each segment. The segment concerned is Germany Residential.

#### 3.2.3.3. Internal restructuring

##### 3.2.3.3.1. France Offices segment

Full transfer of the portfolio of FDR 5 to Foncière des Régions.

Full transfer of the portfolio of FDR 6 to Foncière des Régions.

Full transfer of the portfolio of GFR Services to Foncière des Régions.

Full transfer of the portfolio of GFR Bleriot to Foncière des Régions.

##### 3.2.3.3.2. Italy Offices segment

Merger of Beni Stabili Gestioni SpA SGR, previously 36.25% owned and fully consolidated, with Investire Immobiliare SGR SpA (firm 50.2% owned by the Finnat bank). Beni Stabili holds 17.9% of the capital. This business is consolidated by Beni Stabili using the equity method.

Merger of Imser 60 S.I.N.Q. SpA.

##### 3.2.3.3.3. Germany Residential segment

Merger of Foncière Europe Logistique Verwaltungs with Acopio.

##### 3.2.3.3.4. France Residential segment

Full transfer of the portfolio of Immeo Finance Lux to Batisica.

Full transfer of the portfolio of Immeo Finance Lux 2 to Batisica.

##### 3.2.3.3.5. Logistics segment

Full transfer of the portfolio of IPB to Foncière des Europe Logistique.

#### 3.2.3.4. Change in holding and/or in consolidation method

##### 3.2.3.4.1. Takeover bid on Foncière des Murs – Holding percentage impact

Following its takeover bid to acquire Foncière des Murs shares, Foncière des Régions received 10,864,285 shares.

At 31 December 2015, Foncière des Régions held 31,974,123 shares, representing 43.15% of the capital, compared to 28.5% before the transaction.

##### 3.2.3.4.2. Amendment to the Latécoère shareholder agreement – Change from equity method to full consolidation

Following the amendment to the shareholder agreement, Latécoère has been fully consolidated since 1 April 2015.

##### 3.2.3.4.3. Equity investment by Crédit Agricole Assurances in Latécoère 2 – Change from full consolidation to equity method

The Crédit Agricole Assurances group purchased 49.9% of the capital of Latécoère 2 on 30 June 2015. The partnership meets the criteria for joint ventures and the Company is consolidated using the equity method.

### 3.2.3.5. List of consolidated companies

88 companies in the France Offices segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
<b>Foncière des Régions</b>	<b>France</b>	<b>Parent company</b>		
Latepromo	France	FC	100.00	-
SNC Promomurs	France	FC	100.00	-
FDR Participation	France	FC	100.00	-
SCI Avenue de la Marne	France	FC	100.00	-
Omega B	France	FC	100.00	-
SCI Euromarseille 3	France	EM/JV	50.00	-
GFR Ravinelle	France	FC	100.00	100.00
SCI du 288 rue Duguesclin	France	FC	100.00	100.00
SCI du 15 rue des Cuirassiers	France	FC	100.00	100.00
SCI Fédérismo	France	FC	60.00	60.00
Iméfa 127	France	FC	100.00	100.00
SCI Atlantis	France	FC	100.00	100.00
EURL Fédération	France	FC	100.00	100.00
SCI Raphaël	France	FC	100.00	100.00
FDR Property SNC	France	FC	100.00	100.00
FDR Développement	France	FC	100.00	100.00
SARL Foncière Margaux	France	FC	100.00	100.00
Foncière des Régions SGP	France	FC	100.00	100.00
SCI du 32 avenue P Grenier	France	FC	100.00	100.00
SCI du 57/59 rue du Cdt R Mouchotte	France	FC	100.00	100.00
SCI du 40 rue JJ Rousseau	France	FC	100.00	100.00
SCI du 3 place A Chaussy	France	FC	100.00	100.00
SARL BGA Transactions	France	FC	100.00	100.00
SCI du 9 rue des Cuirassiers	France	FC	100.00	100.00
SCI 35/37 rue Louis Guérin	France	FC	100.00	100.00
SARL du 25-27 quai Félix Faure	France	FC	100.00	100.00
SCI du 10B et 11 A 13 allée des Tanneurs	France	FC	100.00	100.00
SCI du 125 avenue du Brancolar	France	FC	100.00	100.00
SCI du 11 avenue de Sully	France	FC	100.00	100.00
SCI du 8 rue M Paul	France	FC	100.00	100.00
SCI du 1 rue de Chateaudun	France	FC	100.00	100.00
SCI du 1630 avenue de la Croix Rouge	France	FC	100.00	100.00
SCI du 2 rue de Verdun	France	FC	100.00	100.00
SCI du 682 cours de la Libération	France	FC	100.00	100.00
SARL du 106-110 rue des Troènes	France	FC	100.00	100.00
SARL du 11 rue Victor Leroy	France	FC	100.00	100.00
SCI du 2 rue de L'ill	France	FC	100.00	100.00
SCI du 20 avenue Victor Hugo	France	FC	100.00	100.00
SARL du 2 rue Saint Charles	France	FC	100.00	100.00
SNC Télimob Paris	France	FC	100.00	100.00
SNC Télimob Nord	France	FC	100.00	100.00
SNC Télimob Rhône Alpes	France	FC	100.00	100.00

88 companies in the France Offices segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
SNC Télimob Sud Ouest	France	FC	100.00	100.00
SNC Télimob Est	France	FC	100.00	100.00
SNC Télimob Paca	France	FC	100.00	100.00
SNC Télimob Ouest	France	FC	100.00	100.00
SARL Télimob Paris	France	FC	100.00	100.00
SNC Latécoère	France	FC	50.10	50.10
Palmer Transactions SNC	France	FC	100.00	100.00
Foncière Palmer SNC	France	FC	100.00	100.00
Palmer Plage SNC	France	FC	100.00	100.00
SCI Palmer Montpellier	France	FC	100.00	100.00
SCI Dual Center	France	FC	100.00	100.00
SAS Cœur d'Orly Promotion	France	EM/EA	50.00	50.00
FDR 2	France	FC	100.00	100.00
SCI bureaux Cœur d'Orly	France	EM/EA	25.00	25.00
SNC hld Bureaux Cœur d'Orly	France	EM/EA	50.00	50.00
SNC Commerces Cœur d'Orly	France	EM/EA	25.00	25.00
SNC hld Commerces Cœur d'Orly	France	EM/EA	50.00	50.00
FDR 4	France	FC	75.00	75.00
SCI Euromarseille 1	France	EM/JV	50.00	50.00
SCI Euromarseille 2	France	EM/JV	50.00	50.00
SCI Euromarseille BI	France	EM/JV	50.00	50.00
SCI Euromarseille BH	France	EM/JV	50.00	50.00
SCI Euromarseille BL	France	EM/JV	50.00	50.00
SCI Euromarseille M	France	EM/JV	50.00	50.00
SCI Euromarseille PK	France	EM/JV	50.00	50.00
SCI Euromarseille Invest	France	EM/JV	50.00	50.00
SCI Euromarseille H	France	EM/JV	50.00	50.00
SCI Euromarseille BH2	France	EM/JV	50.00	50.00
FDR 7	France	FC	100.00	100.00
SNC Sup 3	France	FC	100.00	100.00
Technical	France	FC	100.00	100.00
GFR Kléber	France	FC	100.00	100.00
Oméga A	France	FC	100.00	100.00
Oméga C	France	FC	100.00	100.00
Le Ponant 1986	France	FC	100.00	100.00
Ruhl Côte d'Azur	France	FC	100.00	100.00
SCI Pompidou	France	FC	100.00	100.00
OPCI Office CB21	France	FC	75.00	75.00
SCI 11 place de l'Europe	France	FC	50.10	50.10
EURL Languedoc 34	France	FC	100.00	100.00



88 companies in the France Offices segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
SCI Lenovilla	France	EM/JV	50.09	50.09
SNC Lenopromo	France	FC	100.00	100.00
SCI Latécoère 2	France	EM/JV	50.10	100.00
SCI Meudon Saulnier	France	FC	100.00	100.00
SCI Charenton	France	FC	100.00	100.00
SAS Blériot	France	Merger	-	100.00
GFR Services	France	Merger	-	100.00
FDR 5	France	Merger	-	100.00
FDR 6	France	Merger	-	100.00

20 Companies in the Italy Offices segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
<b>Beni Stabili SpA SIIQ (Parent company) contrôlée à 100%</b>	<b>Italy</b>	<b>FC</b>	<b>48.49</b>	<b>48.33</b>
Investire SpA SGR	Italy	EM	8.68	-
RGD Ferrara 2013 Srl	Italy	EM	24.24	24.17
Revalo SpA	Italy	EM	17.94	17.88
Real Estate Solution & Technology Srl	Italy	EM	14.55	14.50
Beni Stabili 7 SpA	Italy	FC	48.49	48.33
Beni Stabili Development SpA	Italy	FC	48.49	48.33
BS Attività commercial 1 Srl	Italy	FC	48.49	48.33
BS Attività commercial 2 Srl	Italy	FC	48.49	48.33
BS Attività commercial 3 Srl	Italy	FC	48.49	48.33
BS Immobiliare 9 SINQ SpA	Italy	FC	48.49	48.33
RGD Gestioni Srl	Italy	FC	48.49	48.33
Beni Stabili Retail Srl	Italy	FC	26.67	26.58
Beni Stabili Real Estate Advisory Srl	Italy	FC	48.49	48.33
Beni Stabili Development Milano Greenway SpA	Italy	FC	38.79	38.67
Sviluppo Ripamonti Srl	Italy	FC	48.49	48.33
BS Immobiliare 5 Srl	Italy	FC	48.49	48.33
BS Engineering Srl	Italy	FC	48.49	48.33
Imser Securitisation Srl	Italy	FC	48.49	48.33
Imser Securitisation 2 Srl	Italy	FC	48.49	48.33
NPLs RE_Solution Srl	Italy	Sold	-	24.17
Imser Srl	Italy	Liquidated	-	29.00
Imser 60 SINQ SpA	Italy	Merged	-	48.33
BS Immobiliare 8 SpA	Italy	Merged	-	48.33
Beni Stabili Gestioni SpA SGR	Italy	Merger	-	36.25

88 Hotels & Service sector companies	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
<b>SCA Foncière des Murs (Parent company) 100% controlled</b>	<b>France</b>	<b>FC</b>	<b>43.15</b>	<b>28.47</b>
FDM Management	France	EM/EA	17.63	-
LHM Holding Lux SARL	Luxembourg	EM/EA	17.63	-
LHM ProCo Lux SARL	Germany	EM/EA	17.63	-
SCI Rosace	France	EM/EA	17.63	-
Mo First Five	Germany	EM/EA	16.57	-
Star Budget Hôtel GmbH	Germany	EM/EA	17.63	-
Financière Hope SAS	France	EM/EA	17.63	-
SCI Hôtel Porte Dorée	France	EM/JV	43.15	-
FDM M Lux	Luxembourg	EM/EA	17.63	-
OPCO Rosace	France	EM/EA	17.63	-
Exco Hôtel	Belgium	EM/EA	17.63	-
Invest Hôtel	Belgium	EM/EA	17.63	-
Mo Lux 1 Sarl	Luxembourg	FC	43.15	-
Mo Drelinden, Niederrad	Germany	FC	40.56	-
Mo Berlin et Koln	Germany	FC	40.56	-
Ringer	Germany	FC	43.15	-
B&B Invest Lux 5	Germany	FC	40.13	-
B&B Invest Lux 6	Germany	FC	40.13	-
SARL Loire	France	FC	43.15	28.47
FDM Gestion	France	FC	100.00	100.00
SCI Le Chesnay	France	FC	42.53	28.05
SCI Marq en Baroeul	France	FC	43.00	28.37
SCI Les Mimosas	France	FC	43.15	28.47
Foncière Otello	France	FC	43.15	28.47
SCI Actifoncier	France	FC	43.15	28.47
SNC Hôtel René Clair	France	FC	43.15	28.47
Foncière Manon	France	FC	43.15	28.47
Foncière Ulysse	France	FC	43.15	28.47
Ulysse Belgium	Belgium	FC	43.15	28.47
Ulysse Trefonds	Belgium	FC	43.15	28.47
Foncière No Bruxelles Grand Place	Belgium	FC	43.15	28.47
Foncière No Bruxelles Aéroport	Belgium	FC	43.15	28.47
Foncière No Bruges Centre	Belgium	FC	43.15	28.47
Foncière Gand Centre	Belgium	FC	43.15	28.47
Foncière Gand Opéra	Belgium	FC	43.15	28.47
Foncière IB Bruxelles Grand-Place	Belgium	FC	43.15	28.47
Foncière IB Bruxelles Aéroport	Belgium	FC	43.15	28.47
Foncière IB Bruges Centre	Belgium	FC	43.15	28.47
Foncière Antwerp Centre	Belgium	FC	43.15	28.47
Foncière Bruxelles Expo Atomium	Belgium	FC	43.15	28.47
Foncière IGK	Belgium	FC	43.15	28.47
Murdelux SARL	Luxembourg	FC	43.15	28.47
Portmurs	Portugal	FC	43.15	28.47



88 Hotels & Service sector companies	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
Beni Stabili Hôtel	Luxembourg	FC	44.22	32.44
Sunparks de Haan	Belgium	FC	43.15	28.47
Sunparks Oostduinkerke	Belgium	FC	43.15	28.47
Foncière Vielsam	Belgium	FC	43.15	28.47
Sunparks Trefonds	Belgium	FC	43.15	28.47
Foncière Kempense Meren	Belgium	FC	43.15	28.47
FDM Gestion Immobilière	France	FC	43.15	28.47
Iris Holding France	France	EM/EA	8.59	5.66
OPCI Iris Invest 2010	France	EM/EA	8.59	5.66
Foncière Iris SAS	France	EM/EA	8.59	5.66
Sables d'Olonne SAS	France	EM/EA	8.59	5.66
Iris investor Holding Gmbh	Germany	EM/EA	8.59	5.66
Iris General partner Gmbh	Germany	EM/EA	4.31	2.85
Iris Berlin Gmbh	Germany	EM/EA	8.59	5.66
Iris Bochum & Essen Gmbh	Germany	EM/EA	8.59	5.66
Iris Frankfurt Gmbh	Germany	EM/EA	8.59	5.66
Iris Verwaltungs Gmbh & co KG	Germany	EM/EA	8.59	5.66
Iris Nurnberg Gmbh	Germany	EM/EA	8.59	5.66
Iris Stuttgart Gmbh	Germany	EM/EA	8.59	5.66
Narcisse Holding Belgium	Belgium	EM/EA	8.59	5.66
Foncière B3 Hôtel Invest	France	FC	21.66	14.29
B&B Invest Lux 4	Germany	FC	43.15	28.47
NH Amsterdam Center Hotel HLD	Netherlands	FC	43.15	28.47
Stadhouderskade Amsterdam BV	Netherlands	FC	43.15	28.47
Foncière Bruxelles Tour Noire	Belgium	EM/EA	5.66	5.66
Foncière Louvain	Belgium	EM/EA	5.66	5.66
Foncière Malines	Belgium	EM/EA	5.66	5.66
Foncière Bruxelles Centre Gare	Belgium	EM/EA	5.66	5.66
Foncière Namur	Belgium	EM/EA	5.66	5.66
Tulipe Holding Belgium	Belgium	EM/EA	8.59	5.66
Iris Tréfonds	Belgium	EM/EA	5.66	5.66
Foncière Louvain Centre	Belgium	EM/EA	5.66	5.66
Foncière Liège	Belgium	EM/EA	5.66	5.66
Foncière Bruxelles Aéroport	Belgium	EM/EA	5.66	5.66
Foncière Bruxelles Sud	Belgium	EM/EA	5.66	5.66
Foncière Bruge Station	Belgium	EM/EA	5.66	5.66
B&B Lux 1	Germany	FC	43.15	28.46
B&B Lux 2	Germany	FC	43.15	28.46
B&B Lux 3	Germany	FC	43.15	28.46
OPCI Camp Invest	France	EM/EA	8.59	5.66
SAS Campeli	France	EM/EA	8.59	5.66
SCI Dahlia	France	EM/EA	8.63	5.69
Foncière B2 Hôtel Invest	France	FC	21.66	14.29
OPCI B2 Hôtel Invest	France	FC	21.66	14.29

4 Companies in the Logistics segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
<b>Foncière Europe Logistique (parent company) 100% controlled</b>	France	FC	100.00	100.00
SCI Bollène Logistique	France	FC	100.00	100.00
SCI Immopora	France	FC	100.00	100.00
SCI Bollène Logistique T4	France	FC	100.00	100.00
Immobilière Pantin Bobigny (IPB)	France	Merger	-	100.00
GSS III Hoking GMBH & CO Verwaltungs KG	Germany	Merger	-	94.87

14 Companies in the Car Parks segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
<b>SAS Urbis Park (Parent company) 100% controlled</b>	France	FC	59.50	59.50
Rambouillet Urbis Park	France	FC	59.50	-
Urbis Park Services	France	FC	59.50	59.50
SNC Comédie	France	FC	59.54	59.54
SNC Gare	France	FC	30.23	30.23
SCI Esplanade Belvédère II	France	FC	100.00	100.00
SCI Gespar	France	FC	50.00	50.00
BP 3000	France	FC	59.50	59.50
Trinité	France	FC	59.50	59.50
Société du Parking du boulevard de la Reine	France	FC	59.50	59.50
SEVM	France	FC	59.50	59.50
SAS SPHVA	France	FC	59.50	59.50
Médipark	France	FC	59.50	59.50
Laval Urbis Park	France	FC	59.50	59.50

56 companies in the Germany Residential segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
<b>Immeo SE (parent company) 99.74% controlled</b>	Germany	FC	61.04	60.91
Berlin Prime Residential SarL	Germany	FC	57.93	-
Berlin Prime Commercial SarL	Germany	FC	57.93	-
IW Verwaltungs GmbH	Germany	FC	80.88	-
RRW Verwaltungs GmbH	Germany	FC	94.00	-
Acopio GmbH	Germany	FC	100.00	-
Immeo Hambourg Holding ApS	Danemark	FC	63.05	-
Immeo Hambourg 1 ApS	Germany	FC	63.05	-
Immeo Hambourg 2 ApS	Germany	FC	63.05	-
Immeo Hambourg 3 ApS	Germany	FC	63.05	-
Immeo Hambourg 4 ApS	Germany	FC	63.05	-
Immeo North ApS	Germany	FC	63.05	-
Cornerstone Service GmbH	Germany	FC	63.05	-
Luna Immobilienbeteiligungs GmbH	Germany	FC	61.04	-
Johanismarkt Grundstücksgesellschaft mbH	Germany	FC	61.04	-
Rheinweg Zweite Grundstücksgesellschaft mbH	Germany	FC	61.04	-



56 companies in the Germany Residential segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
Immeo Arian UG	Germany	FC	63.03	-
Immeo Bennet UG	Germany	FC	63.03	-
Immeo Marien-Carré GmbH	Germany	FC	63.05	-
Berlin IV A/S	Germany	FC	61.04	-
Immeo Wohnen Verwaltungs GMBH	Germany	FC	61.04	60.91
Immeo Grundstücks GMBH	Germany	FC	61.04	60.91
Immeo Grundvermögen GMBH	Germany	FC	61.04	60.91
Immeo Wohnen Service GMBH	Germany	FC	61.04	60.91
Immeo SE & CO KG 1	Germany	FC	61.04	60.91
Immeo SE & CO KG 2	Germany	FC	61.04	60.91
Immeo SE & CO KG 3	Germany	FC	61.04	60.91
Immeo SE & CO KG 4	Germany	FC	61.04	60.91
FDL Wohnen GmbH	Germany	FC	61.04	60.91
RRR Wohnen GMBH	Germany	FC	63.02	57.25
Immeo Gewo Datteln GMBH	Germany	FC	61.16	60.69
Immeo Stadthaus GmbH	Germany	FC	61.16	60.69
Immeo Stadtwohnung GmbH	Germany	FC	61.04	60.91
Immeo Wohnbau GMBH	Germany	FC	61.14	60.72
Immeo Wohnungsgesellschaft GMBH Dümpten	Germany	FC	61.14	60.72
Immobilien GMBH	Germany	FC	61.04	60.91
Immeo Lux	Germany	FC	61.14	60.72
Berolinum 1	Germany	FC	61.14	60.72
Berolinum 2	Germany	FC	61.14	60.72
Berolinum 3	Germany	FC	61.14	60.72
FDR Remscheid	Germany	FC	61.14	60.72
Valore 4	Germany	FC	61.15	60.71
Valore 6	Germany	FC	61.15	60.71
Immeo SE&Co Residential KG	Germany	FC	61.04	60.91
Immeo Berlin 67 GmbH	Germany	FC	57.38	57.25
Immeo Berlin 78 GmbH	Germany	FC	57.38	57.25
Immeo Berlin 79 GmbH	Germany	FC	57.38	57.25
Immeo Dresden GmbH	Germany	FC	57.92	57.80
Immeo Berlin I SARL	Germany	FC	57.93	57.80
Immeo Berlin V SARL	Germany	FC	57.62	57.50
Immeo Berlin C GMBH	Germany	FC	57.93	57.80
Immeo Dansk Holding Aps	Danemark	FC	61.04	60.91
Immeo Dasnk L Aps	Germany	FC	62.05	57.80
Immeo Rewo Holding GmbH	Germany	FC	100.00	100.00
FDR Zehnte GMBH	Germany	FC	98.02	98.02
IWKG	Germany	FC	97.15	93.03
Solis GmbH	Germany	Merger	-	60.91
Jupp Grundstückgesellschaft mbH	Germany	Merger	-	60.91
Rheinweg Grundstückgesellschaft mbH	Germany	Merger	-	60.91



22 companies in the France Residential segment	Country	Consolidation method in 2015	Percentage held in 2015	Percentage held in 2014
Foncière Développement Logements (parent company) 100% controlled	France	FC	61.25	61.27
SARL Goethe Immo	Luxembourg	FC	61.25	-
Iméfa 97	France	FC	61.25	61.27
Bagatelle Courbevoie	France	FC	61.25	61.27
Iméfa 65	France	FC	61.25	61.27
Iméfa 71	France	FC	61.25	61.27
Iméfa 93	France	FC	61.25	61.27
Iméfa 88	France	FC	61.25	61.27
Iméfa 46	France	FC	61.25	61.27
Iméfa 95	France	FC	61.25	61.27
Suresnes 2	France	FC	61.25	61.27
25 rue Abbé Carton	France	FC	61.25	61.27
40 rue Abbé Groult	France	FC	61.25	61.27
24-26 rue Duranton	France	FC	61.25	61.27
25 rue Gutenberg	France	FC	61.25	61.27
Montrouge 3	France	FC	61.25	61.27
SCI Le Chesnay 1	France	FC	61.25	61.27
Rueil 1	France	FC	61.25	61.27
Saint Maurice 2	France	FC	61.25	61.27
SCI Saint Jacques	France	FC	61.25	61.27
SCI Dulud	France	FC	61.25	61.27
Batisica	Luxembourg	FC	61.25	61.27
Immeo Finance Lux SARL	Luxembourg	Merger	-	61.27
Immeo Finance Lux 2 SARL	Luxembourg	Merger	-	61.27

FC: Full Consolidation (230 companies)

EM/EA: Equity Method – Associates

EM/JV: Equity Method – Joint Ventures

n.i: Not Included

PC: Proportionate Consolidation



## 3.2.4. Evaluation of control

### 3.2.4.1. Foncière des Murs (consolidated structured entity)

Foncière des Murs SCA is 43.1% owned by Foncière des Régions at 31 December 2015 (compared to 28.5% at 31 December 2014) and is fully consolidated.

The limited partner, FDM Gestion, which manages Foncière des Murs SCA, is 100% owned by Foncière des Régions. The Articles of Association of Foncière des Murs give the manager the authority to direct financial and operational policies. Consequently, Foncière des Régions has control of Foncière des Murs SCA and the subsidiaries, which are in turn controlled by Foncière des Murs.

### 3.2.4.2. Beni Stabili (consolidated structured entity)

Beni Stabili is 48.5% owned at 31 December 2015 and is fully consolidated.

Control is established when Foncière des Régions directly holds more than 40% of the voting rights and no other shareholder on its own holds more voting rights than Foncière des Régions. In this case, taking into account the dispersion of the other shareholders, the conditions for control are met.

### 3.2.4.3. SCI 11 place de l'Europe (consolidated structured entity)

As at 31 December 2015, SCI 11 place de l'Europe was 50.1% owned by Foncière des Régions and fully consolidated. The partnership with the Crédit Agricole Assurances group (49.9%) was established as of 18 December 2013 as part of the Campus Eiffage project. Considering the rules of governance that confer on Foncière des Régions powers that give it the ability to affect asset yields, the Company is fully consolidated.

### 3.2.4.4. Lénovilla (joint venture)

As at 31 December 2015, Lénovilla was 50.09% owned by Foncière des Régions and consolidated *via* the equity method. The partnership with the Crédit Agricole Assurances group (49.91%) was established in January 2013 as part of the New Vélizy (Campus Thalès) project. The shareholder agreement stipulates that decisions be made unanimously. The parties that exercise joint control have rights to the net assets of the partnership arrangement. The partnership meets the criteria for joint ventures and is consolidated using the equity method.

### 3.2.4.5. Latécoère (change from joint venture to consolidated structured entity)

Latécoère is 50.10% owned by Foncière des Régions at 31 December 2015 and has been fully consolidated since 1 April 2015, whereas it was consolidated using the equity method at 31 December 2014. The partnership with the Crédit Agricole Assurances group (49.90%) was established starting in October 2012 as part of the Dassault Systèmes Campus project. The shareholder agreement was amended during the first half of the year. Considering the rules of governance that confer on Foncière des Régions powers that give it the ability to affect asset yields, the Company is fully consolidated.

### 3.2.4.6. Latécoère 2 (joint venture)

At 31 December 2015, Latécoère 2 was 50.10% owned by Foncière des Régions and consolidated *via* the equity method. The partnership with the Crédit Agricole Assurances group (49.90%) was established starting in June 2015 as part of the Extension Dassault project. The shareholder agreement stipulates that decisions be made unanimously. The parties that exercise joint control have rights to the net assets of the partnership arrangement. The partnership meets the criteria for joint ventures and is consolidated using the equity method.

### 3.2.4.7. SAS FDM Management (associate)

FDM Management was 40.85% owned by SCA Foncière des Murs at 31 December 2015 and is consolidated by the equity method.

Strategic decisions are adopted by a two-thirds majority, and major decisions are made by a three-quarters majority.

### 3.2.4.8. SCI Porte Dorée (joint venture)

SCI Porte Dorée was 50% owned by Foncière des Murs at 31 December 2015 and is consolidated using the equity method. The partnership with the Caisse des Dépôts et Consignations group (50%) was established starting in December 2015 as part of the Motel One development project. The shareholder agreement stipulates that decisions be made unanimously. The parties that exercise joint control have rights to the net assets of the partnership arrangement. The partnership meets the criteria for joint ventures and is consolidated using the equity method.

### 3.2.5. Significant events during the period

In addition to the increase in the percentage of ownership of Foncière des Régions in Foncière des Murs from 28.5% to 43.1%, the significant events of the period by segment are as follows:

#### 3.2.5.1. France Offices segment

##### 3.2.5.1.1. Disposals and assets under agreement

During 2015, Foncière des Régions sold €93.9 million in assets, including the Saint-Mandé land (€27.5 million), the Villeurbanne Condorcet asset (€10 million) and the Orange technical premises (€24.7 million).

As at 31 December 2015, assets under preliminary agreement amounted to €118.3 million.

##### 3.2.5.1.2. Acquisitions

Foncière des Régions acquired 10% of the CAP 18 tenancy in common for €3.4 million, increasing its holding to 85.71% at 31 December 2015.

In November 2015, it acquired shares in Omega B, owning a €25 million property in Levallois.

December 2015 saw it acquire 5,692 m<sup>2</sup> of land in Montrouge for €14.2 million for construction of an office building.

##### 3.2.5.1.3. Capital increase of Foncière des Régions

Foncière des Régions conducted a capital increase of €254.6 million. 3,917,722 new shares were issued at a price of €65 per share. Capital increase costs were €2.2 million.

##### 3.2.5.1.4. Assets under development

2015 saw the delivery of eight developments:

- an 846-space car park was delivered in Marseille and the first Euromed Center office building, the Astrolabe (14,446 m<sup>2</sup>) were delivered in January 2015. These assets belong to companies consolidated using the equity method
- two office buildings were delivered in May 2015: Avignon ERDF (4,122 m<sup>2</sup>) and Nanterre Respiro (11,127 m<sup>2</sup>)
- in June 2015 the VEFA (pre-construction) for "Vinci Lille Quatuor" (9,700 m<sup>2</sup>) was delivered
- July 2015 saw the completion of the full reconstruction of the Steel office building in the heart of the 16<sup>th</sup> arrondissement of Paris. It provides occupants with 3,690 m<sup>2</sup> of working and living space
- the Eiffage Construction (Eiffage Campus) VEFA (pre-construction) spanning an area of 23,242 m<sup>2</sup> was delivered in August 2015. This asset is 50.10% held by a fully consolidated company
- in September 2015, 18,277 m<sup>2</sup> of offices, 276 car park spaces and 380 m<sup>2</sup> of commercial space were delivered in Saint-Denis (Green Corner project), a strategic site that is part of the Greater Paris area plan.

The asset development programme continued in 2015 with six new projects in France presented in Note 3.2.6.1.3.

#### 3.2.5.1.5. Refinancing

During the 2015 fiscal year, Foncière des Régions continued to renegotiate its corporate credit facilities (detailed in 3.2.2.2).

##### 3.2.5.1.6. Change in consolidation method

Following the amendment to the Latécoère shareholder agreement, this company was no longer consolidated under the equity method and was fully consolidated starting 1 April 2015. Impact on shareholders' equity of +€2.3 million.

Following the equity investment by Crédit Agricole Assurances in the capital of Latécoère 2, this company was no longer fully consolidated and was consolidated using the equity method starting 31 December 2015.

#### 3.2.5.2. Italy Offices segment

##### 3.2.5.2.1. Rental activity

The major activity in rentals was the renewal of the Telecom Italia leases, resulting in the extension of the firm lease term to 15 years (+9 years) in return for a decrease in rent of 6.9%.

##### 3.2.5.2.2. Disposals and assets under agreement

Disposals in 2015 (for €203.2 million) included Corso Matteotti in Milan for €100.5 million.

As at 31 December 2015, assets under preliminary agreement amounted to €58.2 million, including €49.7 million for assets leased to Telecom Italia.

##### 3.2.5.2.3. Acquisitions

In August 2015, Beni Stabili signed a preliminary agreement to purchase two assets located in Milan, Corso Italia (€38 million) and Principe Amadeo (€41 million). A €10 million advance was paid.

##### 3.2.5.2.4. Refinancing

On 30 March 2015, Beni Stabili conducted a new seven-year bond issue of €125 million with a 2.125% coupon.

The Company also refinanced several loans through the Europe loan of €255 million. This loan has a ten-year term and a floating rate. Beni Stabili took out a €110 million mortgage for a portfolio of assets mainly located in Milan and renegotiated €96 million in existing mortgage debt.

Beni Stabili redeemed the ORNANE maturing in 2018 and issued a new €200 million redeemable ORNANE bond maturing in 2021 and bearing interest at 0.875%.



### 3.2.5.2.5. Beni Stabili Gestioni SpA SGR merger

Beni Stabili Gestioni SpA SGR merged with Investire Immobiliare SGR SpA (an SGR firm 50.2% owned by the bank "Finnat"). Beni Stabili holds 17.9% of the capital. This business is consolidated by Beni Stabili using the equity method. The merger generated an impact on the income statement of +€3.9 million.

### 3.2.5.3. Hotels & Service Sector

#### 3.2.5.3.1. Disposals and assets under preliminary agreement

Foncière des Murs sold eight assets for a total of €55 million in 2015.

As at 31 December 2015, €369.5 million in preliminary agreements were signed, including €361.5 million concerning 45 Accor hotels.

#### 3.2.5.3.2. Acquisitions

In February 2015, the Luxembourg company Mo Lux 1 SARL acquired two German companies that own two hotels in Germany for €35.9 million (including deferred taxes).

In March 2015, Foncière B2 Hôtel Invest acquired three B&B hotels (Arras, Saint-Denis Pleyel and Bourges) for €10.5 million, fees included. It also acquired the Mulhouse B&B hotel for €3.2 million in October 2015.

In May 2015, Murdelux acquired two companies that own 22 B&B hotels in Germany for €131 million.

#### 3.2.5.3.3. Debt refinancing

In 2015, Foncière des Murs arranged or renegotiated its debt, the details of which are provided in Note 3.2.2.2.

### 3.2.5.4. Germany Residential segment

#### 3.2.5.4.1. Asset disposals

Immeo SE made disposals totalling €69.3 million during 2015.

In July, Immeo SE sold a portfolio of assets valued at €115.3 million.

An advance of €95 million was received on 31 December 2015 for the disposal of portfolio assets. Title will transfer on 1 January 2016.

### 3.2.5.4.2. Acquisitions

In 2015, Immeo SE acquired asset holding companies in Berlin, Leipzig (€236.9 million) and Hamburg (€240 million).

It also launched a takeover bid in November 2015 and acquired the securities of a Danish public company, Berlin IV, which owns a portfolio of 135 buildings valued at €363.9 million.

#### 3.2.5.4.3. Financing and refinancing

The acquisitions were financed partly using shareholders' equity through a €150 million capital increase in 2015, and partly by bank loans (details in Note 3.2.2.2).

### 3.2.5.5. France Residential segment

#### 3.2.5.5.1. Asset disposals

In France, Foncière Développement Logements continued its sales plan and made disposals for a sales price of €206.7 million (net of costs).

At 31 December 2015, the amount of assets under agreement totalled €29.1 million (net of costs).

### 3.2.5.6. Car Parks segment

#### 3.2.5.6.1. Asset disposals

In June 2015, a preliminary sales agreement was signed for four car park companies. This agreement was renewed until 31 March 2016. In accordance with IFRS 5, all assets and liabilities of these entities were classified as assets or liabilities held for sale at 31 December 2015.

### 3.2.5.7. Discontinued operations

#### 3.2.5.7.1. Asset disposals

The sole asset of IPB was sold on 16 July 2015 for €107.1 million.

In December 2015, a preliminary sales agreement was signed for four logistics platforms for €101 million.

## 3.2.6. Notes to the statement of financial position

### 3.2.6.1. Portfolio

#### 3.2.6.1.1. Table of changes in the portfolio

(€K)	31/12/2014	Change in scope and interest rates	Increase/Allocation	Disposal/Recovery	Change in Fair Value	Transfers	31/12/2015
<b>Goodwill</b>	<b>8,194</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,194</b>
<b>Intangible fixed assets</b>	<b>136,701</b>	<b>0</b>	<b>-6,210</b>	<b>-17</b>	<b>0</b>	<b>-100,762</b>	<b>29,712</b>
Gross amounts	244,886	0	4,880	-40	0	-149,437 <sup>[4]</sup>	100,289
Depreciation	-108,185	0	-11,090	23	0	48,675 <sup>[4]</sup>	-70,577
<b>Tangible fixed assets</b>	<b>79,636</b>	<b>-535</b>	<b>13,349</b>	<b>225</b>	<b>0</b>	<b>-3,848</b>	<b>88,827</b>
Operating properties	68,916	-1	-1,797	82	0	-1,304	65,896
Gross amounts	82,994	-1	413	-41	0	-1,526	81,839
Depreciation	-14,078	0	-2,210	123	0	222	-15,943
Other fixed assets	7,066	55	-87	152	0	574	7,760
Gross amounts	18,116	55	1,739	-1,619	0	1,153	19,444
Depreciation	-11,050	0	-1,826	1,771	0	-579	-11,684
Fixed assets in progress	3,654	-589	15,233	-9	0	-3,118	15,171
Gross amounts	3,654	-589	15,233 <sup>[1]</sup>	-9	0	-3,118	15,171
Depreciation	0	0	0	0	0	0	0
<b>Investment properties</b>	<b>14,535,291</b>	<b>1,251,278</b>	<b>447,603</b>	<b>-142,187</b>	<b>442,187</b>	<b>-805,719</b>	<b>15,728,453</b>
Operating properties	13,989,291	1,257,450 <sup>[2]</sup>	186,059 <sup>[3]</sup>	-115,987	378,367	-559,323	15,135,857
Properties under development	546,000	-6,172	261,544	-26,200	63,820	-246,396	592,596
<b>Assets held for sale</b>	<b>536,965</b>	<b>-23,316</b>	<b>3,374</b>	<b>-487,341</b>	<b>2,351</b>	<b>924,281</b>	<b>956,314</b>
Assets held for sale	536,965	-23,316 <sup>[2]</sup>	3,374	-487,341	2,351	924,281	956,314
<b>TOTAL</b>	<b>15,296,787</b>	<b>1,227,427</b>	<b>458,116</b>	<b>-629,320</b>	<b>444,538</b>	<b>13,952</b>	<b>16,811,500</b>

<sup>[1]</sup> Including a €10 million advance payment for the acquisition of two buildings in Italy.

<sup>[2]</sup> Corresponds to:

- the acquisition of companies that own assets located in Berlin (€485.5 million) and Hamburg (€240 million)
- the acquisition of Motel One assets (€53 million) and 22 B&B hotels (€131 million)
- change to full consolidation of Latécoère (DS Campus) (€323.1 million)
- the acquisition of Omega B that holds an asset for €24.7 million
- the assets of Beni Stabili Gestioni SpA SGR merged with the newly created partnership Investire Immobiliare, which is consolidated by the equity method (-€23.3 million).

<sup>[3]</sup> Correspond to the acquisition of:

- assets located in Berlin and Leipzig for €43.2 million
- 4 B&B hotels located in France for €14.2 million
- a site in Montrouge for €14.2 million
- 10% of the CAP 18 tenancy in common for €3.4 million
- and construction work in the amount of €110 million.

<sup>[4]</sup> Corresponds to the transfer of some car park assets to Assets held for sale.

The amount of the "Disbursements related to acquisitions of tangible and intangible assets" line item in the Statement of Cash Flows totalled €469.7 million. It corresponds to increases in the table of changes in the portfolio excluding the effect of depreciation (€473.2 million), to changes in inventories of the property dealer (€3.7 million) and adjusted for change in trade payables for -7.2 million.

The "Proceeds relating to the disposal of tangible and intangible fixed assets" line item in the Statement of Cash Flows (€687.8 million) primarily corresponds to income from disposals as presented in the net income statement (€655.3 million), proceeds from the disposal of assets in inventory (€5.8 million), minus assets disposal costs (-€21.4 million), and restated for changes in receivables from asset disposals (+€48.1 million).

### 3.2.6.1.2. Investment properties

(€K)	31/12/2014	Change in scope and interest rates	Increase	Disposal	Change in Fair Value	Transfers	31/12/2015
<b>Investment properties</b>	<b>14,535,291</b>	<b>1,251,278</b>	<b>447,603</b>	<b>-142,187</b>	<b>442,187</b>	<b>-805,719</b>	<b>15,728,453</b>
Operating properties	13,989,291	1,257,450	186,059	-115,987	378,367	-559,323	15,135,857
France Offices	3,724,873	347,800 <sup>(1)</sup>	43,306 <sup>(3)</sup>	-630	217,360	193,021	4,525,730
Italy Offices	3,736,760	0	14,560 <sup>(4)</sup>	-98,450	-9,610	-172,530	3,470,730
Hotels & Service Sector	3,179,078	184,108	24,848 <sup>(5)</sup>	-16,907	85,174	-356,168	3,100,133
Germany Residential	2,611,171	725,542 <sup>(2)</sup>	97,590 <sup>(6)</sup>	0	77,706	-49,378	3,462,631
France Residential	737,409	0	5,755	0	7,737	-174,268	576,633
Properties under development	546,000	-6,172	261,544	-26,200	63,820	-246,396	592,596
France Offices	343,872	-6,172	194,599	-26,200	61,519	-223,043	344,575
Italy Offices	149,740	0	15,302	0	120	54,228	219,390
Hotels & Service Sector	29,708	0	42,481	0	6,233	-49,791	28,631
Germany Residential	0	0	0	0	0	0	0
France Residential	22,680	0	9,162	0	-4,052	-27,790	0
<b>Assets held for sale</b>	<b>536,965</b>	<b>-23,316</b>	<b>3,374</b>	<b>-487,341</b>	<b>2,351</b>	<b>924,281</b>	<b>956,314</b>
Assets held for sale	536,965	-23,316	3,374	-487,341	2,351	924,281	956,314
France Offices	193,014	0	1,742	-62,626	-4,759	20,534	147,905
Italy Offices	146,252	-23,316	59	-101,849	-2,198	142,397	161,345
Hotels & Service Sector	34,414	0	1,573	-57,746	1,783	406,148	386,172
Germany Residential	128,744	0	0	-57,662	7,525	50,997	129,604
France Residential	34,541	0	0	-207,458	0	202,058	29,141
Car Parks	0	0	0	0	0	102,147 <sup>(7)</sup>	102,147
<b>TOTAL</b>	<b>15,072,256</b>	<b>1,227,962</b>	<b>450,977</b>	<b>-629,528</b>	<b>444,538</b>	<b>118,562</b>	<b>16,684,767</b>

<sup>(1)</sup> Switch from equity method to full consolidation of Latécoère (DS Campus) (€323.1 million).

<sup>(2)</sup> Acquisitions of asset holding companies located in Berlin, Leipzig and Hamburg for €476.9 million, and the Danish company Berlin IV for €363.9 million, offset by the sale of asset holding companies for -€115 million.

<sup>(3)</sup> Works for €26 million and asset acquisitions for €17 million.

<sup>(4)</sup> Works completed on assets located mainly in Milan and Turin.

<sup>(5)</sup> Works completed for €10.6 million and acquisition of four B&B hotels for €14.2 million.

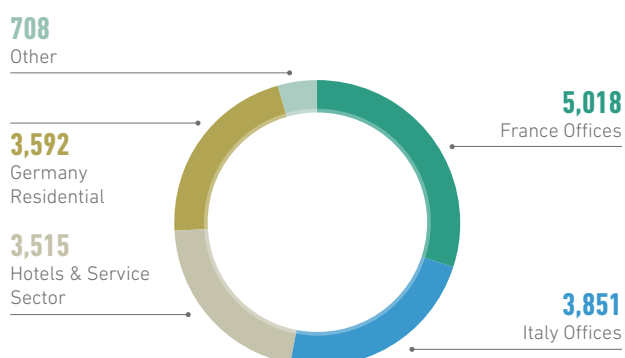
<sup>(6)</sup> Corresponds to acquisitions of assets in the residential portfolio in Leipzig and Berlin in the amount of €43.2 million and works during the period totalling €54.4 million.

<sup>(7)</sup> Transfer of assets from car park companies undergoing disposal.

The total increase in the period was €450.9 million, which primarily comprises works carried out for €350 million, the incorporation of capitalised financial expenses on development projects for €25.9 million and acquisitions over the period for €75 million.

The amounts of disposals correspond to the appraisal figures published as at 31 December 2014.

#### PORTFOLIO OF ASSETS AT 31 DECEMBER 2015 BY BUSINESS SECTOR IN €M



The Group has not identified the best use of an asset as being different from the current use, and as such, the application of IFRS 13 did not lead to a modification in the assumptions used for the valuation of assets.

In accordance with IFRS 13, the tables below provide details of the ranges of unobservable inputs by business segment (level 3) used by real estate appraisers:

## FRANCE OFFICES, ITALY OFFICES AND HOTELS & SERVICE

(€M)	Level	Portfolio (€M)	Yield rate (min.-max.)	Yield rate (weighted average)	Discount rate
Paris Centre West	Level 3	782	4.1% – 8.1%	5,0%	4.8% – 6.5%
Paris North East	Level 3	339	4.5% – 5.5%	4,8%	4.9% – 6.3%
Paris South	Level 3	633	3.6% – 6.7%	4,9%	4.9% – 6.8%
Western Crescent	Level 3	1,257	5.4% – 6.7%	5,7%	4.9% – 7.3%
Inner suburbs	Level 3	1,044	3.9% – 7.2%	5,9%	4.9% – 7.5%
Outer suburbs	Level 3	149	6.2% – 12.6%	8,6%	4.9% – 10.0%
<b>Total Paris regions</b>		<b>4,206</b>	<b>3.6% – 12.6%</b>		<b>4.8% – 10.0%</b>
Major Regional Cities	Level 3	502	5% – 12.3%	7,5%	4.9% – 10.5%
Regions	Level 3	311	6.8% – 12.9%	9,9%	4.9% – 10.0%
<b>Total Regions</b>		<b>813</b>	<b>5% – 12.9%</b>		<b>4.9% – 10.5%</b>
<b>TOTAL FRANCE OFFICES</b>		<b>5,018</b>			<b>4.8% – 10.5%</b>
Milan	Level 2	389	3.0% – 5.9%	4,1%	5.0% – 6.3%
Milan	Level 3	1,255	3.0% – 7.5%	4,3%	4.9% – 7.0%
Rome	Level 3	271	3.1% – 11.2%	5,3%	4.0% – 7.8%
Others	Level 2	156	3.4% – 9.1%	5,6%	6.3% – 6.8%
Others	Level 3	1,561	2.1% – 13.5%	6,2%	3.1% – 15.1%
<b>Total in operation</b>		<b>3,632</b>	<b>2.1% – 13.5%</b>		<b>3.1% – 15.1%</b>
Assets under development	Level 3	219			6.8% – 7.0%
<b>TOTAL ITALY OFFICES</b>		<b>3,851</b>			<b>3.1% – 15.1%</b>
Hotels	Level 3	2,671	4.5% – 6.8%	5,7%	5.9% – 7.5%
Service sector	Level 3	582	5.6% – 6.9%	6,3%	6.0% – 7.7%
Healthcare	Level 3	233	5.3% – 7.3%	6,2%	5.6% – 6.6%
<b>Total in operation</b>		<b>3,486</b>	<b>4.5% – 7.3%</b>	<b>5,9%</b>	<b>5.6% – 7.7%</b>
Assets under development	Level 3	29			7.1% – 8.1%
<b>TOTAL HOTELS &amp; SERVICE SECTOR</b>		<b>3,515</b>			<b>5.6% – 8.1%</b>



## GERMANY RESIDENTIAL AND FRANCE RESIDENTIAL

Grouping of similar assets	Level	Portfolio (€M)	Yield rate <sup>(1)</sup>		Discount rate	Average value (€/m <sup>2</sup> )
			Total portfolio	Block valued properties		
Great East	Level 3	7	5.1% – 6.4%	N/A	N/A	1,514
Luxembourg	Level 3	11	6,0%	6,0%	N/A	4,954
Provence-Alpes-Côte d'Azur region	Level 3	98	3.8% – 6.5%	3.9% – 5.5%	N/A	2,327
Paris-Neuilly	Level 3	317	2.2% – 5.2%	5,2%	N/A	8,085
Rest of Île-de-France	Level 3	112	3.3% – 4.7%	N/A	N/A	5,253
Rhône-Alpes region	Level 3	42	3.4% – 3.9%	N/A	N/A	3,207
South West – Great West	Level 3	20	4.1% – 6.6%	N/A	N/A	2,242
<b>TOTAL FRANCE RESIDENTIAL</b>	<b>LEVEL 3</b>	<b>606</b>	<b>2.2% – 6.6%</b>	<b>3.9% – 6.0%</b>	<b>N/A</b>	<b>4,624</b>
Duisburg	Level 3	455	4.8% – 11.3%	4.8% – 11.3%	4.7% – 11.3%	788
Essen	Level 3	493	4.4% – 7.3%	4.4% – 7.3%	4.8% – 7.3%	1,105
Mülheim	Level 3	185	4.5% – 7.4%	4.5% – 7.4%	4.6% – 7.4%	1,008
Oberhausen	Level 3	138	5.5% – 7.1%	5.5% – 7.1%	5.4% – 7.1%	861
Datteln	Level 3	109	4.2% – 7.1%	4.2% – 7.1%	4.7% – 7.1%	796
Berlin	Level 3	1,457	3.8% – 6.3%	3.8% – 6.3%	3.9% – 7.8%	1,638
Dusseldorf	Level 3	40	4.7% – 6.8%	4.7% – 6.8%	4.6% – 6.8%	2,054
Dresden	Level 3	227	4.5% – 6.8%	4.5% – 6.8%	5.2% – 8.0%	1,142
Leipzig	Level 3	46	4.5% – 6.3%	4.5% – 6.3%	5.1% – 7.3%	858
Hamburg	Level 3	239	3.8% – 5.5%	3.8% – 5.5%	4.3% – 6.6%	1,940
Others	Level 3	202	5.0% – 8.3%	5.0% – 8.3%	5.1% – 8.3%	949
<b>TOTAL GERMANY RESIDENTIAL</b>	<b>LEVEL 3</b>	<b>3,592</b>	<b>3.8% – 11.3%</b>	<b>3.8% – 11.3%</b>	<b>3.9% – 11.3%</b>	<b>1,184</b>

<sup>(1)</sup> Yield rate:

France Residential: Potential yield rate excluding taxes (potential rents calculated by the appraiser/appraisal values excluding taxes determined by the appraiser).

Germany Residential: Potential yield rate assumed excluding taxes (actual rents/appraisal values excluding taxes) across the portfolio held by Immeo in Germany (including commercial premises).

## IMPACT OF FLUCTUATIONS IN THE RATE OF RETURN ON CHANGES IN THE FAIR VALUE OF PROPERTY ASSETS, BY OPERATING SEGMENT

(€M)	Yield <sup>(2)</sup>	Yield rate- -50 bps	Yield rate +50 bps	Yield rate +100 bps
France Offices <sup>(1)</sup>	6.0%	403.7	-341.4	-633.8
Italy Offices	5.7%	352.8	-295.7	-547.1
Hotels & Service Sector	5.9%	294.8	-248.7	-461.3
Germany Residential	6.0%	316.2	-267.6	-496.9
France Residential	2.8%	130.1	-91.2	-158.6
<b>TOTAL</b>	<b>6.0%</b>	<b>1,497.6</b>	<b>-1,244.6</b>	<b>-2,297.7</b>

<sup>(1)</sup> Including DS Campus.

<sup>(2)</sup> Yield from assets in operation (France Offices & Hotel and Service sector)/Core assets (Italy Offices).

- ♦ If the yield rate excluding taxes drops 50 bps (-0.5 points), the market value excluding taxes of real estate assets will increase by €1,497.7 million.
- ♦ If the yield rate excluding taxes increases 50 bps (+0.5 points), the market value excluding taxes of real estate assets will decrease by €1,244.5 million.
- ♦ If the yield rate excluding taxes increases 100 bps (+1.0 point), the market value excluding taxes of real estate assets will decrease by €2,297.7 million.



### 3.2.6.1.3. Properties under development

Properties under development relate to building or redevelopment programmes that fall within the application of IAS 40 (revised).

(€K)	31/12/2014	Change in consolidation scope & method	Works	Capitalised interest	Change in fair value	Transfers & disposals	31/12/2015	Projects in progress
France Offices	343,872	-6,172	180,015	14,584	61,519	-249,243 <sup>(1)</sup>	344,575	12
Italy Offices	149,740	0	6,312	8,990	120	54,228	219,390	2
Hotels & Service Sector	29,708	0	41,209 <sup>(2)</sup>	1,272	6,233	-49,791	28,631	6
France Residential	22,680	0	8,139	1,023	-4,052	-27,790	0	0
<b>TOTAL</b>	<b>546,000</b>	<b>-6,172</b>	<b>235,675</b>	<b>25,869</b>	<b>63,820</b>	<b>-272,596</b>	<b>592,596</b>	<b>20</b>

<sup>(1)</sup> The Nanterre Respiro, Vinci Quatuor, Avignon, Campus Eiffage, Green Corner and Paris Steel assets were delivered in 2015 (-€393.6 million) and the Saint-Mandé asset (housing units) was sold (-€26.2 million). Five new projects under development (Toulouse Marquette, Issy Grenelle, Meudon Opale, Meudon Canopée and Paris Traversière) generated a transfer of +€170.6 million.

<sup>(2)</sup> Disbursement of €14 million for the four projects under development in France (B&B Romainville, B&B Porte de Choisy, B&B Torcy and B&B Lyon Caluire) and €27.2 million for the eight projects under development located in Germany (including five new B&B projects: Berlin, Osnabrück delivered in 2015, Konstanz, Postdam and Hambourg Hôtel).

### 3.2.6.1.4. Assets and liabilities held for sale

In January 2015, Beni Stabili Gestioni SGR, Banca Finnat and Polaris Real Estate SGR created a joint venture (Investire Immobiliare) to which Beni Stabili Gestioni SpA SGR shares were contributed. The company is 17.9% owned by Beni Stabili and 50.2% by Banca Finnat.

The company was acquired based on the contract's contribution value and consolidated under the equity method.

In accordance with IFRS 5, all assets and liabilities of this entity were classified as assets or liabilities held for sale at 31 December 2014:

- ♦ assets held for sale: €23.3 million
- ♦ liabilities held for sale: €2.4 million.

This contribution of securities that were previously fully consolidated generated -€23.3 million in change in scope at 31 December 2015.

In June 2015, a preliminary sale agreement for four car park companies was signed. This agreement was renewed until 31 March 2016.

In accordance with IFRS 5, all of the recorded assets and liabilities of these companies as at 31 December 2015 are presented on a single line (assets or liabilities held for sale).

- ♦ assets held for sale: €102.1 million
- ♦ liabilities held for sale: €53.7 million.

The other assets are buildings held for sale in the amount of €854 million at 31 December 2015 (including 45 AccorHotels for €361.5 million), compared to €513.6 million one year earlier.

### 3.2.6.2. Financial assets

(€K)	31/12/2014	Increase	Decrease	Change in fair value	Change in scope	Transfers	31/12/2015
Ordinary loans <sup>(1)</sup>	134,730	53,448	-1,098	0	0	-10,001	177,079
Current account	302	0	-302	0	0	0	0
<b>Total loans and current accounts</b>	<b>135,032</b>	<b>53,448</b>	<b>-1,400</b>	<b>0</b>	<b>0</b>	<b>-10,001</b>	<b>177,079</b>
Securities at fair value through net income	19,048	0	-18,144	-230	0	0	674
Securities at historic cost	40,373	3,280	-752	0	1,096	-123	43,874
Dividend to be distributed	0	0	-658	0	0	658	0
<b>Total other financial assets<sup>(2)</sup></b>	<b>59,421</b>	<b>3,280</b>	<b>-19,554</b>	<b>-230</b>	<b>1,096</b>	<b>535</b>	<b>44,548</b>
Outstanding amount of leases (LT)	2,274	0	-232	0	0	-1	2,041
<b>Total finance-lease receivables</b>	<b>2,274</b>	<b>0</b>	<b>-232</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>2,041</b>
Receivables on disposals of financial assets	13,334	18	-187	0	0	-887	12,278
<b>Total receivables on financial assets</b>	<b>13,334</b>	<b>18</b>	<b>-187</b>	<b>0</b>	<b>0</b>	<b>-887</b>	<b>12,278</b>
<b>TOTAL</b>	<b>210,061</b>	<b>56,746</b>	<b>-21,373</b>	<b>-230</b>	<b>1,096</b>	<b>-10,354</b>	<b>235,946</b>
Depreciation and amortisation <sup>(3)</sup>	-25,279	-4,129	11	0	0	4,241	-25,156
<b>NET TOTAL</b>	<b>184,782</b>	<b>52,617</b>	<b>-21,362</b>	<b>-230</b>	<b>1,096</b>	<b>-6,113</b>	<b>210,790</b>

<sup>(1)</sup> Ordinary loans include specifically:

- receivables from equity investments held in equity-accounted companies. The change in the period was (+€39.8 million)
- the gross receivable related to the Beni Stabili Gestioni S.p.A – SGR merger (+€3.9 million)
- the €9.3 million bond issue to finance FDM Management
- the transfer of advance payments made in 2014 following the acquisition in 2015 of securities in Germany (-€10 million).

<sup>(2)</sup> Total other financial assets are broken down as follows:

- securities at fair value through net income: securities from the OPCl Technical Fund were accounted for on the balance sheet at the OPCl's net asset value in the income statement. The OPCl will be dissolved in 2016. An interim liquidation payment of €18.1 million was made in the first half of 2015
- securities at historic cost: investments held by Beni Stabili in property funds are valued at their historical cost. Potential impairments are accounted for in the income statement. This line also includes the advance payment in 2015 for the acquisition of 6% of the securities of a non-consolidated company in Germany (+€3 million).

<sup>(3)</sup> Including impairments on securities at historic cost (€21.7 million) and on financial asset receivables (€3.5 million).

### 3.2.6.3. Investment in equity affiliates

(€K)	% held	Operating segment	Country	31/12/2014	31/12/2015	Changes	Of which effect of inclusion	Of which share of net income	Of which distributions
Latécoère (DS Campus)	50.10%	France Offices	France	92,849	0	-92,849	-89,126	1,623	-5,346
Latécoère 2 (DS Campus extension)	50.10%	France Offices (Assets under development)	France	0	-945	-945	-39	-907	0
Lenovilla (New Vélizy)	50.10%	France Offices	France	13,841	35,999	22,158		22,158	0
Euromarseille (Euromed)	50.00%	France Offices	France	10,346	27,490	17,145		17,145	0
Cœur d'Orly (Askia)	25.00%	France Offices	France	1,170	1,739	569		-90	659
Investire Immobiliare and others		Italy Offices	Italy	1,262	20,322	19,060	17,434	2,587	-961
Iris Holding France	19.90%	Hotels & Service Sector	Belgium, Germany	9,665	10,717	1,052		1,376	-324
OPCI IRIS Invest 2010	19.90%	Hotels & Service Sector	France	25,888	27,120	1,232		2,613	-1,381
OPCI Camp Invest	19.90%	Hotels & Service Sector	France	18,039	18,353	314		1,430	-1,116
Dahlia	20.00%	Hotels & Service Sector	France	15,658	16,739	1,080		1,841	-761
SCI Porte Dorée	50.00%	Hotels & Service Sector	France	0	4,446	4,446	4,661	-215	0
FDM Management	40.85%	Hotels & Service Sector	France & Germany	0	17,397	17,397	19,582	-2,185	0
<b>TOTAL</b>				<b>188,718</b>	<b>179,376</b>	<b>-9,341</b>	<b>-47,488</b>	<b>47,377</b>	<b>-9,230</b>

Investments in equity affiliates as at 31 December 2015 amounted to €179.4 million, compared with €188.7 million as at 31 December 2014. The change in the period involved the following:

- ♦ Latécoère (DS Campus): Following the amendment to the shareholder agreement, the company was changed from a joint venture to a consolidated structured entity. It is fully consolidated and 50.10% owned as of 1 April 2015
- ♦ Latécoère 2 (DS Campus extension): 50.1% interest held by Foncière des Régions in partnership with Crédit Agricole Assurances group (49.9%). The shareholders' agreement was signed on 18 June 2015 under the Dassault Extension project
- ♦ Investire Immobiliare and others: the +€19.1 million change includes the inclusion in the scope of consolidation of Investire Immobiliare for €17.4 million, net income of €2.6 million and dividend distributions amounting to -€0.9 million

- ♦ SCI Porte Dorée (Motel One Porte Dorée): 50% interest held by Foncière des Régions in partnership with the Caisse des Dépôts et Consignations. The shareholders' agreement was signed on 23 December 2015 under the Motel One Porte Dorée project

- ♦ FDM Management: 40.85% interest held by Foncière des Murs in partnership with Cardif, ACM, Crédit Agricole Assurances, Sogecap, Caisse des Dépôts et Consignations and Marolux (59.15%). FDM Management's business consists of acquiring hotels, services and funds. The +€17.4 million change corresponds to the €19.5 million investment and to the -€2.1 million in net income.

Note that this company invested a total of close to €120 million in 2015.

### 3.2.6.3.1. Breakdown of shareholding of principal associates

Shareholding as at 31/12/2015	Cœur d'Orly	Euromed Group	Latécoère 2 - (DS Campus extension)	SCI Lenovilla (New Vélizy)
Foncière des Régions	25%	50%	50.10%	50.09%
Non-group third parties	75%	50%	49.90%	49.91%
Altaréa	25%			
Crédit Agricole assurances		50%	49.90%	49.91%
Aéroport de Paris	50%			
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Indirect shareholding as at 31/12/2015	Iris Holding France	OPCI Iris Invest 2010	OPCI Campinvest	SCI Dahlia	FDM Management	SCI Porte Dorée
Foncière des Murs	19.9%	19.9%	19.9%	20.0%	40.85%	50.00%
Non-group third parties	80.1%	80.1%	80.1%	80.0%	59.15%	50.00%
Crédit Agricole Assurances	80.1%	80.1%	68.8%	80.0%	11.60%	
Pacifica			11.3%			
Cardif Assurance Vie					11.60%	
Assurances du Crédit Mutuel Vie					11.60%	
SOGECAP					11.60%	
Caisse des Dépôts et Consignations					11.60%	50.00%
Maro Lux					1.16%	
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### 3.2.6.3.2. Key financial information on associates

(€K)	Asset name	Total balance sheet	Total non-current assets	Treasury	Total non-current liabilities excluding financial debt	Total current liabilities excluding financial debt	Financial debt	Rental income	Net cost of financial debt	Consolidated net income
Cœur d'Orly	Cœur d'Orly	146,412	121,572	18,394	0	20,006	115,401	0	-190	-687
Latécoère 2	Dassault extension	53,872	51,067	2,187	0	35	55,724	0	0	-1,810
Lenovilla	New Vélizy and extension	266,842	251,993	836	0	4,706	190,267	11,299	-1,933	44,236
Euromed	Euromed Center	216,857	190,708	13,666	298	10,084	151,495	727	0	34,289
IRIS Holding France	AccorHotels Hotels	176,704	174,020	1,810	12,330	3,161	107,355	12,154	-2,900	6,866
OPCI Iris Invest 2010	AccorHotels Hotels	253,283	241,687	11,314	3,904	302	112,794	15,932	-4,046	13,133
OPCI Campinvest	Campanile Hotels	177,401	166,891	8,524	0	387	84,785	11,407	-3,201	7,187
SCI Dahlia	AccorHotels Hotels	168,906	159,198	8,723	0	2,107	83,105	7,231	-600	9,206
FDM Management	Hotels & Service segment	142,248	115,887	11,372	481	11,246	87,182	10,951	-961	-5,349
SCI Porte Dorée	Motel One Porte Dorée hotel	15,310	12,316	448	0	15	6,403	0	0	-430

### 3.2.6.4. Deferred taxes at year-end

	Balance sheet as at 31/12/2014	Increases			Other changes and transfers	Decreases			Balance sheet as at 31/12/2015
		First time consolidations	Net income for the year	Shareholder's Equity		Net income for the year	Shareholder's Equity	Decon-solidations	
(€K)									
DTA									
Losses carried forward	25,988	7,771	1,059	0	0	-3,353	0	0	31,465
Fair value of properties	11,219	0	28	0	-6,550	-3,388	0	0	1,309
Derivatives	14,212	87	107	0	0	-2,686	0	0	11,720
Temporary differences	15,636	0	3,215	0	6,540	-2,770	0	0	22,621
	67,055								67,115
DTA/DTL offset	-50,427								-47,739
TOTAL DTA	16,628	7,858	4,409	0	-10	-12,197	0	0	19,376

		Increases				Decreases			Balance sheet as at 31/12/2015
	Balance sheet as at 31/12/2014	First time consolidations	Net income for the year	Shareholder's Equity	Other changes and transfers	Net income for the year	Shareholder's Equity	Decon- solidations	
(€K)									
DTL									
Fair value of properties	298,640	66,418	23,513	0	9,678	-5,867	0	0	392,382
Derivatives	840	0	310	0	0	-577	0	0	573
Temporary differences	12,179	327	9,234	0	-9,680	-32	-296	0	11,732
	311,659								404,687
DTA/DTL offset	-50,427								-47,739
Total DTL	261,232	66,745	33,057	0	-2	-6,476	-8	0	356,948
NET TOTAL	-244,604	-58,887	-28,648	0	-8	-5,721	8	0	-337,572
TOTAL IMPACT ON THE INCOME STATEMENT:					-34,369				

At 31 December 2015, the consolidated deferred tax position showed a deferred tax asset of €19 million (*versus* €17 million as at 31 December 2014) and a deferred tax liability of €357 million (*versus* €261 million as at 31 December 2014).

The primary contributors to the balance of deferred tax liabilities are:

- ♦ German Residential: €261 million
- ♦ Hotels & Service Sector: €79 million
- ♦ Italy Offices: €15 million.

The increase in deferred tax liabilities concerning inclusions in the scope of consolidation corresponds to acquisitions in the Germany Residential segment in the amount of €50 million, and in the Hotels & Service sector for €8 million.

The impact on net income is detailed in 3.2.7.6.2.

In accordance with IAS 12, deferred tax assets and liabilities are offset for each tax entity when they involve taxes paid to the same tax authority.

Non-recognised tax loss carryforwards, calculated at the standard rate, amounted to €749 million, as detailed below:

(€K)	Non-recognised DTA	Non-recognised tax loss carryforwards
France Offices	85,416	248,064
Italy Offices	3,915	16,311
Hotels & Service Sector	24,083	69,942
Germany Residential	27,624	174,562
France Residential	77,693	228,052
Car Parks	4,327	12,566
<b>TOTAL FOR CONTINUING OPERATIONS</b>	<b>223,058</b>	<b>749,496</b>

### 3.2.6.5. Short-term loans and finance-lease receivables – current portion

(€K)	31/12/2014	Change in scope	Increase	Decrease	Transfers	31/12/2015
Short-term loans	7,796	0	6,042	-7,718	1	6,121
Finance-lease receivables	261	0	0	0	1	262
<b>TOTAL</b>	<b>8,057</b>	<b>0</b>	<b>6,042</b>	<b>-7,718</b>	<b>2</b>	<b>6,383</b>
Amortisations and provisions	-13	0	0	0	0	-13
<b>NET TOTAL</b>	<b>8,044</b>	<b>0</b>	<b>6,042</b>	<b>-7,718</b>	<b>2</b>	<b>6,370</b>

### 3.2.6.6. Inventories

Inventories primarily consist of assets dedicated to the trading business within Italy Offices (€34.1 million), assets dedicated to the trading business and real estate development within the Germany Residential segment (€4.5 million), the trading business within the France Residential segment (€2.9 million) and land in Orléans (€1.1 million).

### 3.2.6.7. Trade receivables

(€K)	31/12/2015	31/12/2014	Change
Trade receivables	298,109	294,318	3,791
Impairment of receivables	-31,452	-30,045	-1,407
<b>NET TOTAL TRADE RECEIVABLES</b>	<b>266,657</b>	<b>264,273</b>	<b>2,384</b>

The balance of net trade receivables includes mainly expenses to be invoiced to tenants for €121.2 million, net trade receivables for €27.4 million and receivables related to the linearisation of relief granted on rent for €118.3 million.

### 3.2.6.8. Other receivables

(€K)	31/12/2015	31/12/2014	Change
Government receivables	42,614	34,555	8,059
Other receivables	11,459	14,563	-3,104
Security deposits received	22,492	70,761	-48,269
Current accounts	2,790	2,898	-108
<b>TOTAL</b>	<b>79,355</b>	<b>122,777</b>	<b>-43,422</b>

♦ Government receivables of €42.6 million are broken down into €15.7 million for France Offices, €21.1 million for Italy Offices, €2.8 million for the Hotels & Service and €2.0 million for Car Parks. The receivables are mainly VAT.

♦ The change in receivables on disposals is primarily due to collection of the receivable on the disposal of the Prada building in Milan for -€55 million.

## 3.2.6.9. Cash and cash equivalents

(€K)	31/12/2015	31/12/2014
Money-market securities available for sale	736,465	686,865
Cash at bank	213,219	339,642
<b>TOTAL</b>	<b>949,684</b>	<b>1,026,507</b>

At 31 December 2015, the portfolio of money market securities available for sale consisted mainly of traditional money market funds (Level 2).

- ♦ The level 1 portfolio corresponds to instruments whose price is listed on an active market for an identical instrument.

- ♦ Level 2 corresponds to instruments whose fair value is determined using data other than the prices mentioned for level 1 and observable directly or indirectly (i.e. price-related data).

Foncière des Régions holds no investments subject to capital risk.

## 3.2.6.10. Changes in shareholders' equity

The capital of Foncière des Régions totalled €199.8 million as at 31 December 2015.

During 2015, Foncière des Régions conducted a capital increase of €254.6 million (€252.4 million net of costs) with the issue of 3,917,722 new shares at €65 per share.

Reserves correspond to parent company retained earnings and reserves, together with reserves from consolidation.

As at 31 December 2015, the share capital broke down as follows:

Number of authorised shares:	66,629,732
Number of shares issued and fully paid up:	66,629,732
Number of shares issued and not fully paid up:	0
Par value of shares:	€3.00
Share classes:	none
Restriction on payment of dividends:	none
Shares held by the Company or its subsidiaries:	52,319

## CHANGES IN THE NUMBER OF SHARES DURING THE PERIOD

Date	Transaction	Shares issued	Treasury shares	Shares outstanding
31/12/2014		62,683,557	78,968	62,604,589
	Capital increase	3,917,722		
	Creation of bonus shares	28,453		
	Treasury shares – Liquidity agreement		16,081	
	Treasury shares – Employee award		-44,467	
	Treasury shares – awaiting allocation		1,737	
31/12/2015		66,629,732	52,319	66,577,413

The statement of changes in shareholders' equity is presented in Note 3.1.4.

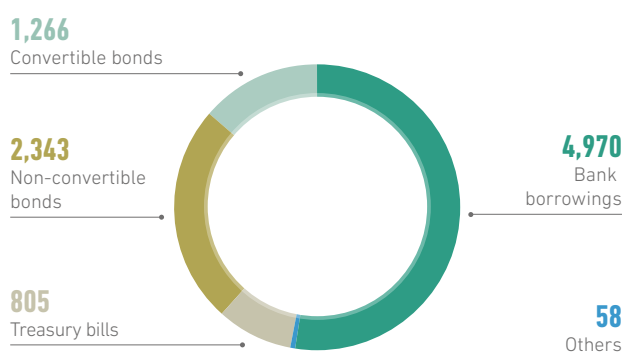
### 3.2.6.11. Indebtedness

(€K)	31/12/2014	Increase	Decrease	Change in scope	Other changes	31/12/2015
Bank borrowings	4,884,120	2,177,303	-2,634,941	583,779	-40,080 <sup>(1)</sup>	4,970,181
Other borrowing	53,656	1,379	-85,816	82,668	2,022	53,909
Treasury bills	446,150	358,850	0	0	0	805,000
Securitised loans	3,978	0	0	0	0	3,978
Non-convertible bonds	2,020,516	325,307	-2,594	0	0	2,343,229
Finance leases	18,644	0	-18,644	0	0	0
Convertible bonds	1,396,642	200,000	-330,558	0	0	1,266,084
<b>Subtotal interest-bearing loans</b>	<b>8,823,706</b>	<b>3,062,839</b>	<b>-3,072,553</b>	<b>666,447</b>	<b>-38,058</b>	<b>9,442,381</b>
Accrued interest	69,210	68,322	-74,203	5,484	0	68,813
Deferral of loan expenses	-74,311	29,459	-27,116	-2,626	889	-73,705
Creditor banks	94,312	0	0	0	-40,177	54,135
<b>Total loans (LT/ST) excl. JV of ORNANE-type bonds</b>	<b>8,912,917</b>	<b>3,160,620</b>	<b>-3,173,872</b>	<b>669,305</b>	<b>-77,346</b>	<b>9,491,624</b>
Of which Long-term	7,708,710					8,408,151
Of which Short-term	1,204,207					1,083,473
Valuation of financial instruments	470,310	0	0	415	-107,069	363,656
Convertible bond derivatives	87,371	0	0	0	92,282	179,653
<b>Total derivatives</b>	<b>557,681</b>	<b>0</b>	<b>0</b>	<b>415</b>	<b>-14,787</b>	<b>543,309</b>
Of which Assets	-60,246					-54,075
Of which Liabilities	617,927					597,384
<b>TOTAL BANK DEBT</b>	<b>9,470,598</b>	<b>3,160,620</b>	<b>-3,173,872</b>	<b>669,720</b>	<b>-92,133</b>	<b>10,034,933</b>

<sup>(1)</sup> Transfer of €40.1 million in borrowings by car park companies to liabilities held for sale, following the signature of a preliminary sale agreement on four car park companies.

The new financings taken out during the year are presented in 3.2.6.11.1 – Bank borrowings.

#### DEBT BY TYPE AS AT 31 DECEMBER 2015 IN €M



The "Receipts relating to new borrowings" line of the Cash Flow Statement (+€3,035.9 million) corresponds to:

- increases in interest-bearing borrowings (+€3,062.8 million)
- less new debt issuance costs (-€27.1 million).

The "Repayments of borrowings" line of the Cash Flow Statement (-€3,072.5 million) corresponds to decreases in interest-bearing borrowings.



### 3.2.6.11.1. Bank borrowings

The table below outlines the characteristics of the borrowings taken out by Foncière des Régions and the amount of associated guarantees (principal amount over €100 million):

(in €K)	Debt balance (> or < €100 M)	Debt	Total appraisal value for block of assets		Date of signature	Initial amount of debt	Maturity
			31/12/2015	Debt balance 31/12/2015			
France Offices		€280 M (2015) and €145 M (2015) Tour CB21 and Carre Suffren		414,300	29/07/2015 and 01/12/2015	280,000 and 145,000	29/07/2025 and 30/11/2023
	> €100 M	€275 M (2012) – Orange		248,453	09/05/2012	275,000	19/09/2020
		€167.5 M (2015) – DS Campus		166,663	20/03/2015	167,500	20/04/2023
	> €100 M		1,858,484	829,415			
	< €100 M		194,490	88,078			
		<b>Total France Offices</b>	<b>2,052,974</b>	<b>917,494</b>			
Italy Offices	> €100 M	€297 M (2014) – Refi 2 Babel		297,000	10/09/2014	300,000	29/07/2020
	> €100 M	€255 M (2015) – Europe		255,000	09/06/2015	255,000	09/06/2025
		€110 M (2014) – Faithful 2		110,000	16/04/2014	110,000	20/01/2021
	> €100 M		1,378,318	662,000			
	< €100 M		222,420	312,618			
		<b>Total Italy Offices</b>	<b>1,600,738</b>	<b>974,618</b>			
Hotels & Service Sector	> €100 M	€447 M (2013)	658,737	270,201	25/10/2013	447,000	31/01/2023
	> €100 M	€255 M (2012) – Covered bond	510,895	239,976	14/11/2012	255,000	16/11/2021
	> €100 M	€235 M (2013) – OPCl B2 HI (B&B)	565,185	235,000	20/12/2013	235,000	20/12/2018
	> €100 M	€350 M (2013)	481,061	245,169	15/07/2013	350,000	31/07/2022
	> €100 M	€208 M (2014)	235,102	124,665	07/05/2014	208,640	23/11/2021
	> €100 M		2,450,980	1,115,011			
	< €100 M		384,981	181,196			
		<b>Total Hotels &amp; Service Sector</b>	<b>2,835,961</b>	<b>1,296,207</b>			
France Residential	> €100 M	€350 M (2014)	462,489	193,531	15/01/2014	350,000	31/10/2018
	> €100 M		462,489	193,531			
	< €100 M		116,596	33,894			
		<b>Total France Residential</b>	<b>579,085</b>	<b>227,424</b>			
Germany Residential	> €100 M	Lyndon Immeo 02	223,387	159,290	07/12/2011	196,000	14/12/2021
	> €100 M	Lyndon Immeo 01	265,729	142,887	12/12/2011	184,720	12/12/2021
	> €100 M	Lyndon Immeo 04	641,840	275,097	09/03/2012	485,000	14/03/2022
	> €100 M	Indigo	229,779	117,556	13/12/2013	120,530	19/12/2018
	> €100 M	Lego	272,001	143,731	01/10/2014	145,000	30/09/2024
	> €100 M	Refinancing Wohnbau/Dümpfen/Aurélia/Duomo	316,584	171,756	20/01/2015	177,000	30/01/2025
	> €100 M	Refinancing Amadeus/Herbstlaub/Valore/Valartis	299,389	151,059	28/10/2015	157,576	30/04/2026
	> €100 M	Quadriga	363,917	151,341	31/12/2015	150,441	31/01/2024
	> €100 M		2,612,626	1,312,717			
	< €100 M		964,798	461,520			
		<b>Total Germany Residential</b>	<b>3,577,424</b>	<b>1,774,237</b>			
Car Parks	< €100 M	<b>Total Car Parks</b>	<b>150,510</b>	<b>64,496</b>			
<b>Total collateralised</b>			<b>10,796,691</b>	<b>5,254,476</b>			

(in €K)	Debt balance (> or < €100 M)	Debt	Total appraisal value for block of assets		Date of signature	Initial amount of debt	Maturity
			31/12/2015	31/12/2015			
France Offices		€550 M (2011) – Ornane		451,085	01/05/2011	550,000	01/01/2017
		€345 M (2013) – Ornane		345,000	20/11/2013	345,000	01/04/2019
		€500 M (2012) – Other bonds		500,000	16/10/2012	500,000	16/01/2018
		Treasury bills BT/BMTN		805,000			
		€180 M (2013) – Private placement		180,000	28/03/2013	180,000	30/04/2020
		€500 M (2014) – Bonds		498,253	10/09/2014	500,000	30/09/2021
	> €100 M			2,779,338			
	< €100 M			0			
		<b>Total France Offices</b>	<b>3,042,014</b>	<b>2,779,338</b>			
Italy Offices		€270 M (2013) – Convertible Bonds		270,000	17/10/2013	270,000	17/04/2019
		€350 M (2014) – Bonds		350,000	22/01/2014	350,000	22/01/2018
		€250 M (2014) – Bonds		250,000	31/03/2014	250,000	01/04/2019
		€125 M (2015) – Bonds		125,000	30/03/2015	125,000	30/03/2022
		€200 M (2015) – Convertible Bonds		200,000	03/08/2015	200,000	31/01/2021
	> €100 M			1,195,000			
	< €100 M			3,978			
		<b>Total Italy Offices</b>	<b>2,304,188</b>	<b>1,198,978</b>			
Hotels & Service Sector	> €100 M	€200 M (2015) – Private placement		200,000	29/05/2015	200,000	29/05/2023
		<b>Total Hotels &amp; Service Sector</b>	<b>678,980</b>	<b>200,000</b>			
France Residential	< €100 M	<b>Total France Residential</b>	<b>29,907</b>	<b>0</b>			
Germany Residential	< €100 M	<b>Total Germany Residential</b>	<b>14,850</b>	<b>0</b>			
Car Parks		<b>Total Car Parks</b>	<b>35,700</b>	<b>0</b>			
<b>Total unencumbered</b>			<b>6,105,640</b>	<b>4,178,316</b>			
		Other debt		49,669			
		Reclassification of Car Parks to liabilities held for sale	-127,030	-40,080			
<b>TOTAL</b>			<b>16,775,301</b>	<b>9,442,381</b>			

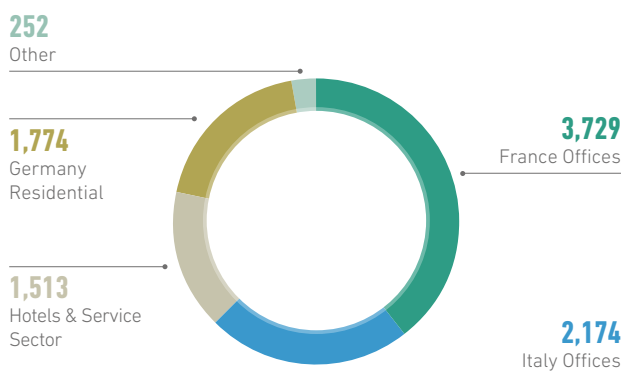
Borrowings are valued after their initial recognition at cost, amortised based on the effective interest rate. The average interest rate on consolidated debt for Foncière des Régions was 2.86% as at 31 December 2015.

## BREAKDOWN OF BORROWINGS AT THEIR FACE VALUE ACCORDING TO TIME LEFT TO MATURITY AND BY INTEREST-RATE TYPE

(€K)	Balance as at 31/12/2015	Maturity in < 1 year	Balance as at 31/12/2016	Maturity as at 2 to 5 years	Balance as at 31/12/2020	Maturity in > 5 years
<b>Fixed-rate long-term financial liabilities</b>	<b>5,499,550</b>	<b>773,476</b>	<b>4,726,074</b>	<b>2,717,456</b>	<b>2,008,617</b>	<b>2,008,617</b>
France Offices – Bank borrowings	289,370	4,745	284,626	189,813	94,813	94,813
France Offices – ORNANE-type bonds <sup>(1)</sup>	796,084	0	796,084	796,084	0	0
France Offices – Other	32,438	0	32,438	32,438	0	0
Italy Offices – Convertible bonds <sup>(1)</sup>	470,000	0	470,000	270,000	200,000	200,000
Hotels & Service Sector – bank loans	20,000	0	20,000	20,000	0	0
Hotels & Service sector – Other	17,230	0	17,230	15,936	1,294	1,294
Residential Germany – Bank borrowings	824,980	63,651	761,329	112,843	648,486	648,486
Residential Germany – Other	4,242	2,180	2,062	1,883	178	178
<b>Total borrowings and convertible bonds</b>	<b>2,454,343</b>	<b>70,576</b>	<b>2,383,768</b>	<b>1,438,996</b>	<b>944,771</b>	<b>944,771</b>
France Offices – Bonds	1,178,253	0	1,178,253	678,460	499,793	499,793
France Offices – Treasury bills	698,000	698,000	0	0	0	0
Italy Offices – Bonds	725,000	0	725,000	600,000	125,000	125,000
Italy Offices – Securisation	3,978	3,978	0	0	0	0
Hotels & Service sector – Bonds	439,976	922	439,053	0	439,053	439,053
<b>Total debts represented by securities</b>	<b>3,045,207</b>	<b>702,900</b>	<b>2,342,306</b>	<b>1,278,460</b>	<b>1,063,846</b>	<b>1,063,846</b>
<b>Floating-rate financial debt</b>	<b>3,942,831</b>	<b>201,221</b>	<b>3,741,610</b>	<b>1,576,919</b>	<b>2,164,692</b>	<b>2,164,692</b>
France Offices – Bank borrowings	628,123	11,885	616,238	163,063	453,175	453,175
Italy Offices – Bank borrowings	974,618	11,967	962,651	566,435	396,216	396,216
Hotels & Service sector – Bank borrowings	1,036,234	12,186	1,024,048	264,005	760,043	760,043
Residential France – Bank borrowings	227,424	1,050	226,374	226,374	0	0
Residential Germany – Bank borrowings	945,016	113,398	831,619	297,102	534,517	534,517
Car parks – Bank borrowings	24,416	735	23,681	2,940	20,741	20,741
<b>Total borrowings and convertible bonds</b>	<b>3,835,831</b>	<b>151,221</b>	<b>3,684,610</b>	<b>1,519,919</b>	<b>2,164,692</b>	<b>2,164,692</b>
France Offices – Treasury bills	107,000	50,000	57,000	57,000	0	0
<b>Total debts represented by securities</b>	<b>107,000</b>	<b>50,000</b>	<b>57,000</b>	<b>57,000</b>	<b>0</b>	<b>0</b>
<b>TOTAL AT 31 DECEMBER 2015</b>	<b>9,442,381</b>	<b>974,697</b>	<b>8,467,684</b>	<b>4,294,375</b>	<b>4,173,309</b>	<b>4,173,309</b>

<sup>(1)</sup> The ORNANE bonds are presented at face value.

## DEBT BY BUSINESS SECTOR AS AT 31 DECEMBER 2015 IN €M



### 3.2.6.11.2. Convertible bond issues

#### 3.2.6.11.2.1. France Offices

The characteristic features of bonds are as follows:

Features	ORNANE-type bonds – France Offices	ORNANE-type bonds – France Offices
Issue date	24/05/2011	20/11/2013
Issue amount (€M)	550	345
Issue price (€)	85,86	84,73
Conversion rate	1.15	1.06
Nominal rate	3.34%	0.88%
Maturity	01/01/2017	01/04/2019
Number of convertible bonds issued	6,405,776	4,071,757
Number of convertible bonds as at 31 December 2014	5,253,944	4,071,757
Investments in equity affiliates	-230	
Number of convertible bonds as at 31 December 2015	5,253,714	4,071,757
Number of potential shares	6,041,771	4,316,062
Amount of the issue after redemption and conversion (€M)	451	

Interest is payable half-yearly on 1 January and 1 July for the ORNANE issued in 2011 and on 1 April and 1 October for the ORNANE issued in 2013.

Based on the quoted price on 31 December 2015, the fair value of the ORNANE bonds is:

- €100.19 for the ORNANE issued in 2011, for a fair value at 31 December 2015 of €526.4 million (5,253,714 bonds outstanding)
- €100.80 for the ORNANE issued in 2013, for a fair value at 31 December 2015 of €410.4 million (4,071,757 bonds).

The fair value of Foncière des Régions' ORNANE totals €936.8 million.

Bond holders will have the option to convert their bonds either into cash and existing and/or new shares, or only into shares, based on the stock market prices over a determined period, at the Company's discretion. During 2015, 230 bonds (ORNANE issued in 2011) were converted into shares.

#### 3.2.6.11.2.2. Italy Offices

In accordance with paragraph 11A of IAS 39, the Italy Offices ORNANE are hybrid instruments and are accounted for as a Host contract (debt at amortised cost) and as an embedded derivative (financial instrument at fair value through the income statement).

At 31 December 2015, ORNANE derivatives of Beni Stabili convertible bonds were valued at €73.3 million.

The characteristic features of these convertible bonds are as follows:

Features	ORNANE-type bonds – Italy Offices	ORNANE-type bonds – Italy Offices	ORNANE-type bonds – Italy Offices
Issue date	01/2013	10/2013	08/2015
Issue amount (€M)	225	270	200
Issue price (€)	100	100	100
Conversion rate	166,917	151,722	99,990
Nominal rate	3.375%	2.625%	0.875%
Maturity	01/2018	03/2019	02/2021
Number of convertible bonds issued	2,250,000	2,700,000	2,000,000
Number of convertible bonds as at 31 December 2014	2,250,000	2,700,000	
Number of convertible bonds converted	-2,250,000		
Number of convertible bonds as at 31 December 2015	0	2,700,000	2,000,000
Number of potential shares		409,649,522	199,980,002

### 3.2.6.11.3. Derivatives

Derivative instruments consist mainly of rate hedging instruments put in place as part of the Group's interest rate hedging policy.

Fair value of net derivative instruments:

(€K)	31/12/2014 Net	31/12/2015 Net
France Offices	187,333	160,166
Italy Offices	37,039	30,408
Hotels & Service Sector	169,083	109,146
Germany Residential	58,105	46,984
France Residential	7,938	7,463
Car Parks	10,812	9,489
<b>Total financial instruments</b>	<b>470,310</b>	<b>363,656</b>
France Offices	60,704	140,694
Italy Offices	26,667	38,959
<b>Total derivatives of convertible borrowing</b>	<b>87,371</b>	<b>179,653</b>
<b>TOTAL</b>	<b>557,681</b>	<b>543,309</b>
<b>OF WHICH COUNTERPARTY RISK</b>	<b>13,598</b>	<b>11,895</b>

The total impact of value adjustments on derivatives on the income statement was -€141.6 million. It primarily consists of changes in value of cash instruments (+€20.7 million), and the change in value of the ORNANE bonds (-€162.0 million), and the change in the value of other financial assets (-€0.3 million). In accordance with IFRS 13, the fair values include counterparty default risk.

The line "Unrealised gains and losses relating to changes in fair value" on the cash flow statement (-€303.4 million), which calculates cash flow, chiefly incorporates the impact on income of changes in value of cash instruments (-€20.7 million) and other financial assets (+€0.3 million), the change in value of the ORNANE (+€162.0 million) and the change in value of the portfolio (-€445 million).

### BREAKDOWN OF HEDGING INSTRUMENTS BY MATURITY OF NOTIONALS

(€K)	At 31/12/2015	Less than 1 year	One to five years	Over five years
<b>FIXED HEDGE</b>				
Fixed rate payer swap	3,815,419	42,816	1,377,238	2,395,365
Fixed rate receiver swap	1,320,000	350,000	720,000	250,000
<b>OPTIONAL HEDGE</b>				
ORNANE-type bonds	0	-100,000	-275,000	375,000
Sale of fixed rate borrower swaption	0	0	-275,000	275,000
CAP purchase	1,445,686	200,557	932,181	312,948
Floor purchase	23,610	520	2,080	21,010
Floor sale	128,115	60,000	35,000	33,115
<b>TOTAL</b>	<b>6,732,830</b>	<b>553,893</b>	<b>2,516,499</b>	<b>3,662,438</b>

## BALANCE AS AT 31 DECEMBER 2015

(€K)	Fixed rate	Floating rate
Gross borrowings and financial debt (including creditor banks)	5,499,550	3,996,966
<b>NET FINANCIAL LIABILITIES BEFORE HEDGING</b>	5,499,550	3,996,966
Swaps		-2,495,419
Caps		-1,445,686
<b>TOTAL HEDGES</b>		<b>-3,941,105</b>

### 3.2.6.11.4. Bank covenants

Excluding debts raised without recourse to the Group's property companies, the debts of Foncière des Régions and its subsidiaries generally include bank covenants (ICR and LTV) applying to the borrower's consolidated financial statements. If these covenants are breached, early debt repayment may be triggered. These covenants were established in Group share for Foncière des Régions and for Foncière des Murs (regarding refinance loans for historical borrowings) and on a consolidated basis for Foncière Développement Logements and Beni Stabili (if their debts include them).

With respect to Immeo, for which the debt raised is "non-recourse" debt, there are no consolidated covenants associated with portfolio financing.

The most restrictive consolidated LTV covenants as at 31 December 2015 were 60% for Foncière des Régions (excluding a €75 million credit facility maturing in less than one year, where the covenant was 55%), Foncière des Murs and Foncière Développement Logements. Lastly, a limited portion of Beni Stabili financing included a consolidated LTV covenant (Beni Stabili scope), the most restrictive level of which was also 60%.

The threshold for consolidated ICR covenants differs from one REIT to another, depending on the type of assets, and may be different from one debt to another even for the same REIT, depending on debt seniority. Lastly, only a portion of the Beni Stabili loans has a consolidated ICR covenant.

The most restrictive ICR consolidated covenants applicable to REITs are as follows:

- ♦ for Foncière des Régions: 200%
- ♦ for Foncière des Murs: 200%
- ♦ for Foncière Développement Logements: 150%
- ♦ for Beni Stabili: 150%.

All these LTV or ICR covenants were in strict compliance as at 31 December 2015.

Concerning Foncière des Régions, the bank consolidated leverage ratios at 31 December 2015 were 50.9% for the LTV in Group share and 302% for the ICR in Group share (compared to 50.3% and 276% respectively at the end of 2014).

Two types of covenants were added to the consolidated LTV and ICR Group share covenants of Foncière des Régions as part of the corporate loans taken out by Foncière des Régions:

- ♦ mainly an asset-secured debt covenant (100% scope), the cap on which is set at 25% (excluding a €75 million credit facility where the covenant is set at 22.5%) and which measures the ratio of secured debt (or debt with guarantees of any nature) to asset value.

This covenant is fully respected and is at a very comfortable level

- ♦ secondarily, unencumbered asset covenants, for which the ceiling is 50%, that measures the ratio between the debt of Foncière des Régions and that of its fully-owned subsidiaries and the portfolio value. As at 31 December 2015, this covenant only applied to two historical corporate credits with a short maturity.

This covenant was also in compliance as at 31 December 2015.

No loan has an accelerated payment clause contingent on a Foncière des Régions rating.

Consolidated LTV	Company	Scope	Covenant threshold	Ratio
€350 M (2013)	Foncière des Murs	Hotels & Service Sector	≤ 60%	In compliance
€447 M (2013)	Foncière des Murs	Hotels & Service Sector	< 60%	In compliance
€208 M (2014)	Foncière des Murs	Hotels & Service Sector	< 60%	In compliance
€255 M (2012) – Covered bond	Foncière des Murs	Hotels & Service Sector	≤ 65%	In compliance
€200 M (2015) – Private placement	Foncière des Murs	Hotels & Service Sector	≤ 60%	In compliance
€350 M (2014)	Foncière Développement Logements	France Residential	≤ 60%	In compliance
€297 M (2014) – Refi 2 Babel	Beni Stabili	Italy Offices	≤ 60%	In compliance
€110 M (2014) – Faithful 2	Beni Stabili	Italy Offices	≤ 60%	In compliance
€255 M (2015) – Europe	Beni Stabili	Italy Offices	≤ 60%	In compliance

Consolidated ICR	Company	Scope	Covenant threshold	Ratio
€350 M (2013)	Foncière des Murs	Hotels & Service Sector	> 200%	In compliance
€447 M (2013)	Foncière des Murs	Hotels & Service Sector	> 200%	In compliance
€208 M (2014)	Foncière des Murs	Hotels & Service Sector	> 200%	In compliance
€255 M (2012) – Covered bond	Foncière des Murs	Hotels & Service Sector	≥ 200%	In compliance
€200 M (2015) – Private placement	Foncière des Murs	Hotels & Service Sector	≥ 200%	In compliance
€350 M (2014)	Foncière Développement Logements	France Residential	≥ 150%	In compliance
€297 M (2014) – Refi 2 Babel	Beni Stabili	Italy Offices	> 140%	In compliance
€110 M (2014) – Faithful 2	Beni Stabili	Italy Offices	> 140%	In compliance
€255 M (2015) – Europe	Beni Stabili	Italy Offices	> 150%	In compliance

These covenants, which are based on the Company and consolidated financial statements, most often include specific covenants for the scopes financed. These “Scope” covenants, or to a lesser extent the interest coverage ratios, usually have less restrictive

thresholds for the Group’s companies than consolidated covenant thresholds. Their purpose is mainly to supervise the use of financing by correlating it with the value of underlying assets provided as collateral.

### 3.2.6.12. Provisions for contingencies and losses

[€K]	31/12/2014	Change in scope	Charges	Transfer	Change in actuarial gains and losses	Reversal of provision		31/12/2015
						used	unused	
Other provisions for litigation	1,429	0	641	6		-50	-306	1,720
Provisions for guarantees	0	0	0			0	0	0
Provisions for taxes	3,799	0	55,334	-6		-1,383	-1,009	56,735
Provisions for sustainable development	345	0	0			0	0	345
Provisions for property charges	7,791	0	641	-8,437		0	5	0
Other provisions	3,741	0	584			-337	-2,087	1,901
<b>Provision sub-total – current liabilities</b>	<b>17,105</b>	<b>0</b>	<b>57,200</b>	<b>-8,437</b>	<b>0</b>	<b>-1,770</b>	<b>-3,397</b>	<b>60,701</b>
Provisions for retirement benefit obligations	43,160	0	2,010		1,989	-1,201	-1,439	44,519
Provisions for long-service awards	669	0	55			0	-14	710
<b>Provision sub-total – non-current liabilities</b>	<b>43,829</b>	<b>0</b>	<b>2,065</b>	<b>0</b>	<b>1,989</b>	<b>-1,201</b>	<b>-1,453</b>	<b>45,229</b>
<b>TOTAL PROVISIONS</b>	<b>60,934</b>	<b>0</b>	<b>59,265</b>	<b>-8,437</b>	<b>1,989</b>	<b>-2,971</b>	<b>-4,850</b>	<b>105,930</b>

Provisions for litigation are broken down into €1.1 million for France Offices, €0.3 million for Italy Offices and €0.3 million for the Car Parks segment.

Provisions for taxes solely concern the Italy Offices segment in the amount of €56.7 million, €55.3 million of which relates to the Comit Fund dispute, which was provisioned during the year (under Net allowances to provisions and other in the statement of net income). This dispute is described in Note 3.2.2.9.4.

Provisions for property charges (€8.4 million) from the Car Parks segment (provisions for work renewal) were moved to liabilities held for sale.

Other provisions consist primarily of the following:

- ♦ other provisions for contingencies and losses: €0.5 million
- ♦ provisions relating to grantor rights (Car Parks): €0.4 million
- ♦ other provisions for losses €1.0 million.

The provision for retirement severance pay totalled €44.5 million as at 31 December 2015.

The main actuarial assumptions used to estimate Foncière des Régions' commitments in France were as follows:

- ♦ rate of pay increase: managers 4%, non-managers 3%
- ♦ discounting rate: 1.35% (TEC 10 n +50 bps).

The main actuarial assumptions used to estimate commitments in Germany were as follows:

Assumptions used in calculating provisions for retirement benefit obligations in Germany	31/12/2015	31/12/2014
Discount rate	2.5%	2.5%
Annual wage growth	2.5%	2.5%
Rate of social security charges	1.0%	1.0%
<b>IMPACT OF PROVISIONS FOR RETIREMENT BENEFITS ON THE INCOME STATEMENT (IN €K)</b>		
Cost of services rendered during the year	-546	-567
Financial cost	-995	-1,297
Effects of plan curtailments/settlements		
<b>TOTAL IMPACT ON THE INCOME STATEMENT</b>	<b>-1,541</b>	<b>-1,864</b>

### 3.2.6.13. Other short-term liabilities

(€K)	31/12/2015	31/12/2014	Change
Social debt	19,282	19,381	-99
Tax debt	14,691	17,530	-2,839
Exit tax > 1 year	0	20,036	-20,036
Current accounts - liabilities	721	480	241
Other debt	109,532	24,397	85,135
<b>TOTAL</b>	<b>144,226</b>	<b>81,824</b>	<b>62,402</b>

At 31 December 2015, following payment of the exit tax debt relating to the Italy Offices segment (€20 million), the Group had no further debt of this type in its financial statements.

The €85 million increase in other debts is related to a €95.2 million prepayment received for the disposal of a portfolio of assets in the Germany Residential segment. The disposal takes effect and title transfers in January 2016.



### 3.2.6.14. Recognition of financial assets and liabilities

IAS 39 categories	Line item in statement of financial position	31/12/2015	Amount shown in the statement of financial position measured at			
		Net (K€)	Amortised cost	Fair value through shareholders' equity	Fair value through profit or loss	Fair value (K€)
Assets at fair value through profit or loss	Non-current financial assets	674			674	674
Assets at amortised cost	Non-current financial assets	22,189	22,189			22,189
Loans & receivables	Non-current financial assets	187,927	187,927			187,927
<b>Total non-current financial assets</b>		<b>210,790</b>				<b>210,790</b>
Loans & receivables	Trade receivables <sup>(1)</sup>	148,572	148,572			148,572
Assets at fair value through profit or loss	Derivatives at fair value through profit or loss	54,075			54,075	54,075
Assets at fair value through profit or loss	Cash and cash equivalents	736,465			736,465	736,465
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,149,902</b>	<b>358,688</b>	<b>0</b>	<b>791,214</b>	<b>1,149,902</b>
Liabilities at fair value through profit or loss	ORNANE-type bonds	1,445,737	435,703		1,010,034	1,468,022
Liabilities at amortised cost	Borrowings (excl. ORNANE-type bonds)	8,176,297	8,176,297			8,274,586 <sup>(2)</sup>
Liabilities at fair value through profit or loss	Financial instruments (excluding ORNANE)	417,731		19,690	398,041	417,731
Liabilities at amortised cost	Security deposits	12,891	12,891			12,891
Liabilities at amortised cost	Trade payables	111,103	111,103			111,103
<b>TOTAL FINANCIAL LIABILITIES</b>		<b>10,163,759</b>	<b>8,735,994</b>	<b>19,690</b>	<b>1,408,075</b>	<b>10,284,333</b>

<sup>(1)</sup> Excluding rent exemptions.

<sup>(2)</sup> The difference between the net book value and the fair value of fixed rate debt is €98,289 thousand.

#### 3.2.6.14.1. Breakdown of financial assets and liabilities at fair value

The table below presents financial instruments at fair value broken down by level:

- level 1: financial instruments listed in an active market
- level 2: financial instruments whose fair value is evaluated through comparisons with observable market transactions on

similar instruments or based on an evaluation method whose variables include only observable market data

- level 3: financial instruments whose fair value is determined entirely or partly by using an evaluation method based on an estimate that is not based on market transaction prices on similar instruments.

(€K)	Level 1	Level 2	Level 3	Total
Derivatives at fair value through profit or loss		54,075		54,075
Money-market securities available for sale		736,465		736,465
<b>Total financial assets</b>	<b>0</b>	<b>790,540</b>	<b>0</b>	<b>790,540</b>
ORNANE-type bonds	1,468,022			1,468,022
Derivatives at fair value through profit or loss		417,731		417,731
<b>Total financial liabilities</b>	<b>1,468,022</b>	<b>417,731</b>	<b>0</b>	<b>1,885,753</b>

## 3.2.7. Notes to the statement of net income

### 3.2.7.1. Operating income (loss)

#### 3.2.7.1.1. Rental income

(€K)	31/12/2015	31/12/2014	Change (€K)	Change as a %	Change on like-for-like basis
France Offices	258,897	250,730	8,167	3.3%	0.9%
Italy Offices	210,615	228,656	-18,041	-7.9%	-4.1%
<b>Total Offices rental income</b>	<b>469,512</b>	<b>479,386</b>	<b>-9,874</b>	<b>-2.1%</b>	<b>-1.6%</b>
Hotels & Service Sector	203,564	196,057	7,507	3.8%	-0.6%
Germany Residential	190,301	171,121	19,180	11.2%	2.4%
France Residential	21,764	28,804	-7,040	-24.4%	N/A
<b>TOTAL RENTAL INCOME</b>	<b>885,141</b>	<b>875,368</b>	<b>9,773</b>	<b>1.1%</b>	<b>-0.5%</b>

Rental income consists of rental and similar income (e.g.: occupancy fees and entry rights) invoiced for investment properties during the period. Rent exemptions, common areas and entry rights are spread out over the fixed term of the lease.

The two tenants who each account for over 10% of overall revenues are:

- ♦ Telecom Italia in the Italy Offices segment (€110.6 million)
- ♦ Orange in the France Offices segment (€89.4 million).

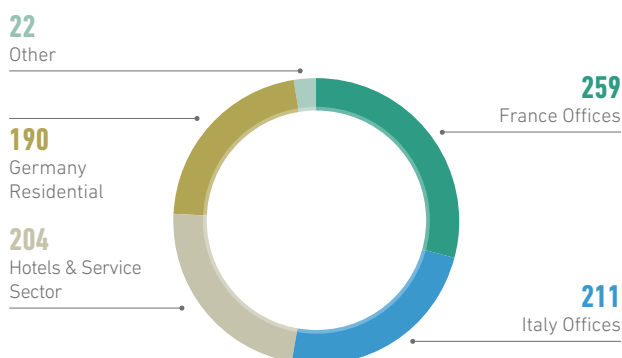
Rental income amounted to €885.1 million at 31 December 2015, versus €875.4 million at 31 December 2014, up by €9.8 million.

The changes by type of asset break down as follows:

- ♦ a 3.3% increase in rental income from France Offices, due in particular to the full consolidation of Latécoère (DS Campus) as of 1 April 2015 (+€13.5 million), to acquisitions and deliveries of developments (+€13 million), to various indexing and relocations (+€2 million), less asset disposals (-€10.7 million) and assets made vacant for restoration (-€9 million)
- ♦ a 7.9% decrease in rental income from Italy Offices, which stems from assets made vacant/relocations (-€12 million), including the agreement signed with Telecom Italia that incorporates a 6.9% reduction in rent in return for a longer firm lease term, as well as the impact of disposals (-€6.3 million). These impacts were partially offset by new tenants in the amount of €3.6 million

- ♦ a 3.8% increase in rental income from the Hotels & Service sector, which is due in particular to the impact of acquisitions and deliveries of hotels in France and Germany (+€10.9 million), indices on commercial property (+0.1 million), minus the impact of disposals in the health sector (-€1.4 million) and the hotel sector (-€1 million), and the reduction in rental income from AccorHotels (-€1.2 million)
- ♦ an increase in the Germany Residential segment following acquisitions (+€19.2 million)
- ♦ a 24.4% decrease in the France Residential segment, which is due to sales and assets made vacant for their disposal.

#### 2015 RENTAL INCOME BY BUSINESS SECTOR IN M€



### 3.2.7.1.2. Real estate expenses

(€K)	31/12/2015	31/12/2014	Change (€K)	Change as a %
Rental income	885,141	875,368	9,773	1.1%
Unrecovered rental costs	-40,952	-39,442	-1,510	3.8%
Expenses on properties	-28,447	-28,020	-427	1.5%
Net losses on unrecoverable receivables	-5,663	-8,701	3,038	-34.9%
<b>Net rental income</b>	<b>810,079</b>	<b>799,206</b>	<b>10,873</b>	<b>1.4%</b>
<b>RATE FOR PROPERTY EXPENSES</b>	<b>-8.5%</b>	<b>-8.7%</b>		

- ♦ Unrecovered rental costs: These expenses are net of re-invoicing to tenants, and basically correspond to charges on vacant premises.
- ♦ Expenses on properties: These consist of rental expenses that are borne by the owner, expenses related to works and expenses related to property management.
- ♦ Net losses on unrecoverable receivables: These consist of losses on unrecoverable receivables and net provisions on doubtful receivables. The €3 million improvement stems from the impact of the application in 2014 of Group rules on impairment of trade receivables in the Germany Residential segment.

### 3.2.7.1.3. Net operating costs

These consist of head office expenses and operating costs net of revenues from management and administration activities.

(€K)	31/12/2015	31/12/2014	Change (€K)	Change as a %
Management and administration income	15,660	23,325	-7,665	-32.9%
Business expenses	-4,669	-5,415	746	-13.8%
Overhead	-99,385	-102,979	3,594	-3.5%
Development costs (not capitalised)	-1,077	-226	-851	N/A
<b>TOTAL NET OPERATING COSTS</b>	<b>-89,471</b>	<b>-85,295</b>	<b>-4,176</b>	<b>4.9%</b>

The decline in management and administration revenues is mainly due to the Italy Offices segment (-€9.9 million) following the merger of Stabili Gestioni SpA SGR into Investire Immobiliare.

Business expenses fell. They consist primarily of appraisal expenses totalling €2.1 million, asset management fees totalling €1 million, as well as expenses related to inspections totalling €1 million.

Overheads declined, particularly following the merger of Beni Stabili SpA SGR. Note that overheads include payroll expenses amounting to €59.7 million as at 31 December 2015, remaining almost unchanged from €59.9 million at year-end 2014.

Development costs essentially comprise costs incurred for discontinued operations, mainly in the France Offices segment (€0.6 million) and the Hotels & Service Sector (€0.5 million).

### 3.2.7.1.4. Income from other activities

Net income from other activities declined €3.2 million. It includes in particular:

- ♦ income of €12.9 million (excluding depreciation and financial net income) from the Car Parks segment at 31 December 2015, compared to €12.2 million at 31 December 2014. Note that this result includes personnel expenses of €10.5 million (see 3.2.8.1.1)
- ♦ €10.8 million in income from the real estate development business in France Offices segment at 31 December 2015 (versus €13.1 million at 31 December 2014) recognised by reference to the stage of completion, in accordance with IAS 11 – Construction Contracts.

### 3.2.7.2. Change in the fair value of assets

(€K)	31/12/2015	31/12/2014	Change (€K)
France Offices	274,589	85,134	189,455
Italy Offices	-11,688	-9,685	-2,003
Hotels & Service Sector	93,190	55,242	37,948
Germany Residential	85,231	29,820	55,411
France Residential	3,685	6,847	-3,162
<b>TOTAL CHANGE IN FAIR VALUE OF PROPERTIES</b>	<b>445,007</b>	<b>167,358</b>	<b>277,649</b>

### 3.2.7.3. Income from changes in consolidation scope

Income from changes in consolidation scope was -€10 million and related primarily to the cost of acquisitions of securities of the Germany Residential segment (-€10.5 million).

### 3.2.7.4. Cost of net financial debt

(€K)	31/12/2015	31/12/2014	Change (€K)	Change as a %
Interest income on cash transactions	13,549	13,791	-242	-1.8%
Interest expense on financing operations	-220,630	-236,376	15,746	-6.7%
Net expenses on hedges	-58,396	-59,589	1,193	-2.0%
<b>NET FINANCING COST</b>	<b>-265,477</b>	<b>-282,174</b>	<b>16,697</b>	<b>-5.9%</b>

The cost of net financial debt improved by €16.6 million due to refinancing and the restructuring of hedges.

### 3.2.7.5. Net financial income

(€K)	31/12/2015	31/12/2014	Change (€K)	Change as a %
<b>Net cost of financial debt</b>	<b>-265,477</b>	<b>-282,174</b>	<b>16,697</b>	<b>-5.9%</b>
Positive changes in fair value of financial instruments	42,362	7,125	35,237	
Negative changes in fair value of financial instruments	-183,958	-310,861	126,903	
<b>Changes in the fair value of financial instruments</b>	<b>-141,596</b>	<b>-303,736</b>	<b>162,140</b>	<b>-53.4%</b>
Financial income from discounting	40	95	-55	
Financial expenses from discounting	-4,650	-3,386	-1,264	
<b>Discounting</b>	<b>-4,610</b>	<b>-3,291</b>	<b>-1,319</b>	<b>40.1%</b>
<b>Impact of discounting and changes in fair value</b>	<b>-146,206</b>	<b>-307,027</b>	<b>160,821</b>	<b>-52.4%</b>
Expenses net of financial provisions and other	-33,543	-123,970	90,518	-72.9%
<b>TOTAL NET FINANCIAL INCOME</b>	<b>-445,226</b>	<b>-713,171</b>	<b>267,945</b>	<b>-37.6%</b>

Expenses net of financial and other provisions in the 2014 fiscal year related mainly to the cost of refinancing the Imser debt in the Italy Offices segment.

In 2015, they include depreciation of financial assets (-€3.4 million) and spreading of debt issue costs (-€29.5 million, including -€9.5 million in exceptional amortisation as a result of refinancing).

### 3.2.7.6. Taxes

#### 3.2.7.6.1. Taxes and theoretical tax rate by geographical area

(€K)	Taxes payable	Deferred tax liabilities	Total	Tax rate
France	-580	0	-580	34.43%
Italy	-419	851	432	31.40%
Germany	-5,267	-26,986	-32,253	15.83%
Belgium	-638	-6,310	-6,948	33.99%
Luxembourg	-888	-940	-1,828	30.00%
Netherlands	-200	-273	-473	25.00%
Portugal	-273	-711	-984	23.00%
<b>TOTAL</b>	<b>-8,265</b>	<b>-34,369</b>	<b>-42,634</b>	

(-) corresponds to a tax expense; (+) corresponds to tax income.

Taxes payable in Germany are mainly in respect of capital gains on disposals (€4.5 million).

#### 3.2.7.6.2. Deferred tax impact on income

(€K)	31/12/2015	31/12/2014	Change
France Offices	0	29	-29
Italy Offices	851	-56,123	56,974
Hotels & Service Sector	-8,242	-8,478	236
Germany Residential	-26,978	-17,832	-9,146
France Residential	0	1,312	-1,312
Car Parks	0	0	0
<b>TOTAL</b>	<b>-34,369</b>	<b>-81,092</b>	<b>46,723</b>

The deferred tax expense of the Germany Residential segment relates in the main to increases in the value of assets.

The deferred tax expense of the Italy Offices segment in 2014 stemmed primarily from the change in the Italian SIQ tax regime that resulted in the cancellation of approximately €61 million in net deferred tax assets.

#### 3.2.7.6.3. Tax proof

The management companies that opted for the SIIC/SIQ tax regime in previous years do not pay corporate income tax, except for those that also have a taxable business activity.

Net income before taxes and before income of equity affiliates is neutralised, including for their taxable activities and their transparent taxable subsidiaries.

Accordingly, the tax proof is required solely for taxable French and international companies.

#### BREAKDOWN OF TAX BY TAXABLE SEGMENT

Breakdown of tax by taxable segment	France (SIIC) Italy (SIQ)	France Common law	Outside France Common law	31/12/2015
Net income before tax, before income of equity affiliates	476,729	196	185,628	662,553
Income tax expense recorded	6	-154	-42,486	-42,634



## 2015 TAX PROOF TABLE

(€K)	31/12/2015
Net income before tax	709,929
Share of income from equity affiliates	-47,376
Net income before tax and before income of equity affiliates	662,553
- of which SIIC/SIIQ companies	476,729
- of which companies subject to tax	185,824
Theoretical tax rate of 34.43% (A)	-63,985
Impact of rate differentials	31,787
Impact of tax credits and fixed tax rates	144
Impact of permanent differences	-2,675
Charged to prior year losses without DTA	3,627
Tax losses for the year without DTA	-8,147
Total tax impacts for the period (B)	24,736
Impact of tax audits and taxes on prior years (C)	-3,391
<b>ACTUAL TAX EXPENSE RECOGNISED FOR COMPANIES SUBJECT TO TAX (A) + (B) + (C)</b>	<b>-42,640</b>
Overall effective tax rate	22.95%

The actual income tax expense recognised relates mainly to the Germany Residential segment.

## 3.2.8. Other information

### 3.2.8.1. Personnel remuneration and benefits

#### 3.2.8.1.1. Personnel expenses

At 31 December 2015, personnel expenses amounted to €70.2 million, compared with €69.9 million at 31 December 2014. With regard to the Net Income Statement in the EPRA format, personnel expenses are included under "Overheads" in the amount of €59.7 million, and in the "Expenses in other businesses" line item, amounting to €10.5 million for the Car Parks segment.

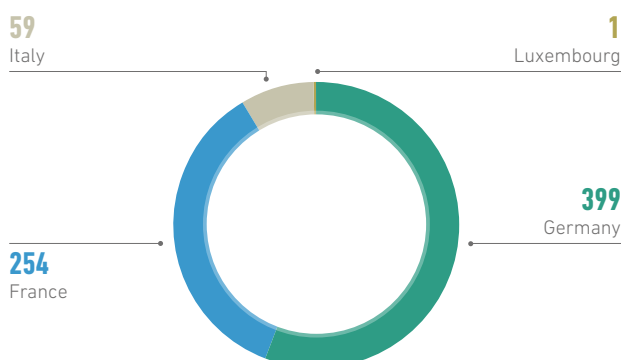
##### 3.2.8.1.1.1. Workforce

The actual headcount at 31 December 2015 for fully consolidated companies, excluding the Car Parks segment, was 713 people.

The average headcount for 2015 was 709.7 employees.

The average headcount in the Car Parks segment in 2015 was 243.7 employees.

#### HEADCOUNT BY COUNTRY IN NUMBER OF EMPLOYEES



### 3.2.8.1.2. Description of share-based payments

Foncière des Régions awarded bonus shares in 2015. The following fair-value assumptions were made for the bonus shares:

February 2015 Plan	France without performance condition	France with a performance condition	Italy, with a performance condition	Germany, without performance condition
Date awarded	19/02/2015	19/02/2015	19/02/2015	19/02/2015
Number of shares awarded	5,071	20,000	5,500	3,000
Share price on the date awarded	€93.75	€93.75	€93.75	€93.75
Exercise period for rights	3 years	3 years	4 years	4 years
Cost of non-collection of dividends	-€13.25	-€13.25	-€17.78	-€17.78
Actuarial value of the share net of dividends not collected during the vesting period	€80.50	€80.50	€75.97	€75.97
Forward price method – non-transferability discount (2-year lock-up period)	€1.12	€1.12		
Actuarial value of the share net of dividends not collected during the vesting period and non-transferability discount	€79.38	€79.38	€75.97	€75.97
Actuarial value of the share net of dividends not collected during the vesting period, non-transferability discount, turnover rate and any performance conditions	€68.06	€51.05	€46.41	€61.88

In 2015, a total of 33,571 bonus shares were awarded to certain categories of employees. This expense is recorded under net financial income for the period.

At the end of year, the Company will introduce a new bonus share plan which will be approved during the General Meeting on 27 April 2016. 63,290 shares will be granted under this plan.

The cost of bonus share awards accounted for at 31 December 2015 was €4,428 thousand. It is presented in the EPRA-format income statement on the "Discounting of liabilities and receivables" line.

It includes the impact of the 2011 plan (Germany – Italy) for €13 thousand, the 2012 plan for €441 thousand, the 2013 plan for €955 thousand, the 2014 plan for €2,311 thousand, and the 2015 plan for €708 thousand.

### 3.2.8.2. Earnings per share and diluted earnings per share

Earnings per share is calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share takes account of the dilution involved in accounting for bonus shares not yet issued but already awarded.

To comply with the requirements of IAS 33, paragraph 9, earnings per share are also determined based on income from continuing operations, Group share.

	Net income	Net income from continuing operations
<b>GROUP SHARE (€K)</b>	<b>481,472</b>	<b>494,455</b>
Average number of undiluted shares	65,670,922	65,670,922
<b>Total dilution impact</b>	<b>369,607</b>	<b>369,607</b>
Number of bonus shares <sup>(1)</sup>	369,607	369,607
Average number of fully diluted shares	66,040,529	66,040,529
<b>Net profit/(loss) per non-diluted share (€)</b>	<b>7.33</b>	<b>7.53</b>
<b>Impact of dilution – bonus shares (€)</b>	<b>-0.04</b>	<b>-0.04</b>
<b>NET PROFIT/(LOSS) PER DILUTED SHARE (€)</b>	<b>7.29</b>	<b>7.49</b>

<sup>(1)</sup> The number of shares being vested is broken down according to the following plans:

2012 plan	11,300
2013 plan	72,784
2014 plan	188,662
2015 plan	96,861
<b>Total</b>	<b>369,607</b>

In accordance with IAS 33 "Earnings per share", the impact from the dilution related to the conversion of the France ORNANE as at 1 January 2015 is not taken into account, because the latter is accretive.

### 3.2.8.3. Off-balance sheet commitments

#### 3.2.8.3.1. Commitments given

Financial guarantees given are detailed in Note 3.2.6.11.1.

##### 3.2.8.3.1.1. Fully consolidated companies

Off-balance sheet commitments given (€M)	Maturity	31/12/2015	31/12/2014
<b>Commitments related to consolidated companies</b>		<b>156.2</b>	<b>149.6</b>
Investment commitments		0.0	0.0
Commitments relating to ad hoc non-consolidated entities likely to have significant impacts on the financial statements		0.0	0.0
Commitments given for specific transactions <sup>[1]</sup>	2016	40.6	59.5
Commitments given for disposal of equity interests – Liabilities guarantees <sup>[2]</sup>	31/12/2018	14.7	0.0
Conservation commitments (Article 210 E) – Appraisal value of assets concerned	2016	94.9	90.1
Other <sup>[3]</sup>		6.0	0.0
<b>Commitments related to financing</b>		<b>5,254.5</b>	<b>4,850.6</b>
Financial guarantees given (CRD of pledged debt)		5,254.5	4,850.6
<b>Commitments related to operating activities</b>		<b>1,212.1</b>	<b>1,117.9</b>
Financial instruments contracted for the purpose of receipt or delivery of a non-financial item (own use contracts)		0.0	0.0
<b>Commitments given related to business development</b>		<b>166.8</b>	<b>1058.5</b>
Work commitments outstanding on assets under development <sup>[4]</sup>		165.6	616.7
Compensation commitment on acquisition/construction works project		1.2	441.8
<b>Commitments related to the implementation of operating contracts</b>		<b>134.9</b>	<b>17.1</b>
Work commitments outstanding on investment properties <sup>[5]</sup>		134.9	16.6
Management fee guarantee		0.0	0.5
<b>Commitments related to asset disposals</b>		<b>910.4</b>	<b>42.3</b>
Rental guarantees on assets sold		0.0	1.5
Preliminary sale agreements given		910.4	40.8

<sup>[1]</sup> Foncière des Murs is committed to contributing to the financing of acquisitions by its subsidiary FDM Management (equity accounted), by means of a capital increase of up to €8.4 million, and by subscribing to the bond issue up to a ceiling of €32.2 million.

<sup>[2]</sup> Within the framework of the disposal of Garonor France III, Melun 7 and the Logistics segment in Germany, Foncière Europe Logistique granted a liability guarantee of €14.67 million expiring on 31 December 2018.

<sup>[3]</sup> In the discontinued operation, Bollène companies committed to filing construction permits, failing which the sale could be cancelled (appraisal value of unbuilt tranches: €6 million).



<sup>[4]</sup> Commitments relating to work on assets under development

(€M)	Cost of works signed <sup>(*)</sup>	Amounts of works accounted for	Amounts for works commitments outstanding	Delivery date
Bose Saint-Germain	17.7	16.5	1.2	Q1-2016
Nancy O' rigin	18.8	7.0	11.8	Q2-2017
Issy Grenelle	41.0	5.2	35.9	Q3-2017
Meudon Canopée	11.3	5.7	5.6	2019
Toulouse Riverside	3.2	1.8	1.4	2017
Meudon Opale	13.9	10.3	3.6	2018
Lyon Silex 2 <sup>nd</sup> tranche	9.9	5.9	4.1	2018
Schlumberger Montpellier	7.7	6.4	1.2	Q1-2016
Montpellier Pompignane	1.9	0.7	1.2	
Lyon Silex 1 <sup>st</sup> tranche	33.1	14.8	18.3	Q1-2017
Saint-Mandé clinical	16.7	11.9	4.8	Q3-2016
Paris Traversière	23.8	1.0	22.8	2017
Levallois Anatole France (Thaïs)	21.3	6.3	14.9	Q1-2017
<b>Total France Offices</b>	<b>220.2</b>	<b>93.4</b>	<b>126.7</b>	
Ferrucci	23.5	0.6	22.9	
<b>Total Italy Offices</b>	<b>23.5</b>	<b>0.6</b>	<b>22.9</b>	
B&B Torcy	7.1	6.1	1.0	Q1-2016
B&B Potsdam	5.4	1.7	3.7	Q2-2016
B&B Konstanz	6.1	3.2	2.9	Q2-2016
B&B Hamburg East	11.0	5.5	5.5	Q2-2016
B&B Duisburg	5.4	4.9	0.6	Q1-2016
B&B Berlin	5.2	3.2	2.1	Q2-2016
<b>Total Hotels &amp; Service sector</b>	<b>40.3</b>	<b>24.5</b>	<b>15.8</b>	
Atemi	0.2	0.0	0.2	
<b>Total France Residential</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	
<b>TOTAL</b>	<b>284.2</b>	<b>118.5</b>	<b>165.6</b>	

<sup>(\*)</sup> The amounts for firm construction contracts are monitored and updated regularly.

<sup>[5]</sup> Commitments relating to work on assets under development

(€M)	Cost of works—signed <sup>(*)</sup>	Amounts of works accounted for	Amounts for works commitments outstanding	Maturity
Nancy O' rigin	1.2	0.0	1.2	
Green Corner	1.0	0.0	1.0	
Lift upgrade works	5.9	0.0	5.9	2016-2020
Schievano	55.6	5.1	50.5	
Telecom Italia	37.8	0.0	37.8	
<b>Total France &amp; Italy Offices</b>	<b>101.5</b>	<b>5.1</b>	<b>96.4</b>	
Accor Hotels	10.0	0.0	10.0	2016
Clinique maison de santé de Bellevue-Meudon	6.0	0.0	6.0	Q1-2017
Club Med Da Balaia	12.0	5.2	6.8	Q2-2016
Meininger Munich	15.7	0.0	15.7	2016-2018
<b>Total Hotels &amp; Service sector</b>	<b>43.7</b>	<b>5.2</b>	<b>38.5</b>	
<b>TOTAL</b>	<b>145.2</b>	<b>10.3</b>	<b>134.9</b>	

<sup>(\*)</sup> The amounts for firm construction contracts are monitored and updated regularly.

### 3.2.8.3.1.2. Other commitments related to consolidated companies

Other commitments:

- Under its SIIC status, the Group has specific obligations, as set out in Note 3.2.1.6.15.
- Under the bonus share plans awarded (see 3.2.8.2), Foncière des Régions has undertaken to deliver (through acquisition or issue) 369,607 shares to the beneficiaries present at the end of the vesting period.
- As part of the New Vélizy project managed by SCI Lenovilla, Foncière des Régions granted a yield guarantee to Predica on 1 February 2013 subject to the following terms:
  - 4% per annum on amounts invested during the 17-month period beginning on 1 August 2014
  - 7.1% per annum on the amounts invested during the period beginning after the 17-month period until the date of the first rent received
- under an investment agreement for the construction of a real estate complex leased to Eiffage, Foncière des Régions granted

a yield guarantee to its partner Crédit Agricole Assurances. This guarantee could be exercised by the partner if the dividends received from the SCI 11, place de l'Europe prove insufficient to cover a minimum yield of 4% per year of the funds contributed by Crédit Agricole Assurance to the Eiffage Campus project. This guarantee is open as of the start of the work and until the end of the incentive period granted to the tenant, i.e. until September 2017.

- As part of the Dassault Systems extension project managed by SCI Latécoère 2, Foncière des Régions granted a yield guarantee to SCI DS Campus on 18 June 2015, subject to the following terms:
  - 3% per annum on the amounts invested during the period beginning on the date of completion and ending on the earliest of the following two dates: 30 November 2016 or 28 February 2017
  - 3.5% per annum on amounts invested during the 18-month period beginning the day after the preceding 3% period
  - 7% per annum on amounts invested during the period beginning the day after the preceding 3.5% period and ending on the date of the first rent receipt.

### 3.2.8.3.1.3. Companies consolidated using the equity method

Information as at 31 December 2015 is presented for the share belonging to the Group.

Off-balance sheet commitments given (€M)	Maturity	31/12/2015	31/12/2014
<b>Commitments related to consolidated companies</b>		<b>50.7</b>	<b>0.0</b>
Commitments given for specific transactions		17.5	0.0
Conservation commitments (Article 210 E) – Appraisal value of assets concerned		33.2	0.0
<b>Commitments related to financing</b>		<b>218.7</b>	<b>153.0</b>
Financial guarantees given		218.7	153.0
<b>Commitments related to operating activities</b>		<b>43.6</b>	<b>86.5</b>
Financial instruments contracted for the purpose of receipt or delivery of a non-financial item (own use contracts)			
<b>Commitments given related to business development<sup>(1)</sup></b>		<b>43.0</b>	<b>85.6</b>
Work commitments outstanding on assets under development <sup>(1)</sup>		43.0	85.6
Purchase commitments			
<b>Commitments related to the implementation of operating contracts</b>		<b>0.6</b>	<b>0.9</b>
Earn-out payments			
Work commitments outstanding on investment properties <sup>(2)</sup>		0.6	0.9

<sup>(1)</sup> Commitments relating to work on assets under development:

(€M)	Cost of works signed	Amounts of works accounted for	Amounts for works commitments outstanding	Delivery date
Euromed H – Hotels	17.0	15.2	1.8	Q1 2016
Euromed – Building I (Calypso)	13.6	11.6	2.0	Q2 2016
Euromed BH2 – Offices (Floréal)	17.5	8.1	9.4	2016
Euromed L – Offices (Hermione)	13.2	7.0	6.2	2016
Dassault Systèmes Extension	37.8	25.6	12.1	2016
<b>Total France Offices</b>	<b>99.1</b>	<b>67.5</b>	<b>31.6</b>	
Motel One Porte Dorée – VEFA Vinci	17.5	6.1	11.4	Q4-2017
<b>Total Hotels &amp; Service sector</b>	<b>17.5</b>	<b>6.1</b>	<b>11.4</b>	
<b>TOTAL</b>	<b>116.7</b>	<b>73.7</b>	<b>43.0</b>	

<sup>(2)</sup> Commitments relating to work on assets under development:

(€M)	Cost of works signed	Amounts of works accounted for	Amounts for works commitments outstanding	Delivery date
Euromed – Building I (Calypso)	0.2	0.0	0.2	
Lenovilla – New Vélizy extension	2.4	2.0	0.4	2018
<b>Total France Offices</b>	<b>2.6</b>	<b>2.0</b>	<b>0.6</b>	
<b>TOTAL</b>	<b>2.6</b>	<b>2.0</b>	<b>0.6</b>	

### 3.2.8.3.2. Commitments received

#### 3.2.8.3.2.1. Fully consolidated companies

Off-balance sheet commitments received (€M)	Maturity	31/12/2015	31/12/2014
<b>Commitments related to consolidated companies</b>		<b>42.6</b>	<b>0.0</b>
Commitments received on specific transactions		40.6	0.0
Others		2.0	0.0
<b>Commitments related to financing</b>		<b>1,249.4</b>	<b>1,409.5</b>
Commitments related to financing not specifically required by IFRS 7		0.0	0.0
Financial guarantees received (authorised lines of credit not used)		1,249.4	1,409.5
<b>Commitments related to operating activities</b>		<b>1,610.7</b>	<b>253.2</b>
Financial instruments contracted for the purpose of receipt or delivery of a non-financial item (own use contracts)		0.0	0.0
Other contractual commitments received related to business activities		0.0	17.1
Compensation commitment proposed disposal <sup>(1)</sup>		2.5	0.0
Assets received in pledge, mortgage or collateral, as well as guarantees received		397.4	236.1
Preliminary sale agreements received		910.4	0.0
Works committed outstanding (fixed assets)		300.5	0.0

<sup>(1)</sup> In the discontinued operation (logistics), a preliminary sale agreement was signed for €101 million (included in the disposal agreements). These agreements will be notarized on 31 March 2016. If the sale does not take place, €2.5 million in compensation paid to the notary will become the property of Foncière Europe Logistique.

### 3.2.8.3.2.2. Companies consolidated using the equity method

Information as at 31 December 2015 is presented for the share belonging to the Group.

Off-balance sheet commitments received (€M)	Maturity	31/12/2015	31/12/2014
<b>Commitments related to consolidated companies</b>		<b>17.5</b>	<b>0.0</b>
Commitments received on specific transactions		17.5	0.0
<b>Commitments related to financing</b>		<b>16.0</b>	<b>0.0</b>
Commitments related to financing not specifically required by IFRS 7			
Financial guarantees received (authorised lines of credit not used)		16.0	0.0
<b>Commitments related to operating activities</b>		<b>43.6</b>	<b>0.0</b>
Financial instruments contracted for the purpose of receipt or delivery of a non-financial item (own use contracts)		0.0	0.0
Other contractual commitments received related to business activities		0.0	0.0
Assets received in pledge, mortgage or collateral, as well as guarantees received		0.0	0.0
Works committed outstanding (fixed assets)		43.6	0.0

### 3.2.8.3.2.3. Commitments on operating leases

General overview of the main provisions of simple operating lease agreements.

#### FRANCE OFFICES

Types of leases	Office	
	Orange	Other offices
Conditions for renewal or purchase options	Proposal for renewal 6 or 12 months before the expiration of the lease (according to lease)	Proposal for renewal 6 or 12 months before the expiration of the lease (according to lease)
Indexing clauses	ILAT	ICC/ILAT
Term	3-6-9-12 years	3-6-9-12 years

The firm residual duration of leases of France Offices was 5.4 years, *versus* 5.3 years as at 31 December 2014.

#### HOTELS & SERVICE SECTOR

Types of leases	Retirement Homes	Accor Hotels	Club Med
Conditions for renewal or purchase options	Proposal for renewal 6 months before the expiration of the lease	Proposal for renewal 18 months before the expiration of the lease. The tenant has 6 months to accept or refuse the renewal.	Proposal for renewal 9 months before the expiration of the term of validity. Renewal on same terms as existing lease – 15 years, of which 8 are fixed and irrevocable
Indexing clauses	In line with the change in the rental reference index (IRL)	Based on Hotel revenues	In line with the value of the Eurostat CPI index
Term	12 years firm	12 years firm	15 years firm

Types of leases	Courtepaille restaurants	Jardiland	Quick restaurants
Conditions for renewal or purchase options	Renewal at end of lease with same conditions and charges as initial lease	Renewal for a period of 9 years. For the first renewal, the tenant commits to a fixed and irreducible term of 6 years. From the second renewal the tenant may cancel after each 3-year period.	Renewal at end of lease with same conditions and charges as initial lease
Indexing clauses	In line with the change in the commercial rent index (ILC)	In line with the change in the commercial rent index (ILC)	In line with the change in the commercial rent index (ILC)
Term	12 years firm	Leases for 6-12 years, 6-9-12 years or 12 years firm	12 years firm

Types of leases	Sunparks	B&B Hotels France	B&B Hotels Germany
Conditions for renewal or purchase options	Proposal for renewal 15 months before lease expiry for a 10-year term	Renewable twice for 12 years, then once for 9 years (with the option to terminate every 3 years)	Two renewal options for five years under the same conditions and charges
Indexing clauses	In line with the change in the healthcare index published by Moniteur Belge	In line with the change in the commercial rent index (ILC)	In line with the change in the German consumer price index (VPI)
Term	15 years firm	12 years firm	20 years firm

The firm residual duration of leases of Hotels & Service was 10.7 years, *versus* 6.8 years at 31 December 2014.

#### 3.2.8.3.2.4. Minimum payments to be received for non-cancellable operating leases

(€M)	France Offices	Hotels & Service sector
Less than 1 year	239.7	124.3
1 to 5 years	815.2	473.1
Over 5 years	275.4	589.0
<b>TOTAL</b>	<b>1,330.4</b>	<b>1,186.5</b>

#### 3.2.8.4. Related-party transactions

The information mentioned below concerns the main related-parties, namely equity affiliates.

#### DETAILS OF RELATED-PARTY TRANSACTIONS (€K)

Partner	Type of partner	Operating income	Net financial income	Balance sheet	Comments
Cœur d'Orly	Equity affiliates	518	342	16,188	Monitoring of projects and investments, Loans
Euromed	Equity affiliates	482	136	75,748	Monitoring of projects and investments, Loans
Lénovilla	Equity affiliates	4,041	0	44,643	Monitoring of projects and investments, Loans
Latécoère 2	Equity affiliates	6,923	116	17,491	Monitoring of projects and investments, Loans

### 3.2.8.5. Management remuneration

(€K)	31/12/2015	31/12/2014
<b>MANAGEMENT</b>		
Short-term benefits (fixed/variable)	3,096	2,919
Post-retirement benefits		
Long-term benefits		
Benefits in kind	140	152
Compensation for termination of contract		
<b>TOTAL</b>	<b>3,236</b>	<b>3,071</b>
Attendance fees	353	453

The variable portion includes the shares awarded in 2015. Moreover, 19,575 performance shares were awarded to senior executives in 2015 and will vest subject to the achievement of performance conditions in 2018 and 2019.

In case of involuntary departure, an indemnity will be awarded to the following managers:

- Christophe Kullmann (General Manager):

The indemnity will be equal to 12 months' salary (fixed and variable) increased by one month for each year of service, limited in total to 24 months' salary.

- Olivier Estève (Deputy General Manager):

The indemnity will be equal to 12 months' salary (fixed and variable) increased by one month for each year of service, limited in total to 24 months' salary.

### 3.2.8.6. Statutory Auditors' fees

(€K)	Mazars				Ernst & Young and Others				PriceWaterHouseCoopers			
	Amount		%		Amount		%		Amount		%	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Statutory Auditors, certification, review of individual and consolidated financial statements</b>	<b>1,801</b>	<b>2,038</b>	<b>64%</b>	<b>66%</b>	<b>939</b>	<b>963</b>	<b>33%</b>	<b>31%</b>	<b>64</b>	<b>64</b>	<b>2%</b>	<b>2%</b>
Issuer	342	352	50%	50%	342	352	50%	50%				
Fully consolidated affiliates	1,431	1,653	80%	78%	362	470	20%	22%				
Equity affiliates	28	34	9%	14%	235	142	72%	81%	64	64	20%	27%
<b>Other verifications and procedures directly linked to the Statutory Auditors' mission</b>	<b>13</b>				<b>38</b>	<b>206</b>	<b>100%</b>	<b>100%</b>				
Issuer					28	33	100%	100%				
Fully consolidated affiliates	13				10	173	100%	100%				
<b>Subtotal</b>	<b>1,814</b>	<b>2,038</b>	<b>64%</b>	<b>62%</b>	<b>977</b>	<b>1,169</b>	<b>34%</b>	<b>36%</b>	<b>64</b>	<b>64</b>	<b>2%</b>	<b>2%</b>
<b>Other services provided to subsidiaries by the networks (legal, fiscal and appraisal)</b>	<b>40</b>				<b>334</b>				<b>0</b>	<b>60</b>		<b>100%</b>
Issuer	36				35							
Fully consolidated affiliates	4				124							
Equity affiliates					175					60		100%
<b>TOTAL</b>	<b>1,853</b>	<b>2,038</b>	<b>57%</b>	<b>61%</b>	<b>1,310</b>	<b>1,169</b>	<b>41%</b>	<b>35%</b>	<b>64</b>	<b>124</b>	<b>2%</b>	<b>4%</b>

### 3.2.9. Segment reporting

Based on the internal organisation of the Group, and in accordance with the requirements of IFRS 8, the operating segments of Foncière des Régions are:

- ♦ France Offices
- ♦ Italy Offices
- ♦ Hotels & Service Sector
- ♦ Germany Residential
- ♦ France Residential
- ♦ Car Parks
- ♦ Corporate.

The Logistics segment ceased to be operational as of 1 January 2014. It has been reclassified under "Discontinued operations".

The financial data presented for the segment-based information follows the same accounting rules as for the consolidated financial statements.

#### 3.2.9.1. Intangible fixed assets

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Concessions and other fixed assets	1,382	168	0	461	0	35,895	37,906
<b>NET</b>	<b>1,382</b>	<b>168</b>	<b>0</b>	<b>461</b>	<b>0</b>	<b>35,895</b>	<b>37,906</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Concessions and other fixed assets	1,401	174	0	627	0	142,693	144,895
<b>Net</b>	<b>1,401</b>	<b>174</b>	<b>0</b>	<b>627</b>	<b>0</b>	<b>142,693</b>	<b>144,895</b>

Intangible fixed assets of the Car Parks segment decreased mainly due to the reclassification of the assets of car park companies under assets held for sale.

#### 3.2.9.2. Tangible fixed assets

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Operating properties	43,164	17,094	1	5,580	0	57	65,896
Other fixed assets	1,539	2,208	458	2,243	25	1,287	7,760
Fixed assets in progress	413	10,000	722	3,305	0	731	15,171
<b>NET</b>	<b>45,116</b>	<b>29,302</b>	<b>1,181</b>	<b>11,128</b>	<b>25</b>	<b>2,075</b>	<b>88,827</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Operating properties	44,304	18,750	2	5,799	0	61	68,916
Other fixed assets	1,880	1,152	343	2,353	26	1,312	7,066
Fixed assets in progress	403	0	189	2,344	0	718	3,654
<b>Net</b>	<b>46,587</b>	<b>19,902</b>	<b>534</b>	<b>10,496</b>	<b>26</b>	<b>2,091</b>	<b>79,636</b>

### 3.2.9.3. Investment properties/Assets held for sale

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Investment properties	4,525,730	3,470,730	3,100,133	3,462,631	576,633	0	15,135,857
Operating assets held for sale	147,905	161,345	386,172	129,604	29,141	102,147	956,314
Properties under development	344,575	219,390	28,631	0	0	0	592,596
<b>TOTAL</b>	<b>5,018,210</b>	<b>3,851,465</b>	<b>3,514,936</b>	<b>3,592,235</b>	<b>605,774</b>	<b>102,147</b>	<b>16,684,767</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Investment properties	3,724,873	3,736,760	3,179,078	2,611,171	737,409	0	13,989,291
Operating assets held for sale	193,014	146,252	34,414	128,744	34,541	0	536,965
Properties under development	343,872	149,740	29,708	0	22,680	0	546,000
<b>Total</b>	<b>4,261,759</b>	<b>4,032,752</b>	<b>3,243,200</b>	<b>2,739,915</b>	<b>794,630</b>	<b>0</b>	<b>15,072,256</b>

The total for investment properties increased significantly in the France Offices segment (€4,526 million in 2015, compared with €3,725 million in 2014), mainly due to the switch to full consolidation of Latécoère (DS Campus) for €323 million. The same applies to the Germany Residential segment (€3,463 million in 2015, compared with €2,611 million in 2014), an increase due primarily to acquisitions (€884 million) and works (€54 million).

### 3.2.9.4. Long-term investments

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Total
Loans	154,594	0	19,204	3,004	244	33	0	177,079
Current account	0	0	0	0	0	0	0	0
Other financial assets	743	10,602	13	10,807	2	22	674	22,863
Finance lease receivables	0	0	0	0	0	0	2,041	2,041
Receivables on disposals of financial assets	0	8,221	0	586	0	0	0	8,807
Investments in equity affiliates	64,283	20,322	94,772	0	0	0	0	179,376
<b>NET</b>	<b>219,620</b>	<b>39,145</b>	<b>113,989</b>	<b>14,397</b>	<b>246</b>	<b>55</b>	<b>2,715</b>	<b>390,166</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Total
Loans	117,671	0	6,771	10,004	250	34	0	134,730
Current account	0	0	302	0	0	0	0	302
Other financial assets	0	14,742	133	6,904	2	1,500	17,853	41,134
Finance lease receivables	0	0	0	0	0	0	2,274	2,274
Receivables on disposals of financial assets	0	5,774	0	568	0	0	0	6,342
Investments in equity affiliates	118,206	1,262	69,250	0	0	0	0	188,718
<b>Net</b>	<b>235,877</b>	<b>21,778</b>	<b>76,456</b>	<b>17,476</b>	<b>252</b>	<b>1,534</b>	<b>20,127</b>	<b>373,500</b>



## 3.2.9.5. Inventories and work-in-progress

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Inventories and work-in-progress	1,055	34,075	0	4,510	2,920	103	42,663
<b>TOTAL</b>	<b>1,055</b>	<b>34,075</b>	<b>0</b>	<b>4,510</b>	<b>2,920</b>	<b>103</b>	<b>42,663</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Total
Inventories and work-in-progress	850	63,305	0	5,412	3,209	152	72,928
<b>Total</b>	<b>850</b>	<b>63,305</b>	<b>0</b>	<b>5,412</b>	<b>3,209</b>	<b>152</b>	<b>72,928</b>

Inventories of the Italy Offices segment fell following the transfer of an asset located in Milan, via Boscovich in the Trading business to the investment property line in the amount of €23 million.

Inventories of the France Residential segment (for €3 million) concern part of the Atemi property complex located in Marseille and classified as property dealing (as intended for sale).

## 3.2.9.6. Contribution to shareholders' equity

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Discontinued operations	Total
Shareholders' equity GS	4,884,785	-350,229	120,082	19,901	125,062	-18,469	-1,972	-139,837	4,639,323
Minority interests	265,876	914,723	1,179,084	543,762	161,509	23,930	0	0	3,088,884
<b>SHAREHOLDERS' EQUITY</b>	<b>5,150,661</b>	<b>564,494</b>	<b>1,299,166</b>	<b>563,663</b>	<b>286,571</b>	<b>5,461</b>	<b>-1,972</b>	<b>-139,837</b>	<b>7,728,207</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Discontinued operations	Total
Shareholders' equity GS	4,354,224	-297,509	83,054	-21,549	138,895	-18,247	-985	-79,876	4,158,007
Minority interests	158,786	979,625	1,363,985	422,033	193,341	23,872	0	36	3,141,678
<b>Shareholders' equity</b>	<b>4,513,010</b>	<b>682,116</b>	<b>1,447,039</b>	<b>400,484</b>	<b>332,236</b>	<b>5,625</b>	<b>-985</b>	<b>-79,840</b>	<b>7,299,685</b>

### 3.2.9.7. Financial liabilities

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Total
Total interest-bearing loans	922,812	2,140,296	1,484,327	1,585,698	225,259	23,518	2,026,241	8,408,151
Total short-term interest-bearing loans	18,881	39,083	32,717	176,521	16,312	1,732	798,227	1,083,473
<b>TOTAL LT AND ST LOANS</b>	<b>941,693</b>	<b>2,179,379</b>	<b>1,517,044</b>	<b>1,762,219</b>	<b>241,571</b>	<b>25,250</b>	<b>2,824,468</b>	<b>9,491,624</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Total
Total interest-bearing loans	702,295	1,867,129	1,341,582	1,378,665	387,407	63,896	1,967,736	7,708,710
Total short-term interest-bearing loans	34,171	482,759	22,610	22,651	92,488	9,064	540,464	1,204,207
<b>Total LT AND ST LOANS</b>	<b>736,466</b>	<b>2,349,888</b>	<b>1,364,192</b>	<b>1,401,316</b>	<b>479,895</b>	<b>72,960</b>	<b>2,508,200</b>	<b>8,912,917</b>

### 3.2.9.8. Derivatives

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Total
Financial instruments – assets	955	0	9,168	4,246	58	8	39,640	54,075
Financial instruments – liabilities	18,724	69,367	118,314	51,230	7,521	9,497	322,731	597,384
<b>NET FINANCIAL INSTRUMENTS</b>	<b>17,769</b>	<b>69,367</b>	<b>109,146</b>	<b>46,984</b>	<b>7,463</b>	<b>9,489</b>	<b>283,091</b>	<b>543,309</b>

2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Total
Financial instruments – assets	113	0	3,658	6,271	123	16	50,065	60,246
Financial instruments – liabilities	31,563	63,706	172,741	64,376	8,061	10,828	266,652	617,927
<b>NET FINANCIAL INSTRUMENTS</b>	<b>31,450</b>	<b>63,706</b>	<b>169,083</b>	<b>58,105</b>	<b>7,938</b>	<b>10,812</b>	<b>216,587</b>	<b>557,681</b>

## 3.2.9.9. Net income

In accordance with IFRS 12, paragraph B11, inter-segment transactions (in particular management fees) are indicated separately in this presentation.

2015 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Interco Inter- Sector	31/12/2015
Rental income	260,091	210,615	203,564	190,301	21,764	0	0	-1,194	885,141
Unrecovered rental costs	-5,843	-25,062	-225	-4,984	-4,821	-166	-19	168	-40,952
Expenses on properties	-6,450	-8,988	-2,940	-15,122	-2,283	-347	-20	7,703	-28,447
Net losses on unrecoverable receivables	-439	-1,943	-35	-3,066	-180	0	0	0	-5,663
<b>Net rental income</b>	<b>247,359</b>	<b>174,622</b>	<b>200,364</b>	<b>167,129</b>	<b>14,480</b>	<b>-513</b>	<b>-39</b>	<b>6,677</b>	<b>810,079</b>
Management and administration income	15,259	-418	7,185	5,211	96	0	9,479	-21,152	15,660
Business expenses	-2,590	0	-5,320	-236	-440	0	0	3,917	-4,669
Overhead	-13,994	-18,288	-10,339	-36,961	-3,729	-14	-25,517	9,457	-99,385
Development expenses	-559	0	-504	0	-13	0	-1	0	-1,077
<b>Net operating costs</b>	<b>-1,884</b>	<b>-18,706</b>	<b>-8,978</b>	<b>-31,986</b>	<b>-4,086</b>	<b>-14</b>	<b>-16,039</b>	<b>-7,778</b>	<b>-89,471</b>
Income from other activities	10,796	0	0	4,858	0	41,601	644	-14	57,885
Expenses of other activities	0	-733	0	-4,855	0	-28,737	196	0	-34,129
<b>Income from other activities</b>	<b>10,796</b>	<b>-733</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>12,864</b>	<b>840</b>	<b>-14</b>	<b>23,756</b>
Depreciation of operating assets	-2,405	-1,063	114	-1,077	-5	-10,375	-8	0	-14,819
Net allowances to provisions and other	-468	-53,359	-146	-34	139	-791	244	1,115	-53,300
<b>CURRENT OPERATING INCOME</b>	<b>253,398</b>	<b>100,761</b>	<b>191,354</b>	<b>134,035</b>	<b>10,528</b>	<b>1,171</b>	<b>-15,002</b>	<b>0</b>	<b>676,245</b>
Proceeds from disposals of trading properties	0	1,230	0	3,910	309	0	0	0	5,449
Net change in trading properties	0	-7,720	0	-3,831	-289	-28	0	0	-11,868
<b>Net gain (loss) on disposal from trading properties</b>	<b>0</b>	<b>-6,490</b>	<b>0</b>	<b>79</b>	<b>20</b>	<b>-28</b>	<b>0</b>	<b>0</b>	<b>-6,419</b>
Income from asset disposals	93,911	203,245	71,848	69,302	217,017	1	0	0	655,324
Carrying value of investment properties sold	-91,393	-204,204	-75,158	-64,069	-217,754	-1	-10	0	-652,589
<b>Net gain (loss) from asset disposals</b>	<b>2,518</b>	<b>-959</b>	<b>-3,310</b>	<b>5,233</b>	<b>-737</b>	<b>0</b>	<b>-10</b>	<b>0</b>	<b>2,735</b>
Gains in value of investment properties	313,795	99,353	112,521	93,886	9,507	0	0	0	629,062
Losses in value of investment properties	-39,206	-111,041	-19,331	-8,655	-5,822	0	0	0	-184,055
<b>Net valuation gains and losses</b>	<b>274,589</b>	<b>-11,688</b>	<b>93,190</b>	<b>85,231</b>	<b>3,685</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>445,007</b>
<b>Income from disposal of securities</b>	<b>57</b>	<b>0</b>	<b>-11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46</b>
<b>Income from changes in consolidation scope</b>	<b>-1,470</b>	<b>3,900</b>	<b>-1,982</b>	<b>-10,480</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10,032</b>
<b>OPERATING INCOME (LOSS)</b>	<b>529,092</b>	<b>85,524</b>	<b>279,241</b>	<b>214,098</b>	<b>13,496</b>	<b>1,143</b>	<b>-15,012</b>	<b>0</b>	<b>1,107,582</b>
Net income of non-consolidated affiliates	197	0	0	0	0	0	0	0	197
Net cost of financial debt	-26,015	-64,551	-49,141	-61,033	-6,118	-2,733	-55,886	0	-265,477
Fair value adjustment on derivatives	-77,129	-81,454	8,794	6,214	742	1,237	0	0	-141,596
Discounting of liabilities and receivables	-4,579	0	-31	0	0	0	0	0	-4,610
Net change in financial and other provisions	-9,003	-9,725	-8,413	-4,751	-1,503	-148	0	0	-33,543
Share in income of equity affiliates	39,928	2,587	4,861	0	0	0	0	0	47,376
<b>PRE-TAX NET INCOME</b>	<b>452,491</b>	<b>-67,619</b>	<b>235,311</b>	<b>154,528</b>	<b>6,617</b>	<b>-501</b>	<b>-70,898</b>	<b>0</b>	<b>709,929</b>
Deferred tax liabilities	0	851	-8,242	-26,978	0	0	0	0	-34,369
Current income tax	-256	-419	-2,262	-5,263	-366	301	0	0	-8,265
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>452,235</b>	<b>-67,187</b>	<b>224,807</b>	<b>122,287</b>	<b>6,251</b>	<b>-200</b>	<b>-70,898</b>	<b>0</b>	<b>667,295</b>
Net income from discontinued operations									-12,983
<b>NET INCOME FOR THE PERIOD</b>	<b>452,235</b>	<b>-67,187</b>	<b>224,807</b>	<b>122,287</b>	<b>6,251</b>	<b>-200</b>	<b>-70,898</b>	<b>0</b>	<b>654,312</b>
Minority interest	-19,845	34,512	-136,208	-48,845	-2,422	-32	0	0	-172,840
<b>NET INCOME (LOSS) FOR THE PERIOD - GROUP SHARE</b>	<b>432,390</b>	<b>-32,675</b>	<b>88,599</b>	<b>73,442</b>	<b>3,829</b>	<b>-232</b>	<b>-70,898</b>	<b>0</b>	<b>481,472</b>



2014 (€K)	France Offices	Italy Offices	Hotels & Service Sector	Germany Residential	France Residential	Car Parks	Corporate	Intercos Inter- Sector	31/12/2014
Rental income	251,880	228,656	196,057	171,121	28,804	0	0	-1,150	875,368
Unrecovered rental costs	-6,076	-24,778	-15	-4,971	-3,537	-169	-60	251,880	-39,442
Expenses on properties	-6,114	-7,345	-2,826	-14,890	-3,748	-395	-11	7,309	-28,020
Net losses on unrecoverable receivables	-475	-2,352	-13	-5,532	-329	0	0	0	-8,701
<b>Net rental income</b>	<b>239,216</b>	<b>194,181</b>	<b>193,203</b>	<b>145,728</b>	<b>21,190</b>	<b>-564</b>	<b>-71</b>	<b>6,323</b>	<b>799,206</b>
Management and administration income	15,034	9,318	5,385	5,365	65	0	10,308	-21,910	23,325
Business expenses	-1,846	0	-5,241	-307	-1,196	0	0	3,175	-5,415
Overhead	-15,144	-23,285	-8,470	-34,360	-5,750	-1	-26,037	10,068	-102,979
Development expenses	-114	0	-109	0	-3	0	0	0	-226
<b>Net operating costs</b>	<b>-2,070</b>	<b>-13,967</b>	<b>-8,435</b>	<b>-29,302</b>	<b>-6,884</b>	<b>-1</b>	<b>-15,729</b>	<b>-8,667</b>	<b>-85,295</b>
Income from other activities	13,149	0	0	4,114	0	38,799	369	-15	56,416
Expenses of other activities	0	0	0	-2,780	0	-26,540	-155	0	-29,475
<b>Income from other activities</b>	<b>13,149</b>	<b>0</b>	<b>0</b>	<b>1,334</b>	<b>0</b>	<b>12,259</b>	<b>214</b>	<b>-15</b>	<b>26,941</b>
Depreciation of operating assets	-2,774	-941	-19	-1,306	-8	-10,549	-12	0	-15,609
Net allowances to provisions and other	1,143	-15,125	300	-5,058	631	-791	-67	2,599	-16,368
<b>CURRENT OPERATING INCOME</b>	<b>248,664</b>	<b>164,148</b>	<b>185,049</b>	<b>111,396</b>	<b>14,929</b>	<b>354</b>	<b>-15,665</b>	<b>0</b>	<b>708,875</b>
Income from disposals of trading properties	343	9,297	0	3,847	277	0	0	0	13,764
Net change in trading properties	-490	-10,467	0	-4,601	-218	-38	0	0	-15,814
<b>Net gain (loss) on disposal from trading properties</b>	<b>-147</b>	<b>-1,170</b>	<b>0</b>	<b>-754</b>	<b>59</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>-2,050</b>
Income from asset disposals	248,668	98,740	135,905	54,800	100,842	17,803	0	0	656,758
Carrying value of investment properties sold	-248,743	-96,474	-135,656	-57,616	-99,139	-17,090	0	0	-654,718
<b>Net gain (loss) from asset disposals</b>	<b>-75</b>	<b>2,266</b>	<b>249</b>	<b>-2,816</b>	<b>1,703</b>	<b>713</b>	<b>0</b>	<b>0</b>	<b>2,040</b>
Gains in value of investment properties	109,412	53,370	67,609	44,519	13,315	0	0	0	288,225
Losses in value of investment properties	-24,278	-63,055	-12,367	-14,699	-6,468	0	0	0	-120,867
<b>Net valuation gains and losses</b>	<b>85,134</b>	<b>-9,685</b>	<b>55,242</b>	<b>29,820</b>	<b>6,847</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>167,358</b>
<b>Income from disposal of securities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Income from changes in consolidation scope</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,026</b>	<b>-78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,948</b>
<b>OPERATING INCOME (LOSS)</b>	<b>333,576</b>	<b>155,559</b>	<b>240,540</b>	<b>139,672</b>	<b>23,460</b>	<b>1,029</b>	<b>-15,665</b>	<b>0</b>	<b>878,171</b>
Net income of non-consolidated affiliates	883	0	0	0	0	0	0	0	883
Net cost of financial debt	-24,924	-91,640	-55,395	-50,278	-6,510	-3,736	-49,691	0	-282,174
Value adjustment on derivatives	-91,211	-132,570	-61,039	-7,033	-8,386	-3,497	0	0	-303,736
Discounting of liabilities and receivables	-3,195	0	-96	0	0	0	0	0	-3,291
Net change in financial and other provisions	-6,575	-105,015	-4,325	-3,094	-4,753	-208	0	0	-123,970
Share in income of equity affiliates	19,127	671	1,322	0	0	0	0	0	21,120
<b>PRE-TAX NET INCOME</b>	<b>227,680</b>	<b>-172,995</b>	<b>121,007</b>	<b>79,267</b>	<b>3,811</b>	<b>-6,412</b>	<b>-65,356</b>	<b>0</b>	<b>187,002</b>
Deferred tax liabilities	-35	-56,123	-8,478	-17,832	1,312	0	0	0	-81,092
Current income tax	-2,375	-4,149	-856	-3,499	99	506	0	0	-10,274
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>225,270</b>	<b>-233,267</b>	<b>111,673</b>	<b>57,936</b>	<b>5,222</b>	<b>-5,906</b>	<b>-65,356</b>	<b>0</b>	<b>95,636</b>
Net income from discontinued operations									23,964
<b>NET INCOME FOR THE PERIOD</b>	<b>225,270</b>	<b>-233,267</b>	<b>111,673</b>	<b>57,936</b>	<b>5,222</b>	<b>-5,906</b>	<b>-65,356</b>	<b>0</b>	<b>119,601</b>
Minority interest	-10,881	115,008	-82,495	-23,012	-2,023	2,282	0	0	-1,121
<b>NET INCOME (LOSS) FOR THE PERIOD - GROUP SHARE</b>	<b>214,390</b>	<b>-118,260</b>	<b>29,177</b>	<b>34,924</b>	<b>3,199</b>	<b>-3,624</b>	<b>-65,356</b>	<b>0</b>	<b>118,479</b>

## 3.2.10. Subsequent events

### 3.2.10.1. France Offices segment

At the end of January 2016, Foncière des Régions renegotiated €125 million in corporate credit (by extending the maturity and improving the terms and conditions).

In early February, Foncière des Régions also obtained the refinancing of the Orange portfolio for €300 million with a ten-year maturity.

### 3.2.10.2. Hotels & Service Sector

Signature to develop a hotel in Munich, with delivery scheduled for 2017, for €29.5 million. This is the first partnership established with the hotel operator Meininger.

Acquisition of five NH hotels in Germany in 2017 for €127 million with a €52 million advance payment in the first quarter of 2016.

### 3.2.10.3. Germany Residential segment

Sale in early January 2016 of a portfolio of assets for €95 million.

### 3.2.10.4. Changes to transfer duties

At 31 December 2015, the 70 bp increase in transfer duties voted by the Paris city council in November 2015 and the additional tax on disposals of office buildings in the Paris region under the amended Budget Act (*Loi de Finances Rectificative*) for 2015 (+60 bps) are not included by appraisers in the calculation of the appraisal value of assets as at 31 December 2015.

The theoretical impact of the change to transfer duties on appraisal values was estimated at -€38.3 million in consolidated data.

## 3.3. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### Year ended 31 December 2015

To the Shareholders,

In accordance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the year ended 31 December 2015, on:

- ♦ the audit of the accompanying consolidated financial statements of Foncière des Régions
- ♦ the justification for our assessments
- ♦ the specific verifications provided for by law.

These consolidated financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit consists of verifying by sampling or other selection methods data justifying the amounts and information appearing in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe the information we have collected to be sufficient and appropriate to form an opinion.

We certify that the consolidated financial statements give a true and fair view of the portfolio and of the financial position of the Group as well as of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

### II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessment, we bring to your attention the following matters:

- ♦ Note 3.2.1.6.3 "Investment properties (IAS 40)" on the evaluation rules and methods specifies that the portfolio of your company are subject to evaluation procedures performed by independent real estate appraisers to estimate the fair value of the assets. Our work consisted in analysing the valuation method used by these appraisers and assuring us that the fair value of the assets was determined by reference to the appraisal values obtained on 31 December 2015.
- ♦ Notes 3.2.1.6.13 "Financial liabilities" and 3.2.1.6.14 "Derivatives and hedging instruments" of the notes to the consolidated financial statements concern the valuation of certain financial instruments. As such, we have assessed the data and the assumptions on which these estimates are founded, and reviewed the calculations made by your Group.

These assessments were made as part of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of our opinion, which is expressed in the first part of this report.

### III. Specific verification

As required by law and in accordance with the professional standards applicable in France, we have also carried out the specific verification of the information relating to the Group in the management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, 22 March 2016

The Statutory Auditors

MAZARS

Gilles Magnan

ERNST & YOUNG et Autres

Sophie Duval

Jean-Roch Varon



# COMPANY FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

## 3.4. COMPANY FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

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## 3.6. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

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## 3.4. COMPANY FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 3.4.1. Balance sheet

#### ASSETS

(€K)	Note	31/12/2015 Gross	Amortisation, depreciation and provisions	Net	31/12/2014 Net
<b>Intangible fixed assets:</b>	<b>3.5.3.1.1</b>	<b>39,134</b>	<b>15,580</b>	<b>23,553</b>	<b>21,468</b>
Start-up costs		0	0	0	0
Software and similar rights		16,623	15,580	1,042	1,369
Goodwill <sup>(1)</sup>		22,181	0	22,181	20,076
Intangible assets in progress		331	0	331	23
<b>Tangible fixed assets:</b>	<b>3.5.3.1.1</b>	<b>693,570</b>	<b>97,531</b>	<b>596,040</b>	<b>545,370</b>
Land		178,026	3,636	174,390	149,909
Buildings		463,566	91,494	372,072	277,434
Fixtures and fittings and technical equipment		0	0	0	0
Others		4,218	2,401	1,817	2,133
Tangible fixed assets in progress		47,761	0	47,761	115,895
Advances and pre-payments		0	0	0	0
<b>Financial assets:</b>		<b>5,142,530</b>	<b>542,771</b>	<b>4,599,759</b>	<b>4,166,892</b>
Equity affiliates	3.5.3.1.2	4,334,551	538,099	3,796,451	3,625,697
Investment related receivables		0	0	0	0
Long-term investment securities for the portfolio business		0	0	0	0
Other securities	3.5.3.1.4	4,132	20	4,112	2,589
Loans	3.5.3.1.3	803,847	4,652	799,195	538,597
Others		1	0	1	8
<b>Total I – Fixed assets</b>	<b>3.5.3.1.</b>	<b>5,875,235</b>	<b>655,882</b>	<b>5,219,352</b>	<b>4,733,730</b>
Inventories and work-in-progress		0	0	0	0
Advances and pre-payments		0	0	0	0
<b>Operating receivables:</b>	<b>3.5.3.2.1</b>	<b>116,295</b>	<b>2,988</b>	<b>113,307</b>	<b>188,098</b>
Trade receivables and related accounts		9,083	1,752	7,332	8,300
Others		107,212	1,236	105,975	179,798
<b>Marketable securities:</b>	<b>3.5.3.2.2</b>	<b>701,581</b>	<b>0</b>	<b>701,581</b>	<b>575,034</b>
Treasury shares	3.5.3.1.4	154	0	154	2,354
Other securities		701,427	0	701,427	572,680
Cash and near cash		32,000	0	32,000	1,667
Accrued expenses	3.5.3.2.3	5,416	0	5,416	6,764
Treasury instruments	3.5.3.2.3	3,612		3,612	5,177
<b>Total II – Current assets</b>	<b>3.5.3.2.</b>	<b>858,903</b>	<b>2,988</b>	<b>855,916</b>	<b>776,739</b>
Deferred expenses (III)	3.5.3.2.3	9,978	0	9,978	12,198
Bond redemption premiums (IV)		2,300	0	2,300	2,877
Currency translation gains (V)		0	0	0	0
<b>TOTAL (I + II + III + IV + V)</b>		<b>6,746,416</b>	<b>658,870</b>	<b>6,087,546</b>	<b>5,525,545</b>

<sup>(1)</sup> Technical unfavourable variance.



## BALANCE SHEET – LIABILITIES

(€K)	Note	31/12/2015	31/12/2014
<b>SHAREHOLDERS' EQUITY:</b>		<b>2,732,551</b>	<b>2,563,326</b>
Capital [of which €199,889 thousand paid]		199,889	188,051
Issue premium, merger premium and additional paid-in capital		2,449,065	2,291,130
Revaluation gains/losses		83,597	84,146
<b>Reserves and retained earnings:</b>		<b>20,714</b>	<b>20,153</b>
Legal reserve		19,980	18,899
Statutory or contractual reserves		0	0
Revaluation reserves available for distribution		549	706
Others		0	0
Retained earnings		185	548
Earnings for the year		205,607	186,513
Investment subsidies		0	0
Regulated provisions		54,472	53,874
<b>Total I – Shareholders' equity</b>	<b>3.5.3.3.</b>	<b>3,013,344</b>	<b>2,823,866</b>
<b>OTHER SHAREHOLDERS' EQUITY</b>			
Proceeds from issue of participating shares			
Conditional advances			
<b>Total I bis – Equity</b>		<b>0</b>	<b>0</b>
Provisions for contingencies		47,631	51,289
Provisions for losses		2,225	1,699
<b>Total II – Provisions for contingencies and losses</b>	<b>3.5.3.4.</b>	<b>49,857</b>	<b>52,988</b>
<b>FINANCIAL DEBT</b>			
<b>Financial liabilities:</b>	<b>3.5.3.5.</b>	<b>2,986,544</b>	<b>2,615,285</b>
Convertible bonds	3.5.3.5.1	804,376	804,400
Other bonds		1,205,273	1,205,329
Borrowings and debt from credit institutions <sup>(1)</sup>		824,755	510,035
Others loans and borrowings		152,141	95,522
Advances and pre-payments received		7,210	6,851
<b>Operating payables:</b>		<b>18,309</b>	<b>17,303</b>
Trade payables and related accounts		6,141	2,811
Tax and social security liabilities		11,925	12,766
Taxes due (income tax)		242	1,726
<b>Sundry liabilities:</b>		<b>12,282</b>	<b>9,251</b>
Debt on fixed assets and related accounts		11,683	7,357
Others		599	1,894
Treasury instruments		0	0
Pre-booked income		0	0
<b>Total III – Current liabilities</b>	<b>3.5.3.5.</b>	<b>3,024,345</b>	<b>2,648,691</b>
Currency translation losses (IV)		0	0
<b>TOTAL (I + I BIS + II + III + IV)</b>		<b>6,087,546</b>	<b>5,525,545</b>
<sup>(1)</sup> Of which current bank borrowings and bank overdraft.		18,535	62,478

### 3.4.2. Income statement

(€K)	Note	31/12/2015	31/12/2014
<b>OPERATING INCOME</b>			
Sales (goods and services)		67,946	74,203
<b>Net revenues</b>	<b>3.5.4.1.1</b>	<b>67,946</b>	<b>74,203</b>
Reversal of provisions (and depreciation) and transferred charges	3.5.4.1.2	7,616	5,105
Other income		9	2,678
<b>Total I – Operating income</b>		<b>75,571</b>	<b>81,986</b>
<b>OPERATING EXPENSES</b>			
Other purchases and external expenses		21,204	17,662
Duties, taxes and related		7,797	8,948
Salaries and wages		15,515	15,965
Payroll taxes		6,495	7,265
Allowance for depreciation and provisions			
On fixed assets: depreciation and amortisation charges		20,495	20,156
On fixed assets: depreciation		2,665	6,458
On current assets: depreciation		192	99
For contingencies and liabilities provisions		1,288	340
Other expenses		2,750	3,299
<b>Total II – Operating expenses</b>	<b>3.5.4.1.3</b>	<b>78,402</b>	<b>80,190</b>
<b>1. Operating income (loss) (I - II)</b>		<b>-2,831</b>	<b>1,795</b>
<b>FINANCIAL INCOME</b>			
Share of income from joint operations			
<b>Profit or loss transferred (III)</b>		<b>0</b>	<b>0</b>
<b>Losses or profit transferred (IV)</b>		<b>2</b>	<b>0</b>
Financial income from investments	3.5.4.2.1	352,795	291,271
From other marketable securities and fixed asset receivables		3,446	12,084
Other interest and similar income		39,266	91,013
Reversal of provisions and transferred expenses	3.5.4.2.3	26,240	14,601
Net income from disposal of marketable securities		3	8
<b>Total V – Financial income</b>	<b>3.5.4.2.</b>	<b>421,751</b>	<b>408,976</b>
<b>FINANCIAL EXPENSES</b>			
Allowance for depreciation and provisions		106,892	102,750
Interest and similar expenses		107,412	138,982
Net expenses from disposal of marketable securities		2,333	4,371
<b>Total VI – Financial expenses</b>	<b>3.5.4.2.</b>	<b>216,637</b>	<b>246,102</b>
<b>2. Net financial income (V - VI)</b>	<b>3.5.4.2.</b>	<b>205,114</b>	<b>162,874</b>
<b>3. Net income from ordinary operations before tax (I - II + III - IV + V - VI)</b>		<b>202,281</b>	<b>164,670</b>
<b>NON-RECURRING INCOME</b>			
On management transactions		1,084	1,307
On capital transactions		56,836	95,296
Reversal of provisions and transferred expenses		1,327	1,479
<b>Total VII – Non-recurring revenue</b>	<b>3.5.4.3.</b>	<b>59,247</b>	<b>98,082</b>



## FINANCIAL INFORMATION

Company financial statements as at 31 December 2015

(€K)	Note	31/12/2015	31/12/2014
<b>NON-RECURRING EXPENSES</b>			
On management transactions		128	119
On capital transactions		54,356	72,799
Allowance for depreciation and provisions		1,121	934
<b>Total VIII – Non-recurring expenses</b>	<b>3.5.4.3.</b>	<b>55,606</b>	<b>73,851</b>
<b>4. Net non-recurring income (VII - VIII)</b>	<b>3.5.4.3.</b>	<b>3,641</b>	<b>24,231</b>
Employee profit-sharing (IX)		0	0
Corporate income tax (X)	3.5.4.4.	315	2,387
<b>Total revenue (I + III + V + VII)</b>		<b>556,569</b>	<b>589,044</b>
<b>Total expenses (II + IV + VI + VIII + IX + X)</b>		<b>350,961</b>	<b>402,531</b>
<b>NET INCOME</b>		<b>205,607</b>	<b>186,513</b>

## 3.5. NOTES TO THE COMPANY FINANCIAL STATEMENTS

### 3.5.1. Significant events during the year

#### 3.5.1.1. Acquisitions and construction work on developments

- ♦ Foncière des Régions did not acquire any real estate complex directly during 2015. Please refer to Section 3.5.1.3. «Changes in equity investments» for information on indirect acquisitions.
- ♦ Foncière des Régions delivered Green Corner, a 20,411 m<sup>2</sup> building in Saint-Denis (Greater Paris area), located right beside the RER B station and 86% leased to the French National Authority for Health (*Haute Autorité de la Santé*) and Systra.

Foncière des Régions strengthened its relationships with its partners through the delivery of 11,000 m<sup>2</sup> in Nanterre and 9,700 m<sup>2</sup> in Lille-Roubaix, rented for 9 and 12 years firm to the Vinci group. The total appraisal value for these three buildings is €211.4 million.

- ♦ Foncière des Régions completed €78 million in construction work, €56 million of which concerned the Respiro building in Nanterre, the Vinci building in Lille-Roubaix and Green Corner. At the same time, a flagship Foncière des Régions building spanning almost 10,265 m<sup>2</sup> and representing close to €3 million in annualised rental income was vacated for redevelopment in the short term.

#### 3.5.1.2. Asset disposals

Main assets sold over the year (excluding finance-lease business):

(€K)	Net Book Value	Disposal price	Capital gains or losses	Market value as at 31/12/2014
Lille J. Maillotte	228	1,075	847	739
Guesde Levallois	1,019	1,300	281	1,290
Villeurbanne Bd 11 novembre	5,753	10,000	4,247	10,000
Mougins Sophia Antipolis	4,441	3,900	-541	3,900
<b>TOTAL</b>	<b>11,441</b>	<b>16,275</b>	<b>4,834</b>	<b>15,929</b>

#### 3.5.1.3. Change in equity investments

##### Change in the ownership interest in subsidiaries

- ♦ Foncière des Régions launched a takeover bid for the securities of Foncière des Murs and acquired 10,881,538 shares, increasing its holding from 28.46% to 43.15%.
- ♦ In November 2015, Foncière des Régions acquired Aberdeen Balanced Holding France 3, an Omega B holding company whose shares are valued at €105 thousand. This company was then merged in December 2015 placing OMEGA B directly under Foncière des Régions for a value of €16 million, after taking a €4 million loan into account. Omega B owns a 4,816 m<sup>2</sup> building in Levallois valued at €24.7 million, including duties.
- ♦ Foncière des Régions formed SCI de la Marne and contributed €14 million to fund the acquisition of land in Montrouge.

##### Indirect acquisitions

- ♦ Foncière des Régions took part in the capital increase of Beni Stabili on 1 July 2015 and increased its stake from 48.3% to 48.5%, with the subscription of 3,604,076 shares.

##### Other changes in equity interests

- ♦ Foncière des Régions received an €18 million interim liquidation payment on the securities of Technical Property Found1. Final liquidation should take place in 2016.

#### 3.5.1.4. Rental activity

Green Corner: Systra leased 2,600 m<sup>2</sup> for a firm nine-year year term and rent of €0.9 million, while Casino leased 380 m<sup>2</sup> of commercial space on the ground floor.

### 3.5.1.5. Corporate structure simplification

Mergers with full transfer of assets and liabilities with a retroactive tax effect were carried out in 2015 to simplify the Group's corporate structure.

Subsidiary involved	Transaction date	Corporate purpose
GFR Services SAS	30/09/2015	Holding company which holds the securities of FDR Property, FDR Développement, FDR SGP and Foncière Europe Logistique
FDR 5	30/09/2015	Holding company which holds the securities of SCI Euromarseille 1 and OPCI Office CB21
FDR 6	30/09/2015	Holding company which holds the securities of SCI Euromarseille 2
SAS Blériot	31/10/2015	SAS holding company which holds the securities of Foncière Développement Logement, 288 rue Duguesclin, 15 rue Cuirassiers and OPCI Office CB21
Aberdeen Balanced France Holding 3	31/12/2015	Holding company which holds the securities of Omega B

### 3.5.1.6. Tax audit

Foncière des Régions' accounts were audited for the 2012 and 2013 fiscal years, which resulted in a reassessment proposal in December 2015 for corporate value added tax (CVAE) potentially generating:

- ♦ challenge to allocation of the loss on capital gains, potential impact of €9.5 millions: the Group is disputing this reassessment and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015
- ♦ inclusion of capital gains on disposals in the CVAE base, potential impact of €0.2 million: the Group is disputing this reassessment and, based on the analysis by the Company's legal counsel, it has not been provisioned as at 31 December 2015
- ♦ challenge to the calculation of the ceiling on financial expense, impact *via* the €1 million reduction in the losses of the taxable segment out of a total of €240 million. This reassessment proposal was accepted.

### 3.5.1.7. Share capital increase

During the year, the share capital changed as follows:

- ♦ the creation of 3,917,722 shares for a par value of €11,753,166 used to increase the capital of Foncière des Murs
- ♦ the creation of 28,453 shares for a par value of €85,359 in the context of grants under bonus share plans.

## 3.5.2. Accounting principles and methods

Foncière des Régions is the parent company of the Foncière des Régions group, and draws up its consolidated financial statements according to IFRS.

Foncière des Régions is consolidated *via* the equity method by Delfin.

The balance sheet and income statement are drawn up in accordance with French legislation and generally accepted accounting principles in France.

The notes are prepared in accordance with ANC regulation 2014 -03 published by the decree of 8 September 2014 *et seq.* currently in force.

The total capital as at 31 December 2015 stood at €199,889,196, up from €188,050,671 at 31 December 2014, an increase of €11,838,525. It is made up of 66,629,732 shares, all of the same class with a par value of €3 each, amounting to €199,889,196.

At 31 December 2015, the Company held 52,319 treasury shares.

### 3.5.1.8. Diversification of funding and repayment of bank borrowings

Foncière des Régions took out credit lines in 2015 totalling €358,850 thousand and redeemed €215 thousand in borrowings.

### 3.5.1.9. Key indicators

The main financial aggregates for the 2015 fiscal year are:

Balance sheet total	6,087,546
Revenues	67,946
Dividends received from subsidiaries	352,791
Financial expenses	216,637
Earnings for the year	205,607

General accounting conventions were applied, respecting the prudence principle, in accordance with the following basic assumptions:

- ♦ going concern
- ♦ consistency of accounting policies from one year to the next
- ♦ independent fiscal years

and in accordance with the rules for preparing and presenting annual financial statements pursuant to the French Law of 30 April 1983 and the implementation decree of 29 November 1983.

The basic method used for evaluating the items posted in the accounts is the historical cost method, with the exception of the accounting consequences of the regime for SIICs (real estate investment companies).

Tangible fixed assets have been recorded under the component method since 1 January 2005.

### 3.5.2.1. Tangible fixed assets

Tangible fixed assets are valued at cost, which corresponds to the purchase price and related costs, or their contribution value.

The Company has not opted for borrowing costs to be capitalised in the acquisition cost of assets.

Tangible fixed assets are depreciated on a straight-line basis according to the expected useful life of the various components of the portfolio.

The breakdown by components is based on the professional grid recommended by the French Real Estate and Real Estate Management Federation (FSIF), according to the type of asset in question.

Depreciation schedules for the various types of fixed assets (residential or office):

Breakdown of the buildings	Method	Term
Building structures	L	60 and 80 years
Facades and external joinery	L	30 and 40 years
General and technical facilities	L	20 and 25 years
Fittings	L	10 years

These periods are adjusted with obsolescence factors applied to each asset.

Breakdown of other tangible fixed assets	Method	Term
Miscellaneous fixtures and fittings	L	10 years
IT equipment	L	5 years
Office equipment	L	10 years

At each balance sheet date, the Company assesses if there are any indications that an asset has been materially impaired. In such cases, an impairment charge may be recorded in income or reversed, as appropriate.

The amount of any significant impairment is determined on an asset-by-asset basis in line with a comparison between the market value (excluding charges), calculated on the basis of independent appraisals, and the net book value.

In order to limit the impact of circumstantial variations on appraisal values, any impairment charges are recognised after taking into account a minimum threshold of €150 thousand, the period in which the book value of the asset is lower than its market value, and an evaluation of the relative nature of the impairment. An impairment charge is recognised when either of the following two conditions is met:

- ♦ if the negative difference between the appraisal value is greater than 10% of the net book value (reduced to 6% for properties appraised at more than €30 million) provided a threshold of €150 thousand is reached and/or
- ♦ the appraisal value is below the net book value for a continuous period of at least three years (with no percentage condition), regardless of whether a threshold of €150 thousand is reached.

Such impairments, which recognise the non-definitive and non-irreversible reduction in the value of certain portfolio assets in relation to their book value, are recognised in assets under "Depreciation and impairments".

The impairment is charged to each component on a pro rata basis.

The recording of an impairment results in a revision of the depreciable base and, if applicable, the depreciation schedule for the assets concerned.

Building works, major renovation works, and significant upgrading works, together with the restoration of apartments or premises upon re-letting, are capitalised.

Conversely, maintenance work, which ensures the optimum preservation of the real estate portfolio (renovation) and regular maintenance are recognised as expenses during the period in which they are carried out.

### 3.5.2.2. Intangible fixed assets

Intangible fixed assets are valued at cost.

- ♦ Software is amortised on a straight-line basis over three years. Software acquired after moving the company headquarters to Divo is depreciated over 10 years.
- ♦ Merger deficits were recorded as intangibles following the mergers of Foncière des Régions with Bail Investissement in 2006, with Akama in 2011, and with FR IMMO in 2013, based on the value of the assets contributed. At each sale of assets, a reversal of these deficits is made. Similarly, a provision is recorded on the merger deficit when an unrealised capital loss emerges between the appraised value and the net book value at each year-end.

### 3.5.2.3. Long-term investments

Financial assets are valued at cost or at their contribution value after deducting any provisions required to restore them to their value in use (if necessary). At year-end, the carrying value of investments is compared to their current value. The lowest of

these is retained in the financials. The inventory value of the securities corresponds to their value in use for the Company.

When the investments are held for the long term, the value in use is determined on the basis of the net asset value and unrealised capital gains on the fixed assets. For the public subsidiaries, the Company uses the published net asset value.

The acquisition costs are incorporated in the cost price of financial assets and amortised over five years in the form of additional amortisation to benefit from tax incentives.

### 3.5.2.4. Trade receivables and related accounts

Receivables are stated at their par value. A provision for impairment is recorded when the recoverable value is lower than the book value.

A provision for impairment is recorded for each tenant with unpaid receivables, based on the risk incurred. The general criteria for establishing provisions, except in particular cases, are as follows:

- -10% of the total amount of the receivable for tenants whose receivables are less than three months overdue
- -50% of the total amount of receivables for tenants whose receivables are between three and six months overdue
- -100% of the total amount of receivables for tenants whose receivables are more than six months overdue, or involving a vacated tenant.

For commercial customers, receivables and theoretical provisions deriving from the above rules are examined case-by-case to take specific situations into consideration.

### 3.5.2.5. Derivatives

To conduct its hedging policy, the treasury department is authorised to use only simple, standard and liquid derivative instruments available on the markets, *i.e.*: swaps, caps, tunnel options (cap purchase and floor sale).

The sole purpose of the financial instruments used is to hedge interest rate risks. Using swaps guarantees a fixed interest rate. These instruments are not recorded in the financial statements when they are concluded, but represent off-balance sheet commitments. However, the difference between the rate paid or received under these agreements is recognised as a financial income or expense for the year.

Any increase or decrease in the value of such instruments is recognised when the hedging transactions are unwound – *i.e.* if hedging commitments are terminated ahead of schedule or hedged loans are repaid.

Net cash payments related to renegotiations of swap contracts and the premiums paid or received on cap and floor contracts are amortised over the term of the contracts.

### 3.5.2.6. Provisions for contingencies and losses

In accordance with regulation 2000-06 of the French accounting regulations board relating to liabilities, provisions are defined as liabilities whose maturity or amount are not precisely set. A liability is an Bonds issued to a third party, which is likely or certain to cause an outflow of resources to that third party, without at least an equivalent amount expected from that party.

A risk provision related to investments is established to cover the negative net equity of subsidiaries and when all of the subsidiary's shares and loans have been depreciated.

### 3.5.2.7. Retirement benefits

As from the 2013 fiscal year, Foncière des Régions applies recommendation No. 2013-02 of November 2013 issued by the French accounting standards authority (*Autorité des Normes Comptables* – “ANC”) regarding recognition and measurement of retirement commitments and similar benefits. This recommendation allows the evaluation of the provision for post-employment benefits in accordance with IAS 19R. Regarding the recognition of these retirement commitments, Foncière des Régions opted for the immediate and full recognition in profit or loss of the result of the recognition of actuarial gains and losses.

### 3.5.2.8. Provisions for financial contingencies and losses

Further to the reduction in interest rates over the end of the year, a provision for financial contingencies and losses on financial instruments (swaps, caps and floors) may be recorded at year-end where it corresponds to the valuation of overhedging involving financial instruments with no symmetrical position and financial instruments hedging debts of subsidiaries with no re-invoicing agreement.

### 3.5.2.9. Borrowings, financial debt and bonds

Bank financing usually consists of four bond issues and medium- and long-term credit agreements with varying draw-down periods. Successive draw-downs are recognised in the financial statements at their par value. These agreements include covenant clauses, which are reported under off-balance-sheet commitments.

### 3.5.2.10. Deferred expenses

Deferred expenses correspond to the issue cost of borrowings and are amortised over the loan period. An exceptional impairment is booked if the borrowing is redeemed early.

### 3.5.2.11. Bond redemption premiums

These are amortised over the life of the bond.

### 3.5.2.12. Revenues

Revenues mainly include income related to the following activities:

- ♦ rental income
- ♦ services income.

Rental income corresponds to the rent and charges billed to buildings' tenants, which are recognised as the performance of the service progresses.

As a general rule, invoicing is quarterly for commercial assets (offices, etc.) and monthly for residential assets.

For services, revenues are recognised as the service progresses.

## 3.5.3. Explanation of balance sheet items

### 3.5.3.1. Fixed assets

#### 3.5.3.1.1. Change in gross values

(€K)	Note	Gross values as at 31/12/2014	Increases		Decreases		Gross values as at 31/12/2015
			Merger	Acquisitions and work	Transfers	Sales and other disposals	
<b>Intangible fixed assets</b>		<b>36,398</b>	<b>2,164</b>	<b>632</b>	<b>0</b>	<b>59</b>	<b>39,135</b>
Concessions and software		16,299			324		16,623
Merger deficit		20,076	2,164			59 <sup>(2)</sup>	22,181 <sup>(2)</sup>
Fixed assets in progress		23		632 <sup>(1)</sup>	-324		331
<b>Tangible fixed assets</b>		<b>640,145</b>	<b>0</b>	<b>77,950</b>	<b>0</b>	<b>24,524</b>	<b>693,570</b>
Land		150,814			27,777 <sup>(3)</sup>	2,776 <sup>(4)</sup>	175,815
Land under finance leases		2,747				536	2,211
Construction		356,451			118,089 <sup>(3)</sup>	14,806 <sup>(4)</sup>	459,734
Leased buildings		8,829				4,997	3,832
Other fixed assets		5,409			218 <sup>(5)</sup>	1,409 <sup>(5)</sup>	4,218
Fixed assets in progress		115,895		77,950 <sup>(6)</sup>	-146,084 <sup>(3)</sup>		47,761 <sup>(7)</sup>
<b>Long-term investments</b>		<b>4,615,699</b>	<b>132,000</b>	<b>471,300</b>	<b>4,379</b>	<b>76,315</b>	<b>5,142,531</b>
Equity investments	3.5.3.1.2	4,070,089	28,697	254,097	4,379	18,179	4,334,551
Loans	3.5.3.1.3	543,002	103,303	193,817		36,275	803,847
Long-term investment securities		2					2
Treasury shares	3.5.3.1.4	2,598		23,386		21,854	4,130
Other non-current financial assets		8				7	1
<b>TOTAL FIXED ASSETS</b>		<b>5,292,242</b>	<b>134,164</b>	<b>549,882</b>	<b>4,379</b>	<b>100,898</b>	<b>5,875,235</b>

<sup>(1)</sup> The increase in intangible assets relates to the development of new modules for existing software.

<sup>(2)</sup> The disposal of the Guesde Levallois building generated the reversal of the unfavourable variance in the amount of €59 thousand.

- The €22,181 thousand merger deficit corresponds to the unfavourable variance of:

- BIF for €3,214

- AKAMA, technical unfavourable variance allocated to the Latécoère securities in the amount of €13,914 thousand

- FR Immo allocated to the Palmer Plage, Palmer Montpellier and Dual Center securities for €2,889 thousand

- GFR Services allocated to the Foncière Europe Logistique securities.

<sup>(3)</sup> Impact of deliveries of projects in development.

<sup>(4)</sup> In addition to the disposals described under "Significant events", scrapping of components for a gross amount of €2,508 thousand was registered during the year.

<sup>(5)</sup> The increase in «Other tangible fixed assets» relates primarily to the acquisition of furniture and the development of our IT infrastructure for €217 thousand. The decrease of €1,409 thousand is from scrapping almost fully depreciated assets.

<sup>(6)</sup> Relates in particular to works on Green Corner (€26,824 thousand), Nanterre Respiro (€18,528 thousand), and Le Quatuor in Roubaix (€11,405 thousand).

<sup>(7)</sup> The balance of fixed assets in progress includes development projects: Issy Grenelle (€5,156 thousand), Nanterre Respiro (€3,201 thousand), Nancy Grand Cœur (€6,898 thousand), Meudon Canopée (€5,661 thousand), Green Corner (€7,598 thousand) and Bose (€16,470 thousand).



## 3.5.3.1.2. Change in equity investments

Company	Value of securities (€K)
Amounts as at 31/12/2014	4,070,089
<b>SECURITIES INCORPORATED IN THE COMPANY FOLLOWING MERGERS</b>	
Companies fully transferred	Securities contributed
	FDR Développement 1,852
	FDR SGP 1,395
GFR Services	FDR Property 37
	Foncière Europe Logistique 25
	OPCI CB21 0
FDR 5	Euromarseille 1 3,587
FDR 6	Euromarseille 2 3,564
GFR Blériot	288 rue Duguesclin 4,498
	15 rue des Cuirassiers 2,141
Abberdeen Balanced France Holding 3	Omega B 11,598
<b>Total increase relating to mergers</b>	<b>28,697</b>
<b>ACQUISITIONS OF SECURITIES AND OTHER ASSETS</b>	
	Foncière des Murs 2,674
	Beni Stabili SPA 2,246
	Abberdeen Balanced France Holding 3 105
<b>CAPITAL INCREASE</b>	
	Foncière des Murs 249,072
<b>Total increase relating to acquisitions</b>	<b>254,097</b>
<b>INCREASE IN SECURITIES THROUGH INCORPORATION OF A LOAN</b>	
	Omega B 4,379
<b>Total increase in securities through incorporation of a loan</b>	<b>4,379</b>
<b>DECREASE</b>	
	Technical Property Fund 1 18,144
	Foncière Développement Logements 35
<b>Total decrease</b>	<b>18,179</b>
<b>SECURITIES RELEASED FROM THE COMPANY FOLLOWING MERGERS</b>	
	FDR 5 2,491
	FDR 6 1,051
	GFR Blériot 787
	Aberdeen Balanced France Holding 3 104
	GFR Services 99
<b>Total decrease related to mergers</b>	<b>4,532</b>
<b>AMOUNT AS AT 31/12/2015</b>	<b>4,334,551</b>

## 3.5.3.1.3. Detail of the loans

Loans consist of:

Type of loan	(€K)
Loans to subsidiaries	796,776
Accrued interest on subordinated loans	1,426
Loans to personnel	295
Other loans	5,350
<b>TOTAL AS AT 31/12/2015</b>	<b>803,847</b>

Capital to subsidiaries relate to financing for development operations, which primarily comprise the following loans as at 31 December 2015:

(€K)	Outstanding principal due	Accrued interest
SCI Charenton	147,046	
Immeo Rewo Holding GmbH	106,100	12
SCI Euromarseille 1	46,496	
SCI Lenovilla	44,643	
SCI 11 Place de l'Europe	32,568	
SNC Palmer Plage	31,700	
SCI Atlantis	30,000	
SCI Euromarseille 2	29,252	
Fédération	24,000	28
35/37 rue L. Guérin	21,800	
SCI Raphaël	19,000	
SCI Latécoère 2 <sup>(1)</sup>	17,491	
32 AV P. Grenier	17,100	
SCI Meudon Saulnier	17,000	
Oméga A	15,500	
Technical	13,422	52
Ruhl Côte d'Azur	13,000	
Oméga C	11,200	
Oméga B	11,059	
9 rue Cuirassiers	10,600	
IW FDL Beteiligungs GmbH & Co KG	10,200	1
FDR 7	10,000	39
BGA Transaction	8,800	353
10/14 rue des Tanneurs	8,500	
15 rue des Cuirassiers	7,500	
IW Verwaltungs GmbH	7,150	1
Acopio Beteiligungs GmbH	6,900	1
GFR Kléber	6,800	273
40 rue J.J. Rousseau	6,400	
125 Av Brancolar	6,400	
SCI Pompidou	6,000	
SNC Palmer Transaction <sup>(2)</sup>	5,400	
SCI 2 rue de Verdun <sup>(3)</sup>	3,200	
Others	44,549	666
<b>TOTAL</b>	<b>796,776</b>	<b>1,426</b>

<sup>(1)</sup> Subject to a €2,424 thousand provision (see 3.5.3.1.2).

<sup>(2)</sup> Subject to a €1,862 thousand provision (see 3.5.3.1.2).

<sup>(3)</sup> Subject to a €366 thousand provision (see 3.5.3.1.2).

Loans to subsidiaries are not covered by a repayment schedule. They are repaid based on each borrower's free cash flow. Nevertheless, a final repayment date, ranging from December 2017 at the earliest to April 2025 at the latest, is stipulated in the agreement.

### 3.5.3.1.4. Breakdown of treasury shares

Treasury shares consist of:	Number of shares	(€K)
Shares held by the Company – liquidity agreement	50,582	4,130
Shares held by the Company – external growth	0	0
Shares held by the Company for allocation to employees	0	0
Shares held by the Company upon the exercise of rights attached to ORNANE bonds	1,737	154

A provision was set up for the treasury shares under the liquidity agreement in the amount of €20 thousand on the basis of the average share price in December 2015.

### 3.5.3.1.5. Change in amortisation, depreciation and provisions

(€K)	Note	Amort. 31/12/2014	Increases		Decreases		Merger	Amort. 31/12/2015
			Charge	Merger	Reversal and disposal	Allocation of components		
<b>Intangible fixed assets</b>		<b>14,929</b>	<b>651</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>15,580</b>
Concessions and software		14,929	651					15,580
Merger deficit								0
<b>Tangible fixed assets</b>		<b>94,776</b>	<b>18,513</b>		<b>15,758</b>	<b>0</b>	<b>0</b>	<b>97,531</b>
Construction		66,329	15,106		5,083			76,352
Leased buildings		6,039	232		5,533			738
Other tangible fixed assets		3,277	510		1,386			2,401
Provisions on land and buildings		16,100	2,665		3,756			15,009 <sup>(1)</sup>
Provisions on land and buildings under finance leases		3,031						3,031
<b>Long-term investments</b>		<b>448,809</b>	<b>105,482</b>	<b>8,371</b>	<b>18,151</b>	<b>0</b>	<b>1,740</b>	<b>542,771</b>
Equity affiliates	3.5.3.1.2	444,392	104,117	8,371	17,041		1,740	538,099
Loans	3.5.3.1.3	4,406	1,345		1,099			4,652
Long-term investment securities								
Treasury shares		11	20		11			20
<b>TOTAL AMORTISATION AND DEPRECIATION</b>		<b>558,514</b>	<b>124,646</b>	<b>8,371</b>	<b>33,909</b>	<b>0</b>	<b>1,740</b>	<b>655,882</b>

<sup>(1)</sup> Each year, the book value of the assets is compared against their estimated market value. An independent appraisal, carried out every half-year, is used as a benchmark for all real estate assets. Provisions totalling €15,009 thousand were booked for three assets as at 31 December 2015: Mougins €569 thousand, Meudon Canopée for €11,843 thousand and Nancy Grand Cœur for €2,598 thousand.

### 3.5.3.1.6. Breakdown of provisions for equity investments

When the investments are held for the long term, the value in use is determined on the basis of the net asset value and unrealised capital gains on the fixed assets. For the public subsidiaries, the Company uses the published net asset value.

(€K)	31/12/2014	Charge	Merger	Reversal of provisions	31/12/2015
Beni Stabili	296,096	44,753	0	0	340,849
Foncière Europe Logistique	131,208	58,204	0	0	189,412
Omega B	0	0	3,714	1,398	2,316
FDR Développement <sup>(1)</sup>	0	0	1,852	0	1,852
FDR Property	474	1,046	0	0	1,520
FDR 2 <sup>(1)</sup>	927	0	0	0	927
Palmer Transaction <sup>(1)</sup>	453	0	0	0	453
FDR SGP	0	0	492	40	452
GFR Ravinelle	114	23	0	0	136
SCI 2 rue de Verdun <sup>(1)</sup>	88	0	0	0	88
Eb2	0	61	0	0	61
Gespar	0	28	0	0	28
Snc Promomur <sup>(1)</sup>	0	1	0	0	1
FDR Participations <sup>(1)</sup>	0	1	0	0	1
SCI Latécoère 2 <sup>(1)</sup>	1	0	0	0	1
SCI avenue de la Marne <sup>(1)</sup>	0	1	0	0	1
Comédie	2	0	0	1	1
GFR Services	100	0	-100	0	0
FDR 5	776	0	-776	0	0
FDR 6	865	0	-865	0	0
Euromarseille 2	0	0	2,313	2,313	0
Cœur d'Orly Promotion	2	0	0	2	0
OPCI CB21	13,284	0	0	13,284	0
SCI Meudon Saulnier	1	0	0	1	0
<b>TOTAL</b>	<b>444,392</b>	<b>104,117</b>	<b>6,631</b>	<b>17,041</b>	<b>538,099</b>

<sup>(1)</sup> As amortisations of the securities of the companies Palmer transaction, 2 rue de Verdun, FDR 2, Promomurs, Latécoère 2, FDR Développement, FDR Participations and SCI avenue de la Marne are not sufficient to cover their net negative equity, the loans or advances on partner current accounts allocated to them have been amortised for their net equity.

### Market prices and NAV of public subsidiaries

Name of public subsidiaries	Average share price at December 2015	EPRA Triple Net NAV at 31/12/2015
Foncière Développement Logements	7.76	5.91
Foncière des Murs	25.92	23.86
Beni Stabili	0.70	0.76

### 3.5.3.1.7. Details of provisions for loans and current accounts

(€K)	Receivables as at 31/12/2015	Opening balance	Charge	Reversal of provisions	Reversal of provisions on mergers	Closing balance at 31/12/2015
Palmer Transaction	5,400	1,686	176	0	0	1,862
SCI 2 rue de Verdun	3,200	1,620	804	0	0	2,424
Latécoère 2		0	366	0	0	366
Meudon Saulnier	17,000	1,099	0	1,099	0	0
<b>Loans</b>	<b>43,091</b>	<b>4,406</b>	<b>1,346</b>	<b>1,099</b>	<b>0</b>	<b>4,652</b>
GFR Services	0	153	0	0	153	0
FDR 2	16,766	396	756	0	0	1,152
Latécoère 2	0	78	0	78	0	0
Promomurs	86	0	5	0	0	5
FDR Participations	4	0	2	0	0	2
SCI avenue de la Marne	16,977	0	69	0	0	69
<b>Current account<sup>(1)</sup></b>	<b>33,833</b>	<b>628</b>	<b>832</b>	<b>78</b>	<b>153</b>	<b>1,228</b>
Purchaser unpaid	10	0	8	0	0	8
<b>Debtor accounts</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>

<sup>(1)</sup> Provisions for current accounts are recorded taking into account the negative net equity of subsidiaries and provisions booked on other receivables.

### 3.5.3.2. Current assets

#### 3.5.3.2.1. Breakdown of receivables by due date

(€K)	Gross amount as at 31/12/2015	Amount due in less than 1 year
Trade receivables and related accounts <sup>(1)</sup>	9,083	9,083
Expenses that may be recovered from tenants <sup>(2)</sup>	2,650	2,650
Invoice not yet submitted	1,859	1,859
Other receivables	107,212	107,212
Current accounts <sup>(3)</sup>	103,377	103,377
Miscellaneous receivables	656	656
VAT	3,035	3,035
Principal's current account	144	144
<b>TOTAL RECEIVABLES</b>	<b>116,295</b>	<b>116,295</b>

<sup>(1)</sup> Application of the amortisation rules presented in the accounting rules and policies resulted in a provision for trade receivables during the year being recognised for an amount of €242 thousand. At 31 December 2015, total amortisations were €1,752 thousand compared with €1,942 thousand at 31 December 2014 and mostly related to finance lease receivables.

<sup>(2)</sup> These expenses result in pre-payment requests issued to tenants being recorded as liabilities on the balance sheet under "Advances and pre-payments" in the amount of €2,245 thousand (see paragraph 3.5.3.5 Financial debt).

<sup>(3)</sup> An amortisation of €1,228 thousand was recognised on the current accounts of Promomurs, FDR Participations, avenue de la Marne and FDR 2 to reflect their net negative equity (see 3.5.3.1.2.2).

### 3.5.3.2.2. Marketable securities

The realisable value of marketable securities was €5,212 thousand as at 31 December 2015. There was no significant unrealised gain, as the Group states the unrealised gains in the last week of each fiscal year (sale/repurchase).

(€K)	Gross value as at 31/12/2014	Acquisitions	Disposals	Transfer	Gross value as at 31/12/2015
Term account	565,000	340,000	210,000		695,000
Marketable securities <sup>(1)</sup>	6,297	15,751	16,836		5,212
Accrued interest on investments	1,383	1,215	1,383	0	1,215
Treasury shares	2,354		2,354		0
Treasury shares with rights attached – Ornane <sup>(2)</sup>	0		23	177	154
<b>TOTAL</b>	<b>10,034</b>	<b>16,966</b>		<b>0</b>	<b>6,427</b>

<sup>(1)</sup> As at 31 December 2015, the portfolio of marketable securities comprised traditional money market investment funds (SICAV). The Company does not make any speculative investments involving a capital risk.

<sup>(2)</sup> At 31 December 2015, 1,737 treasury shares were allocated to conversion of ORNANE bonds to FDR shares.

### 3.5.3.2.3. Accruals and deferred expenses

(€K)	Gross value as at 31/12/2015	Gross value as at 31/12/2014
Accrued operating expenses <sup>(1)</sup>	1,073	901
Accrued financial expenses	4,343	5,862
Spreading of equalisation payments	4,343	5,862
<b>Total Prepaid Expenses</b>	<b>5,416</b>	<b>6,763</b>
Treasury instruments	3,612	5,177
Cap/floor premiums	3,612	5,177
<b>Total treasury instruments</b>	<b>3,612</b>	<b>5,177</b>
Deferred expenses	9,978	12,198
Loan issue costs <sup>(2)</sup>	9,978	12,198
<b>TOTAL</b>	<b>14,663</b>	<b>18,276</b>

<sup>(1)</sup> Accrued operating expenses are external charges relating to services to be rendered after 31 December 2015.

<sup>(2)</sup> Deferred expenses exclusively comprise the bond issue costs spread over the term of the bond.

### 3.5.3.3. Shareholders' equity

(€K)	31/12/2014	Increase		Decreases		31/12/2015
		Capital increase	Other changes during the year	Allocation of net income/ Dividend	Line-by-line transfers	
Share Capital	188,051	11,838				199,889
Share premium account <sup>(1)</sup>	1,939,515	241,732	-2,278			2,178,969
Additional paid-in capital	351,574			-81,731		269,843
Merger premiums	41		253	-41		253
Revaluation reserve <sup>(2)</sup>	84,146				-549	83,597
Legal reserve	18,899	1,081				19,980
Other reserves	707			-707	549	549
Retained earnings <sup>(3)</sup>	548			-363		185
Allocation of 2014 income	186,513			-186,513		0
2015 income	0		205,607			205,607
Regulated provisions	53,874		598			54,472
<b>SHAREHOLDERS' EQUITY</b>	<b>2,823,866</b>	<b>254,651</b>	<b>204,180</b>	<b>-269,355</b>	<b>0</b>	<b>3,013,344</b>

<sup>(1)</sup> 3,917,722 shares were created for the capital increase in Foncière des Murs, and 28,453 shares were created for the purposes of bonus share grant plans.

<sup>(2)</sup> Disposals of real estate assets and securities restated during the transition to the SIIC regime resulted in €549 thousand relating to disposals completed in 2015 being allocated to available reserves.

<sup>(3)</sup> The Ordinary and Extraordinary General Meeting on 17 April 2015 allocated income as described below and paid a dividend of €4.30 per share.

(€K)	
Income for the year ended 31 December 2014	186,513
Additional paid-in capital	81,731
Merger premiums	41
Retained earnings	363
Distributable revaluation reserve	707
<b>TOTAL TO BE ALLOCATED</b>	<b>269,355</b>
Legal reserve	0
Dividends paid out	269,355
<b>TOTAL ALLOCATED</b>	<b>269,355</b>

### 3.5.3.4. Provisions

(€K)	Note	31/12/2014	Increase		Decrease		31/12/2015
			Merger	Charge	Reversals (amount used)	Reversals (amount not used)	
<b>Provisions for contingencies</b>		<b>51,289</b>	<b>2,705</b>	<b>682</b>	<b>5,016</b>	<b>2,029</b>	<b>47,631</b>
Portfolio-related litigation <sup>(1)</sup>		711		682	42	36	1,315
Provision for litigation		0					0
Provision for swap risks <sup>(2)</sup>		49,268			3,664		45,604
Provisions relating to investments		0	2,705			1,993	712
Yield-guarantee provision		0					0
Provision for treasury shares		1,310			1,310		0
<b>Provisions for losses</b>		<b>1,699</b>	<b>0</b>	<b>606</b>	<b>0</b>	<b>80</b>	<b>2,225</b>
End-of-career benefits	3.5.3.4.1	1,138		149			1,287
Provision for tax		0					0
Long service award		481		50			531
Provision for departure		80		407		80	407
<b>TOTAL</b>		<b>52,988</b>	<b>2,705</b>	<b>1,288</b>	<b>5,016</b>	<b>2,109</b>	<b>49,856</b>

<sup>(1)</sup> Provisions for real estate contingencies and liabilities in 2015 included €78 thousand in reversals of provisions for the Cassiopée building (€8 thousand), RGBM (€34 thousand) and Avenue de la République (€36 thousand) and allowances in the amount of €682 thousand on Issy Rouget-de-L'Isle – SCI Rock Fort (€510 thousand) and Nancy Raugraff (€172 thousand).

<sup>(2)</sup> The provision for overhedging on swaps related to debt restructuring was updated for €3,664 thousand.

#### 3.5.3.4.1. End-of-career benefits

As from the 2013 fiscal year, Foncière des Régions applies recommendation No. 2013-02 of November 2013 issued by the French accounting standards authority (Autorité des Normes Comptables – “ANC”) regarding recognition and measurement of retirement commitments and similar benefits. This recommendation allows for the evaluation of the provision for post-employment benefits in accordance with IAS 19R.

Regarding the recognition of these retirement commitments, Foncière des Régions opted for the immediate and full recognition in profit or loss of the result of the recognition of actuarial gains and losses.

#### Main assumptions used for end-of-career benefits and long-service awards

Parameters	31/12/2015	31/12/2014
Discount rate	1.35%	1.63%
Annual inflation		
Annual wage growth		
Managers	4%	4%
Non-managers	3%	3%
Payroll tax rate (IFC only)	47.82%	49.72%
Mortality rate	TGF05/TGH05	TGF05/TGH05
Turnover		
Up to 49	12.17%	10.92%
50 and over	0%	0%
Reason for retirement	100% voluntary	100% voluntary



### 3.5.3.5. Debt

(€K)	Note	31/12/2015	Amount due in less than one year	Amount due in one to five years	Amount due in over 5 years	31/12/2014
Convertible bonds	3.5.3.5.1	804,376	8,292	796,084		804,400
Bonds	3.5.3.5.1	1,205,273	25,273	680,000	500,000	1,205,329
Borrowings and debt from credit institutions <sup>[1]</sup>		824,755	767,755	57,000		510,035
Others loans and borrowings		152,141	152,141			95,522
Advances and pre-payments <sup>[2]</sup>		7,210	7,210			6,851
Trade payables and related accounts <sup>[3]</sup>		6,141	6,141			2,811
Tax and social security liabilities <sup>[4]</sup>		12,167	12,167			14,492
Debt on fixed assets and related accounts <sup>[3]</sup>		11,683	11,683			7,357
Other debt <sup>[5]</sup>		599	599			1,894
<b>TOTAL</b>		<b>3,024,345</b>	<b>991,261</b>	<b>1,533,084</b>	<b>500,000</b>	<b>2,648,691</b>

<sup>[1]</sup> Breakdown of "Borrowings and debt from credit institutions":

- €805,000 thousand is the outstanding principal due on credit lines
- €1,190 thousand in accrued interest
- €18,535 thousand in bank overdraft
- €30 thousand in bank charges.

The amount of borrowings taken out and credit lines drawn totalled €358,850 thousand; repayments during the period came to €215 thousand.

<sup>[2]</sup> Breakdown of advances and pre-payments:

- call for funds from tenants: €2,245 thousand
- customer credit balances: €4,199 thousand
- credit to raise: €766 thousand.

<sup>[3]</sup> Breakdown in trade payables and fixed asset suppliers:

(€K)	31/12/2015
<b>Operating payables</b>	<b>6,141</b>
Trade payables and related accounts	1,255
Suppliers – invoices not received	4,796
Not used commission payable	90
<b>Debt on fixed assets and related accounts</b>	<b>11,683</b>
Fixed asset trade payables and related accounts	714
Lease – works suppliers	11
Fixed asset suppliers – invoices not received	10,958
<b>TOTAL TRADE PAYABLES AND FIXED ASSET SUPPLIERS</b>	<b>17,824</b>

<sup>[4]</sup> Breakdown of tax and social security liabilities:

- €3,992 thousand in VAT
- €2,432 thousand in payroll and social security expenses
- €2,802 thousand in personnel expense
- €1,429 thousand in provisions for profit-sharing and company contributions
- Organic in the amount of €81 thousand
- €1,189 thousand in tax liabilities
- €242 thousand in taxes.

<sup>[5]</sup> "Other liabilities" corresponds to the balances of the accounts managed by GENEFIM (finance lease business).



### 3.5.3.5.1. Bonds

Foncière des Régions issued bonds with the following features:

Issue date	24/05/2011
Feature	convertible
Issue amount (€M)	€550 million
Number of securities issued	6,405,776
Number of securities redeemed	1,151,832
Number of securities converted to FDR shares	230
Securities outstanding at 31 December 15	5,253,714
Nominal rate	3.34%
Maturity	17/01/2017

Issue date	28/03/2013
Issue amount (€M)	€180 million
Nominal rate	3.300%
Maturity	30/04/2020

Issue date	20/11/2013
Feature	convertible
Issue amount (€M)	€345 million
Number of securities issued	4,071,757
Nominal rate	0.880%
Maturity	01/04/2019

Issue date	10/09/2014
Issue amount (€M)	€500 million
Nominal rate	1.750%
Maturity	10/09/2021

Accrued interest on bonds amounts to €33.6 million.

### 3.5.3.5.2. Bank covenants

As at 31 December 2015, the consolidated ICR and LTV Crédit Corporate bank covenants had all been met:

- ♦ LTV < 60% (with possibility to overrun in a half-year in the limit of 65%)
- ♦ ICR > 200%.

### 3.5.3.5.3. Accrued expenses

(€K)	31/12/2015	31/12/2014
Invoices not received	4,796	1,879
Paid leave	1,088	1,102
Other tax and social security liabilities	5,122	5,952
Other accrued expenses		718
Accrued bank interest – Charges	30	46
Accrued interest on borrowings	34,755	34,766
Accrued interest on investments		
<b>TOTAL</b>	<b>45,791</b>	<b>44,463</b>

Accrued interest is from bank loans (€1.2 million) and bonds (€33.6 million).

### 3.5.4. Notes to the income statement

In 2015, net income amounted to €205,607 thousand, compared with €186,513 thousand in 2014.

#### 3.5.4.1. Income from ordinary operations

##### 3.5.4.1.1. Revenues

(€K)	31/12/2015	31/12/2014
<b>Rental income</b>	<b>41,765</b>	<b>48,702</b>
Housing		5
Office	39,695	46,438
Logistics	1,154	1,241
Finance leases	916	1,018
<b>Provision of services</b>	<b>26,181</b>	<b>25,501</b>
<b>TOTAL</b>	<b>67,946</b>	<b>74,203</b>

The €6.7 million decline in rent is mainly attributable to:

- ♦ vacating of the Thalès Meudon asset following delivery of the Thalès Campus held by Lenovilla (-€4 million)
- ♦ vacating of the Issy asset, which had been rented to Yves Rocher and which is being restructured (-€2.6 million)
- ♦ rent exemptions granted on the Percier asset (-€2.5 million)
- ♦ offset by rental of the assets delivered in the period (for +€2.6 million), Nanterre Respiro, Lille Roubaix and Green Corner.

### 3.5.4.1.2. Reversals of provisions and transferred operating expenses

Reversals of provisions and transfers of operating expenses mainly consist of:

(€K)	31/12/2015
<b>Reversals of provisions for operating contingencies and losses</b>	<b>158</b>
Provision for employee departures	80
Cassiopée litigation	8
RGBM litigation	34
Ave de la République building litigation	36
Yield guarantee	
<b>Reversal of provisions on tangible fixed assets</b>	<b>3,756</b>
<b>Reversal of provisions for bad debt</b>	<b>374</b>
<b>Transferred charges</b>	<b>3,328</b>
Loan issue costs	2,450
Incentive payments in shares	709
Benefits in kind awarded to staff	125
Re-invoicing of company liabilities following a transfer	20
Batisica re-invoicing	17
Art 700 re-invoicing	4
Bonus for hiring apprentices	2
Repayment of insurance charges	1
<b>TOTAL REVERSALS OF PROVISIONS, IMPAIRMENT, TRANSFERS OF CHARGES</b>	<b>7,616</b>

### 3.5.4.1.3. Operating expenses

(€K)	31/12/2015	31/12/2014
Other purchases and external expenses <sup>(1)</sup>	21,204	17,662
Taxes and related payments	7,797	8,948
Personnel expenses	22,011	23,230
Depreciation, amortisation and provisions <sup>(2)</sup>	24,640	27,052
Other operating expenses	2,750	3,299
<b>TOTAL OPERATING EXPENSES</b>	<b>78,402</b>	<b>80,191</b>

<sup>(1)</sup> The €3.5 million increase in «Other purchases and external expenses» relates to the works on the Respiro building in Nanterre.

<sup>(2)</sup> Breakdown of depreciation, amortisation and provisions:

(€K)	31/12/2015	31/12/2014
Amortisation of intangible assets	651	853
Depreciation of rental assets	14,663	14,049
Depreciation of furniture and equipment	511	572
Deferred expenses	4,670	4,681
<b>Sub-total for depreciation and amortisation</b>	<b>20,495</b>	<b>20,155</b>
Provisions for trade receivables	192	99
Provisions for fixed assets	2,665	6,458
Provisions for contingencies and losses <sup>(3)</sup>	1,288	340
<b>Sub-total for provisions</b>	<b>4,145</b>	<b>6,897</b>
<b>TOTAL</b>	<b>24,640</b>	<b>27,052</b>

<sup>(3)</sup> The breakdown of provisions for contingencies and liabilities is provided in 3.5.3.4.

### 3.5.4.2. Net financial income

(€K)	Note	31/12/2015	31/12/2014
<b>Financial income from investments</b>		<b>352,795</b>	<b>291,271</b>
Dividends received from subsidiaries and equity investments	3.5.4.2.1	352,791	291,262
Financial income on guarantees given		4	9
<b>Other marketable securities and fixed asset receivables income</b>		<b>3,446</b>	<b>12,084</b>
Income from loans to employees		4	5
Income from loans to subsidiaries		3,442	12,079
<b>Other interest and similar income</b>		<b>39,266</b>	<b>91,013</b>
Interest on group current accounts		1,744	2,005
Income from swaps		23,938	23,926
Revenue from term accounts		7,454	3,560
Other income		1,463	1,203
Statutory interest		3,727	
Merger premiums	3.5.4.2.2	940	60,319
<b>Reversal of provisions and transferred expenses</b>	<b>3.5.4.2.3</b>	<b>26,240</b>	<b>14,601</b>
Reversals of contingencies and losses financial provisions		5,736	6,421
Reversal of provisions on financial assets	3.5.3.1.6	19,460	6,563
Transferred financial expenses <sup>(1)</sup>		1,044	1,617
<b>Net income from disposal of marketable securities</b>		<b>3</b>	<b>8</b>
<b>Total financial income</b>		<b>421,751</b>	<b>408,976</b>
<b>Provisions for financial contingencies and losses</b>		<b>106,892</b>	<b>102,749</b>
Provisions for financial contingencies		832	609
Provisions for treasury shares		0	298
Provisions on financial assets <sup>(2)</sup>	3.5.3.1.6	105,483	101,477
Other financial provisions		577	365
<b>Interest and similar expenses</b>		<b>107,412</b>	<b>138,982</b>
Loans and swaps interest <sup>(3)</sup>		96,399	87,236
Interest on group current accounts		1,712	2,231
Bank interest and financing operations <sup>(3)</sup>		7,290	49,515
Merger deficit	3.5.4.2.2	2,011	0
<b>Net expenses from disposal of marketable securities</b>		<b>2,333</b>	<b>4,371</b>
<b>Total financial expenses</b>		<b>216,637</b>	<b>246,102</b>
<b>NET FINANCIAL INCOME</b>		<b>205,114</b>	<b>162,874</b>

<sup>(1)</sup> Personnel expenses in 2015 included the cost of awarding free shares to employees, which was €1,044 thousand, and was offset by a transfer of financial expenses in an equivalent amount.

<sup>(2)</sup> Corresponds to provisions for financial assets amounting to €105,463 thousand and for treasury shares amounting to €20 thousand (liquidity agreement, external growth and pending allocation to employees under future bonus share plans).

<sup>(3)</sup> Includes interest on borrowings and swaps; in 2014, the interest on swaps was included under bank interest.

### 3.5.4.2.1. Breakdown of dividends

Dividends received from subsidiaries are as follows:

Companies distributing dividends (€K)	Dividends received in 2015	Dividends received in 2014
Technical SAS	74,610	48,363
Foncière Europe Logistique	53,854	
Foncière des Murs SCA	49,560	28,171
Télimob Paris	32,739	65,135
Immeo Rewo Holding GmbH	30,000	
Beni Stabili	24,121	21,441
Foncière Développement Logements	18,288	43,643
SCI du 57/59 rue du Commandant Mouchotte	8,500	
GFR Blériot	7,558	1,962
SCI Iméfa 127	6,908	2,000
OPCI CB21	6,221	6,766
FDR 7	5,586	3,954
Latécoère	5,346	7,852
SCI Charenton	4,760	
SCI Atlantis	4,280	5,312
Fédération	2,868	2,803
SCI 11 place de l'Europe	1,633	1,603
SCI Raphael	1,400	1,402
SCI du 125 avenue du Brancolar	1,280	
Omega A	1,240	4,500
SCI 10/14 rue des Tanneurs	1,240	
Omega C	900	1,670
FDM Gestion	737	608
Bga Transactions	732	
SCI du 40 rue JJ Rousseau	730	
SCI du 2 rue de L'III	700	
SCI du 682 cours de la Libération	695	
SCI du 20 avenue Victor Hugo	676	
Lenopromo	675	20,879
SARL du 25-27 quai Félix Faure	629	
SCI du 11 avenue de Sully	575	
SCI du 8 rue M. Paul	538	
SCI Pompidou	500	
Technical Property Fund 1	197	860
Others	2,515	315
FDR Property		780
GFR Ravinelle		239
Comédie		1
Ruhl Côte d'Azur		3,000
Le Ponant 1986		600
Foncière Electimmo		12,303
Foncière Palmer		3,500
Palmer Montpellier		1,600
<b>TOTAL</b>	<b>352,791</b>	<b>291,262</b>

### 3.5.4.2.2. Breakdown of merger gains and losses for the year

(€K)

Company	Accounting treatment			
	Financial income (merger premium)	Financial expense (merger deficit)	Allocation to an intangible fixed asset (net technical merger loss)	Allocation to shareholders' equity (merger premium)
GFR Services SAS		6		
FDR 5				253
FDR 6		1,970		
SAS Blériot	940			
Aberdeen Balanced France Holding 3		35		
<b>TOTAL</b>	<b>940</b>	<b>2,011</b>	<b>0</b>	<b>253</b>

### 3.5.4.2.3. Breakdown of reversals of provisions and charges transferred

(€K)

	31/12/2015
Reversal of provisions for financial contingencies and charges	25,196
Reversal of provisions on investments	18,150
Reversal of provisions on treasury shares	1,310
Technical Swap – FDR 4	3,664
Reversal of provisions for Latécoère contingencies and charges	1,994
Reversal of provisions for FDR Développement contingencies and charges	78
Transferred financial expenses	1,044
Costs for allocating shares to employees	1,044
<b>TOTAL</b>	<b>26,240</b>

### 3.5.4.3. Net non-recurring income

Income (€K)	31/12/2015	31/12/2014
<b>Non-recurring income on management transactions</b>	<b>1,083</b>	<b>1,307</b>
Miscellaneous income	1,073	294
Non-recurring income on finance leases	10	327
Delegated management	0	686
<b>Income on capital transactions</b>	<b>56,836</b>	<b>95,296</b>
Non-recurring income on disposal of buildings	16,277	64,500
Non-recurring income on exercise of finance lease purchase options	0	
Income on disposals of treasury shares	22,220	30,733
Income from disposal of securities <sup>(1)</sup>	18,237	
Tax relief FDR 1	0	
Miscellaneous non-recurring income	102	63
<b>Reversal of provisions</b>	<b>1,327</b>	<b>1,479</b>
Provisions for capital cost allowances		1,479
Finance leases – Reversal of Art. 64 provisions <sup>(2)</sup>	1,189	
Finance leases – Reversal of Art. 57 provisions <sup>(2)</sup>	138	
Reversals of construction provisions	0	
<b>Non-recurring income</b>	<b>59,246</b>	<b>98,082</b>
<b>NET NON-RECURRING INCOME</b>	<b>3,641</b>	<b>24,232</b>

Expenses (€K)	31/12/2015	31/12/2014
<b>Non-recurring expenses on management transactions</b>	<b>128</b>	<b>119</b>
Miscellaneous expenses	3	2
Expenses on finance leases	1	95
Discontinued operation	94	0
Non-recurring expenses on operating leases	30	22
<b>Expenses on capital transactions</b>	<b>54,356</b>	<b>72,798</b>
Book value of buildings sold off	12,026	39,299
Net book value of other fixed assets sold	1,080	1,431
Net book value from exercise of finance lease purchase options <sup>(2)</sup>	1,327	0
NBV of intangible fixed assets	60	1,969
Book value of treasury shares sold	21,676	30,035
Book value of securities sold <sup>(1)</sup>	18,179	0
Loss on share repurchase		
Miscellaneous expenses	8	64
<b>Depreciation and provisions</b>	<b>1,121</b>	<b>933</b>
Capital cost allowances	446	351
Finance leases – Art. 64 provisions		123
Finance leases – Art. 57 provisions	94	94
Depreciation and amortisation charges	581	365
<b>Non-recurring expenses</b>	<b>55,605</b>	<b>73,850</b>

<sup>(1)</sup> Income from disposal of securities and book values of securities disposed of:

(€K)	Disposal price	Net Book Value	Income (loss) from disposal of securities
Foncière Développement Logements securities	92	34	58
OPCI Technical Property Fund securities	18,145	18,145	0
<b>TOTAL</b>	<b>18,237</b>	<b>18,179</b>	<b>58</b>

<sup>(2)</sup> The reversal of Art. 64 and Art. 57 provisions are proportional to the net book value of the exercise of lease purchase options.



### 3.5.4.4. Corporate income tax

Foncière des Régions is subject to the French listed real estate investment trust tax regime (SIIC). The taxable income sector result was €3,774,610.

The portion subject to corporate income tax was €1,387,305, generating tax of €462,434 from which €147,313 in tax credits for 2015 were deducted (the balance of tax due is €241,728).

The Group has opted to deduct the CICE (competitiveness and employment tax credit) tax credit from payroll, except for the tax credit arising from tax transparent companies.

The CICE tax credit is used to fund training and development at Foncière des Régions. It is not used to increase the Company's dividend.

The SIIC regime allows the exemption of:

- ♦ income from the leasing of assets
- ♦ capital gains from the sale of assets to non-related companies
- ♦ dividends from subsidiaries either subject corporation tax and opting for the SIIC regime or not subject to corporation tax.

In return, the Company is subject to the following obligations concerning dividends:

- ♦ 95% of the taxable income from the leasing of assets must be distributed before the end of the year after the one in which said income was generated
- ♦ 60% of the capital gains from disposals of assets and shares in subsidiaries having opted for the tax treatment must be distributed before the end of the second fiscal year following the one in which they were realised
- ♦ 100% of dividends from subsidiaries that have opted for the tax treatment must be distributed during the year after the year they are received.

The total distribution Bonds is calculated by applying the appropriate distribution coefficient to each income category, limited to the taxable income from the entire exempt sector.

### 3.5.4.5. Increase in and relief of future tax liabilities

As at 31 December 2014, the amount of Foncière des Régions' tax loss carryforwards was €221,076,136. In respect of the 2015 fiscal year, €2,387,305 of this deficit was used, and €1,058,402 was allocated, following the tax audit of the 2012-2013 fiscal years.

As at 31 December 2015, the tax loss carryforward totalled €217,630,429.

### 3.5.4.6. Non-tax-deductible expenses

In accordance with Article 223 *quater* of the French General Tax Code, it should be noted that financial statements for the past year include a total of €54,966 corresponding to non-tax-deductible expenses (depreciation and excess rent on leased vehicles).

During the past fiscal year, Foncière des Régions incurred no expenses subject to Articles 223 *quinquies* and 39-5 of the French General Tax Code.

### 3.5.5. Off-balance sheet commitments

#### 3.5.5.1. Commitments given

Off-balance sheet commitments given (€M)	Maturity	31/12/2015	31/12/2014
<b>Commitments related to consolidated companies</b>		<b>94.9</b>	<b>83.5</b>
Investment commitments		0.0	0.0
Commitments relating to ad hoc non-consolidated entities likely to have significant impacts on the financial statements		0.0	0.0
Commitments given for specific transactions		0.0	0.0
Conservation commitments (Article 210 E)	2016	94.9	83.5
Others		0.0	0.0
<b>Commitments related to financing</b>		<b>0.0</b>	<b>0.2</b>
Financial guarantees given		0.0	0.2
<b>Commitments related to operating activities</b>		<b>90.2</b>	<b>71.1</b>
Financial instruments contracted for the purpose of receipt or delivery of a non-financial item (own use contracts)		0.0	0.0
<b>Commitments given related to business development</b>		<b>54.5</b>	<b>59.6</b>
Work commitments outstanding on assets under development <sup>(1)</sup>		54.5	59.6
Purchase commitments		0.0	0.0
<b>Commitments related to the implementation of operating contracts</b>		<b>2.2</b>	<b>0.0</b>
Earn-out payments		0.0	0.0
Exercise of finance lease options		0.0	0.0
Work commitments outstanding on investment properties <sup>(2)</sup>		2.2	0.0
Management fee guarantee		0.0	0.0
<b>Commitments related to asset disposals</b>		<b>33.5</b>	<b>11.5</b>
Rental guarantees on assets sold		0.0	1.5
Preliminary sale agreements given		33.5	10.0

<sup>(1)</sup> Commitments relating to work on assets under development (2015):

(€M)	Cost of works – signed <sup>(*)</sup>	Amounts of works accounted for	Amounts for works commitments outstanding	Delivery date
Bose Saint-Germain	17.7	16.5	1.2	Q1 2016
Nancy Grand Cœur O'RIGIN	18.8	7.0	11.8	Q2-2017
Issy Grenelle [2438]	41.0	5.2	35.9	Q3-2017
Meudon Canopée/Meudon <sup>(*)</sup> Thalès	11.3	5.7	5.6	2019
<b>TOTAL</b>	<b>88.8</b>	<b>34.2</b>	<b>54.5</b>	

<sup>(\*)</sup> The amounts for firm construction contracts are monitored and updated regularly.

<sup>(2)</sup> Commitments relating to work on assets under development (2015):

(€M)	Cost of works signed	Amounts of works accounted for	Amounts for works commitments outstanding	Delivery date
Nancy Grand Cœur O'RIGIN	1.2	0.0	1.2	
Green Corner	1.0		1.0	
<b>TOTAL</b>	<b>2.2</b>	<b>0.0</b>	<b>2.2</b>	

- Under its SIIC status, the Group has specific obligations, as set out in Section 3.5.4.4.
- Under the bonus share plans awarded (see 3.5.6.5), Foncière des Régions has undertaken to deliver (through acquisition or issue) 369,607 shares to the beneficiaries present at the end of the vesting period.
- As part of the New Vélizy project managed by SCI Lenovilla, Foncière des Régions granted a yield guarantee to Predica on 1 February 2013 subject to the following terms:
  - 4% per annum on amounts invested during the 17-month period beginning on 1 August 2014
  - 7.1% per annum on the amounts invested during the period beginning after the 17-month period until the date of the first rent received.
- Under an investment agreement for the construction of a real estate complex leased to Eiffage, Foncière des Régions granted a yield guarantee to its partner Crédit Agricole Assurance (Predica). This guarantee could be exercised by the partner if

the dividends received from the SCI 11, place de l'Europe prove insufficient to cover a minimum yield of 4% per year of the funds contributed by Crédit Agricole Assurance to the Eiffage Campus project. This guarantee is open as of the start of the work and until the end of the incentive period granted to the tenant, *i.e.* until September 2017.

- As part of the Dassault Systems extension project managed by SCI Latécoère 2, Foncière des Régions granted a yield guarantee to SCI DS Campus on 18 June 2015 subject to the following terms:
  - 3% per annum on the amounts invested during the period beginning on the date of completion and ending on the earliest of the following two dates: 30 November 2016 or 28 February 2017
  - 3.5% per annum on amounts invested during the 18-month period beginning the day after the end date
  - 7% per annum on amounts invested during the period beginning the day after the end of the 3.5% period and ending on the date of the first rent receipt.

### 3.5.5.2. Commitments received

Off-balance sheet commitments received (€M)	Maturity	31/12/2015	31/12/2014
<b>Commitments related to financing</b>		<b>864.0</b>	<b>829.0</b>
Commitments related to financing not specifically required by IFRS 7			
Financial guarantees received (authorised lines of credit not used)		864.0	829.0
<b>Commitments related to operating activities</b>		<b>105.1</b>	<b>72.0</b>
Financial instruments contracted for the purpose of receipt or delivery of a non-financial item (own use contracts)			
Other contractual commitments received related to business activities			
Assets received in pledge, mortgage or collateral, as well as guarantees received		15.0	2.3
Preliminary sale agreements received		33.5	10.0
Works committed outstanding (fixed assets)		56.7	59.6

#### 3.5.5.2.1. Swaps

As a variable-rate borrower, Foncière des Régions is subject to the risk of interest rates rising over time. Exposure to this risk is limited through hedging (swaps, caps and floors).

The acquisition of assets is generally financed through debt, primarily based on variable rates. The rate risk management policy involves systematically hedging variable-rate debt as soon as it is taken out in order to secure the financial flows. In principle, variable-rate debt is hedged over the planned term for holding the assets, a period at least longer than its maturity.

Real estate assets cannot be disposed of before the associated debt has been discharged. In the event of a disposal, the debt is repaid early. The hedging policy is flexible in order to prevent any risk of over hedging in the event of assets being sold off.

Foncière des Régions' borrowings and debt with credit institutions have been covered by swap agreements.



The table below summarises the major features of these swap contracts:

Start date	End date	Ref.	Bank	Rate type	Notional (€K)	Fair value
03/01/2001	04/01/2016	swaps	CALYON	5.43%	254	0
31/03/2009	30/12/2016	swaps	BNP	4.37%	100,000	-4,589
29/12/2006	31/12/2019	swaps	NATIXIS	3.78%	150,000	-22,650
31/12/2010	31/12/2018	swaps	NATIXIS	3.75%	75,000	-8,696
31/12/2010	31/12/2019	swaps	NATIXIS	3.75%	75,000	-11,234
30/11/2010	30/11/2016	swaps	HSBC	4.19%	150,000	6,051
30/11/2010	30/11/2020	swaps	HSBC	3.91%	150,000	-27,818
30/09/2011	30/12/2016	swaps	DEXIA	4.37%	100,000	4,587
30/09/2011	31/12/2020	swaps	DEXIA	3.80%	100,000	-18,259
30/09/2011	30/12/2016	swaps	HSBC	4.33%	100,000	4,549
30/09/2011	31/12/2020	swaps	HSBC	3.86%	100,000	-18,588
20/01/2012	20/07/2020	swaps	CM CIC	3.14%	25,000	-3,472
16/10/2012	16/01/2018	swaps	NATIXIS	0.98%	250,000	4,851
28/03/2013	30/04/2020	swaps	NATIXIS	1.17%	170,000	7,866
18/09/2013	18/09/2020	swaps	HSBC	1.58%	200,000	13,709
31/12/2013	29/12/2023	swaps	PAL	2.00%	20,000	-2,281
28/11/2014	31/05/2023	swaps	SG	2.97%	125,000	-22,907
10/09/2014	10/09/2021	swaps	LCL	0.77%	150,000	2,845
31/12/2014	31/12/2024	swaps	CA	3.25%	200,000	-45,604
31/03/2016	31/12/2018	swaps	LCL	3.75%	75,000	7,968
<b>TOTAL FONCIÈRE DES RÉGIONS</b>					<b>2,315,254</b>	<b>-133,672</b>

### 3.5.5.2.2. Caps and floors

Foncière des Régions' loans and debts with credit institutions are subject to a cap and floor contract.

The table below summarises the major characteristics of the cap and floor contracts:

Start date	End date	Ref.	Bank	Rate type	Notional (€K)	Fair value
30/12/2011	31/12/2018	A – Cap	BNP	3.25%	75,000	21
30/12/2011	31/12/2018	A – Cap	BNP	3.25%	75,000	21
29/12/2017	29/12/2023	A – Call swaption	SG	3.00%	125,000	48
29/12/2017	29/12/2023	V – Put swaption	SG	1.80%	150,000	-9,369
31/12/2014	29/12/2017	A – Cap	HSBC	2.00%	100,000	9
31/12/2014	29/12/2017	A – Cap	CACIB	1.50%	50,000	7
30/12/2016	31/12/2021	A – Call swaption	HSBC	2.50%	100,000	2
31/12/2018	29/12/2028	A – Call swaption	LCL	3.15%	100,000	707
31/12/2015	29/12/2028	V – Put swaption	LCL	2.21%	100,000	-9,303

## 3.5.6. Sundry information

### 3.5.6.1. Average headcount during the year and at the end of the period

	2015	2014
Managers	122	122
Supervisors	18	22
Employees	6	7
Building superintendents		
<b>TOTAL EXCLUDING APPRENTICES</b>	<b>146</b>	<b>151</b>
Apprentices	6	5
<b>TOTAL</b>	<b>152</b>	<b>156</b>

As at 31 December 2015, the Company had 155 employees, with 148 on open-ended contracts.

### 3.5.6.2. Management and Directors' remuneration

#### 3.5.6.2.1. Attendance fees

The attendance fees paid over the year by Foncière des Régions amounted to €353,375.

#### 3.5.6.2.2. General Management Members' remuneration

Members of the General Management and the Chairman of the Foncière des Régions Board of Directors received overall remuneration of €2,549 thousand for their roles, excluding the valuation of bonus shares.

Members of General Management do not receive any post-retirement benefits, other than payment of compensation.

In the event of forced departure as a result of a change in control or strategy, the following Directors will receive compensation, provided that the performance conditions outlined in Section 1.14.1.2.6. are met:

- ♦ Christophe Kullmann (General Manager): the indemnity will be equal to 12 months' salary (fixed and variable) increased by one month for each year of service, limited in total to 24 months' salary.
- ♦ Olivier Estève (Deputy General Manager): the indemnity will be equal to 12 months' salary (fixed and variable) increased by one month for each year of service, limited in total to 24 months' salary.

### 3.5.6.3. Information regarding related-party transactions

All related party transactions are concluded under normal market conditions.

### 3.5.6.4. Information on items with related companies

(€K)	Amount
Advances and pre-payments on fixed assets	0
Equity affiliates	4,334,453
Investment related receivables	0
Loans	798,200
Trade receivables and related accounts	107,656
Other receivables	0
Other sundry long-term loans and borrowings	0
Other sundry short-term loans and borrowings	0
Advances and deposits received on orders in progress	766
Trade payables and related accounts	149,483
Debt on fixed assets and related accounts	0
Other debt	0
Income from investments	352,790
Other financial income	8,913
Financial expenses	-1,716

### 3.5.6.5. Bonus shares

In 2015, bonus shares were distributed by Foncière des Régions. The following fair-value assumptions were made for the bonus shares:

	2015			
	France with performance conditions	France without performance conditions	Italy with performance conditions	Germany without performance conditions
Date awarded	19/02/2015	19/02/2015	19/02/2015	19/02/2015
Number of shares awarded	20,000	5,071	5,500	3,000
Share price on the date awarded	€93.75	€93.75	€93.75	€93.75
Exercise period for rights	3 years	3 years	4 years	4 years
2015 dividend per share	4.30	4.30	4.30	4.30
2016 dividend per share	4.41	4.41	4.41	4.41
2017 dividend per share	4.52	4.52	4.52	4.52
2018 dividend per share			4.52	4.52
Value of bonus share	€80.50	€80.50	€75.97	€75.97
Value of the benefit	€51.05	€68.06	€46.41	€61.88

In 2015, a total of 33,571 bonus shares were awarded to certain categories of employees.

At the end of year, the Company will introduce a new bonus share plan which will be approved during the General Meeting on 27 April 2016. 63,290 shares will be granted under this plan. As at 31 December 2015, 369,607 bonus shares were granted and had not yet vested.

### 3.5.6.6. Subsidiaries and investments

#### SUBSIDIARIES AND INVESTMENTS AT 31 DECEMBER 2015 (ARTICLE L. 233-15 OF THE FRENCH COMMERCIAL CODE)

Companies or groups of companies (€K)	Share capital	Reserves and retained earnings before allocation of income	Capital interest (%)	Book value of securities held	
				Gross	Net
I. DETAILED INFORMATION					
A. Subsidiaries (at least 50% of the capital held by the Company)					
1) Real estate					
a) Rental property					
SAS GFR Blériot (merged on 31/10/2015)					
SCI Esplanade Belvédère II	366	1	100.00	451	390
Foncière Développement Logements	116,742	34,609	100.00	190,489	190,489
Foncière Margaux	40	34	100.00	34	34
SCI Raphaël	9	7,994	100.00	8,004	8,004
GFR Kléber	6,001	16	100.00	6,001	6,001
SCI Omega A	13,606	435	100.00	14,163	14,163
SCI Omega C	7,447	1,042	100.00	8,843	8,843
SCI Ruhl Côte d'Azur	1	3,006	100.00	29,584	29,584
SCI Le Ponant 1986	15	7,180	100.00	4,162	4,162
SA Technical	105,543	166,674	100.00	382,583	382,583
Foncière Europe Logistique	1,165	239,760	100.00	481,152	291,739
Latécoère	6,612	6,119	50.10	33,356	33,356
FDR 7	4	46,069	100.00	45,513	45,513
Cœur d'Orly Promotion	37	-5	50.00	19	19
SCI Atlantis	2	-2,996	100.00	28,429	28,429
SCI Iméfa 127	81,788	1,025	100.00	103,476	103,476
SCI Pompidou	966	4,035	100.00	5,000	5,000
SCI 11 Place de l'Europe	2	-89	50.10	8	8
SCI Languedoc 34	11,241	91	100.00	11,241	11,241
Office CB 21	330,447	12,838	75.00	247,695	247,695
SCI Lenovilla	5	13,116	50.09	6,247	6,247
SCI du 32 avenue P Grenier	157	6,651	100.00	20,610	20,610
SCI du 57/59 rue du Cdt R Mouchotte	92	-9,106	100.00	12,835	12,835
SCI du 40 rue JJ Rousseau	24	1	100.00	12	12
SCI du 3 place A Chaussy	15	0	100.00	234	234
SARL BGA Transactions	50	3,635	100.00	3,210	3,210
SCI du 288 rue Duguesclin	319	3,669	100.00	4,498	4,498
SCI du 9 rue des Cuirassiers	42	-226	100.00	5,693	5,693
SCI 35/37 rue Louis Guérin	34	-5,385	100.00	967	967
SCI du 15 rue des Cuirassiers	159	3,013	100.00	2,141	2,141
SARL du 25-27 Quai Félix Faure	18	101	100.00	1,231	1,231
SCI du 10B ET 11A 13 allée des Tanneurs	32	5	100.00	1,441	1,441
SCI du 11 avenue de Sully	14	2	100.00	505	505
SCI du 8 rue M. Paul	11	1	100.00	285	285
SCI du 1 rue de Châteaudun	17	1,996	100.00	2,048	2,048



Outstanding loans and advances granted by the Company & not reimbursed	Guarantees and sureties given by the Company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the Company over the year	Comments
0		25	1,490	7,558	
0		93	23	31	
0		17,202	60,179	18,288	
0		0	-13	0	
19,000		2,507	1,746	1,400	
6,800		932	145	223	
15,500		3,036	2,475	1,240	
12,984		2,369	1,975	900	
13,000		2,777	1,623	0	
2,200		936	658	0	
13,422		75,840	52,149	74,610	
0		17,360	23,308	53,854	
0		4,924	3,637	5,346	
10,000		6,218	7,295	5,586	
2,782		25,013	3,283	0	
30,000		4,835	4,189	4,280	
0		6,561	5,010	6,908	
6,000		1,109	563	500	
32,568		3,283	-998	1,633	
0		901	486	433	
0		0	8,312	6,221	
44,643		81	-9,773	0	
17,100		3,038	1,975	0	
5,888		0	18,760	8,500	
6,400		1,015	760	730	
4,400		903	424	425	
8,800		1,730	-262	732	
761		2,076	1,707	0	
18,948		199	-1,141	0	
22,950		2,593	1,339	0	
12,178		0	-1,595	0	
4,247		1,086	610	629	
8,500		1,796	1,008	1,240	
3,700		756	369	575	
2,700		699	367	538	
2,150		1,043	676	196	



Companies or groups of companies (€K)	Share capital	Reserves and retained earnings before allocation of income	Capital interest (%)	Book value of securities held	
				Gross	Net
SCI du 1630 Avenue de la Croix Rouge	12	982	100.00	83	83
SCI du 2 rue de Verdun	12	-1,635	100.00	88	0
SCI du 125 avenue du Brancolar	25	2	100.00	7	7
SCI du 682 cours de la Libération	15	1	100.00	644	644
SARI du 106-110 rue des Troènes	9	15	100.00	9	9
SARL du 11 rue Victor Leroy	13	0	100.00	2	2
SCI du 2 rue de l'Ill	14	5	100.00	198	198
SCI du 20 avenue Victor Hugo	12	-1	100.00	3	3
SARL du 2 rue Saint-Charles	16	114	100.00	7	7
SNC Palmer Transaction	4,356	-6,041	100.00	453	0
SNC Foncière Palmer	320	1,466	100.00	1,932	1,932
SNC Palmer Plage	4,605	-7,635	100.00	1,916	1,916
SCI Palmer Montpellier	292	479	100.00	0	0
SCI Dual Center	1,352	792	100.00	1,500	1,500
SCI Latécoère 2	2	-79	50.10	1	0
SCI Meudon Saulnier	1	-1,101	99.90	1	1
SCI Charenton	3,201	9,301	100.00	16,001	16,001
SCI avenue de la Marne	1	0	100.00	1	0
SCI Euromarseille 3	1	0	100.00	1	1
Omega B	5,963	-2,057	100.00	15,977	13,661
Fédération	16,151	12,236	100.00	27,411	27,411
<b>c) Real estate trader</b>					
SARL GFR Ravinelle	952	668	99.98	1,733	1,597
<b>d) Real estate development</b>					
Lenopromo	1	1	99.90	1	1
Latepromo	1	0	99.90	1	1
Promomurs	1	0	100.00	1	0
<b>2) Car Parks</b>					
Urbis Park	6,450	70,692	59.50	5	4
Gespar	30	1	50.00	34	34
<b>3) Services</b>					
GFR Services (merged on 30/09/2015)					
FDM Gestion	37	4	100.00	37	37
FDR 2	927	-1,323	100.00	927	0
FDR 5 (merged on 30/09/2015)					
FDR 6 (merged on 30/09/2015)					
Euromarseille 1	3,501	2,954	50.00	3,587	3,587
Euromarseille 2	3,501	-928	50.00	3,564	3,564
Foncière des Régions Sgp	592	167	100.00	1,395	943
FDR Property SNC	2,037	226	100.00	2,737	1,217
FDR Développement	200	-428	100.00	1,852	0
Télimob Paris SARL	529	39,936	100.00	47,670	47,670



Outstanding loans and advances granted by the Company & not reimbursed	Guarantees and sureties given by the Company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the Company over the year	Comments
9,798		477	-32	0	
4,060		0	-800	0	
6,400		1,469	1,128	1,280	
3,400		858	636	695	
2,000		425	222	227	
2,600		760	465	491	
3,100		869	635	700	
2,850		836	646	676	
3,400		895	539	479	
5,400		0	-177	0	
2,440		676	237	0	
49,383		4,291	1,651	0	
2,771		0	-401	0	
2,200		459	325	0	
17,491		0	-202	0	
25,070		282	-913	0	
147,047		10,552	5,177	4,760	
16,977		0	-27	0	
0		0	-1	0	
11,061		110	-54	0	
24,000		0	5,022	2,868	
0		10	-23	0	
0		0	3,880	675	
0		0	6,747	0	
86		0	-6	0	
0		14,592	-2,071	0	
0		49	25	0	
0		0	-2,170	0	
0		1,581	404	737	
16,766		0	-756	0	
0		0	340	0	
0		0	-66	0	
46,496		0	393	0	
29,252		0	3,844	0	
0		919	184	0	
0		8,560	-1,046	0	
0		5,260	-484	0	
3,485		657	28,554	32,739	

Companies or groups of companies (€K)	Share capital	Reserves and retained earnings before allocation of income	Capital interest (%)	Book value of securities held	
				Gross	Net
Aberdeen Balanced France Holding 3 (merged on 31/12/2015)	7,596	-4,589	100.00	0	0
Immeo Rewo Holding GmbH	25	616,816	100.00	646,486	646,486
FDR Participations	1	0	100.00	1	0

**B. Investment (10% to 50% of capital held by the Company)**

**1) Real estate**

**a) Rental property**

Foncière des Murs SCA	296,416	559,750	43.15	653,265	653,265
Technical Property Fund <sup>(1)</sup>			26.49		
Beni Stabili	226,959	1,587,326	48.47	1,190,731	849,882

**II. GENERAL INFORMATION ON OTHER HOLDINGS**

**A. Subsidiaries not included in Section 1**

a) French subsidiaries (total)

b) Foreign subsidiaries (total)

**B. Investments not included in Section 1**

a) In French companies (comédie/oseo/finantex/MRDIC/FNAIM) <sup>(1)</sup>	152	797		5	4
b) In foreign companies					

**III. GENERAL INFORMATION ON HOLDINGS**

**A. Subsidiaries I + II**

a) French subsidiaries (total)	738,156	664,125		1,791,941	1,594,718
b) Foreign subsidiaries (total)	7,621	612,227		646,486	646,486

**B. Investments I + II**

a) In French companies	296,416	559,750		653,265	653,265
b) In foreign companies	226,959	1,587,326		1,190,731	849,882

<sup>(1)</sup> Information not available on closing date.



Outstanding loans and advances granted by the Company & not reimbursed	Guarantees and sureties given by the Company	Revenues net of tax for the most recent year ended	Profit (loss) for the most recent year ended	Dividends received by the Company over the year	Comments
0		0	-3,628	0	
106,100		0	30,066	30,000	
4		0	-3	0	
0		6,303	-45,480	49,560	
0		213,100	-65,805	24,121	
0		1,052	481	0	
765,156	0	247,498	243,091	241,345	
106,100	0	0	26,438	30,000	
0	0	6,303	-45,480	49,560	
0	0	213,100	-65,805	24,121	

### 3.5.6.7. Subsequent events

- ♦ A preliminary sale agreement was signed for an asset located in Fontenay-sous-Bois for €29 million.
- ♦ A preliminary agreement for the acquisition of securities valued at €3 million was signed; it relates to an SCI that holds an asset in Saint-Ouen.

### 3.5.6.8. Company earnings over the past five fiscal years

(€)	31/12/2011	31/12/2012	31/12/2013	31/12/2014	31/12/2015
<b>I – Capital at year-end</b>					
a. Share capital	164,846,385	173,690,076	188,049,264	188,050,671	199,889,196
b. Number of ordinary shares outstanding	54,948,795	57,896,692	62,683,088	62,683,557	66,629,732
c. Number of priority dividend shares (without voting rights) outstanding	0	0	0	0	0
d. Maximum number of future shares to be created	0	0	0	0	0
d1. Through conversion of bonds	0	0	0	0	0
d2. Through exercise of subscription rights	383,279	327,319	311,561	310,056	371,557
<b>II – Operations and income for the fiscal year</b>					
a. Revenues net of tax	77,715,684	73,716,015	72,992,648	74,203,034	67,946,138
b. Income before tax, employee profit sharing, depreciation and provisions	176,505,542	230,436,681	192,350,072	303,487,063	307,764,301
c. Corporate income tax	0	747,538	789,695	2,387,437	315,121
d. Employee profit-sharing due for the year	0				
e. Income after tax, employee profit-sharing, depreciation and provisions	113,562,173	142,109,966	180,571,839	186,513,137	205,606,731
f. Distributed income	230,784,939	243,166,106	263,268,970	263,270,939	286,507,848
<b>III – Net income per share</b>					
a. Income after tax and employee profit sharing, but before depreciation and provisions	3.21	3.97	3.06	4.80	4.61
b. Income after tax, employee profit-sharing, depreciation and provisions	2.07	2.45	2.88	2.98	3.09
c. Dividend per share	4.20	4.20	4.20	4.30	4.30
<b>IV – Personnel</b>					
a. Average salaried headcount over the fiscal year	131	145	141	156	152
b. Total payroll for the fiscal year	20,004,683	18,453,462	16,858,351	15,964,832	15,515,470
c. Amount paid in employee benefits for the fiscal year (social security, benefits, etc.)	5,790,337	6,396,840	6,457,459	7,264,791	6,495,142

### 3.5.6.9. The Company's research and development activity

Foncière des Régions carried out no research and development activities during the past fiscal year.

### 3.5.6.10. Payment periods for Company suppliers

(€K)	Total	Balance not due	Overdue by less than 30 days	Overdue by 30 – 90 days	Overdue by more than 90 days
Trade payables <sup>(1)</sup>	17,824	16,593	1,209	4	18

<sup>(1)</sup> On the balance sheet corresponds to operating liabilities and debt on fixed assets and related accounts.

## 3.6. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

### Year ended 31 December 2015

To the Shareholders,

In accordance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the year ended 31 December 2015, on:

- ♦ the audit of the accompanying annual financial statements of Foncière des Régions;
- ♦ the justification for our assessments;
- ♦ the specific verifications and information required by law.

These annual financial statements were approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit consists of verifying, by sampling or other selection methods, data justifying the amounts and information appearing in the annual financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe the information we have collected to be sufficient and appropriate to form an opinion.

In our opinion, the annual financial statements give a true and fair view of the portfolio and of the financial position of the company as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

### II. Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessment, we bring to your attention the following matters:

- ♦ At each closing, the real estate portfolio is subject to appraisals by independent real estate appraisers according to the policies described in Note 3.5.2.1 "Tangible fixed assets" of the notes to the financial statements. As indicated in this same note, your company may be required to establish provisions for impairment of its real estate portfolio when the inventory value determined by reference to the appraisal value, excluding transfer duties, is less than net book value. We have verified the correct application of this accounting treatment.
- ♦ Equity investments are evaluated under the conditions described in Note 3.5.2.3 "Long-term investments" of the notes to the financial statements. We assessed the approaches used by your company and, where applicable, verified the calculation of impairment charges.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.



### III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de Commerce*) on remuneration and benefits received by the corporate officers as well as the commitments granted to them, we have verified the consistency with the financial statements or with the data that was used to prepare these financial statements and, when necessary, with the elements collected by your company from the companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense, 22 March 2016

The Statutory Auditors

**MAZARS**

Gilles Magnan

**ERNST & YOUNG et Autres**

Sophie Duval

Jean-Roch Varon



# GENERAL MEETING AND CORPORATE GOVERNANCE

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## 4.1. AGENDA AND DRAFT RESOLUTIONS

### Combined General Meeting of Shareholders of 27 April 2016

All shareholders of Foncière des Régions (hereinafter referred to as “**Foncière des Régions**” or as the “**Company**”) are invited to the Combined General Meeting of Shareholders on 27 April 2016, at 02:30 p.m. in the Pavillon Kléber, 7 rue Cimarosa, Paris (75116) to approve the following agenda items:

### 4.1.1. Agenda

#### 4.1.1.1. Ordinary resolutions

- ♦ Approval of the Company financial statements for the year ended 31 December 2015.
- ♦ Approval of the consolidated financial statements for the year ended 31 December 2015.
- ♦ Allocation of income – Distribution of dividends.
- ♦ Approval of the Statutory Auditors’ special report prepared in accordance with Article L. 225-40 of the French Commercial Code and the regulated agreements covered by Article L. 225-38 of the French Commercial Code referred to therein.
- ♦ Advisory opinion on the elements of compensation due or attributable to Jean Laurent in his capacity as Chairman of the Board of Directors for the year ended 31 December 2015.
- ♦ Advisory opinion on the elements of compensation due or attributable to Christophe Kullmann in his capacity as General Manager for the year ended 31 December 2015.
- ♦ Advisory opinion on the elements of compensation due or attributable to Olivier Estève in his capacity as Deputy General Manager for the year ended 31 December 2015.
- ♦ Advisory opinion on the elements of compensation due or attributable for the year ended 31 December 2015 to Aldo Mazzocco in his capacity as Deputy General Manager until 21 October 2015.
- ♦ Ratification of the appointment of Covéa Coopérations as a Director.
- ♦ Renewal of Christophe Kullmann’s term of office as a Director.
- ♦ Appointment of Patricia Savin as a Director.
- ♦ Appointment of Catherine Soubie as a Director.
- ♦ Setting the annual amount of attendance fees.
- ♦ Authorisation to be given to the Board of Directors for the Company to purchase its own shares.

#### 4.1.1.2. Extraordinary resolutions

- ♦ Delegation of authority to the Board of Directors to increase the Company’s share capital through the capitalisation of reserves, profits or premiums.
- ♦ Authorisation to be granted to the Board of Directors to reduce the Company’s share capital through the cancellation of shares.
- ♦ Authorisation granted to the Board of Directors to issue shares or securities providing access to the Company’s equity, maintaining the shareholders’ preferential right of subscription.
- ♦ Delegation of authority to the Board of Directors to issue, through a public offering, Company shares and/or securities giving access to the Company’s capital, with a waiver of shareholders’ preferential subscription rights and a mandatory priority period for share issues.
- ♦ Delegation of authority to the Board of Directors to issue shares, with a waiver of shareholders’ preferential subscription rights, in the event of a public exchange offer initiated by the Company.
- ♦ Delegation of authority to the Board of Directors to issue shares and/or transferable securities giving access to the Company’s capital, limited to 10% of the share capital, in order to pay for the contributions in kind granted to the Company and consisting of capital shares or transferable securities giving access to equity, with a waiver of shareholders’ preferential subscription rights.
- ♦ Delegation of authority to the Board of Directors to undertake capital increases reserved for employees of the Company and companies in the Foncière des Régions group that are members of a company savings plan, with a waiver of shareholders’ preferential subscription rights.
- ♦ Authorisation to be granted to the Board of Directors to award bonus shares, out of existing shares or shares to be issued, to employees and/or corporate officers of the Company and its affiliates, with a waiver of shareholders’ preferential subscription rights.
- ♦ Authority for formal recording requirements.



## 4.1.2. Text of the resolutions

### 4.1.2.1. Ordinary resolutions

#### Resolution 1

##### Approval of the Company's financial statements for the year ended 31 December 2015

Having reviewed the Company's financial statements for the year ended 31 December 2015 and the reports of the Board of Directors and Statutory Auditors on these annual financial statements, the General Meeting, ruling under quorum and majority conditions required for Ordinary General Meetings, approves in full the report of the Board of Directors and the financial statements for the year ended 31 December 2015, including the balance sheet, income statement and notes, as presented, showing a profit of €205,606,730.51.

The General Meeting consequently approves the transactions posted to these accounts or summarised in these reports.

The General Meeting notes that there were no expenditure and expenses covered by Article 39-4 of the French General Tax Code, and observes that there is no corporate tax payable in this respect.

#### Resolution 2

##### Approval of the consolidated financial statements for the year ended 31 December 2015

Having reviewed the reports of the Board of Directors and Statutory Auditors on the consolidated financial statements, the General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, approves the consolidated financial statements for the year ended 31 December 2015, including the balance sheet, income statement and notes, as presented, as well as the transactions posted to these accounts or summarised in these reports.

The General Meeting of Shareholders approves the group's consolidated net income as at 31 December 2015, totalling €481,472.

#### Resolution 3

##### Allocation of income – Distribution of dividends

On the Board of Directors' proposal, the General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meeting, resolves to:

- ♦ allocate the earnings for the year, which amount to €205,606,730.51, as follows:
  - (i) €8,535.90 to the legal reserve, bringing the amount of the legal reserve to 10% of the share capital at year-end, *i.e.* €19,988,919.60
  - (ii) the payment of a €205,598,194.61 in dividend to shareholders

- ♦ and the distribution of €81,045,636.19, taken from:

- (i) the "Retained Earnings" account, *i.e.* €185,201.00
- (ii) the "Distributable revaluation reserve" account, *i.e.* €548,852.41
- (iii) the "Merger premium" account, *i.e.* €253,204.11
- (iv) the "Additional paid-in capital" account, *i.e.* €80,058,378.67.

Thus, each share will receive a dividend of €4.30.

The General Meeting of Shareholders authorises the Board of Directors to withdraw from the "Share premium" account the amounts required to pay the dividend set out above in respect of the shares generated by the conversion of any bonds redeemable in cash and/or new shares and/or existing shares (ORNANE) and/or the vesting of bonus shares before the dividend payment date.

The General Meeting of Shareholders resolves that, pursuant to the provisions Article L. 225-210 of the French Commercial Code, the amount the shareholders may have waived, as well as the amount corresponding to treasury shares on the dividend payment date, which do not grant a right to dividends, will be allocated to the "Retained earnings" account.

The dividend will be paid out on 18 May 2016.

Based on the number of existing shares at 31 December 2015, plus the 31,624 new shares issued on the vesting of the free shares on 22 February 2016 and bearing dividend as from FY2015, representing a total of 66,661,356 shares, the total dividend to be paid out amounts to €286,643,830.80. The portion of this dividend drawn from tax-exempt profits and awarded to private individuals who are subject to income tax does not grant a right to a 40% rebate, in accordance with Article 158-3 of the French General Tax Code.

The balance of the dividend deducted in the amount of €80,058,378.67 from the "Share premium" account is treated as a reimbursement of contribution in terms of the provisions of Article 112.1 of the French General Tax Code.

The dividend drawn against the Company's profits exempt from corporation tax pursuant to Article 208 C of the French General Tax Code totals €204,346,144.60.

The dividend drawn against the Company's profits exempt from corporation tax pursuant to Article 208-3 *quater* of the French General Tax Code totals €45,414.89.

In accordance with the law, the General Meeting of Shareholders confirms that dividends distributed for the previous three years were as follows:

Fiscal year	Type of dividend	Dividend paid per share	Amount of dividend subject to 40% rebate	Amount of dividend not subject to the 40% rebate
2012	Current	€4.20	-	€4.20
2013	Current	€4.20	€0.11907	€4.08093
2014	Current	€4.30	-	€4.30

#### Resolution 4

**Approval of the Statutory Auditors' special report prepared in accordance with Article L. 225-40 of the French Commercial Code and the regulated agreements covered by Article L. 225-38 of the French Commercial Code referred to therein**

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the special Statutory Auditors' report on the agreements covered under Article L. 225-38 of the French Commercial Code, approves this report and such agreements entered into or executed during the financial year ended 31 December 2015.

#### Resolution 5

**Advisory opinion on the elements of compensation due or attributable to Jean Laurent in his capacity as Chairman of the Board of Directors for the year ended 31 December 2015**

The General Meeting of Shareholders, consulted in application of recommendation 24.3 of the Afep-Medef corporate governance code for listed companies, to which the Company refers, and ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, approves the elements of compensation due or attributable for the year ended 31 December 2015 to Jean Laurent in his capacity as Chairman of the Board of Directors, as described in section 5.5.1.1. of the Company's Reference Document.

#### Resolution 6

**Advisory opinion on the elements of compensation due or attributable to Christophe Kullmann in his capacity as General Manager for the year ended 31 December 2015**

The General Meeting of Shareholders, consulted in application of recommendation 24.3 of the Afep-Medef corporate governance code for listed companies, to which the Company refers, and ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, approves the elements of compensation due or attributable for the year ended 31 December 2015 to Christophe Kullmann in his capacity as General Manager, as described in section 5.5.1.2. of the Company's Reference Document.

#### Resolution 7

**Advisory opinion on the elements of compensation due or attributable to Olivier Estève in his capacity as Deputy General Manager for the year ended 31 December 2015**

The General Meeting of Shareholders, consulted in application of recommendation 24.3 of the Afep-Medef corporate governance code for listed companies, to which the Company refers, and ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, approves the elements of compensation due or attributable for the year ended 31 December 2015 to Olivier Estève in his capacity as Deputy General Manager, as described in section 5.5.1.2. of the Company's Reference Document.

#### Resolution 8

**Advisory opinion on the elements of compensation due or attributable for the year ended 31 December 2015 to Aldo Mazzocco in his capacity as Deputy General Manager until 21 October 2015**

The General Meeting of Shareholders, consulted in application of recommendation 24.3 of the Afep-Medef corporate governance code for listed companies, to which the Company refers, and ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, approves the elements of compensation due or attributable for the year ended 31 December 2015 to Aldo Mazzocco in his capacity as Deputy General Manager, as described in section 5.5.1.2. of the Company's Reference Document.

#### Resolution 9

**Ratification of the appointment of Covéa Coopérations as a Director**

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, approves the Board of Directors' appointment of Covéa Coopérations as Director at its meeting of 17 February 2016. Represented by Philippe Narzul, Covéa Coopérations will replace GMF Vie on the Board, for the remainder of the latter's term of office expiring at the end of the General Meeting of Shareholders to be held in 2019 to approve the financial statements for the year ended 31 December 2018.



## Resolution 10

### Renewal of Christophe Kullmann's term of office as a Director

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, and of the fact that Christophe Kullmann's term of office was due to expire at the end of the General Meeting, resolves to renew, as of this day, the tenure of Christophe Kullmann as Director for a period of four (4) years expiring at the end of the General Meeting of Shareholders to be held in 2020 to approve the financial statements for the year ended 31 December 2019.

## Resolution 11

### Appointment of Patricia Savin as a Director

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, resolves to appoint Patricia Savin, born on 19 March 1966 in Grenoble, of French nationality, residing in Paris, France, as Director for a period of four (4) years starting today and expiring at the end of the General Meeting of Shareholders to be held in 2020 to approve the financial statements for the year ended 31 December 2019.

Patricia Savin has already stated that she would accept said position if it were to be entrusted to her, and that she fulfils all the conditions required by the laws and regulations in force.

## Resolution 12

### Appointment of Catherine Soubie as a Director

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, resolves to appoint Catherine Soubie, born on 20 October 1965 in Lyon, of French nationality, residing in Paris, France, as Director for a period of four (4) years starting today and expiring at the end of the General Meeting of Shareholders to be held in 2020 to approve the financial statements for the year ended 31 December 2019.

Catherine Soubie has already stated that she would accept said position if it were to be entrusted to her, and that she fulfils all the conditions required by the laws and regulations in force.

## Resolution 13

### Setting the annual amount of attendance fees

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the Board of Directors' report, resolves to allocate to the Board of Directors a total gross amount of six hundred thousand euros (€600,000) for attendance fees for the current year and subsequent years until a new decision is made by the General Meeting.

## Resolution 14

### Authorisation to be given to the Board of Directors for the purposes of the Company's purchase of its own shares

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the report of the Board of Directors and in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code:

- ♦ terminates, effective immediately, for the unused portion, the authorisation given by the Combined General Meeting of Shareholders of 17 April 2015
- ♦ authorises the Board of Directors, with sub-delegation authority under the conditions stipulated by the legal and regulatory provisions, in accordance with the conditions defined in Articles 241-1 to 241-5 of the general regulations of the *Autorité des Marchés Financiers* and European Regulation No. 2273/2003 of 22 December 2003, applied pursuant to Directive 2003/6/CE of 28 January 2003, and market practices admitted by the *Autorité des Marchés Financiers*, to purchase or cause to be purchased its own shares
- ♦ resolves that the purchases of Company shares as mentioned in the above paragraph may apply such that the number of shares the Company purchases for the duration of the purchase programme does not exceed 10% of the shares comprising the Company's equity (at any time whatsoever, with this percentage applying to share capital adjusted as a function of transactions affecting it subsequent to this Meeting of Shareholders), subject to compliance with the provisions of Article 5-2 and three of European Regulation No. 2273/2003/CE. It is stipulated that (i) a maximum of 5% of the shares comprising the Company's equity may be allocated for holding purposes and subsequent payment or exchange within the framework of a merger, split or contribution, and (ii) in the event of an acquisition within the context of a liquidity agreement, the number of shares taken into account for calculating the 10% limit on the total capital stock mentioned above corresponds to the number of shares purchased less the number of shares resold during the term of this authorisation.

The maximum purchase price paid by the Company for its own shares must not exceed €100 (one hundred euros) per share (excluding acquisition expenses). In the case of capital transactions, specifically through the incorporation of reserves and the awarding of bonus shares and/or the splitting or consolidation of shares, this price shall be adjusted by a multiplier coefficient equal to the ratio between the number of shares comprising the share capital prior to the transaction and the same number after the transaction. To this end, in the event of a change in the share par value, a capital increase through the incorporation of reserves, the awarding of bonus shares, the splitting or consolidation of shares, the distribution of reserves or any other assets, the amortisation of capital or any other transaction affecting shareholders' equity, the General Meeting of Shareholders delegates to the Board of Directors the authority to adjust the aforementioned purchase price in order to take these transactions into consideration in the share value.

The maximum amount of funds reserved for the share buyback programme shall be one hundred and fifty million euros (€150,000,000).

Transactions relating to purchases, disposals, exchanges or transfers may be executed by any means, *i.e.* on the market or over the counter, including by acquisition or sale of blocks, as well as by recourse to financial instruments, specifically derivative financial instruments traded on a regulated or over-the-counter market, such as calls or puts or any combinations thereof, or by recourse to warrants, under the conditions authorised by the competent market authorities and at such times as the Company's Board of Directors deems fitting. The maximum share of the capital stock acquired or transferred in the form of blocks of shares may comprise up to the entire programme.

Transactions may take place at any time, in accordance with regulations in force, except during a takeover bid.

This authorisation is intended to allow the Company to pursue the following objectives, in fulfilment of the applicable legal and regulatory provisions:

- ♦ allocate shares to corporate officers or employees of the Company and/or of companies belonging to its group, in accordance with the terms and conditions set out in the applicable laws and regulations in the context of (i) sharing in the benefits due to the Company's growth, (ii) the stock option scheme provided for by Articles L. 225-177 *et seq.* of the French Commercial Code, (iii) the system for the awarding of bonus shares as provided for by Articles L. 225-197-1 *et seq.* of the French Commercial Code and (iv) any employee savings plan, as well as to engage in any transactions in order to cover these transactions, under the conditions stipulated by the market authorities and at such times as the Board of Directors or the individual acting on behalf of the Board of Directors deem fitting
- ♦ to remit the shares during the exercise of rights attached to securities giving the right, immediately or in the future, through redemption, conversion, exchange, presentation of a warrant or any other manner, to the allocation of Company shares, as well as to engage in any transactions in order to cover the issuance of such securities, under the conditions stipulated by the market authorities and at such times as the Board of Directors or the individual acting on behalf of the Board of Directors deem fitting
- ♦ to hold the shares and remit them subsequently in payment or exchange within the framework of any transactions in connection with any external growth, merger, split or contribution, in accordance with market practices allowed by the *Autorité des Marchés Financiers*
- ♦ to cancel all or part of the shares through a reduction in the share capital (specifically with a view to optimising cash management, return on equity or income per share), subject to this General Meeting of Shareholders' adoption of Resolution 16 below
- ♦ to facilitate the liquidity of transactions and compliance in the trading of the Company's shares or to prevent price swings not justified by market trends within the framework of a liquidity agreement entered into with an investment services provider operating in complete independence, under the conditions and in accordance with the methods set by regulation and recognised market practice and consistent with a code of ethics recognised by the *Autorité des Marchés Financiers*
- ♦ and likewise in view of any other practice that might be permitted or recognised by law or by the *Autorité des Marchés Financiers* or any other purpose that would provide a basis for the presumption of indisputable legitimacy as provided for in Directive 2003/6/CE.

This authorisation is given for eighteen (18) months as at the date of this General Meeting of Shareholders.

The General Meeting of Shareholders grants complete authority to the Board of Directors, with sub-delegation authority under the conditions stipulated by the applicable legal and regulatory provisions, for the purposes of implementing this authorisation, and specifically:

- ♦ to place all orders on the securities exchange or over the counter
- ♦ to enter into any agreements specifically with a view to maintaining records on the purchase and sale of shares
- ♦ to prepare any documents, specifically for information purposes
- ♦ to allocate or reallocate the shares acquired for the various purposes in question, under the applicable legal and regulatory conditions
- ♦ to prepare any statements and execute any recording requirements of the *Autorité des Marchés Financiers* or any other public authority and, in general, to take all necessary measures.

The General Meeting of Shareholders acknowledges that, in the event that the Board of Directors uses this authorisation, the Board of Directors shall report on it pursuant to Article L. 225-100 of the French Commercial Code, in accordance with Article L. 225-211 of the Commercial Code.

### 4.1.2.2. Extraordinary resolutions

#### Resolution 15

##### Delegation of authority to the Board of Directors to increase the Company's share capital through the capitalisation of reserves, profits or premiums

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Ordinary General Meetings, having taken note of the report of the Board of Directors:

- ♦ terminates, effective immediately, for the unused portion, the authorisation given by the Combined General Meeting of Shareholders of 17 April 2015
- ♦ hereby fully authorises the Board of Directors, in accordance with the provisions of Article L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial Code, with the option to delegate, to decide to increase the Company's equity, on one or more occasions, in the proportions and at the times that it deems relevant, by incorporating all or part of the reserves, profits, premiums or any other sums that may be capitalised, to be executed through the issue of new bonus shares or an increase in the par value of the Company shares or a combination of these two procedures
- ♦ the above notwithstanding, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this authorisation as of the date of the filing by a third party of a proposed public takeover bid on the Company's shares, and until the end of the offer period
- ♦ resolves that the maximum nominal amount of the capital increases that may be performed under this delegation, immediately or in the future, may not exceed a total of twenty million euros (€20,000,000), plus, if applicable, the par value of the additional shares to be issued in order to protect the rights of the holders of securities giving rights to the share capital as required by legal, regulatory and contractual stipulations; it being specified that this amount has been set



on an independent basis that is different from the ceilings on capital increases resulting from issues of shares or securities authorised by Resolutions 17 to 21

- ♦ resolves that this authorisation is valid for a period of twenty-six (26) months from the date of this General Meeting of Shareholders
- ♦ resolves that the rights forming fractional shares will be neither tradable nor transferable and that the corresponding shares will be sold; the sums resulting from the sale will be awarded to the holders of the rights as provided for under the legislative and regulatory provisions applicable and
- ♦ resolves that the Board of Directors, with sub-delegation authority under the conditions stipulated by the legal and regulatory provisions, shall have all powers to implement this delegation, specifically for the purposes of:
  - (i) determining the terms and conditions of the operations authorised above, and more specifically determining in this respect the amount of sums to be capitalised and the shareholders' equity item or items against which they will be drawn
  - (ii) setting the amounts to be issued and the dividend entitlement date, applied retroactively or not, for the securities to be issued
  - (iii) making any adjustments in order to take into account the impact of operations on the Company's equity
  - (iv) setting the terms and conditions under which the rights of holders of securities with an equity component will be maintained, as relevant, in accordance with the legal and regulatory provisions in force and the conditions stipulated in any contracts in force
  - (v) performing, either on its own or through an agent, all acts and formalities to make definitive any capital increases that may be carried out as authorised under this resolution and
  - (vi) amending the Articles of Association accordingly and, in general, doing whatever is necessary.

## Resolution 16

### Authorisation to be granted to the Board of Directors to reduce the Company's share capital through the cancellation of shares

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having taken note of the Board of Directors' report and Statutory Auditors' special report, and in accordance with the provisions of Article L. 225-209 of the French Commercial Code:

- ♦ terminates, effective immediately, for the unused portion, the delegation granted by the Combined General Meeting of Shareholders of 17 April 2015
- ♦ grants the Board of Directors, with the option to sub-delegate, for a period of eighteen (18) months from the date of this General Meeting, the authority to cancel, on one or more occasions and at the times it sees fit, the shares acquired by the Company under the authority of Resolution 14 or any other resolution with the same purpose and same legal basis, within the limit of 10% of the Company's share capital per period of twenty-four (24) months, and to reduce the share capital accordingly, with the understanding that this percentage

applies to the adjusted capital taking into account the impact of transactions taking place after this General Meeting and

- ♦ authorises the Board of Directors to allocate the difference between the purchase value of the cancelled shares and their par value on the "Issuance premium" post or on any available reserves post, including legal reserves, to a maximum of 10% of the realised capital reduction.

The General Meeting of Shareholders grants all authority to the Board of Directors, with sub-delegation authority under the conditions stipulated by the legal and regulatory provisions, to undertake this (these) transaction(s) involving share cancellations and capital reductions, specifically to set the final value of the capital reduction, setting the conditions and confirming its fulfilment and undertaking the corresponding amendment of the Company Articles of Association, to take any formal recording measures, to make any efforts and statements to any public entities and, in general, to do anything necessary.

## Resolution 17

### Authorisation granted to the Board of Directors to issue shares and/or securities providing access to the Company's equity, maintaining the shareholders' preferential right of subscription

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having taken note of the Board of Directors' report and Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code:

- ♦ terminates, effective immediately, for the unused portion, the delegation granted by the Combined General Meeting of Shareholders of 17 April 2015
- ♦ delegates to the Board of Directors, with the option to sub-delegate, for a period of twenty-six (26) months as from the date of this General Meeting of Shareholders, the power to decide, on one or more occasions, in the proportions and at the times it deems fit, both in France and abroad, on the issuance, in euros or in foreign currency, maintaining the shareholders' preferential subscription rights, of Company shares and/or securities (including warrants to subscribe for new or existing shares), giving immediate or future access by any means to the Company's equity, whether issued free of charge or in return for payment. It is specified that this delegation may allow for the issuance of securities under the conditions set forth by Article L. 228-93 of the French Commercial Code
- ♦ the above notwithstanding, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this authorisation as of the date of the filing by a third party of a proposed public takeover bid on the Company's shares, and until the end of the offer period
- ♦ resolves that the maximum nominal amount of the capital increases that may be performed under this delegation, immediately or in the future, may not exceed a total of €50,000,000 (fifty million euros), plus, if applicable, the par value of the additional shares to be issued in order to protect the rights of the holders of securities giving rights to the share capital as required by legal, regulatory and contractual stipulations; it being specified that this amount has been set on an independent basis that is different from the ceilings on

capital increases resulting from issues of shares and/or other securities authorised by Resolutions 15 and 18 to 21

- ♦ also resolves that the par value of securities representing receivables giving access to the Company's equity immediately and/or in the future that may be issued under this delegation may not exceed a total of €750,000,000 (seven hundred and fifty million euros) or the equivalent of this amount in the case of an issuance in foreign currency or in a unit of account set by reference to several currencies. The nominal amount of the securities representing receivables giving access to the Company's equity immediately and/or in the future that may be issued under this delegation and Resolution 18 may not exceed a total of €750,000,000 (seven hundred and fifty million euros), the overall ceiling for all receivables instruments.

The subscription of shares or securities entitling holders to access the share capital may be subscribed for in cash or offsetting receivables against the Company.

Shareholders have a preferential right, in proportion to the value of their shares, to subscribe the shares and securities issued under this resolution. The Board of Directors may establish, for shareholders, a subscription on a reducible basis for the shares or securities issued, which shall be issued in proportion to their subscription rights and up to the maximum of their orders.

Consequently, if subscriptions on an irreducible basis and, where applicable, on a reducible basis, have not absorbed the entire issue of shares or securities as defined above, the Board of Directors may use all or some of the options below in the order it deems appropriate:

- ♦ to restrict the issue to the amount of subscriptions, it being specified that in the event of a share issue, this limit shall only be applied by the Board of Directors on condition that the subscriptions amount to at least three-quarters (3/4) of the issue decided
- ♦ freely distribute all or part of any securities not subscribed as of right and, where relevant, in excess of those rights and
- ♦ to offer to the public all or part of the non-subscribed shares on the French and/or international markets and/or abroad.

The General Meeting of Shareholders acknowledges that, as applicable, the holders of such securities giving access to the Company's equity as may be issued under this delegation waive their preferential right of subscription to shares in connection with such securities.

The General Meeting of Shareholders resolves that Company stock warrants may be issued by subscription offer, as well as by bonus award to owners of old shares, and that, in the event of a bonus award of stock warrants, the Board of Directors shall be entitled to resolve that fractional allocation rights shall not be negotiable and the corresponding securities shall be sold.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions provided for by the legal and regulatory provisions, specifically for the purposes of:

- ♦ determining the dates, prices and other conditions of the issues as well as the form and features of the transferable securities to be created
- ♦ setting the amounts to be issued and the dividend entitlement date, applied retroactively or not, for the securities to be issued
- ♦ determining the method of release for the shares or other securities issued and, if applicable, the conditions for their purchase or exchange
- ♦ suspending, if applicable, the exercise of the share allocation rights attached to the securities to be issued, for a period not to exceed three (3) months
- ♦ setting the terms and conditions under which the rights of holders of securities giving access to the Company's equity will be maintained, as relevant, in accordance with the legal and regulatory provisions in force and the conditions of any applicable contracts
- ♦ applying, as relevant, any allocation of the issue premium or premiums, and specifically that of the expenses involved in completing the issuances, drawing from this amount the sums needed to bring the legal reserve up to one-tenth of the new share capital after each increase
- ♦ undertaking any formal recording requirements required for the listing for trading on a market regulated in France or abroad, of the rights, shares or securities issued, and ensuring both the capital increase or increases resulting from any issuance made through the use of this delegation and the financial servicing of the securities in question and exercise of the corresponding rights
- ♦ deciding, in the event of an issue of securities representing claims giving access to the Company's equity, subject to the conditions defined by law, whether or not they are subordinated, setting the interest rate and the currency, the maturity, which may be perpetual if applicable, the fixed or variable redemption price with or without premium, the conditions for amortisation based on market conditions, and the conditions under which these securities shall give entitlement to shares of the Company and the other conditions for issue (including the act of granting guarantees or sureties) and amortisation and
- ♦ in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue performed through the use of this delegation, and altering the Company's Articles of Association accordingly.

**Resolution 18****Delegation of authority to the Board of Directors to issue, through a public offering, company shares and/or securities giving access to the Company's capital, with cancellation of shareholders' preferential subscription rights and a mandatory priority period for share issues**

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having taken note of the Board of Directors' report and Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code:

- ♦ terminates, effective immediately for the unused portion, the delegation granted by the Combined General Meeting of Shareholders of 17 April 2015 for the issuance of debt securities giving access to the Company's capital
- ♦ delegates to the Board of Directors, with the option to sub-delegate, for a period of twenty-six (26) months as from the date of this General Meeting of Shareholders, the power to decide, on one or more occasions, in the proportions and at the times it deems fit, on the issuance of Company shares and/or securities giving immediate or future access by any means to the Company's equity, by public offering, in France or abroad, in euros or in foreign currency, with cancellation of shareholders' preferential subscription rights. It is specified that this delegation of authority may allow for the issuance of securities under the conditions set forth by Article L. 228-93 of the French Commercial Code
- ♦ the above notwithstanding, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this authorisation as of the date of the filing by a third party of a proposed public takeover bid on the Company's shares, and until the end of the offer period
- ♦ resolves that the par value of all debt securities issued under this delegation may not exceed a total of €750,000,000 (seven hundred and fifty million euros), the overall ceiling for debt securities provided for herein and in Resolution 17, or the equivalent of this amount on the date of the issuance decision in the case of issuance in foreign currency or in a unit of account set by reference to several currencies. This amount is independent of the amount of receivables instruments for which issuance was decided or authorised by the Board of Directors in accordance with Article L. 228-40 of the French Commercial Code
- ♦ resolves that the maximum nominal value of increases in the Company's equity that might be made immediately or in the future under this delegation may not exceed €20,000,000 (twenty million euros). Added to this ceiling, as necessary, shall be the additional par value of the shares or other equity instruments to be issued, in accordance with the applicable legal and regulatory provisions and any applicable contractual stipulations providing for other cases of adjustment, to preserve the rights of holders of securities representing receivables giving access to the share capital. It should be noted that this amount

is set independently and separately from the capital increase ceilings resulting from issues of shares and/or other securities authorised under Resolutions 15, 17 and 19 to 21.

Issuances decided under this delegation shall be completed by means of public offerings.

This delegation of powers expressly excludes the issue of preference shares or marketable securities giving access by any means to preference shares either immediately or in the future.

The subscription of shares or securities entitling holders to access the share capital may be subscribed for in cash or offsetting receivables against the Company.

The General Meeting of Shareholders resolves:

- ♦ to cancel the shareholders' preferential right of subscription to shares and other securities issued under this delegation
- ♦ to grant shareholders, in connection with share issues, a priority period of at least three (3) trading days for all share issues by public offering carried out by the Board of Directors in accordance with Articles L. 225-135, Par. 5 and R. 225-131 of the French Commercial Code
- ♦ to delegate to the Board of Directors the option of granting a similar priority period for other non-equity issues.

In accordance with Article L. 225-136 of the French Commercial Code, the General Meeting of Shareholders resolves that:

- ♦ the issue price of the new shares shall be at least equal to the weighted average market price quoted for Foncière des Régions shares on Euronext Paris over the last three trading days preceding its setting, less, where applicable, a maximum discount of 5% and
- ♦ the issue price of securities giving, by any means, immediate or future access to the Company's equity, that are likely to be issued under this delegation shall be such that the sum immediately received by the Company, plus, if applicable, any amount it might receive subsequently, for each share or other equity security issued as a consequence of the issuance of these securities, will be at least equal to the minimum subscription price defined in the previous paragraph, after a possible adjustment of that amount to cover any difference in dividend eligibility dates.

If subscriptions have not absorbed the entire issue of shares or other securities as defined above, the Board of Directors may use all or some of the options below, as it chooses, and in the order it deems appropriate:

- ♦ limit the issuance to the amount subscribed, provided that this is equal to at least three-quarters (3/4) of the agreed value of the issuance
- ♦ freely distribute all or part of the unsubscribed securities
- ♦ offer all or part of the unsubscribed securities to the public.

The General Meeting of Shareholders acknowledges that this delegation implies a waiver by the shareholders of their preferential right of subscription to the shares or other equity instruments of the Company to which the securities to be issued on the basis of this delegation may entitle them.



The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions provided for by the legal and regulatory provisions, specifically for the purposes of:

- ♦ determining the dates and conditions of the issues as well as the features of the transferable securities and shares to be created or associated with them
- ♦ setting the number of shares and/or other securities to be issued, as well as their terms and conditions, in particular their issue price and, as applicable, the amount of the premium
- ♦ determining the terms of payment for the shares and/or other securities issued
- ♦ setting the dividend entitlement date, with or without retroactive effect, of the securities to be issued and, as applicable, the conditions for their buy-back or exchange
- ♦ suspending, as applicable, exercise of the rights attached to the securities for a maximum of three (3) months under the limits stipulated by the applicable legal and regulatory provisions
- ♦ setting the conditions to ensure the preservation of the rights of holders of securities or other instruments giving access to the share capital, in accordance with applicable legal and regulatory provisions and, as necessary, the applicable contractual stipulations providing for other adjustments
- ♦ applying, as relevant, any allocation of the issue premium or premiums, and specifically that of the expenses involved in completing the issuances, drawing from this amount the sums needed to bring the legal reserve up to one-tenth of the new share capital after each increase
- ♦ undertaking any formal recording requirements required for the listing for trading on a market regulated in France or abroad, of the rights, shares or securities issued, and ensuring both the capital increase or increases resulting from any issuance made through the use of this delegation and the financial servicing of the securities in question and exercise of the corresponding rights
- ♦ deciding, in the event of the issuance of debt securities giving access to the Company's share capital as provided for under French law, whether these securities should be subordinated or not (and setting their subordination rank where applicable), setting their interest rate, currency, maturity (which may be perpetual), their fixed or variable redemption price (with or without premium), amortisation conditions based on market conditions, conditions under which these securities shall entitle holders to Company shares, and other conditions concerning their issuance (including the act of granting guarantees or sureties) and amortisation
- ♦ in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue performed through the use of this delegation, and altering the Company's Articles of Association accordingly.

### Resolution 19

#### Delegation of authority to the Board of Directors to issue shares, with cancellation of shareholders' preferential subscription rights, in the event of a public exchange offer initiated by the Company

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having taken note of the Board of Directors' report and Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 *et seq.* and L. 225-148 of the French Commercial Code:

- ♦ delegates to the Board of Directors, with the option to sub-delegate, for a period expiring on 31 December 2016, the power to decide, on one or more occasions, in the proportions and at the times it deems fit, on the issuance of Company shares in compensation for securities tendered in response to a public offer with an exchange component initiated by the Company in France or (according to local requirements and rules) abroad, such securities being shares in other companies admitted to trading on one of the regulated markets mentioned in Article L. 225-148 of the French Commercial Code
- ♦ the above notwithstanding, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this authorisation as of the date of the filing by a third party of a proposed public takeover bid on the Company's shares, and until the end of the offer period
- ♦ resolves to cancel, as required, the shareholders' preferential subscription right to the shares issued under this delegation
- ♦ resolves that the maximum nominal amount of the increases in the Company's share capital that might be made immediately or in the future under this delegation may not exceed €50,000,000 (fifty million euros). It should be noted that this amount is set independently and separately from the capital increase ceilings resulting from issues of share and/or other securities authorised under the Resolutions 15, 17, 18, 20 and 21.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions provided for by the legal and regulatory provisions, specifically for the purposes of:

- ♦ defining the terms, conditions and details of the operation, within the limits set by this resolution and applicable legal and regulatory provisions
- ♦ determining the exchange ratio as well as any amount payable in cash
- ♦ recording the number of securities tendered to the exchange offer
- ♦ determining the dates and issue conditions, in particular the price of the shares to be issued and their dividend entitlement date (possibly retroactive)
- ♦ taking all required measures to protect the rights of holders of securities or other instruments giving access to the share capital, in accordance with applicable legal and regulatory provisions and any contractual stipulations providing for other adjustments



- ♦ recording the difference between the issue price of the new shares and their par value in the "Liabilities" section of the balance sheet under an "Additional paid-in capital" account which will cover the rights of all shareholders
- ♦ at its sole initiative, charging the costs on any issue to the "Additional paid-in capital" account and deducting from the issue premium the required amounts to bring the legal reserve up to one-tenth of the new share capital after each increase
- ♦ undertaking any formal recording requirements required for the listing for trading on a market regulated in France or abroad, of the rights or shares issued, recording the capital increase(s) resulting from any issuance made through the use of this delegation and ensuring the financial servicing of the securities in question and exercise of the corresponding rights and
- ♦ in general, taking any measure that may be required, entering into any agreements, requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increases resulting from any issue performed through the use of this delegation, and altering the Company's Articles of Association accordingly.

## Resolution 20

**Delegation of authority to the Board of Directors to issue shares and/or transferable securities giving access to the Company's capital, limited to 10% of the share capital, in order to pay for the contributions in kind granted to the Company consisting of capital shares or transferable securities giving access to equity, with the cancellation of shareholders' preferential subscription rights**

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having taken note of the Board of Directors' report and Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Article L. 225-147, Par. 6 of said Code:

- ♦ delegates to the Board of Directors, with the option to sub-delegate, for a period expiring on 31 December 2016, the power to decide, based on the report of the capital contributions auditors mentioned in paragraph 1 and 2 of Article L. 225-147 of the French Commercial Code, on the issuance of Company shares and/or marketable securities giving immediate or future access, by any means, to existing or new Company shares, in compensation for shares or securities giving access to shares tendered to the Company, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable
  - ♦ the above notwithstanding, resolves that the Board of Directors may not, unless with the prior authorisation of the General Meeting, use this authorisation as of the date of the filing by a third party of a proposed public takeover bid on the Company's shares, and until the end of the offer period
  - ♦ resolves that the maximum nominal amount of the increases in the Company's share capital that may be performed under this authorisation, immediately or in the future, will be set at 10% of the Company's share capital (as at the date of the Board of Director's use of this authorisation). It should be noted that this amount is set independently and separately from the capital increase ceilings resulting from issues of share and/or other securities authorised under Resolutions 15, 17, 18, 19 and 21
  - ♦ resolves to cancel the preferential right of subscription of shareholders to the shares and securities issued under this delegation, as its purpose is solely to compensate contributions in kind
  - ♦ acknowledges that the decision to issue securities giving access to the Company's share capital automatically entails the waiver by shareholders of their preferential subscription right to the shares to which these securities give entitlement.
- The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions provided for by the legal and regulatory provisions, specifically for the purposes of:
- ♦ ruling on the report of the Statutory Auditor(s) regarding the capital contributions
  - ♦ defining the terms, conditions and details of the operation, within the limits set by this resolution and applicable legal and regulatory provisions
  - ♦ determining the exchange ratio as well as any amount payable in cash
  - ♦ recording the number of securities issued in compensation for the contributions in kind
  - ♦ determining the dates and issue conditions, in particular the price of the new shares or other equity securities and, if relevant, the securities giving immediate or future access to the Company's share capital, evaluating the contributions and any special benefits that may be granted, and reducing the evaluation of the contributions and any special benefits if agreed by the tenderers
  - ♦ recording the difference between the issue price of the new shares and their par value in the "Liabilities" section of the balance sheet under an "Additional paid-in capital" account which will cover the rights of all shareholders
  - ♦ at its sole initiative, charging the costs on any issue to the "Additional paid-in capital" account and deducting from the issue premium the required amounts to bring the legal reserve up to one-tenth of the new share capital after each increase and
  - ♦ in general, taking any measure that may be required, entering into any agreements (in particular to ensure the successful outcome of the issue), requesting any authorisations, performing any formalities, and doing whatever is necessary to ensure the successful outcome of the issues planned, or to postpone them, and specifically recording the capital increase(s) resulting from any issue carried out under this delegation, altering the Company's Articles of Association accordingly, requesting the listing on Euronext Paris of all securities issued under this delegation and ensuring the financial servicing of the securities in question and exercise of the corresponding rights.

**Resolution 21**

**Delegation of authority to the Board of Directors to undertake capital increases reserved to employees of the Company and the companies of the Foncière des Régions group that are members of a Company savings plan, with a waiver of shareholders' preferential right of subscription**

Having reviewed the report of the Board of Directors and the Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138 *et seq.* of the French Commercial Code and Articles L. 3331-1 *et seq.* of the French Labour Code, the General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, in order to allow capital increases reserved for staff participating in a Company savings scheme at a level that remains consistent with the amount of the share capital:

- ♦ terminates, effective immediately, for the unused portion, the delegation granted by the Combined General Meeting of Shareholders of 17 April 2015
- ♦ delegates to the Board of Directors, with sub-delegation authority, the authority to decide, on one or more occasions, in the proportions and at the times it deems appropriate, for 26 (twenty-six) months as from this General Meeting of Shareholders, the issuance of shares and/or securities giving access to the Company's equity, up to a maximum par value of €500,000 (five hundred thousand euros) reserved for participants in a savings scheme provided by the Company and the companies and economic-interest groups associated with the Company under the conditions set out in Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code. However, this amount is set independently and separately from the capital increase ceilings resulting from issues of shares or other securities authorised under Resolutions 15 and 17 to 20
- ♦ resolves to waive the preferential right of subscription of such members for the shares or securities entitling holders to access the Company's equity issued under this authorisation
- ♦ resolves, in accordance with the provisions of Articles L. 3332-18 to L. 3332-24 of the French Labour Code, that the discount offered may not exceed 20% of the average share price for the 20 trading days preceding the date of the decision to open the subscription period, and 30% of this same average when the retention period provided for in the plan is longer than or equal to 10 years; however, the Shareholders' General Meeting expressly authorises the Board of Directors to cancel or reduce the above-mentioned discount, if deemed necessary, to take into consideration, *inter alia*, the legal, accounting, tax and social systems applicable locally. The Board of Directors may also replace all or part of the discount through the allocation of shares or other securities pursuant to the aforementioned provisions and
- ♦ resolves that the Board of Directors may provide for the awarding of bonus shares or marketable securities giving access to the Company's equity (other than preferred stock), it being understood that the total benefit resulting from this allocation for the contribution or, where applicable, discount from the subscription price may not exceed the legal and regulatory limits, and the Company's shareholders waive all rights to the securities that may be issued free of charge by applying this resolution.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions provided for by the legal and regulatory provisions, specifically for the purposes of:

- ♦ determining, within the above-mentioned limits, the features, amount and conditions for any issue
- ♦ determining that the issues or allocations may be made directly to the beneficiaries or through an intermediate collective body
- ♦ conducting the capital increases resulting from this authorisation, up to the cap set above
- ♦ setting the subscription price of the shares in cash pursuant to legal provisions
- ♦ providing, as needed, for the establishment of a group savings plan or the modification of existing plans
- ♦ determining the list of the companies whose employees will be the beneficiaries of the issues conducted under this delegation, set the period for payment of the shares and, as applicable, the seniority required for employees to participate in the operations, within the legal limits
- ♦ making all adjustments in order to take into account the impact of operations on the Company's equity, particularly in the case of a change in the par value of the share, a capital increase through capitalisation of reserves, a free allocation of shares, a stock split or reverse split, a distribution of reserves or any other assets, the amortisation of capital, or any other operation involving shareholders' equity
- ♦ applying, as relevant, any allocation of the issue premium or premiums, and specifically that of the expenses involved in completing the issuances, drawing from this amount the sums needed to bring the legal reserve up to one-tenth of the new share capital after each increase
- ♦ undertaking any formal recording requirements necessary for the listing for trading on a regulated market of the rights, shares or securities issued, and ensuring the financial servicing of the securities issued under this authorisation and the exercise of the corresponding rights
- ♦ performing, either on its own or through an agent, all acts and formalities to make definitive any capital increases that may be carried out as authorised under this resolution and
- ♦ amending the Articles of Association accordingly and, in general, doing whatever is necessary.

**Resolution 22**

**Authorisation to be granted to the Board of Directors to award bonus shares, out of existing shares or shares to be issued, to employees and/or corporate officers of the Company and its affiliates, with the cancellation of shareholders' preferential subscription rights**

The General Meeting of Shareholders, ruling under the quorum and majority conditions required for Extraordinary General Meetings, having taken note of the Board of Directors' report and Statutory Auditors' special report, and in accordance with the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code:

- ♦ terminates, effective immediately, for the unused portion, the delegation granted by the Combined General Meeting of Shareholders of 28 April 2014



- ♦ resolves to authorise the Board of Directors to award, on one or more occasions, ordinary bonus shares (existing or to be issued) to employees (or certain categories of employees) and/or eligible corporate officers (or certain officers among them) of the Company or other companies or economic-groups affiliated with it within the meaning of Article L. 225-197-2 of the French Commercial Code
- ♦ resolves that the total number of shares which can be awarded as bonus shares will be capped at 1% of the share capital on the date of the decision of the Board of Directors to grant them; this amount does not take account of any adjustments that may be made to comply with applicable legal and regulatory provisions, and any contractual stipulations providing for other adjustments. To this end, the General Meeting authorises the Board of Directors to increase the share capital as required through the capitalisation of reserves, earnings or premiums
- ♦ resolves that the number of shares granted to corporate officers of the Company under this authorisation may not exceed 40% of the overall ceiling defined above
- ♦ resolves that the award of shares to the beneficiaries shall become definitive at the end of a vesting period to be set by the Board of Directors, with the understanding that this vesting period may not be shorter than thirty (30) months for all or part of the shares awarded. In the event of the beneficiary's disability, as defined by applicable legal classifications, the final award of the shares may take place before the end of the vesting period. In such a case, the shares shall become freely transferable upon their delivery
- ♦ resolves that the shares may include, where appropriate, a retention obligation for the beneficiaries for a period to be set by the Board of Directors starting from the end of the vesting period
- ♦ resolves that all awards of bonus shares to Corporate officers shall be subject to multiple performance conditions laid down by the Board of Directors at the time of its decision to award them.

The General Meeting of Shareholders acknowledges that this decision automatically entails, in the conditions laid down by applicable legal provisions, the waiver by existing shareholders, in favour of the recipients of bonus shares, of (i) their preferential right of subscription to the shares that may be issued and awarded free of charge under this resolution, and (ii) the portion of earnings, reserves and issue premiums that may be capitalised for the issuance of new shares.

The existing shares that may be awarded under this resolution must be acquired by the Company, either as stipulated by the provisions of Article L. 225-208 of the French Commercial Code, or, where applicable, within the framework of the share buyback programme authorised by this General Meeting's 14<sup>th</sup> resolution in accordance with Article L. 225-209 of the French Commercial Code or any share buyback programme applicable previously or subsequently.

The General Meeting resolves that this authorisation shall be valid for a period of thirty-eight (38) months, as from the date of this General Meeting.

The General Meeting grants all powers to the Board of Directors to implement this delegation, with a right of sub-delegation, under the conditions provided for by the legal and regulatory provisions, specifically for the purposes of:

- ♦ setting the conditions and, where applicable, the criteria for the award of the shares, in particular the performance conditions for the award of shares to corporate officers
- ♦ setting, in accordance with legal requirements and limits, the dates of the bonus shares awards
- ♦ setting the dividend entitlement date (possibly retroactive) of the newly issued shares
- ♦ determining the beneficiaries, the number of ordinary shares granted to each of them, the terms and conditions of the ordinary share awards, in particular the vesting period and, where applicable, the retention periods for the ordinary shares awarded free of charge; concerning the bonus shares awarded to corporate officers, the Board of Directors shall either (a) decide that the bonus shares granted may not be transferred by the beneficiaries before the end of their tenure, or (b) set the number of bonus shares they are required to hold in registered form until the end of their tenure
- ♦ determining whether the bonus shares shall be existing shares or newly issued shares
- ♦ carrying out, directly or through a representative, all acts and formalities for the buyback of existing shares. In the event of the issuance of new shares, conducting the capital increases through the capitalisation of reserves, profits or issue premiums resulting from this authorisation, determining the terms and amounts for the release of said shares, recording the increases in the Company share capital resulting from awards of ordinary bonus shares to be issued by the Company, and amending the Articles of Association accordingly
- ♦ deciding, if it deems it necessary, the conditions under which the number of ordinary shares granted will be adjusted in order to protect the rights of the beneficiaries, on the basis of the potential transactions affecting the Company's share capital, with the understanding that the shares awarded under such adjustments shall be deemed as having been awarded on the same date as the initially awarded shares
- ♦ in general, entering into any agreements, preparing any documents, carrying out any formalities, filing any declarations with any public entities, and doing anything that would otherwise be necessary.

Every year, the Board of Directors shall inform the General Meeting of the awards made under this resolution, in accordance with Article L. 225-197-4 of the French Commercial Code.

## Resolution 23

### Powers for formal recording requirements

The General Meeting of Shareholders, ruling under the conditions of quorum and majority required by law, grants complete authority to the bearer of an original, a copy or an extract of these minutes recording its resolutions, in order to fulfil all legal or administrative requirements and to undertake any filings or notifications required by current law.

## 4.2. REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING OF SHAREHOLDERS ON 27 APRIL 2016

Ladies and Gentlemen,

We have convened an Ordinary and Extraordinary General Meeting of Shareholders for the purpose of submitting draft Resolutions to you. The purpose of this report is to provide you with comments on these drafts, the complete text of which will later be sent to you in the Company's Reference Document that will be submitted to the *Autorité des Marchés Financiers* in accordance with legal and regulatory requirements.

### 4.2.1. Ordinary resolutions

**Resolutions 1 to 14** come under the remit of the Ordinary General Meeting of Shareholders.

#### 4.2.1.1. Approval of the annual and consolidated financial statements, allocation of income and dividend (Resolutions 1, 2 and 3)

The drafts of **Resolutions 1 and 2** concern approval of the annual and consolidated financial statements for the fiscal year ending 31 December 2015, approved by the Board of Directors on 17 February 2016, in accordance with the provisions of Article L. 232-1 of the French Commercial Code.

In **Resolution 3**, it is proposed to you that an allocation be made of the income for the 2015 fiscal year in the amount of €205,606,730.51 and that a dividend be distributed in the unit amount of €4.30 per share.

The dividend for the 2015 fiscal year will be removed from the share on 16 May 2016 and will be paid out on 18 May 2016. Based on the total number of existing shares at 31 December 2015, plus the 31,624 new shares issued upon the vesting of bonus shares on 22 February 2016, bearing dividend in 2015, representing a total of 66,661,356 shares, the total dividend to be paid out amounts to €286,643,830.80.

#### 4.2.1.2. Approval of the undertakings referred to in Article L. 225-38 of the French Commercial Code (Resolution 4)

The purpose of **Resolution 4** is to approve (i) the special Statutory Auditors' report on the agreements described in Article L. 225-38 of the French Commercial Code, as well as (ii) agreements entered into or executed by the Company during the fiscal year ended 31 December 2015. For more information, please refer to the Statutory Auditors' special report on related-party agreements, found in section 4.5 of the Reference Document.

Details of the regulated party agreements entered into in the year ended 31 December 2015, and not yet subject to the approval of the General Meeting are provided below:

#### (i) Amendments to the network expense agreements and intra-group service agreements entered into between Foncière des Régions and some of its subsidiaries

These are amendments to the network expense agreements entered into between the Company and its main subsidiaries, under the terms of which the Company re-invoices certain centralised services to them:

- ♦ amendment No. 3 of 12 February 2015 to the network expense agreement entered into between Foncière des Régions and Urbis Park on 14 December 2010
- ♦ amendment No. 3 of 12 February 2015 to the network expense agreement entered into between Foncière des Régions and Foncière des Murs on 5 June 2009
- ♦ amendment No. 4 of 13 February 2015 to the network expense agreement entered into between Foncière des Régions and Foncière Développement Logements on 9 June 2009.

Moreover, Amendment No. 1 to the service agreement which entered into force on 1 January 2012 was signed on 16 March 2015 between Foncière des Régions and Beni Stabili, regarding the re-invoicing of the cost of bonus shares and the arrangements for invoicing network expenses covering communications, strategy, consulting and financial services.

These amendments were signed in order to simplify management and to amend the terms under which these agreements will continue; initially approved as related-party agreements and previously signed for a specific term and automatically renewable, they are now concluded for an unlimited term.

#### (ii) Off-market acquisition by Foncière des Régions of a block of 3,186,470 shares of Foncière des Murs from ACM Vie on 23 February 2015

This acquisition corresponds to the desire of Foncière des Régions to strengthen its position in the hotel industry through its subsidiary Foncière des Murs. This transaction was concluded at the unit price of €23 per share, the price offered to the shareholders of Foncière des Murs to tender their shares under the public offer launched by the Company. As an agreement entered into between companies with co-venturers, the sale should be approved in accordance with Article L. 225-38 of the French Commercial Code.



**(iii) Agreement for administrative and financial assistance concluded between Foncière des Régions and FDM Management on 20 October 2015**

This agreement relates to assistance provided by Foncière des Régions to FdM Management in administrative, financial, legal, and tax matters, as well as for IT systems, insurance and human resources management. It should be approved in accordance with Article L. 225-38 of the French Commercial Code.

**(iv) Investment protocol signed on 18 June 2015 between Foncière des Régions, Predica and SCI DS Campus in the presence of SCI Latécoère 2, relating to the proposed expansion of "DS Campus", supplemented by a shareholders' agreement signed on 18 June 2015 governing relations with the shareholders of SCI Latécoère 2 in the context of the aforementioned transaction, and by a specific guarantee agreement granted by Foncière des Régions to SCI DS Campus on 18 June 2015**

The protocol, agreement and guarantee were signed in the context of a shared project to build a real estate complex of approximately 12,800 m<sup>2</sup>, known as "DS Campus", located in Vélizy-Villacoublay, for which a firm 10-year lease has been signed with Dassault Systèmes. Because they are agreements signed between the Company and one of its directors, they must be approved in accordance with Article L. 225-38 of the French Commercial Code. These agreements were examined in a fairness report issued by an independent expert, which was made available to the shareholders at the premises of the Company during this General Meeting.

**(v) Rider No. 1 to the Shareholders' Agreement of 19 October 2012 regarding SCI Latécoère signed on 20 April 2015 between Foncière des Régions and SCI DS Campus in the presence of Predica and SCI Latécoère**

This is a rider to the Shareholders' Agreement regarding SCI Latécoère that was signed as part of the DS Campus transaction in order to make it possible for Foncière des Régions to strengthen its control over this strategic transaction. Because it is an agreement signed between the Company and one of its Directors, it must be approved in accordance with Article L. 225-38 of the French Commercial Code.

**(vi) Settlement agreement signed on 21 October 2015 between Foncière des Régions, Beni Stabili, BS 7 and Aldo Mazzocco**

This agreement ratifies all of the terms and financial conditions governing the end of the offices held and functions performed by Aldo Mazzocco within the Foncière des Régions group. Because it is an agreement signed between the Company and one of its executives, it must be approved in accordance with Article L. 225-38 of the French Commercial Code.

Note that following the Board of Directors' adoption, on 17 February 2016, of a regulated agreements charter aimed at laying down the legal and regulatory framework applicable to such agreements and defining their criteria within the Foncière des Régions group, the Board declassified the agreements presented in item (i), including the initial agreements and all of their amendments, and in item (iii) above, as well as the agreements mentioned hereunder, which are now considered as standard agreements concluded under normal conditions:

- ♦ Service agreement signed on 10 and 18 December 2014 between the Company and Immeo Wohnen concerning the provision of financial, legal, general secretariat, communication, audit and internal control services

- ♦ Agreement signed on 18 July 2012 between the Company and Foncière Développement Logements for the re-invoicing of the cost of the bonus shares awarded to employees of Foncière Développement Logements

- ♦ Agreement signed on 8 February 2016 between the Company and Beni Stabili for the re-invoicing of the services of Christophe Kullmann as Managing Director of Beni Stabili.

**4.2.1.3. Consultation of shareholders on elements of individual remuneration due or allocated to the Company's executive officers for the year ended 31 December 2015 (Resolutions 5, 6, 7 and 8)**

In accordance with Article 24.3 of the Afep-Medef Code, revised in June 2015, and with the guide to its application compiled by the High Committee on corporate governance, the Board of Directors is pleased to present the remuneration elements due to each of the Company's executive corporate officers for the fiscal year ended on 31 December 2015.

By voting on **Resolutions 5 to 8**, you have the opportunity to approve the remuneration elements described below:

- ♦ Jean Laurent, Chairman of the Board of Directors (**Resolution 5**)
- ♦ Christophe Kullmann, General Manager (**Resolution 6**)
- ♦ Olivier Estève, Deputy General Manager (**Resolution 7**) and
- ♦ Aldo Mazzocco, Deputy General Manager until 21 October 2015 (**Resolution 8**).

We therefore invite you to view section 5.5.1. of the 2015 Reference Document, where the general policy for the remuneration of corporate officers is described, along with the details of how this policy is applied for 2015.

**4.2.1.3.1. Chairman of the Board of Directors' remuneration for 2015**

The role and tasks of the Chairman of the Board of Directors are described in section 4.3.1. of the 2015 Reference Document.

On 17 April 2015, the Board set the remuneration for his new four-year term at an overall fixed amount of €400,000. There was no change in this remuneration from the previous term. It has therefore remained unchanged since 2011.

Such fixed remuneration is not accompanied by any variable remuneration, performance bonus or remuneration paid in Company shares. It is in line with the average remuneration for non-executive chairmen in the SBF 120.

In 2015, this €400,000 compensation broke down as follows:

- ♦ €393,000 fixed remuneration
- ♦ €7,000 benefits in kind (company car).

The increase in his fixed remuneration is compensated by his waiving of his right to attendance fees as from 2015 for his participation in Foncière des Régions' Board meetings and Strategy and Investment Committee meetings. In 2015, he also received €50,000 by way of attendance fees paid by Beni Stabili, an Italian subsidiary of Foncière des Régions, in which he has an active oversight role.

#### 4.2.1.3.2. Remuneration of the General Manager and the Deputy General Manager for 2015

The principles of the remuneration policy applicable to the General Manager and to the Deputy General Manager are set forth in section 5.5.1.2. of the 2015 Reference Document. Details of their application for 2015 can also be found therein. This information is summarised in the tables below:

##### SUMMARY TABLE OF THE REMUNERATION OF CHRISTOPHE KULLMANN, GENERAL MANAGER, FOR 2015

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	€600,000 paid in 2015	The fixed salary of the General Manager was approved in January 2015 for his new term and set at €600,000, an increase of 11%, which became 9% taking into account his waiver of the attendance fees paid by French subsidiaries starting in 2015. This increase takes into account the changes in the size of the Group and its increasingly globalised nature. It is lower than the fixed salary increases observed for SBF80 General Managers between 2010 and 2014 (+20%) and is in line with salary increases within Foncière des Régions over the period (+8.5%). His fixed remuneration had remained unchanged since 2011.
Annual variable remuneration	€750,000 awarded, including €600,000 paid in 03/2016	The target variable remuneration equals 100% of the fixed annual salary. An upside of as much as 50% of the target is provided for in the event of objectives being exceeded. Where applicable, it is paid in bonus shares, which are conditional on the recipient remaining in the Company's employ for three years after the award. Finally, a "circuit breaker" provides for bonuses to be withheld in the event of a significant deterioration in the Company's performance over the year. For 2015, passing the Loan To Value (LTV) ratio threshold would have entailed the non-payment of bonuses. After examining performance in 2015 described in section 5.5.1.2.2. of the 2015 Reference Document, the Board approved a bonus that represents 125% of the target. This variable remuneration of €600,000 is paid in cash with the upside of €150,000 being paid in Company shares awarded at the end of the vesting period, in 2019.
Deferred variable remuneration	€0	Not applicable
Multi-annual variable remuneration	€0	Not applicable
Extraordinary remuneration	€0	Not applicable
Share options	N/A	Not applicable
Performance shares	To be determined	The principles for the allocation of performance shares are described in section 5.5.1.2.3. of the 2015 Reference Document. The 2015 allocation will be determined at the Board of Directors' meeting that will be held immediately after the General Shareholders' Meeting on 27 April 2016, on condition that the appropriate resolution is approved by the General Meeting. In principle, their value is equal to the value of the fixed remuneration.
Attendance fees	€56,000	The General Manager is a Director of Beni Stabili, an Italian subsidiary of Foncière des Régions. As such, in 2015, he received €56,000 in attendance fees for his directorship.
Valuation of benefits of any kind	€37,000	This amount primarily comprises a company car and GSC unemployment insurance.

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related party agreements and commitments procedure	Amount subject to a vote	Presentation
Severance pay (detailed in section 5.5.1.2.6. of the 2015 Reference Document)	€0	<p>The theoretical compensation amount is equal to 12 months of total compensation (fixed salary and the variable portion), plus one month of additional remuneration per year of seniority with the Company. Receiving this compensation is subject to achieving strict internal and external performance criteria:</p> <ul style="list-style-type: none"> <li>♦ 50% of the theoretical compensation amount is linked to changes in the NAV during the three years prior to the termination of office</li> <li>♦ 50% of the theoretical compensation amount is linked to achieving target performance during the three years prior to the termination of office.</li> </ul> <p>The potential benefits, as described above, would only be paid in the event of forced departure due to a change of control or a change of strategy, which would exclude cases in which the General Manager were to leave the Company at his own initiative, change functions within the Group or be able to claim his retirement rights in short order. It was approved by the Board of Directors meeting of 5 December 2014, and later by the shareholders during the General Meeting of 17 April 2015, through a vote on Resolution 5.</p>
Remuneration for non-compete clause	Not applicable	There is no non-compete clause.
Supplementary pension scheme	€0	No supplementary pension scheme is in place.
Employment contract	€0	There is no employment contract.



**SUMMARY TABLE OF THE REMUNERATION OF OLIVIER ESTÈVE, DEPUTY GENERAL MANAGER, FOR 2015**

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	€360,000 paid in 2014	On 5 December 2014, the Board of Directors decided to renew Olivier Estève's term of office for four years, and increase his fixed remuneration to €360,000. This increase compensates for the waiver of attendance fees paid by French subsidiaries as of 2015.
Annual variable remuneration	€390,000 awarded, including €360,000 paid in 03/2016	<p>The target variable remuneration equals 100% of the fixed annual salary. An upside of as much as 50% of the target, is provided for in the event of objectives being exceeded. In an effort to align this with the interests of shareholders, the Committee proposes that this upside portion of the bonus be paid, if at all, not in cash but in bonus shares, which are to be conditional on the recipient remaining in the Company's employ for three years after the award.</p> <p>Finally, a "circuit breaker" provides for bonuses to be withheld in the event of a significant deterioration in the Company's performance over the year. For 2015, passing the Loan To Value (LTV) ratio threshold would have entailed the non-payment of bonuses.</p> <p>After examining performance in 2015 described in section 5.5.1.2.2. of the 2015 Reference Document, the Board approved a 2015 bonus that represents 108% of the target.</p> <p>This variable remuneration of €360,000 is paid in cash with the upside of €30,000 being paid in Company shares definitively awarded at the end of the vesting period in 2019.</p>
Deferred variable remuneration	€0	Not applicable
Multi-annual variable remuneration	€0	Not applicable
Extraordinary remuneration	€0	Not applicable
Share options	N/A	Not applicable
Performance shares	To be determined (accounting valuation)	<p>The principles for the allocation of performance shares are described in section 5.5.1.2.3. of the 2015 Reference Document.</p> <p>The 2015 allocation will be determined at the Board of Directors' meeting that will be held immediately after the General Meeting of Shareholders on 27 April 2016, on condition that the appropriate resolution is approved by the General Meeting. In principle, their value is equal to the value of the fixed remuneration.</p>
Attendance fees	€0	
Valuation of benefits of any kind	€37,000	This amount primarily comprises a company car and GSC unemployment insurance.

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related party agreements and commitments procedure

Amount subject to a vote	Presentation
Severance pay	€0
Remuneration for non-compete clause	Not applicable
Supplementary pension scheme	€0
Employment contract	€0

This potential compensation is subject to exactly the same provisions as that of the General Manager, described above and in section 5.5.1.2.6. of the 2015 Reference Document.  
It was approved by the Board of Directors meeting of 5 December 2014, and later by the shareholders during the General Meeting of 17 April 2015, through a vote on Resolution 6.

There is no non-compete clause.

No supplementary pension scheme is in place.

There is no employment contract.

#### 4.2.1.3.3. Remuneration of the Deputy General Manager, Italy for 2015

Aldo Mazzocco, Deputy General Manager of Foncière des Régions until 21 October 2015, was paid both fixed and variable remuneration by Beni Stabili as the Deputy Director of that company. Details are provided in section 5.5.1.2. of Foncière des Régions' 2015 Reference Document.

On 21 October 2015, Aldo Mazzocco resigned from his position as Managing Director of Beni Stabili and Deputy General Manager of Foncière des Régions. At that time, the Board of Directors of Beni Stabili noted that the conditions for the payment of the severance

compensation provided for under the contract had been met. Details of all of the financial conditions related to the departure of Aldo Mazzocco were made public the same day by Beni Stabili.

Moreover, concerning the current bonus share plans, the Board of Directors of Foncière des Régions decided, on 21 October 2015, to waive the condition of presence within the Company for the final award of the bonus shares to Aldo Mazzocco, and to grant him all of the shares that were subject to performance conditions, *i.e.* a total of 21,500 shares, to be allocated at the end of the vesting periods initially set.

#### SUMMARY TABLE OF THE REMUNERATION OF ALDO MAZZOCCO, DEPUTY GENERAL MANAGER, FOR 2015

Elements of remuneration due for the fiscal year ended	Amounts, or valuation for accounting purposes, subject to vote	Presentation
Fixed remuneration	Not applicable	Not applicable Aldo Mazzocco earned fixed and variable remuneration from Beni Stabili as Deputy Director of that company. The remuneration was determined by the Board of Directors of Beni Stabili, on the basis of a proposal put forward by the Beni Stabili Appointments and Remunerations Committee. It is detailed in section 5.5.1.2. of the 2015 Reference Document.
Annual variable remuneration	Not applicable	Not applicable
Deferred variable remuneration	Not applicable	Not applicable
Multi-annual variable remuneration	Not applicable	Not applicable
Extraordinary remuneration	Not applicable	Not applicable
Share options	Not applicable	Not applicable
Performance shares	€0	No performance shares were awarded to Aldo Mazzocco by Foncière des Régions in 2015.
Attendance fees	€0	Not applicable
Valuation of benefits of any kind	€0	Not applicable

Elements of remuneration due or granted for the fiscal year ended which are subject, or have been subject, to a vote by the General Meeting under the related party agreements and commitments procedure

	Amount subject to a vote	Presentation
Severance pay	€0	Aldo Mazzocco received compensation after leaving on 21 October 2015, due and paid by Beni Stabili. Details of all of the financial conditions related to the departure of Aldo Mazzocco were made public the same day by Beni Stabili. He did not receive any compensation from Foncière des Régions.
Remuneration for non-compete clause	€0	Not applicable
Supplementary pension scheme	€0	No supplementary pension scheme is in place.

#### 4.2.1.4. Ratification of the appointment of Covéa Coopérations as a Director (Resolution 9)

Under **Resolution 9**, you are asked to approve the Board of Directors' appointment, at its meeting of 17 February 2016, of Covéa Coopérations as Director, to replace GMF Vie which resigned, for the remainder of the latter's term of office expiring at the end of the General Meeting of Shareholders convened in 2019 to approve the financial statements for the year ending 31 December 2018.

Covéa Coopérations is the legal and financial holding company of the Covéa Group, which includes GMF Vie.

Covéa Coopérations will continue to be represented on the Board of Directors by Philippe Narzul, the details of whom, including a biographical notice and a list of all his offices and functions at 31 December 2015, as well as over the last five years, can be found in section 5.5.3.2. of the 2015 Reference Document.

#### 4.2.1.5. Renewal of the term of Christophe Kullmann as a Director (Resolution 10)

As the directorship of the current General Manager Christophe Kullmann is due to expire at the end of the Combined General Meeting of Shareholders of 27 April 2016, you will be asked, under **Resolution 10** to renew his term of office for a further four (4) years, expiring at the end of the General Meeting of Shareholders convened in 2020 to approve the financial statements for the year ending 31 December 2019.

A biographical notice and a list of all his offices and functions at 31 December 2015, as well over the last five years, can be found in section 5.5.3.1. of the 2015 Reference Document.

#### 4.2.1.6. Appointment of Patricia Savin and Catherine Soubie as Directors (Resolutions 11 and 12)

**Resolution 11** proposes the appointment of Patricia Savin as Director of the Company. Her appointment as Director would be for a term of four (4) years expiring at the end of the General Meeting called in 2020 to approve the financial statements for the year ending 31 December 2019.

##### Patricia Savin 50 years old

A graduate of *Institut de Droit Public des Affaires* (IDPA), and a lawyer registered with the Paris Bar, Patricia Savin holds a PhD in private law from IHEDN (Economic Intelligence Session).

A Partner at DS Avocats, she co-manages the Environment and Sustainable Development Department where she is specifically tasked with cases involving logistics, polluted soils and sustainable urban environments.

Patricia Savin was elected member of the French National Bar Council, of which she was Secretary General for the 2010-2013 period.

As Chairman of the Orée association and the Environment and Sustainable Development Commission of the French Bar Association (*Ordre des Avocats de Paris*), she is regularly consulted by the Ministries of Ecology and Justice on the draft texts under discussion (environment charter, ecological damage, etc.).

Before joining DS Avocats, Patricia Savin held posts with the Mûquet Borde (now Paul Hastings) law firm, then the Pardieu Brocas law firm, before becoming co-manager of Savin Martinet Associés from 2001 to 2015.

*Employment and functions at the Company: None.*

*Number of Company shares held: None.*

Under **Resolution 12**, you are also asked to appoint, Catherine Soubie as Director for a term of four (4) years expiring at the end of the General Meeting called in 2020 to approve the financial statements for the year ending 31 December 2019.

**Catherine Soubie**  
**50 years old**

A graduate of ESCP Europe, Catherine Soubie started her career in 1989 at Lazard in London then in Paris. She subsequently held various posts at Morgan Stanley in Paris, before becoming Deputy General Manager of Rallye, from 2005 to 2010.

In 2010, Catherine Soubie joined Barclays Capital SAS where she is now Managing Director in charge of Investment Banking France-Belgium-Luxembourg.

She is also an independent member of the Boards of Director of Korian.

*Employment and functions at the Company: None.*

*Number of Company shares held: None.*

On 17 February 2016, the Board examined the independence criteria relating to Patricia Savin and Catherine Soubie.

In view of the non-material nature of the remuneration of Patricia Savin for her occasional input on environmental issues with the teams of Foncière des Régions, the Board has classified her as an independent Director. This independent Director status will be reviewed every year by the Board of Directors.

Given the absence of business relations with Barclays in 2015, the Board has classified Catherine Soubie as an independent Director. This independent Director status will be reviewed every year by the Board of Directors.

Moreover, Patricia Savin and Catherine Soubie have not held any executive position within Foncière des Régions or a company in its group or division. They meet all of the independence criteria laid down in the Afep-Medef Code.

The Board thus deemed that Patricia Savin and Catherine Soubie could be considered as independent Directors.

The Board of Directors noted that if all parts of the **Resolutions 9 to 12** were to be approved by the General Meeting of Shareholders, the changes to the composition of the Board would allow the continuous improvement of the Company's governance structure, especially in view of the recommendations of the Afep-Medef Code:

- ♦ the proportion of independent Directors would thus increase from 57% to 60%
- ♦ the percentage of female Directors would rise from 36% to 40%.

#### 4.2.1.7. Setting the annual amount of the Attendance fees (Resolution 13)

Given the increase in the number of Directors, we propose, under the **Resolution 13**, that the total amount of attendance fees that may be paid to the Board of Directors as a whole, *i.e.* the Directors and the non-voting member, be increased from €500,000 to €600,000 for the year in progress and subsequent years until decided otherwise by the General Meeting. We wish to remind you that the amount of this overall annual package

had been set by the General Meeting of 31 January 2011. The rules adopted by the Board of Directors for the allocation of this package break down as follows:

- ♦ a fixed annual amount for duties within the Board and, where applicable, on any Board Committees and
- ♦ a variable portion, which is the greater amount, which takes into consideration attendance at Board and Committee meetings.

The rules for the allocation of attendance fees are detailed in section 4.3.1.7. of the 2015 Reference Document.

The Board reminds you that Directors who are also corporate officers (including the Chairman of the Board of Directors) do not receive attendance fees.

#### 4.2.1.8. Authorisation to be granted to the Board of Directors for the Company to purchase treasury shares (Resolution 14)

In **Resolution 14**, it is proposed that you authorise a share buyback programme. The principal characteristics of this programme will be the following:

- ♦ the number of shares bought back may not exceed 10% of the Company's share capital
- ♦ the purchase price may not exceed €100 per share (excluding acquisition costs)
- ♦ the maximum amount of funds allocated to the buyback programme would be €150,000,000
- ♦ this programme may not be implemented during a public takeover bid.

The buyback by the Company of its treasury shares would result in:

- ♦ awarding shares to corporate officers or employees of the Company and/or of companies belonging to its group
- ♦ delivering shares upon the exercise of rights attached to securities entitled to the award of Company shares
- ♦ delivering as payment or exchange (up to a limit of 5% of the capital), specifically within the context of external growth, merger, spinoff or contribution operations
- ♦ cancelling shares in whole or in part, subject to the adoption of **Resolution 16**
- ♦ setting up a liquidity agreement, noting that by law, in the event of acquisition under a liquidity agreement, the number of shares considered for calculation of the 10% limit of the share capital amount would match the number of shares purchased, deducting the number of shares resold during the authorisation granted by the General Meeting.

This authorisation would be given to the Board of Directors for a period of 18 months with effect from the date of the General Meeting on 27 April 2016 and would immediately terminate the authorisation for the unused portion, given by the Ordinary and Extraordinary General Meeting of Shareholders on 17 April 2015.

Prior to implementing it, the Company would publish a description of the programme in the form set out under Article 241-1 of the AMF Regulations.

## 4.2.2. Extraordinary resolutions

### 4.2.2.1. Financial authorisations to confer upon the Board of Directors (Resolutions 15 to 22)

In the Extraordinary General Meeting, you will be asked to grant certain financial authorisations to your Board of Directors and to authorise it, within the limits and conditions that you will set, to decide on the issuance of shares and/or securities directly or indirectly providing access to the Company's share capital.

The Board of Directors wishes to continue having the means that enable it, if necessary, by calling upon the markets, to gather the financial resources needed for the development of your Company.

It is being proposed that you grant the Board of Directors the following financial authorisations:

- ♦ **Resolution 15:** capital increase through the incorporation of reserves, profits or premiums
- ♦ **Resolution 17:** issuance of shares and/or securities giving access to the Company's capital, maintaining shareholders' preferential subscription rights
- ♦ **Resolution 18:** issuance of shares and/or securities giving access to the Company's capital, through a public offering, with waiver of shareholders' preferential right of subscription and a priority period for share issues
- ♦ **Resolution 19:** issuance of shares with waiver of shareholders' preferential right of subscription, in the event of a public exchange offer initiated by the Company
- ♦ **Resolution 20:** issuance of shares and/or securities giving access to the Company's capital, within a limit of 10% of its share capital, with a view to compensating the in-kind contributions granted to the Company consisting of shares or securities giving access to equity, with waiver of shareholders' preferential right of subscription
- ♦ **Resolution 21:** capital increases reserved for employees of the Company and the companies of the Foncière des Régions group covered by a Company Savings Plan, with waiver of shareholders' preferential subscription right
- ♦ **Resolution 22:** awarding of existing or new shares as bonus shares to employees and/or Corporate officers and officers of affiliated companies, with cancellation of shareholders' preferential right of subscription.

You will also be asked, in **Resolution 16**, to authorise the Board of Directors to reduce the Company's share capital by cancelling shares purchased within share buyback programmes adopted by the Company.

In proposing to you that you grant it these authorisations, the Board of Directors seeks to clearly explain to you the impact of the corresponding resolutions submitted to your approval.

The Company auditors will prepare their own reports on the financial authorisations, which will be made available to you in accordance with legal and regulatory conditions.

#### 4.2.2.1.1. Authorisation to be granted to the Board of Directors to increase the share capital of the Company through the capitalisation of reserves, earnings or premiums (Resolution 15)

Under **Resolution 15**, you will be called upon to decide on the authorisation to be given to the Board of Directors, who may sub-delegate its authority, to carry out a capital increase, through capitalisation of all or part of the reserves, earnings, premiums or other sums for which capitalisation would be permitted. This transaction would not necessarily translate into the issue of new shares.

This authorisation, which would be granted for a period of 26 months, would enable the Board of Directors to decide on one or more capital increases, up to a maximum nominal amount of €20,000,000 (excluding adjustments to protect holders of transferable securities eventually providing access to shares), representing 10% of the share capital. This cap is set independently and separately from the capital increase ceilings resulting from share or security issues approved under **Resolutions 17 and 21**.

This authorisation could not be used without your formal agreement during periods of public purchase or exchange offers on the Company's shares.

This authorisation, given for a period of 26 months, would immediately terminate the authorisation given by the Combined General Meeting of Shareholders of 17 April 2015, for the unused portion.

#### 4.2.2.1.2. Authorisation to be granted to the Board of Directors to reduce the Company's share capital through the cancellation of shares (Resolution 16)

Concurrently with the authorisation given to the Company to conduct transactions in its own shares under **Resolution 14**, it is proposed in **Resolution 16**, that you should authorise the Board of Directors, who may sub-delegate this authority, to cancel shares acquired by the Company under the buyback programme authorisation submitted in **Resolution 14**, or in any resolution having the same purpose and the same legal basis.

As provided for under French law, shares may only be cancelled up to a limit of no more than 10% of the share capital per 24 month period.

Consequently, you will be asked to authorise the Board of Directors to reduce the share capital under applicable legal conditions.

This authorisation, given for a period of 18 months, would immediately terminate the authorisation given by the Ordinary and Extraordinary Meeting of Shareholders on 17 April 2015, for the unused portion.

#### 4.2.2.1.3. Authorisation to be granted to the Board of Directors to issue shares and/or securities giving access to the Company's capital, maintaining shareholders' preferential subscription rights (Resolution 17)

In **Resolution 17**, it is proposed that you delegate to the Board of Directors, who may sub-delegate this authority, powers to issue shares in the Company and/or other securities (including warrants for new or existing shares), giving access by any means, immediately or in the future, to capital in the Company, in a subsidiary in which the Company holds more than 50% of the shares directly or indirectly, or in a company directly or indirectly holding more than 50% of the Company's shares, issued for free or against payment, maintaining shareholders' preferential subscription rights.

The Board of Directors may use this authority, in order to have the necessary funds available at the appropriate time to develop the Company's business.

In case of deferred access to shares of the Company, *i.e.* by transferable securities providing access to Company shares by any means, your decision would involve waiver by the shareholders of their preferential right to subscribe for the shares to which these securities would be entitled.

The maximum nominal amount of the capital increases liable to be made would be set at €50,000,000, representing 25% of the share capital. This amount would be independent of, and separate from the capital increase ceilings resulting from share and/or security issues approved under **Resolutions 15, 18 and 21**.

The nominal amount of debt instruments providing access to the Company's capital that are liable to be issued may not exceed a total amount of €750,000,000. This amount would also constitute an overall nominal ceiling for securities issues made under **Resolutions 17 and 18**.

The issue price of securities providing access to the Company's capital would be determined by the Board of Directors if and when it implements this authorisation, in keeping with legal and regulatory provisions.

Shareholders would have a preferential right, in proportion to the value of their shares, to subscribe the shares and securities issued under this Resolution.

This authorisation could not be used without your formal agreement during periods of public purchase or exchange offers on the Company's shares.

This authorisation would be given to the Board of Directors for a period of 26 months with effect from the General Meeting on 27 April 2016 and would immediately terminate the authorisations given by the Ordinary and Extraordinary Meeting of Shareholders on 17 April 2015, for the unused portion.

#### 4.2.2.1.4. Delegation of authority to the Board of Directors to issue, through a public offering, Company shares and/or securities giving access to the Company's capital, with cancellation of shareholders' preferential subscription rights and a priority period for share issues (Resolution 18)

The Board of Directors may, in the interest of the Company and its shareholders, in order to seize the opportunities offered by the financial markets, be led to issue such securities without preferential subscription rights.

You are also asked, through **Resolution 18**, to grant the Board of Directors the power, with the option to sub-delegate, to issue by means of a public offering, without preferential subscription rights for shareholders, Company shares or debt securities providing access to existing or new Company shares, or shares in a subsidiary which is majority-held by the Company, whether directly or indirectly, or a company which directly or indirectly holds more than 50% of the Company's shares.

Your decision would imply a waiver of your preferential subscription right to the shares or other equity instruments of the Company issued on the basis of this authorisation.

We would like to point out that the Board of Directors would be obliged to grant shareholders a priority subscription period of at least three (3) trading days, solely for issues of shares by public offering conducted by the Board of Directors, in accordance with Articles L. 225-135, Par. 5 and Article R. 225-131 of the French Commercial Code; this priority period is an option for the issuance of all securities.

The nominal amount of the total debt securities issued may not exceed €750,000,000, the overall ceiling for all debt instruments set by **Resolution 17**.

The maximum nominal amount of the capital increases liable to be carried out by the Company under this authorisation may not exceed €20,000,000, representing 10% of the share capital, and would be independent and separate from the caps for capital increases resulting from the issuance of shares and/or transferable securities authorised by **Resolutions 15, 17 and 19 to 21**.

The issue price of shares and/or securities providing access to the Company's capital would be determined by the Board of Directors if and when it implements this authorisation, in keeping with legal and regulatory provisions.

This authorisation could not be used without your formal agreement during periods of public purchase or exchange offers on the Company's shares.

This authorisation would be given for a period of 26 months with effect from the date of the General Meeting on 27 April 2016 and would immediately terminate the authorisation given by the Combined General Meeting of Shareholders on 17 April 2015, for the unused portion, related to the issuance of debt securities granting access to capital.



**4.2.2.1.5. Authorisation to be granted to the Board of Directors to issue shares, with cancellation of shareholders' preferential subscription rights, up to a cap of 25% of the share capital in the event of a public exchange offer initiated by the Company (Resolution 19)**

In **Resolution 19**, you are asked to approve the delegation of powers to the Board of Directors, including a power of sub-delegation, to issue Company shares, on one or more occasions, in the event of a public exchange offer initiated by the Company (in France or abroad). This delegation of powers is proposed in order to facilitate the transaction announced on 18 February 2016 aimed at increasing the capital of Foncière des Murs, following ACM Vie's contribution of 3.3% of the capital of Foncière des Murs to Foncière des Régions, triggering a mandatory public exchange offer initiated by Foncière des Régions.

This is a procedure which authorises the exchange of securities without the need for your Company to comply with the relevant formalities when a contribution in kind is made.

The corresponding capital increase would be carried out without giving effect to the shareholders' preferential subscription rights. As such, you will be asked to expressly waive your preferential subscription rights with respect to the new Company shares which will be issued on the basis of the present authorisation.

The maximum nominal amount of the capital increases liable to be made immediately or in the future would be set at €50,000,000, representing 25% of the share capital. This amount would be set independently and separately from the caps applying to capital increases resulting from the issue of shares and/or transferable securities as provided for under the **Resolutions 15, 17, 18, 20 and 21**.

For each individual offer, the Board of Directors would have to determine the nature and characteristics of the shares to be issued. The amount of the increase in share capital would depend on the result of the offer and the number of securities tendered under the exchange offer, taking into account parities laid down and the shares issued.

This authorisation could not be used without your formal agreement during periods of public purchase or exchange offers on the Company's shares.

It would be granted for a period commencing at the end of the General Meeting convened and would expire on 31 December 2016.

In accordance with the relevant applicable regulation, the Board of Directors will prepare a supplementary report relating to the use of this authorisation mentioning, in particular, the following:

- (i) the effect of the share issue on the situation of holders of shares and of transferable securities giving access to equity (in particular regarding their share of the Company's equity) and
- (ii) the theoretical effect of said issue on the market value of the Company shares.

**4.2.2.1.6. Authorisation to be granted to the Board of Directors to issue shares and/or transferable securities giving access to the Company's capital, limited to 10% of the share capital in order to pay for the contributions in kind granted to the Company consisting of shares or transferable securities giving access to equity, with a waiver of shareholders' preferential right of subscription (Resolution 20)**

In accordance with the option offered by Article L. 225-147, Par. 6 of the French Commercial Code, you are asked, under the **Resolution 20**, to authorise the Board of Directors, with the option to sub-delegate, to issue shares and/or transferable securities giving access to the Company's capital, in consideration for the contributions in kind granted to the Company consisting of shares or transferable securities giving access to equity, when Article L. 225-148 of the French Commercial Code is not applicable.

This delegation of powers is proposed in order to facilitate the transaction announced on 18 February 2016 to increase the capital of Foncière des Murs, with ACM Vie's contribution of 3.3% of the capital of Foncière des Murs to Foncière des Régions.

The maximum nominal amount of increases in the Company's share capital that may be performed under this authorisation, immediately or in the future, will be set at 10% of the Company's share capital (existing at the date of the Board of Directors' use of this authorisation). This cap would be set independently and separately from the caps applying to capital increases resulting from the issue of shares and/or transferable securities under **Resolutions 15, 17 to 19 and 21**.

You will be requested to expressly waive your shareholder's preferential subscription right to new shares and/or to securities giving access to the Company's share capital in favour of holders of shares or transferable securities forming the object of a contribution in kind.

This authorisation could not be used without your formal agreement during periods of public purchase or exchange offers on the Company's shares.

The Board of Directors would, notably, be required to approve the report of the auditors to be appointed, set the exchange ratio and, where there is no such ratio, the amount of the balance to be paid in cash, confirm the number of securities to be issued to pay for contributions, determine the dates and conditions of issues of shares and/or transferable securities giving immediate or future access to the Company's capital, and value the contributions.

This delegation would be granted for a period commencing at the end of the General Meeting convened, and would expire on 31 December 2016.

**4.2.2.1.7. Authorisation to be granted to the Board of Directors to undertake capital increases reserved to employees of the Company and of companies of the Foncière des Régions group that are members of a Company Savings Plan, with a waiver of shareholders' preferential right of subscription (Resolution 21)**

You will be asked, under the **Resolution 21**, to authorise the Board of Directors, with the option of sub-delegation, to decide to increase the share capital under the provisions of the French Commercial Code and Labour Code relating to the issuance of shares or securities giving access to existing Company shares or shares to be issued, for the benefit of employees covered by a Company Savings Plan offered by the Company and/or its affiliates within the meaning of Article L. 225-180 of the French Commercial Code.

This capital increase authorisation would be granted for a maximum nominal amount, immediately or in the future, resulting from the issues made pursuant to this authorisation (including the capitalisation of reserves, earnings or premiums), of €500,000, being 0.25% of the share capital, set irrespective of the par value of the shares that may be issued as a result of adjustments made to protect the holders of transferable securities giving future access to shares. This cap would be independent of any other authorisation granted by the General Meeting.

You will be requested to expressly waive your shareholder's preferential subscription right to new shares or to securities giving access to the Company's equity in favour of these employees.

The subscription price of the shares and the discount offered will be set by the Board of Directors on the understanding that the discount offered may not exceed 20% of the average share price for the twenty trading days preceding the date of the decision to open the subscription period, and 30% of this same average when the retention period provided for in the plan is greater than or equal to ten years, provided that the Board may also replace all or part of said discount by the allocation of shares or other securities.

The Board may likewise provide for the allocation of bonus shares or other securities giving access to the Company's equity, it being understood that the total benefit resulting from this allocation as a company contribution or, where applicable, the discount on the subscription price, may not exceed the legal and regulatory limits and that the shareholders waive all rights to shares or other securities giving access to the Company's capital that may be issued by virtue of this Resolution.

This authorisation would be given to the Board of Directors for a period of 26 months with effect from the General Meeting on 27 April 2016 and would immediately terminate the authorisations given by the Ordinary and Extraordinary Meeting of Shareholders on 17 April 2015, for the unused portion.

**4.2.2.1.8. Granting authorisation to the Board of Directors to award bonus shares, existing or to be issued, to employees and/or corporate officers of the Company and its associated companies, with a waiver of shareholders' preferential right of subscription (Resolution 22)**

You will be asked, under the **Resolution 22**, to authorise the Board of Directors, with the option to sub-delegate, to set up a programme for the free allocation of existing or new ordinary shares to employees (or certain categories of employees) and/or eligible corporate officers (or certain categories of them) of the Company or associated companies or economic-interest groups.

The total number of shares which can be awarded as bonus shares will be capped at 1% of the Company's share capital on the date of the Board of Directors' decision to grant them, with the specification that the proportion of shares which may be awarded to corporate officers under this authorisation may not exceed 40% of the overall ceiling defined above.

The bonus shares which may be awarded to corporate officers will correspond either to the upside of their target bonus, being the variable component of their remuneration which can be paid in bonus shares, or the long-term incentive component of their remuneration described in more detail in section 5.5.1.2.2. of the Reference Document. For this long-term incentive component and subject to the corporate officer's presence within the Company at the end of the vesting period, all awards of bonus shares to corporate officers of the Company shall be subject to multiple performance conditions laid down by the Board of Directors for a period of three years. For the 2015 share awards, these conditions are set out in section 5.5.1.2.3. of the Reference Document.

The awarding of bonus shares to non-executive Company employees is subject to performance conditions and development potential. Accordingly, the delivery of shares at the end of the vesting period is not subject to new performance criteria.

In accordance with legal requirements, the resolution which is being submitted to your approval provides that the vesting period for the shares, to be determined by the Board of Directors, will not be less than 30 months, and that the shares may not be transferred until the end of the vesting period. This period of 30 months will make it possible, exceptionally, to shorten the length of the vesting period for shares awarded in 2015. Starting from the next awards, the Company intends to maintain a vesting period of a minimum of three years for all of its bonus share award schemes.

Where appropriate, the shares could include a retention obligation for the beneficiaries for a period to be determined by the Board of Directors starting from the end of the vesting period.

At the end of the vesting period, awards of newly issued bonus shares could give rise to one or more increases in the Company's capital.



This authorisation, granted for a period of 38 months starting from the General Meeting of 27 April 2016, will terminate the authorisation granted by the General Meeting of 28 April 2014, which would have expired in June 2017, with respect to the part not yet used by the Board of Directors. The Board of Directors'

special report on the award of bonus shares issued in accordance with Article L. 225-197-4 Par. 1 of the French Commercial Code, outlines the awards of ordinary Company shares over the course of the fiscal year ended 31 December 2015.

The table below provides an overview, as at 31 December 2015, of the awards authorised by the Board of Directors over the last three years.

	2013		2014		2015	
Allocation to corporate officers of Foncière des Régions	26,751	35%	31,524	16%	28,571	85%
Allocation to employees	50,683	65%	161,548	84%	5,000	15%
Total	77,434	100%	193,072	100%	33,571	100%
Number of shares comprising the share capital	62,683,088		62,683,557		66,629,732	
Authorisation	0.5%		0.5%		0.5%	
Percentage of share capital ("burn rate")	0.12%		0.31%		0.05%	
Number of potential bonus shares to be issued on 31 December 2015					307,067	
Potential current dilution at 31 December 2015 on the basis of the 2014 authorisation					0.46%	

#### 4.2.2.2. Powers for formalities (Resolution 23)

**Resolution 23** is a standard resolution concerning the granting of the powers required to make announcements and perform legal formalities relating to holding the General Meeting.

We believe that these transactions, under these conditions, are a timely measure and we ask you to approve the resolutions to be presented to you.

The Board of Directors

## 4.3. REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

Foncière des Régions carefully and continuously analyses the best practices in corporate governance as laid down in the Afep-Medef Code, revised in November 2015, and is committed to applying them. In this regard, in 2015, Foncière des Régions completed the roll-out of measures to ensure the coordinated staggering of Directors' terms of office on the occasion of the combined renewal of eight directorships expiring in April, and continued to increase the proportion of independent Directors and the number of female members of the Board, in accordance with the commitments made. The Company's Board of Directors also endeavoured to implement the recommendations of the independent evaluation of the Board's operations, including those concerning the development of interactions between Directors, and the sharing of risk and strategy analyses. These initiatives are part of a relentless drive to consolidate a form of governance that aspires to openness, transparency, efficiency and pragmatism, in order to serve the long-term interests of the Company, its shareholders, tenants, employees and all of its stakeholders.

This report, prepared by the Chairman of the Board of Directors in accordance with the provisions of Article L. 225-37 paragraph 6 *et seq.* of the French Commercial Code, provides shareholders with the required information on the composition of the Board of Directors and the application of the principle of balanced gender representation, on the conditions for the preparation

and organisation of its work, and on the procedures for internal control and risk management implemented by Foncière des Régions, including those applied with regard to its consolidated subsidiaries, and particularly the procedures relative to the preparation and treatment of accounting and financial information. This report also sets out (i) the limitations on the powers of the General Manager and the Deputy General Managers, (ii) the general rules governing the establishment of the remuneration of corporate officers, (iii) the conditions for shareholder participation in General Meetings, and (iv) the publication of the information required by Article L. 225-100-3 of the French Commercial Code.

This report was prepared with the assistance of the Legal Department, the Audit and Internal Control Department, the Human Resources Department, the Financial Department and the Corporate Office, all of which used the work of the High Committee on Corporate Governance and various recommendations of the *Autorité des Marchés Financiers* as references. After being discussed by the Chief Operating Officer and the Chairman of the Board of Directors, the report was presented to the Audit Committee, then submitted to the members of the Board of Directors, who approved it at their meeting of 17 February 2016. It was published on 23 March 2016 on the Company's website and was the subject of a report by the Statutory Auditors.

### 4.3.1. Preparation and organisation of the work of the Board of Directors

#### 4.3.1.1. Management method

Since 31 January 2011, Foncière des Régions has been organised according to a one-tier board system, with a Board of Directors which, at its meeting on the same date, decided to separate the functions of Chairman and General Manager.

This structure ensures a clear distinction between the Chairman's duty, which consists of ensuring the proper functioning of the Board of Directors, and the operational and executive functions for which General Management is responsible. The appointment in 2012, of the General Manager as a Director has allowed him to be involved, in the same way as the other Directors, in defining and making decisions relating to Company strategy, which he is responsible for implementing.

The composition of the Governance bodies and the diversity of expertise of the members of the Board are a guarantee to shareholders and the market that the missions of the Board are carried out with the necessary independence and objectivity.

#### 4.3.1.2. Role of the Chairman of the Board of Directors

The Chairman, in close coordination with the General Manager, represents the Board of Directors. He acts and speaks on its behalf and oversees the organisation of the Board and its Committees, as well as ensures that they are working smoothly. He ensures that all Directors are always kept fully notified of any information relevant to the implementation of the strategy. He leads the Board's discussions and helps to summarise its views. In close coordination with initiatives implemented in this area by General Management, the Chairman ensures that the quality of the Board's relationships with the Company's shareholders, major partners or group customers, as well as with public authorities, institutional and regulatory authorities, the media and investors deemed to be economic players, are maintained. The Chairman also presides over the Company's General Meetings and participates in the oversight of the governance of the Company's subsidiaries. Moreover, he oversees the proper functioning of the audit and risk management bodies.

He provides the General Manager with help and advice on designing and implementing strategy, whilst not infringing on his executive responsibilities. The Chairman also helps to promote the image and values of Foncière des Régions, both inside and outside the group.

### 4.3.1.3. Reference texts

French and EU legislation and regulations as well as the rules set forth by financial market regulatory authorities apply to the corporate governance of the Company. Foncière des Régions has adopted the Afep-Medef Code as a frame of reference for corporate governance. This decision was published by Foncière des Régions on 29 December 2008. Today, the Company refers to the revised version of the Afep-Medef Code published on 12 November 2015, which can be viewed on the website:

<http://www.afep.com> (under "La Médiathèque", sub-section "Bibliothèque/Droit des sociétés et Gouvernance").

The Company's corporate governance policy widely reflects the principles and recommendations of the Afep-Medef Code insofar as these are compatible with the Company's organisation, operation and situation. In 2015, the Company took the required measures to comply with the recommendations regarding the staggering of the Directors' terms of office and the composition of the Appointments and Remunerations Committee. However, certain provisions of the Code have not yet been fully implemented by the Company. In accordance with the provisions of Article L. 225-37, Par. 7 of the French Commercial Code and of Article 25.1 of the Afep-Medef Code relating to the "comply or explain" rule, the exceptions to the implementation of the Code are described in the table below:

Afep-Medef Code	Foncière des Régions Practices
Awarding of performance shares to executive corporate officers made conditional upon the purchase of a defined amount of shares when the shares awarded become available	This recommendation was not implemented by Foncière des Régions. The Board in fact requires Directors and executive corporate officers to retain at least 50% of shares that can be purchased pursuant to the allocation of performance shares until the termination of their functions and until such time as they hold two years' worth of fixed remuneration in shares. Given the strict nature of this obligation, the Board considered that it was not useful to require that corporate officers buy an amount of shares in Company stock when the awarded bonus shares became available, as the undertaking to retain the shares is a mechanism with an equivalent effect.
Independence of Company Directors in office for more than 12 years or Directors of the parent Company or one of its consolidated subsidiaries (or having held that position during the past 5 fiscal years)	In its appraisal of the independence of each of the Directors, the Board uses the criteria laid down in the Afep-Medef Code as key references; it also seeks to establish whether the Directors, who may be presumed non-independent according to one of the criteria set out in the Code, are considered as free of constraints, if their terms of office and directorships in other Group companies do not lead to any loss of independence with respect to the Company's particular situation. This analysis is detailed and explained on a case-by-case basis in section 4.3.1.4.3 of this report.

Foncière des Régions' corporate governance is also reflected by the Company's Articles of Association, supplemented by the provisions of the Internal Regulations of the Board of Directors adopted on 31 January 2011 and updated on 25 April 2012, 20 February 2013, 24 April 2013, 26 February 2014, 19 February 2015, 17 April 2015 and 26 November 2015.

The Internal Regulations of the Board will be regularly reviewed to ensure they are adapted to ongoing developments in governance rules and practices. Accordingly, in 2015 the Board of Directors continued to adapt its Internal Regulations to the corporate governance changes introduced by the June 2013 and November 2015 revisions of the Afep-Medef Code with regard to (i) the missions and operation of the Audit Committee and its ability to seek the assistance of external experts as necessary for the performance of its missions, and (ii) the number of directorships held by the Directors in listed companies outside the Group.

The updated Articles of Association and Internal Regulations can be viewed on the Company's website at the following address: [www.foncieredesregions.fr](http://www.foncieredesregions.fr).

### 4.3.1.4. Methods of organisation and operation of the Board of Directors

#### 4.3.1.4.1. Missions of the Board of Directors

The Board of Directors determines the strategy for the Company's business and oversees its implementation. Subject to the powers expressly reserved for General Meetings of Shareholders and within the limits of the corporate purpose, the Board of Directors may seize any question affecting the operation of the Company and govern its business through its deliberations. It also conducts the controls and verifications it deems appropriate.

In addition to the operations already listed in the Internal Regulations that specifically require the Board's prior authorisation, any significant operation requires prior authorisation by the Board of Directors. Further details are given hereunder in section 4.3.1.6.2 on the limitations to the powers of the General Manager and Deputy General Managers.

The Board is kept regularly informed of the Company's financial position, cash situation and liabilities. It is the Board's responsibility to approve the Company's financial communication policy and to oversee its relevance and quality.

The Board also defines whether the General Management of the Company is assumed by the Chairman or by another individual with the title of General Manager, who is appointed by the Board and who may or may not be a Board member. Since this last method of management is currently in force, the Board determined the limitations to the power of the General Manager and the Deputy General Manager.

The Board implements the authorisations and delegations of powers and competence conferred upon it by the General Meeting and decides whether or not to approve related party agreements referred to it.

The Board of Directors determines the amount, methods of calculation and payment of the Chairman's remuneration, if any. It also determines the remuneration of the General Manager and Deputy General Managers, which is set out in Chapter 5, section 5.5.1. of this Reference Document.

#### 4.3.1.4.2. Members of the Board of Directors

The Articles of Association provide that the Board of Directors shall consist of between three and eighteen members, appointed by the Ordinary General Meeting of Shareholders. In addition to

the Chairman, the Board of Directors may elect one or more Vice-Chairmen from among its members. The Vice-Chairman acts in the Chairman's place in the event of incapacity or absence. In a case of temporary incapacity, this delegation is given for a limited period and may be renewed. If the Chairman dies, this delegation is valid until the appointment of a new Chairman of the Board.

#### Changes made to the Board of Directors in 2015

In 2015, Sergio Erede and the company Aterno, represented on the Board by Romolo Bardin, did not seek the renewal of their terms of office expiring in 2015.

The General Meeting of Shareholders of 17 April 2015 renewed the terms of office of eight Directors and appointed two new Directors, Romolo Bardin and Delphine Benchetrit. Delphine Benchetrit will contribute to the Board's real estate and financial expertise through her experience with the Affine, Natixis and Lehman Brothers groups, and her career since 2009 as a founding partner of Finae Advisors, an independent financial consulting firm dedicated to real estate investors.

For the regular and seamless staggering of the Directors' terms of office, on the advice of the Appointments and Remunerations Committee, the Board proposed, at its meeting of 19 February 2015 for the renewal of several Directors' term of office, to exceptionally reduce the duration of some of these terms to two or three years, instead of four years.

Director	Departure	Renewal	Appointment	Term of office	Expiry of term of office
Jean Laurent		17 April 2015		4 years	2019
Leonardo Del Vecchio		17 April 2015		4 years	2019
Bertrand de Feydeau		17 April 2015		4 years	2019
GMF Vie (Philippe Narzul*)		17 April 2015		4 years	2019
ACM Vie (Catherine Allonas Barthe)		17 April 2015		3 years	2018
Jean-Luc Biamonti		17 April 2015		2 years	2017
Predica (Jérôme Grivet)		17 April 2015		2 years	2017
Pierre Vaquier		17 April 2015		2 years	2017
Sergio Erede	17 April 2015				
Aterno (Romolo Bardin)	17 April 2015				
Romolo Bardin			17 April 2015	3 years	2018
Delphine Benchetrit			17 April 2015	3 years	2018

\* Appointment of Philippe Narzul as representative of GMF Vie, effective from 1 April 2015, to replace Lionel Calvez.

#### Impact of the 2015 changes to the board in terms of diversification

Percentage of independent Directors	Percentage of female Directors	Percentage of international Directors	Average age
57% versus 50%	36% versus 29%	Maintained at 36%	Maintained at 57 years

At 31 December 2015, the Board of Directors had 14 members plus one non-voting Director:

Member's first and last name or company name	Title	Gender	Nationality	Age	Date first appointed	Date of re-appointment
Jean Laurent	Chairman of the Board	Men	French	71	31/01/2011	17/04/2015
Leonardo Del Vecchio	Vice-Chairman of the Board	Men	Italian	80	31/01/2011	17/04/2015
ACM Vie (represented by Catherine Allonas Barthe)	Director	Women	French	61	31/01/2011	17/04/2015
Romolo Bardin	Director	Men	Italian	37	17/04/2015	
Delphine Benchetrit	Director	Women	French	47	17/04/2015	
Jean-Luc Biamonti	Director	Men	Monegasque	62	31/01/2011	17/04/2015
Sigrid Duhamel	Director	Women	French	50	28/04/2014	
Bertrand de Feydeau	Director	Men	French	67	31/01/2011	17/04/2015
GMF Vie represented by Philippe Narzul	Director	Men	French	62	31/01/2011	17/04/2015
Christophe Kullmann	General Manager Director	Men	French	50	25/04/2012	
Micaela le Divelec Lemmi	Director	Women	Italian	47	25/04/2012	
Sylvie Ouziel	Director	Women	French	46	24/04/2013	
Predica, represented by Jérôme Grivet	Director	Men	French	54	31/01/2011	17/04/2015
Pierre Vaquier	Director	Men	French	59	31/01/2011	17/04/2015
Sergio Erede	Non-voting member of the Board of Directors	Men	Italian	75	17/04/2015	

<sup>(1)</sup> To which may be added 24,000 shares beneficially owned resulting from a bare ownership transfer.

The Chairman is Jean Laurent and the Vice-Chairman is Leonardo Del Vecchio. Both were appointed by the Board of Directors on 31 January 2011 and their terms of office were renewed on 17 April 2015.

In 2015, for personal or professional reasons, some Directors were unable to attend some Board of Directors meetings. The lower attendance rates do not, however, diminish their strong involvement with and contribution to the preparatory work of the Board, given the opinions that they have previously issued on the information and transactions presented during meetings.

A list of all the offices held and functions currently or previously performed by each of the corporate officers over the last five years is presented in Chapter 5, section 5.5.3. of the Reference Document.

At its meeting of 17 February 2016, the Board of Directors appointed Covéa Coopérations, represented by Philippe Narzul, replacing GMF Vie on the Board for the remainder of the latter's term of office expiring at the end of the General Meeting of Shareholders to be held in 2019 to approve the financial statements for the year ended 31 December 2018. This appointment is subject to approval by the General Meeting on 27 April 2016.

Date term expires	Independent member	Board meeting attendance rate	Committee membership	Number of directorships in public companies outside the Foncière des Régions group	Number of shares held by officers who are physical persons
2019	yes	100%	Strategic and Investment Committee	2	400
2019	no	40%	Strategic and Investment Committee	1	1
2018	no	20%	Strategic and Investment Committee	1	0
2018	no	100%	Strategic and Investment Committee Audit Committee	0	3,500
2018	yes	100%	/	1	0
2017	yes	100%	Audit Committee Appointments and Remunerations Committee	1	429
2018	yes	100%	Audit Committee	1	252
2019	yes	100%	Audit Committee	2	371
2019	no	100%	Strategic and Investment Committee	1	0
2016	no	100%	/	0	37,977 <sup>(1)</sup>
2016	yes	40%	/	0	290
2017	yes	80%	Audit Committee	0	425
2017	no	80%	Strategic and Investment Committee Appointments and Remunerations Committee	4	0
2017	yes	80%	Appointments and Remunerations Committee	0	272
2019	no	100%	Strategic and Investment Committee Appointments and Remunerations Committee	N/A	N/A

On the advice of the Appointments and Remunerations Committee, the Board also proposed to renew Christophe Kullmann's term of office as Director, due to expire in 2016. Micaela Le Divelec did not seek the renewal of her Director's term of office, also due to expire. Furthermore, the Board proposed the appointment of two new Directors: Patricia Savin and Catherine Soubie. Patricia Savin would provide the Board with the benefit of her recognised legal experience, especially in the fields of real estate, the environment and sustainable development, as well as her expertise as a lawyer and involvement in various associations. The appointment of Catherine Soubie would bolster the Board's financial and business expertise through her experience at Lazard, Morgan Stanley, then Barclays since 2010. If this appoint-

ment and these renewals are approved at the General Meeting on 27 April 2016, the Board will consist of 15 members, of whom 40% will be women and 60% will be independent Directors.

#### Non-voting member of the Board of Directors

The Board of Directors may appoint one or more non-voting members (individuals or legal entities). It defines their term of office and any remuneration if they are assigned a particular mission. The non-voting members of the Board of Directors attend meetings of the Board as observers and may be consulted by the Board. They must be called to every meeting of the Board of Directors.

At the end of his Director's term of office expiring on 17 April 2015, the Board of Directors appointed Sergio Erede as non-voting Director for a term of four years expiring at the end of the General Meeting of Shareholders convened in 2019 to approve the financial statements for the financial year ending 31 December 2018.

As a non-voting Director, Sergio Erede provides the Board with his legal expertise as a recognised Italian business lawyer and attends the Board meetings on a consultative basis. He also attends the meetings of the Committees of which he was previously a member.

#### Secretary of the Board

The Board of Directors also appoints a Secretary, who may be a Board member or an external appointee. It defines the Secretary's duties, which it may terminate at any time. The secretary ensures that procedures relating to the Board's operation are followed and takes the minutes at its meetings.

These functions are currently held by Yves Marque, the Chief Operating Officer of Foncière des Régions, who was appointed by the Board of Directors on 31 January 2011, and reappointed on 17 April 2015 for a term of four years expiring at the end of the General Meeting called in 2019 to approve the financial statements for the year ending 31 December 2018.

#### Employee representatives

The Board of Directors does not include members representing employees. This lack of representation on the Board is due to the fact that Foncière des Régions does not come under the provisions of Act No. 2013-504 of 14 June 2013 concerning job protection.

In addition, since employee investment in Foncière des Régions is below the threshold of 3% of capital set by the provisions of Article L. 225-23 Par. 1 of the French Commercial Code, the Board of Directors does not include members representing employee shareholders.

However, two employees who are Works Council representatives are invited to each meeting, and attend with access to the same information as the Directors.

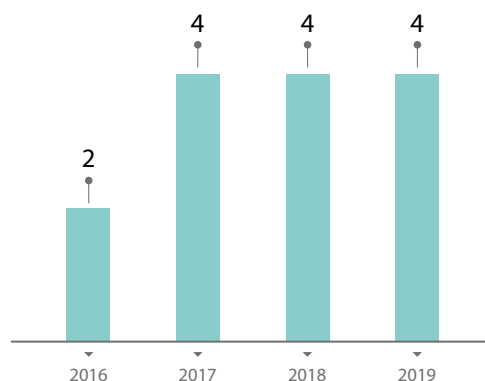
#### 4.3.1.4.2.1. Duration and staggering of terms of office

Directors are, in principle, appointed for a four-year term so that shareholders can have a frequent say on their election. The term of a Director expires at the end of the Ordinary Meeting of Shareholders called to approve the financial statements for the previous year, held in the year in which the term of the said Director expires.

To promote the Board's harmonious renewal, the Directors' terms of office are now staggered over time. To this effect, some of the terms jointly renewed in 2015 were exceptionally shortened to two or three years.

The shareholders' regular renewal of Directors has thus been facilitated, due to the limitation of their terms of office to four years, and to the staggering of expiration dates for the various tenures, allowing the General Meeting to vote on several directorships every year.

#### STAGGERED EXPIRATION OF TERMS OF OFFICE



#### 4.3.1.4.2.2. Lead Director

Given the separation of the functions of the Chairman and General Manager, the Board of Directors decided that there is no need to appoint a lead Director.

#### 4.3.1.4.2.3. Increase in the number of women on the Board

Occupational gender equality and diversity are key to effectiveness and economic and social performance and have been amongst Foncière des Régions' core concerns over recent years. With the proportion of female Directors on the Board at 36%, the Company complies with the Afep-Medef Code, which suggests that the percentage of women on the Board of Directors should be at least equal to 20% as of April 2013.

To achieve the Afep-Medef Code target of at least 40% women on the Board by April 2016, at its meeting on 17 February 2016, the Board of Directors, based on the recommendation of the Appointments and Remunerations Committee, proposed the appointment of Patricia Savin and Catherine Soubie as independent Directors of the Company at the next General Meeting of Shareholders, thereby increasing the proportion of female Directors from 36% to 40% in 2016.

#### 4.3.1.4.2.4. Nationalities

On the Board, 36% of the Directors are of non-French origin (four are Italian and one is Monegasque). This diversity ensures that its discussions encompass a wide range of views and that the topics reviewed at its meetings are analysed from a broader perspective.





### 4.3.1.4.2.5. Training

During the year, the Company continued with its induction programme for new Directors to enable them to gain a better understanding of the Company and its business sector. As a result, Directors who were not familiar with the Company and its business sector had, in particular, several opportunities to meet the Company's General Manager, the Director of Corporate Development and Communications, the Chief Operating Officer and the Chief Financial Officer.

### 4.3.1.4.2.6. General Manager's presence on the Board of Directors

The appointment in 2012 of Christophe Kullmann (who is also the Company's General Manager) as a Director has enabled him to be even more directly involved in the Company's strategy, for which he is responsible at the same level as the other Directors.

### 4.3.1.4.2.7. Recruitment procedure

When new Directors are recruited, the Board requests that the Appointments and Remunerations Committee put forward candidates. The Committee compiles a current skills map and works out the additional expertise sought from future Directors. In addition to the technical expertise sought, candidates should have solid experience as active Management or Executive Committee members, be willing and able both to contribute constructive opinions to discussions and to help summarise views and take part in decision-making. The candidates, who may in certain cases be pre-selected by a specialised firm, meet with the Chairman of the Board, the Chairman of the Appointments and Remunerations Committee, the General Manager and, wherever possible, with other Directors. Finally, once the Chairman of the Appointments and Remunerations Committee has presented the candidate's profiles, the Board selects the candidate to be put to the vote at the General Meeting of Shareholders.

### 4.3.1.4.3. Independence of the Directors

The Internal Regulations of the Company stipulate that the Board of Directors must include a significant proportion of independent Directors and specify in Article 6 that an independent Director is one who has no relationships of any kind with the Company, its group or its Management that might compromise his/her independent judgement.

Each year, based on the recommendations of the Appointments and Remunerations Committee, the Board of Directors devotes one item on its agenda to assessing the independence of its members in terms of independence criteria implemented by the Company.

In assessing the independence of each Director, the Board of Directors initially draws on the criteria set out in the Afep-Medef Code as a reference, which state that an independent Director must meet all the following conditions:

- (i) is not an employee or executive corporate officer of the Company or an employee or Director of its parent Company or of a Company which it consolidates, and has not been so within the last five years
- (ii) is not an executive corporate officer of a Company in which the Company directly or indirectly holds the office of Director, or in which an employee designated as such or an executive corporate officer of the Company (currently or within the last five years) holds a position as Director
- (iii) is not a significant client, supplier, retail banker or investment banker of the Company or its group, or for whom the Company or its group represents a significant portion of his/her business, and has no direct or indirect ties with any of the persons cited above
- (iv) has no close family ties with a corporate officer of the Company
- (v) has not served as a Statutory Auditor for the Company during the past five years
- (vi) has not served as a Director of the Company for more than twelve years, it being specified that loss of the status of independent Director occurs only at the expiration of the term in which the twelve-year limit has been exceeded
- (vii) is not or does not represent a shareholder who owns more than 10% of the capital or voting rights in the Company or its parent Company.

Secondly, and in line with Article 9.3 of the Afep-Medef Code, beyond the simple observation of compliance or non-compliance with these criteria, the Board of Directors assesses whether the Director meets the general definition set out in its Internal Regulations, on a case-by-case basis.

It seeks, in particular, to establish whether a Director, who could be presumed independent in terms of the Afep-Medef Code, has no other important ties (frequent or materially significant professional or personal ties in relation to Foncière des Régions' operating costs) which may restrict his or her freedom of analysis and of decision-making. Conversely, the Board also seeks to establish whether a Director, who may be presumed non-independent according to one of the criteria set out in the Code, is considered as free of constraints, if the criterion in itself does not lead to any loss of independence with respect to the Company's particular situation. This case-by-case analysis is particularly justified by the specific nature of the real estate sector, which focuses on an identified number of players and is led by well-known individuals.



The Board of Directors, at its meeting of 17 February 2016, carried out this annual review and decided, based on the proposal of the Appointments and Remunerations Committee, to maintain the independent status of Jean-Luc Biamonti, Bertrand de Feydeau, Jean Laurent, Pierre Vaquier, Micaela Le Divelec Lemmi (until the expiration of her term of office at the end of the General Meeting of 27 April 2016), Sylvie Ouziel, Sigrid Duhamel and Delphine Benchetrit, in light of the following:

- Delphine Benchetrit has been a member of the Board of Directors in a personal capacity since 17 April 2015.

She has never directly or indirectly been in significant business relations or occupied any executive function within Foncière des Régions or a Company in its group or division. Moreover, she meets all the independence criteria contained in the Afep-Medef Code. The Board therefore considers Delphine Benchetrit as an independent Director.

- Jean-Luc Biamonti has been a member of the Board of Directors in a personal capacity since 31 January 2011.

He meets all of the aforementioned Afep-Medef criteria, and in particular, has never been in a direct or indirect business relationship or held any executive position within Foncière des Régions or a Company of its group or under its management. He has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Jean-Luc Biamonti as an independent Director.

- Sigrid Duhamel has been a member of the Board since 28 April 2014, in a personal capacity.

She meets all of the aforementioned Afep-Medef criteria, and in particular, has never been in a significant direct or indirect business relationship or held any executive position within Foncière des Régions or a Company of its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Sigrid Duhamel to be an independent Director.

- Bertrand de Feydeau has been a member of the Board of Directors in a personal capacity since 31 January 2011. Prior to that he was a member of Foncière des Régions' Supervisory Board since 23 October 2006.

He has never held an executive position within Foncière des Régions or a Company of its group.

The Board noted that he is also the non-executive Chairman of the Board of Directors of Foncière Développement Logements, a Company which is 61.22% owned by Foncière des Régions and consolidated since August 2013. This is a position that may call into question the presumption of independence under the first criterion of the Afep-Medef Code. The Board, however, considered that this non-executive role contributes to strategic coherence within the group and is not likely to lead to conflicts of interest, as Bertrand de Feydeau is not considered as independent within the subsidiary, Foncière Développement Logements, and abstains, at the Foncière des Régions level, from participating in Board deliberations that may affect the interests of the subsidiary. This practice is

in line with the criteria set forth by the French Management Association (*Association Française de Gestion*, AFG) and with the recommendation of the Commission of the European Communities dated 15 February 2005: these two texts, which are well-suited to the European scale of Foncière des Régions' business, consider that being an independent Director of a group company has no adverse impact on the position of independence within another of this group's companies, and that only an executive position within one of the group's companies may call this independence into question.

Moreover, considering the other offices held in the past or currently by Bertrand de Feydeau in predominantly real-estate companies, his real estate and financial expertise and his independent-mindedness, which is unanimously recognised within the sector, he undeniably contributes to the debates of the Board of Directors of Foncière des Régions in an independent manner. The Board is committed to guaranteeing this independence by granting the Board its own operational resources, providing Directors with easy access to information and by securing all the conditions necessary to ensure transparent debates which respect the work of the Directors.

- Jean Laurent has been a member of the Board of Directors in a personal capacity since 31 January 2011, and has been a Board Chairman since the same date.

He has never been in a business relationship with the Company and does not represent any of its shareholders.

Given the separation of the functions of Chairman and General Manager implemented by the Board of Directors, Jean Laurent has no management or executive prerogative within the Company and, pursuant to Article L. 225-51 of the French Commercial Code, limits his duties as Chairman to the organisation and direction of the work of the Board and oversight of the smooth operation of the corporate bodies. His role is therefore non-executive. The remuneration for this role only includes a fixed portion proportionate to the scope of his role and is not such as to compromise his independence.

In terms of his status as an independent Director of Foncière des Régions, he is also a non-executive Director on the Board of Directors of Beni Stabili, a Company which is 48.86% owned by Foncière des Régions. This non-executive role contributes to strategic coherence within the group and is not likely to lead to conflicts of interest, as Jean Laurent abstains, at the Foncière des Régions level, from participating in Board deliberations that may affect the interests of the subsidiary. Accordingly, for the same reasons as those stated for Bertrand de Feydeau, this directorship does not have any bearing on Jean Laurent's status as an independent Director.

- Micaela Le Divelec Lemmi has been a member of the Board since 25 April 2012, in a personal capacity.

She meets all of the aforementioned Afep-Medef criteria, and in particular, has never been in a direct or indirect business relationship or held any executive position within Foncière des Régions or a Company of its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Micaela Le Divelec Lemmi to be an independent Director.



- ♦ Sylvie Ouziel has been a member of the Board of Directors in a personal capacity since 24 April 2013.

She meets all of the aforementioned Afep-Medef criteria, and in particular, has never been in a direct or indirect business relationship or held any executive position within Foncière des Régions or a Company of its group or under its management. She has no dealings with members of the Board of Directors, Executive Managers or majority shareholders that may call into question the criteria-based analysis. The Board of Directors therefore considers Sylvie Ouziel to be an independent Director.

- ♦ Pierre Vaquier has been a member of the Board of Directors in a personal capacity since 31 January 2011. Prior to that, he was a member of Foncière des Régions' Supervisory Board since 2 April 2001.

He meets all of the aforementioned Afep-Medef criteria, and in particular, has never been in a business relationship or held any executive position within Foncière des Régions or a Company of its group or under its management.

The duration of his term, which is more than 12 years as of 2013, does not impair his independent status.

The Board noted that:

- ♦ the Company, its business, its portfolio, mode of governance and shareholder base have changed considerably since 2001
- ♦ in light of all of these changes, particularly in terms of governance, shareholding structure and management, the reappointment of Pierre Vaquier as Director reflects the reality of his independence
- ♦ the real estate industry operates in long cycles: the time lapse between the moment the decision to launch a project is made and its delivery can take roughly 10 years. Moreover, Foncière des Régions has a long-term ownership policy for its acquired or developed assets. This characteristic justifies the long-term presence of the Directors, in order to assess and bear responsibility for the strategic decisions made by the Board
- ♦ the length of Pierre Vaquier's term has in no way altered his critical faculties with regard to General Management. On the contrary, his personality and expertise acquired within the Board have strengthened his freedom of speech and his independence of judgement. These qualities support his ability to challenge management's suggestions, contribute to placing the Company's strategy into perspective and also make it possible to provide a genuine base for the independent Directors (the other independent Directors have considerably less years of service to their names – four years on average).

The Board of Directors therefore considers that Pierre Vaquier's long-standing tenure does not have any bearing on his status as independent Director.

Given that 57% of its Directors are independent, the Company complies with the threshold recommended by the Afep-Medef Code for independent Directors.

More generally, the Board is keen to bring together a range of skills likely to provide it with real estate expertise as well as sufficient financial expertise to be able to make informed and

independent judgements with regard to the financial statements and adherence to accounting standards. Particular attention has also been paid to the complementary nature and quality of the various Directors' career paths, both in terms of offices held and business sector experience. With its current membership, the Board represents a sound balance between real estate, financial, banking and business expertise. However, in its pursuit of opening the Board to independent Directors while respecting the principle of gender balance within the Board of Directors, the Company will submit the appointment of Patricia Savin and Catherine Soubie as independent Directors for approval at the General Meeting of 27 April 2016. On 17 February 2016, the Board examined the independence criteria relating to Patricia Savin and Catherine Soubie. In view of the non-material nature of the remuneration of Patricia Savin for her occasional input on environmental issues with the teams of Foncière des Régions, and the absence of business relations between the Company and Barclays in 2015, the Board has classified them as independent Directors. Their independent status will be reviewed every year by the Board of Directors. Moreover, Patricia Savin and Catherine Soubie have not held any executive position within Foncière des Régions or a company in its group or division. They meet all of the above-mentioned Afep-Medef criteria. The Board thus deemed that Patricia Savin and Catherine Soubie could be considered as independent Directors.

These appointments will bolster the Board's legal and financial expertise.

Subject to the General Meeting's approval of these appointments, the proportion of independent Directors will rise from 57% to 60% in 2016.

#### 4.3.1.4.4. Ethical guidelines for members of the Board of Directors

The provisions governing the ethical rules and duties of the members of the Board of Directors are set forth in Article 5 of the Company's Internal Regulations, which is reproduced in full in Section 5 of the Reference Document. This Article defines the rules applicable to Directors concerning the declaration and management of conflicts of interest through their duty of loyalty.

The Company applies specific rules to Directors:

- ♦ obligation to declare conflicts of interest to the Chairman of the Board and/or to the Chairman of the Strategic and Investment Committee
- ♦ application of a rule according to which members finding themselves with a conflict of interest may not take part in debates and discussions, nor vote on the resolutions in question, Directors with conflicts of interest being invited to leave Board or Strategic and Investment Committee meetings held to review agenda items relating to the project or projects from which the conflict of interest has arisen.

In practice, when any reports are submitted which may cause a Director to have a conflict of interest, such reports, particularly investment-related reports, are only sent out once the Directors are in a position to declare themselves free of any conflict of interest, based on certain key criteria.

In case of a permanent conflict of interest, Article 5 of the Internal Regulations states that the member of the Board in question must resign.

#### 4.3.1.4.5. Organisation of the Board of Directors

##### 4.3.1.4.5.1. Meetings

The Board of Directors meets as often as required by the interests of the Company and whenever the Chairman deems necessary, upon notice from the Chairman. A simultaneous French/Italian interpretation system is used during meetings for the benefit of all participants.

##### 4.3.1.4.5.2. Form of the notice of meeting

Notices of meeting are conveyed by any written method at least five days in advance. This five-day period may be reduced if one-third of the Directors agree to a shorter notification period. Meetings are held at the Company's registered office or any other location indicated in the notice of meeting.

##### 4.3.1.4.5.3. Other participants

The Deputy General Manager attends Board meetings as a guest.

The non-voting Director, appointed by the Board of Directors, attends Board meetings on a consultative basis.

In accordance with the provisions of Article L. 2323-62 of the French Labour Code, two representatives of the Works Council designated by the Council attend Board meetings on an advisory basis. These representatives have the same documents at their disposal as those provided to Board members.

The Statutory Auditors are called to attend meetings during which the annual and half-yearly corporate or consolidated financial statements are examined or prepared. They are notified at the same time as the Directors. The Secretary of the Board also attends the meetings but has no vote.

Depending on the items on the agenda, the Chairman may deem it useful to invite employees or outside consultants to attend.

##### 4.3.1.4.5.4. Information for Board members

The Company provides Directors and non-voting members of the Board of Directors (if any) with the information they need to effectively participate in the Board's work in order to enable them to perform their role in appropriate conditions. This ongoing information must include all relevant items concerning the Company, including press articles and financial analysis reports.

At each Board meeting, the Chairman informs the members of the main facts and significant events affecting the Group's business since the previous Board meeting. In addition, files to be sent to Directors, and to any non-voting members of the Board of Directors and employee representatives assisting the Board, which contain the information and documents needed to perform their mission (including all documents relating to transactions that the Board is required to review in order to enable the Board to assess the impact), are prepared before each Board meeting and conveyed to the participants in a timely manner, with a reasonable notification period before the date of the meeting.

##### 4.3.1.4.5.5. Board deliberations

The Board of Directors validly deliberates only if at least one-half of its members are present. Subject to the applicable laws and regulations, the meetings of the Board of Directors may be held via videoconference or telecommunications or any other method allowed under the law and the regulations under the conditions defined by the Internal Regulations adopted by the Board of Directors.

Decisions are adopted by a majority of the members present or represented. In the event of a tied vote, the meeting's Chairman does not have the casting vote.

The deliberations of the Board of Directors are recorded in minutes prepared by the Secretary to the Board after each meeting. After approval, they are transcribed in the register of minutes of Board meetings.

#### 4.3.1.4.6. Evaluation of the Board's work

Under its Internal Regulations, each year the Board conducts a formal assessment of its work and devotes one item on its agenda during one of its meetings to a discussion of its operations. An independent evaluation is conducted every three years, with the assistance of an outside consultant where required. The assessment of the Board's work aims to review the Board of Directors' operating procedures, check that important matters are correctly prepared and debated, and measure the actual contribution of each Director to the Board's work based in his or her expertise and involvement in discussions. At this time, non-executive Directors, under the leadership of the Appointments and Remunerations Committee, may also evaluate the performances of the Chairman, General Manager and Deputy General Managers and reflect on the future of the Company's management.

In accordance with the recommendations of the Afep-Medef Code, the Company arranged for an initial independent evaluation, conducted at the end of 2013 by Egon Zehnder, three years after the implementation of the new governance system.

Since then, the Chairman of the Board of Directors has been striving to implement all recommendations from this evaluation. In 2014, the Board strengthened its international and real estate expertise, improved the integration process for new Directors, systematised the monitoring of Board decisions and the implementation of post-mortem practices for investments, and extended risk management consultation through widespread sharing of the work of the Audit Committee on the subject.

These efforts continued in 2015. In particular, the Board extended the consultation on strategic issues beyond the bounds of the Strategic and Investment Committee at a seminar held in June 2015 in Berlin, during which the Board of Directors and Management Committee discussed Foncière des Régions' medium-term strategy. The form of the projects presented to the Board of Directors was also improved, in order to make the presentations more concise, highlight the implications, risks and alternatives in each case, and support decision-making. The involvement of Foncière des Régions' management team in the presentation of projects, alongside the General Manager, has also increased at Board meetings.



In addition, the Chairman and the General Manager further increased preliminary exchanges before Board meetings, thereby improving the workings of the Board and efficiency of the meetings.

#### **4.3.1.4.7. Meetings and subjects discussed by the Board of Directors in 2015**

In 2015, the Board of Directors met five times, at the request of its Chairman, and the average rate of member attendance was 81%.

Each time certain Directors were unable to attend meetings, the Chairman and the General Manager arranged to send them the reports reviewed during meetings, asked for their opinions and shared them with the rest of the Board.

In addition to issues relating to its legal or regulatory powers, the Board of Directors regularly ruled on the group's strategy and on major decisions affecting its business (both acquisitions or disposals and internal restructuring).

In particular, the Board's work involved a review of the following points:

##### **Meeting on 19 February 2015**

Follow-up on decisions made at previous Board meetings – Review and closing of separate and consolidated financial statements at 31 December 2014 – Minutes of Audit Committee meeting of 16 February 2015 – Opinion of Statutory Auditors – Preparation of financial press release – Preparation of projected accounts and subsequent reports – Proposed dividend – Review of the strategy; planned capital increase for Foncière des Murs, ongoing reinforcement of German operations and presentation of an investment project – Minutes of the Appointments and Remunerations Committee meeting of 11 February 2015; review of the composition of the Board of Directors, appraisal of the independence of the directors, review of the staggering of the directors' terms of office, determination of the total amount of attendance fees, review and approval of the remuneration of executive corporate officers, implementation of a bonus share scheme – Convening of the Annual General Meeting; and approval of the agenda and draft resolutions, Board's management report and other Board reports – Approval of the report of the Chairman of the Board on corporate governance and internal control – Update to Internal Regulations – Finalising of financial communication data – Presentation and approval of funding – Review of 2014 related-party agreements – Approval of related-party agreements.

##### **Meeting of 17 April 2015**

Follow-up on decisions made at previous Board meetings – Review of operations in the first quarter 2015; approval of investments and asset disposals, approval of the renegotiation of the partnership agreement with Telecom Italia, update on rental activity, presentation and approval of financing operations – Annual review of measures taken under the Corporate Social Responsibility policy – Report on the General Manager's decisions concerning the new conversion value of Ornane

bonds – Presentation of Ornane 2011 conversion requests and power granted to the General Manager for their redemption – Implementation of resolutions adopted by the General Meeting; and renewal of the terms of office of the Chairman, Vice-Chairman and Board Secretary, appointment of the non-voting Director, approval of the Chairman's ongoing remuneration, change in the composition of the Board committees, update of internal regulations and implementation of the share buyback programme.

##### **Meeting of 22 July 2015**

Minutes of the strategy seminar of June 2015 in Berlin – Review and closing of the separate and consolidated financial statements at 30 June 2015 – Minutes of the Audit Committee meeting of 16 July 2015 – Opinion of the Statutory Auditors – Finalising of the press release – Minutes of the Strategic and Investment Committee meeting of 22 July 2015; presentation and approval of investment projects – Review of the quarterly activity report; and business update, analysis of the Company's S&P rating, approval of the planned buyback/reissuance of Beni Stabili Ornane bonds, presentation and approval of (re)financing operations – Presentation of the results of the Commitment Survey (*Baromètre Engagement*) – Report on the General Manager's decisions concerning the new conversion value of Ornane bonds – Presentation of Ornane 2011 conversion requests – Report on the General Manager's decisions on the payment of 2014 incentives in Company shares – Preparation of projected accounts and subsequent reports – Presentation of the schedule of 2016 governance meetings.

##### **Meeting of 21 October 2015**

Follow-up on decisions made at previous Board meetings – Review of the quarterly activity report; rental activity update, presentation of a real estate acquisition project and planned disposals – Minutes of the Audit Committee meeting of 29 September 2015 – Minutes of the Appointments and Remunerations Committee meeting of 21 October 2015; and review and approval of the financial terms for the termination of Aldo Mazzocco's appointment as Deputy General Manager, approval of related-party agreements – Presentation of the Company's extra-financial ratings.

##### **Meeting of 26 November 2015**

Follow-up on decisions made at previous Board meetings – Presentation of the 2015 budget outcome and approval of the 2016 budget – Minutes of the Appointments and Remunerations Committee meeting of 26 November 2015; update on the number of women on the Board, change in the total amount of attendance fees, update on the award of bonus shares to employees of the Foncière des Régions group – Minutes of the Strategic and Investment Committee meeting of 26 November 2015; and presentation and approval of investment projects – Annual evaluation of the Board's work – Annual authorisation granted to the General Manager to give guarantees and sureties – Presentation of the related-party agreements authorised in previous years and still in effect in 2015 – Declassification and approval of related-party agreements – Update of internal regulations.

#### 4.3.1.5. Specialised Committees contributing to the work of the Board of Directors

In order to improve the quality of its work, and in line with corporate governance principles, the Board of Directors relies on three specialist Committees tasked with researching and preparing for certain Board decisions by submitting their opinions, proposals or recommendations.

The Board of Directors' internal regulations, of which the full text is available on the Company's website, determine each Committee's responsibilities and mode of operation. A description of their business activity is included each year in the Company's annual report.

The composition of the specialist Committees shows the Company's desire to promote the presence of independent Directors on these Committees.

Audit Committee	Appointments and Remunerations Committee	Strategic and Investment Committee
Bertrand de Feydeau <sup>(1)</sup> , Chairman	Jean-Luc Biamonti <sup>(1)</sup> , Chairman	Leonardo Del Vecchio, Chairman
Romolo Bardin, Member	Pierre Vaquier <sup>(1)</sup> , Member	Catherine Allonas Barthe, Member
Jean-Luc Biamonti <sup>(1)</sup> , Member	Jérôme Grivet, Member	Romolo Bardin, Member
Sigrid Duhamel <sup>(1)</sup> , Member	Sergio Erede, guest	Jérôme Grivet, Member
Sylvie Ouziel <sup>(1)</sup> , Member		Jean Laurent <sup>(1)</sup> , Member
Jean Laurent <sup>(1)</sup> , guest		Philippe Narzul, Member
		Sergio Erede, guest

<sup>(1)</sup> Independent members.

##### 4.3.1.5.1. Audit Committee

Its missions, composition and organisation are governed by Articles L. 823-19 *et seq.* of the French Commercial Code. The Company's Internal Regulations comply with the provisions on the Audit Committee stipulated by the aforementioned articles.

##### 4.3.1.5.1.1. Composition

On the proposal of the Appointments and Remunerations Committee, the Board of Directors, at its meeting of 17 April 2015, appointed independent Director Sigrid Duhamel as member of the Audit Committee, to replace Micaela Le Divelec and Lionel Calvez. The Audit Committee now has five members, including four independent Directors (80%): Jean-Luc Biamonti, Sigrid Duhamel, Bertrand de Feydeau and Sylvie Ouziel. The representation of independent Directors is thus consistent with the requirements of the Afep-Medef Code. The Audit Committee members were chosen on the strength of their financial and accounting expertise, appraised in light of their educational backgrounds and professional experience.

Bertrand de Feydeau, an independent Director, serves as Chairman of the Audit Committee. In addition, Jean Laurent, in his capacity as independent Chairman of the Board of Directors, takes part in all Audit Committee meetings, but has no vote.

The Committee has one member of Italian nationality, one member of Danish nationality and one who is Monegasque.

Bertrand de Feydeau, Chairman of the Audit Committee, is very well known in the real estate sector and has special financial and accounting expertise as a former Chief Financial Officer for the Union Internationale Immobilière and then Central Director of the Axa Group's real estate assets. He is a member of the Royal Institution of Chartered Surveyors (RICS).

The other members of the Audit Committee also have considerable financial and/or accounting expertise:

- ♦ Jean-Luc Biamonti holds an MBA from Columbia University and is a graduate of the ESSEC. He is a former investment banker
- ♦ Romolo Bardin is Chief Financial Officer at Delfin SARL
- ♦ Sigrid Duhamel has recognised real estate expertise stemming from her engineering degree and career in real estate since 2005. Since the end of 2014, she has been Chairman of CBRE Global Investors France and has a strong international dimension as well as excellent knowledge of the Italian and German languages and environments
- ♦ Sylvie Ouziel, a graduate of Centrale Paris, was Global Chief Operating Officer of Accenture Management Consulting (formerly Andersen Consulting). She has been the General Manager of Allianz Managed Operations & Services (Amos) since 2012, the shared services entity set up by Allianz to build synergies amongst its various subsidiaries.

No member of the Audit Committee is also an executive corporate officer.



#### 4.3.1.5.1.2. Missions

Under the terms of Article 23 of the Internal Regulations, the Audit Committee must monitor matters related to the preparation and control of accounting and financial information. In particular, it is responsible for:

- (i) monitoring the process of preparing financial information
- (ii) reviewing the accounting methods and conditions for valuing the assets of the Foncière des Régions group
- (iii) reviewing the preliminary Company and consolidated financial statements prepared by the Company before they are presented to the Board
- (iv) preparing Board decisions on monitoring internal audits
- (v) monitoring the effectiveness of internal control and risk management systems; as such, he reviews the aspects of the report of the Chairman of the Board relating to internal control and risk management and submits comments as needed
- (vi) monitoring the statutory audit of the annual and consolidated financial statements by the Statutory Auditors
- (vii) ensuring the independence of the Statutory Auditors
- (viii) reviewing the agreements executed between the Company and those who hold a direct or indirect investment in the Company
- (ix) reviewing appointment proposals involving the Statutory Auditors and issuing recommendations on the Statutory Auditors to be proposed for approval by the General Meeting
- (x) ensuring oversight of the management of the information to be provided to the shareholders and the markets and verification of its clarity
- (xi) reviewing financial results press releases and
- (xii) reviewing significant risks and off-balance sheet commitments.

The Audit Committee reports to the Board on its work, expresses any opinions or suggestions it deems advisable, and informs the Board of any points that require a Board decision. In the exercise of its missions, the Audit Committee may examine the scope of the consolidation and, where applicable, the reasons why particular companies are not included. It may seek opinions from outside experts if necessary.

#### 4.3.1.5.1.3. Operation

The Audit Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board of Directors. It meets at least twice a year to review the half-yearly and annual financial statements and, in principle, before Board meetings when the agenda includes a decision on issues that the Board deems within the jurisdiction of the Audit Committee as determined by the Board.

The Chairman of the Audit Committee sets the agenda for the Committee's meetings, directs discussions and organises the vote on motions submitted to the Committee.

Committee members are notified of meetings by any written method at least five days in advance (unless the matter is urgent) and the Committee's report is forwarded at least two days prior to the Committee meeting.

The Audit Committee has an average of seven days to review the financial statements before they are reviewed by the Board.

At least half of all Audit Committee members must be in attendance for meetings to be valid. The meetings are also attended by the Chief Financial Officer, Accounts Director and Audit and Internal Control Director.

The opinions of the Audit Committee are adopted *via* a simple majority of the voting members present or represented.

#### 4.3.1.5.1.4. Work of the Audit Committee in 2015

The Audit Committee met three times, with a 82% attendance rate by its members.

Members of the Audit Committee	Rate of attendance at Audit Committee meetings
Bertrand de Feydeau, Chairman	100%
Romolo Bardin, Member	100%
Jean-Luc Biamonti, Member	67%
Sigrid Duhamel, Member	100%
Sylvie Ouziel, Member	67%

Several specific meetings were also held between the Statutory Auditors and the Finance Director which were not attended by the General Manager.

The review of the financial statements by the Audit Committee included a presentation by the Statutory Auditors who stressed the essential points, not only concerning the results but also the accounting options used, and a presentation from the Chief

Financial Officer describing the Company's risk exposure and significant off-balance sheet liabilities. The Audit Committee works in consultation with the Audit and Internal Control Director, who attends all meetings. It discusses operational risk perception and any changes to it over time with her.

At its meetings in 2015, the Audit Committee examined the following issues in particular:

**Meeting on 19 February 2015**

Review of significant events of 2014 – Update on real estate appraisals – Review of separate and consolidated financial statements for the year ended 31 December 2014 – Review of the financial results press release – Presentation of the 2015 audit plans relating to foreign subsidiaries – Presentation of the main tax inspections.

**Meeting of 16 July 2015**

Review of the significant events of the first half of 2015 – Update on real estate appraisals – Review of separate and consolidated financial statements at 30 June 2015 – Review of the financial results press release – Follow-up on tax inspections.

**Meeting of 29 September 2015**

Presentation of the organisation of the Audit and Internal Control Department – Review of internal audit activities: Review of the progress of the 2015 audit plan, presentation of the 2016 audit plan for France, Germany and Italy – Review of internal control tools – Follow-up of action plans from risk mapping – Review of the financial policy.

Following the meeting of 29 September 2015, a meeting was held between the Statutory Auditors and members of the Audit Committee, at which the Company's management was not present.

At that meeting, the Statutory Auditors emphasised the good relations with the Financial Department and Audit and Internal Control Department and urged the Company to continue to strengthen Audit and Internal Control activities in Italy and Germany.

**4.3.1.5.2. Appointments and Remunerations Committee**

The role of the Appointments and Remunerations Committee is to ensure that the Board of Directors is in the best possible position to determine all remuneration and benefits for executive corporate officers. Its tasks also include making recommendations to the Board on the composition of the executive bodies, the appointment of new directors, the renewal of the terms of office due to expire, and succession plans for executive corporate officers.

**4.3.1.5.2.1. Composition**

The Appointments and Remunerations Committee is composed of three members and invites the non-voting Director to its meetings. Independent Directors account for 67% of the members, including the Committee Chairman. The Appointments and Remunerations Committee includes a Monegasque national.

At its meeting of 17 April 2015, the Board of Directors entrusted the Committee's chairmanship to independent Director Jean-Luc Biamonti, to replace Pierre Vaquier, who is still a member.

There is no executive corporate officer on this Committee. However, the General Manager is consulted by the Appointments and Remunerations Committee on matters regarding appointments.

The composition of this Committee, chaired by an independent Director, and the discussions that take place between this independent Director and the other independent members of the Board of Directors, ensure the adequate representation of the interests of the various shareholders of the Company. In addition, pursuant to the provisions of the Afep-Medef Code, the Chairman of the Board of Directors is involved in the work of the Committee with regard to matters involving the appointment of corporate officers.

**4.3.1.5.2.2. Missions**

Under Article 19 of the Internal Regulations, the Appointments and Remunerations Committee is responsible for:

- (i) evaluating any candidate for appointment to the Board or to the position of General Manager or Deputy General Manager, searching for or assessing possible candidates and expressing an opinion and/or recommendation to the Board, taking into consideration the desirable balance among Board members based on the composition of and changes in the Company's shareholders
- (ii) assessing the appropriate time for renewing the directorships
- (iii) proposing the total amount for attendance fees to be submitted for the approval of the General Meeting
- (iv) formulating proposals for the remuneration of the Chairman, General Manager and Deputy General Managers (the amount of fixed remuneration and definition of the rules for variable remuneration, ensuring that these rules are consistent with the annual assessment of the performance of corporate officers and with the Company's medium-term strategy, as well as monitoring the annual application of these rules)
- (v) issuing a preliminary opinion on any proposal for exceptional remuneration proposed by the Board to remunerate one of its members to whom it has assigned a mission or task pursuant to Article L. 225-46 of the French Commercial Code
- (vi) making proposals to the Board, as necessary, on stock option programmes and the allotment and award of bonus shares
- (vii) giving the Board an opinion on the qualifications of Board members based on the Company's independence criteria
- (viii) making recommendations for the financial conditions on termination of corporate appointments.

The Committee also looks into retirement schemes for the Company's management and workers, the tax arrangements for different remuneration methods, as well as changes to such arrangements, and the potential succession of various corporate officers.

**4.3.1.5.2.3. Operation**

The Appointments and Remunerations Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board. It meets at least twice a year and, in principle, before Board meetings when the agenda involves making a decision within the scope of the duties assigned to the Appointments and Remunerations Committee by the Board.

The Chairman of the Appointments and Remunerations Committee, or, in his absence, the Chairman of the Board of Directors, sets the agenda for the Committee's meetings. He presides over discussions and organises the vote on the issues submitted to the Appointments and Remunerations Committee.

Opinions of the Appointments and Remunerations Committee are adopted by simple majority vote of the members present or represented, and the Committee reports on its work at the next Board meeting.

#### 4.3.1.5.2.4. Work of the Appointments and Remunerations Committee in 2015

The Appointments and Remunerations Committee met three times, with a 100% attendance rate by its members.

Members of the Appointments and Remunerations Committee	Attendance rate at Appointments and Remunerations Committee meetings
Jean-Luc Biamonti, Chairman	100%
Pierre Vaquier, Member	100%
Jérôme Grivet, Member	100%
Sergio Erede, guest	100%

The Appointments and Remunerations Committee works in close contact with the Chief Operating Officer (COO), who is the head of the Company's Human Resources Department. He attends Committee meetings as a guest.

In its 2015 meetings, the Appointments and Remunerations Committee examined the following subjects in particular:

##### Meeting on 11 February 2015

Review of the composition of the Board of Directors: proposed appointment of a new director and a non-voting member; review of the directors' independence; proposed renewal of the terms of office of the Chairman and Vice-Chairman and staggering, by random draw, of the directors' terms of office coming up for renewal – Review of the total annual amount of attendance fees – Remuneration of executive corporate officers: review of 2014 bonuses in light of performance, determination of 2014 long-term incentive paid in performance shares and the criteria for the award of the 2015 bonuses – Award of bonus shares to corporate officers and certain Group employees.

##### Meeting of 21 October 2015

Review of the financial terms for the termination of Aldo Mazzocco's appointment as Deputy General Manager – Proposed appointment of Christophe Kullmann as Managing Director of Beni Stabili.

##### Meeting of 26 November 2015

Update on the number of women on the Board – Review of the total annual amount of attendance fees – Update on the award of bonus shares to employees of the Foncière des Régions group.

#### 4.3.1.5.3. Strategic and Investment Committee

The Strategic and Investment Committee has the task of studying and preparing for the Board's deliberations on strategy, investments and sales. All Board members are informed of its meetings and agenda and receive the documents sent to it. They may also attend its meetings, should they wish to do so. The Committee submits its opinions to the Board.

##### 4.3.1.5.3.1. Composition

The Strategic and Investment Committee is composed of six members and invites the non-voting Director to its meetings.

On the proposal of the Appointments and Remunerations Committee, the Board of Directors, at its meeting of 17 April 2015, appointed Romolo Bardin as member of the Strategic and Investment Committee. In addition, Catherine Allonas Barthe now has a vote.

The Strategic and Investment Committee has one independent member, Jean Laurent, and two members of Italian nationality.

##### 4.3.1.5.3.2. Missions

Under the terms of Article 15 of the Internal Regulations, the Strategic and Investment Committee is responsible for reviewing and issuing an opinion on the following transactions prior to any decision by the Board:

- (i) investment made directly by the Company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is greater than €100 million (group share)



- (ii) the sale by the Company or through a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any Company or any assets, whenever the total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is greater than €100 million (with the exception of intra group transactions).

In addition, the Strategic and Investment Committee is responsible for reviewing and authorising the following transactions prior to any decision by the General Manager:

- (i) investment made directly by the Company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is greater than €30 million (group share)
- (ii) the sale by the Company or through a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any Company or any assets, whenever the total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is greater than €30 million (with the exception of intra group transactions).

More generally, the Strategic and Investment Committee is responsible for:

- (i) reviewing major strategic projects for development through mergers & acquisitions or partnerships
- (ii) analysing the medium-term plans and projections of the Foncière des Régions group, as applicable

- (iii) meeting with experts to review the opportunities presented by the strategic choices considered, as necessary and
- (iv) keeping the Board's strategy considerations up-to-date between meetings specifically dedicated to these issues.

Every year, the Strategic and Investment Committee holds a meeting exclusively focused on reviewing the Group's strategy.

#### 4.3.1.5.3.3. Operation

The Strategic and Investment Committee meets at the initiative of its Chairman or at the request of the Chairman of the Board and, in principle, before Board meetings when the agenda includes a decision that falls within the scope of the duties assigned to the Committee by the Board.

The Chairman of the Strategy and Investment Committee or, in his absence, the Chairman of the Board of Directors, sets the agenda for the Committee's meetings. He presides over discussions and organises the vote on the issues submitted to the Strategy and Investment Committee.

The opinions of the Strategic and Investment Committee are adopted by simple majority vote of the members present or represented, and the Committee reports on its work at the following Board meeting.

When the Committee looks into subjects directly related to Company strategy, all Directors are invited to take part in discussions if they are available. A wide-ranging report on their work is compiled for the Board so that it can make fully informed decisions on Company strategy, based on the preparatory work done by the Committee.

#### 4.3.1.5.3.4. Work of the Strategic and Investment Committee in 2015

The Strategy and Investment Committee met twice, with a member attendance rate of 50%.

Members of the Strategic and Investment Committee	Attendance rate at Strategic and Investment Committee meetings
Leonardo Del Vecchio, Chairman	0%
Catherine Allonas Barthe, Member	0%
Romolo Bardin, Member	100%
Jérôme Grivet, Member	0%
Jean Laurent, Member	100%
Philippe Narzul, Member	100%
Sergio Erede, guest	100%

In its 2015 meetings, the Strategy and Investment Committee examined the following subjects in particular:

##### Meeting of 22 July 2015

Presentation of various investment projects – Post-mortem review of development or investment transactions.

##### Meeting of 26 November 2015

Presentation of various investment projects.

Moreover, this year, the Board extended the consultation on strategic issues beyond the bounds of the Strategic and Investment Committee at a seminar held in June 2015 in Berlin, with all members of the Board of Directors and Management Committee.

#### 4.3.1.6. Company Management

Pursuant to the decisions adopted by the Board of Directors at its meeting on 31 January 2011, the General Management of the Company was assigned to General Manager Christophe Kullmann for a term of four years. Olivier Estève and Aldo Mazzocco were appointed as Deputy General Managers.

The term of Christophe Kullmann as a Director allows him to be even more directly aligned with the Company's strategy, for which he is responsible at the same level as the other Directors.

Since the terms of the General Manager and Deputy General Managers expire on 31 January 2015, upon the proposal of the Appointments and Remunerations Committee, at its meeting on 5 December 2014, the Board of Directors renewed the terms of Christophe Kullmann, Olivier Estève and Aldo Mazzocco for four years beginning on 1 January 2015.

Upon the recommendation of the Appointments and Remunerations Committee, the Board of Directors chose not to have the terms of office of the General Manager and Deputy General Managers end on the date of the General Meeting, so that the Appointments and Remunerations Committee and the Board of Directors can fully devote itself to the calm discussion of the renewal of their terms of office and the remuneration conditions of the corporate officers outside the time of the General Meeting.

At a time when the Company has decided to step up its value creation strategy in Italy by setting itself the goal of turning its local platform into a key player in the recovery of the Italian real estate market, Aldo Mazzocco resigned from his position as Deputy General Manager, on 21 October 2015.

##### 4.3.1.6.1. Powers of the General Manager and Deputy General Manager

The General Manager is fully empowered to act in any situation on behalf of the Company. He/she exercises these powers within the limits of the corporate purpose and subject to the powers granted expressly by law and the Articles of Association to General Meetings of Shareholders and the Board of Directors. The General Manager represents the Company in its relationships with third parties.

In agreement with the General Manager, the Board of Directors shall determine the scope and duration of the powers granted to the Deputy General Managers. With respect to third parties, the Deputy General Manager has the same powers as the General Manager.

##### 4.3.1.6.2. Limits to the powers of the General Manager and Deputy General Manager

The powers of the General Manager and Deputy General Manager are limited by the Internal Regulations of the Board of Directors. The following decisions cannot be made without approval from the Strategic and Investment Committee and/or the Board:

- (i) any decision concerning investments made directly by the Company or through a fully consolidated subsidiary, when the total amount of the investment, plus any liabilities attached to the assets in question, is €30 million or more (group share)
- (ii) the sale by the Company or by a fully consolidated subsidiary, with the exception of companies whose shares are listed for trading on a regulated market, of any business division, any investment in any Company or any assets, whenever the total amount of the corresponding disinvestment, plus any liabilities attached and transferred, is €30 million or more (with the exception of intra-group transactions).

In addition, the prior authorisation of the Board is required for the adoption of the following decisions:

- (i) approval of the annual budget and the strategic business plan and any subsequent significant amendments to them
- (ii) incurrence of any debt (including bond issues) or the assumption of liabilities whenever, in each case, the total amount (group share) exceeds €100 million (except for intra-group transactions)
- (iii) signature of contracts for any merger, divestment or contribution of assets, except for intra-group transactions, or if the transactions have been approved by the said Committee and/or Board.

Furthermore, acceptance by an executive corporate officer of the Company of a new directorship in a non-group Company listed on a French or foreign regulated market, requires prior authorisation by the Board of Directors.

The decisions described in this Section are made by a simple majority vote of the Board.

In accordance with the relevant legal provisions, these limitations are not binding on third parties.

#### 4.3.1.7. Principles for determining the remuneration of corporate officers

The principles for determining the remuneration of corporate officers are detailed in Chapter 5, section 5.5.1. of the Reference Document.

Attendance fees represent the remuneration awarded to members of the Board of Directors for attending meetings and participating in the work of the Board and specialised Committees.

The Combined General Meeting of 31 January 2011 granted the Board of Directors a total annual gross amount of €500,000 for

attendance fees for the current year and subsequent years until a new decision is made by a General Meeting. The conditions for the award of attendance fees were adopted by the Board on 31 January 2011: they can be broken down into a fixed annual amount for serving as a Board member and, if appropriate, as a member of one of the Board's Committees, and a predominant variable amount paid in accordance with the Directors' attendance rates at Board and Committee meetings.

At its meeting of 19 February 2015, the Board of Directors decided to award the non-voting member the same attendance fees as the other Directors.

The allocation of attendance fees is detailed below:

<b>Board of Directors</b>	
Fixed annual portion allocated to the Chairman	€10,000
Fixed annual portion allocated to each member	€6,000
Variable portion for attendance allocated to the Chairman and to each member for every meeting that is attended	€3,000
<b>Specialised Committees</b>	
Fixed annual portion allocated to the <b>Chairman</b> of the <b>Audit Committee</b> and the <b>Strategic and Investment Committee</b>	€6,000
Fixed annual portion allocated to the <b>Chairman</b> of the <b>Appointments and Remunerations Committee</b>	€5,000
Fixed annual portion allocated to each <b>member</b> of the <b>Committees</b>	€3,000
Variable portion for attendance allocated to the <b>Chairman and to each member of the Strategic and Investment Committee</b> and of the <b>Appointments and Remunerations Committee</b> , every time a meeting is attended	€2,000
Variable portion for attendance allocated to the <b>Chairman</b> and to <b>each member</b> of the <b>Audit Committee</b> , every time a meeting is attended	€3,000

Attendance fees are paid annually. The gross amount of attendance fees allocated to Board members in 2015 for their participation in Board meetings and special Committee meetings totalled €353,375, with the specification that Jean Laurent and Christophe Kullmann do not receive any attendance fees.

As regards the rules for the payment of attendance fees in the Foncière des Régions group, at its meeting on 5 December 2014, the Board of Directors, upon the proposal of the Appointments and Remunerations Committee, decided that, from 1 January 2015, executive corporate officers would no longer receive attendance fees from French subsidiaries for the exercise of their offices.

Tax levies (withheld at source, mandatory 21% deduction at source and 15.5% social security contributions), totalling €95,695 were paid by the Company directly to the tax authorities.

The average gross amount of attendance fees per Director was €27,183.

The details of these attendance fees are presented in Chapter 5, section 5.5.2. of the Reference Document.

Given the increase in the number of directors, a proposal will be submitted to the General Meeting of 27 April 2016 to increase the total annual gross amount of attendance fees to €600,000 for the year in progress and subsequent years.

#### 4.3.1.8. Special procedures for shareholder participation in General Meetings

These procedures are described in Article 22 of the Company's Articles of Association, set out in full in Chapter 5, section 5.2.1.12 of the Reference Document. Shareholder participation at General Meetings is also governed by the legal and regulatory provisions in force and applicable to companies whose securities are admitted for trading on a regulated market.

After each General Meeting, the Company publishes a summary of the meeting, including the results of the vote for each of the resolutions presented to shareholders.

#### 4.3.1.9. Additional information about elements that could be relevant in the event of a public tender offer

The elements that could be relevant in the event of a takeover bid against Foncière des Régions are presented in Chapter 5, section 5.4.3. of the Reference Document.

## 4.3.2. Internal control and risk management system

### 4.3.2.1. Objective, scope and reference framework for internal control and risk management

#### 4.3.2.1.1. Objective and limits

As a listed property investment company focused on the office sector in France and Italy, the hotel sector in Europe and the German residential sector, Foncière des Régions is exposed to various types of risks.

These risks are either external to the Company (real estate cycles, financial markets, regulations, etc.) or internal (organisation, information systems, asset management, control of development operations, etc.).

In France, Germany and Italy, Foncière des Régions has set up a specially adapted internal control system to enable it to control these potential risks. This system is also a management tool that contributes to business effectiveness, data reliability, and the efficiency of employee teams.

In particular, it seeks to ensure that:

- ♦ activities comply with laws, regulations and internal procedures
- ♦ management actions are consistent with the guidelines defined by the corporate bodies
- ♦ assets, in particular, buildings, are adequately protected
- ♦ risks resulting from its activities are properly assessed and sufficiently controlled
- ♦ internal systems, which contribute to the establishment of financial information, are reliable.

Although this internal control system cannot, by definition, provide an absolute guarantee that all types of risks will be fully eliminated, it provides the Company with a comprehensive tool that effectively protects against major risks identified and their potential effects.

#### 4.3.2.1.2. Scope under review

In France, Foncière des Régions' internal control and risk management system is applied, without exclusion of scope, to all its businesses, and in particular, within Foncière des Murs, Foncière Développement Logements, Urbis Park, Foncière des Régions Property, Foncière des Régions Développement and Foncière des Régions SGP.

Ownership and management structures under German law (Immeo-Wohnen, a subsidiary of Foncière des Régions), and Italian law (Beni Stabili, a subsidiary of Foncière des Régions) have each set up an internal control system to cover all of their business activities, in collaboration with the Group's Audit and Internal Control Department.

In 2015, the Company made a significant number of real estate acquisitions coming under the scope of internal control procedures. Moreover, Foncière des Régions indirectly acquired a minority interest (through its subsidiary Foncière des Murs), in a Company with hotel assets. This activity is covered by the internal control system.

#### 4.3.2.1.3. Reference framework

Foncière des Régions relies on the reference framework recommended by the *Autorité des Marchés Financiers* (AMF), the report of the AMF Audit Committee working group published in July 2010, and complementary AMF studies, for the organisation of its internal control system. This AMF reference framework is based on that of COSO (Committee Of Sponsoring Organisations of the Treadway Commission). It includes a set of methods, procedures and measures that should enable the Company to:

- ♦ contribute to the management and efficiency of its business activities and the efficient use of its resources
- ♦ appropriately take into account significant operational, financial and compliance risks.

In 2014 and 2015, Foncière des Régions supplemented these measures with:

- ♦ the establishment of whistle-blowing procedures
- ♦ the full review of risk mapping
- ♦ the comprehensive review of the Code of Ethics and its dissemination to the teams.

### 4.3.2.2. Components of the internal control system

#### 4.3.2.2.1. A structured organisation

In accordance with AMF recommendations, Foncière des Régions' internal control system is based, *inter alia*, on known objectives, shared responsibility, and appropriate management of resources and skills.

##### 4.3.2.2.1.1. Delegations of powers and responsibilities

Delegations and sub-delegations of powers have been put in place. They ensure better organisation of the Company and a stronger correlation between the responsibilities of operational entities and the responsibilities of the executive.

The General Manager transfers a portion of the powers and responsibilities that are conferred on him to a subordinate authority, the delegate, who is in a better position to know and apply the obligations to be complied with and who has the necessary resources to do so.

##### 4.3.2.2.1.2. High-performance and secure information systems

The features of the software applications used by Foncière des Régions employees are tailored to their various activities.

The security of financial transactions conducted using the information systems is ensured by:

- ♦ personal limits on disbursements and a dual-signature requirement when limits are exceeded
- ♦ separation of payment authorisation and the execution of payment transactions.

These measures are updated in keeping with organisational changes.

A back-up plan is in place to mitigate any physical or electronic attack on the information systems. Daily back-ups are stored outside the building in which the main servers operate.

In addition, a business continuity plan has been operational since June 2013. This plan was drawn up jointly by teams from Foncière des Régions' Information Systems and Audit and Internal Control Departments, with the help of the global leader in business continuity solutions. The business continuity plan is described in a special procedure. It covers the following factors:

- ♦ a back-up centre, in the event of an IT incident that results in a computer dysfunction for employees. Tests are performed annually with the service provider to ensure the effectiveness of the system in place
- ♦ a user help desk, in the event of an incident in the operating assets rendering employees unable to work at their stations.

#### 4.3.2.2.1.3. Updated, validated and distributed procedures

##### a) In France

The procedures are drawn up by the Audit and Internal Control Department, in close collaboration with operational staff.

The 64 procedures in effect describe the risks and control points of the sensitive and manageable processes.

The procedures are presented as flowcharts that highlight:

- ♦ the risks identified and the resources employed to control such risks
- ♦ the roles and responsibilities of each individual (processing, monitoring, validating, information, archiving)
- ♦ interactivity among the various Departments and cross Company measures
- ♦ the entry point for measures determined by other procedures
- ♦ the control points in place as part of business line processes
- ♦ automated controls, in particular those carried out by information systems
- ♦ the management of validation workflows, and in particular the issuing of clearance certificates.

These procedures, whether they are new or updates, are approved by an *ad hoc* committee. Committee members include representatives of the Company's various business lines (operational and support staff) who are selected based on their expertise and their knowledge of the Company's operating methods. Four of its members are part of the Management Committee. Decisions made by the Committee are only valid if at least two members of the Management Committee take part in discussions. The repealing of procedures is also validated by the Committee.

To strengthen their validity and relevance, all procedures are also approved by the Audit and Internal Control Department and by the member of the Management Committee responsible for the procedure.

Validated procedures can be accessed by employees on the Company's Intranet.

##### Progress and training of employees

Procedures are continually updated to take into account:

- ♦ new internal risks (related to the updating of Foncière de Régions' strategies and objectives) and external risks (related to changes in all types of regulations, external constraints, etc.)
- ♦ recommendations of internal and external audit missions
- ♦ the transposition of new processes, or new rules, into existing processes
- ♦ organisational changes.

Since 2012, the Audit and Internal Control Department has been organising training sessions called "Process Mornings". They target all Foncière des Régions employees and aim to:

- ♦ focus participants' attention on the specific procedures of each Department or business line, as well as the new procedures release
- ♦ present the components of the internal control system, including internal charters
- ♦ specify the content of regulations specific to each line of business
- ♦ explain anti-money laundering and anti-corruption processes (see paragraph 2.10.6. of Reference Document)
- ♦ remind employees of codes of conduct.

In 2015, some 80 Foncière des Régions employees received this training, while all employees will be covered over a period of two years.

In addition, all new employees, during their induction course, meet with the Audit and Internal Control management, who inform them of the Department's role and the group's procedures.

##### b) In Germany

Procedures are drawn up by the "Head of Quality" in collaboration with the "Head of Internal Audit" and the relevant operational staff. They are validated by the Management Board then posted on the intranet site of Immeo-Wohnen and communicated by management to relevant employees. In 2015, initial measures were taken to harmonise existing procedures in Germany with those already in place in France.

##### c) In Italy

Procedures are drawn up by the Head of internal control in cooperation with the relevant operational employees. They are validated by the Beni Stabili Audit Committee, then made available to employees on the local "Intranet portal".

#### 4.3.2.2.1.4. Commonly accepted best practices

The respect of internal processes, professional compliance rules and moral ethics are key values for Foncière des Régions. It was thus important to formally define the rules governing behaviour and good conduct applicable to the Company, its employees, executive offices, corporate officers and partners.

To do so, Foncière des Régions strengthened its procedures with:

##### a) The Ethical Charter

- ♦ This charter incorporates the Company's core values and ethical rules, including prevention of insider trading, the confidentiality of information and prevention of conflicts of interest.
- ♦ It is published on the Intranet site and distributed among all levels of authority, in particular to new employees when they take up their new role and during their induction course. It is also available on the Company's website.
- ♦ In 2015, the group's Ethical Charter was reviewed and communicated to all employees, in order to cover the new compliance and ethics measures available (whistle-blowing system, psychological support unit, etc.), to reinforce the section relating to conflicts of interest, and to specify the rules and principles applicable to employees.

##### b) The Compliance Officer

- ♦ The Compliance Officer, in cooperation with the Support and Operational Departments, ensures that the Ethics Charter is correctly understood. He or she may be consulted directly, confidentially, by any employee facing difficulties or with questions regarding the limits or application of existing rules. The Chief Operating Officer acts as Compliance Officer.

##### c) The IT Charter

- ♦ This charter is first and foremost a code of conduct which lays down the principles for the proper use of IT and digital resources.
- ♦ It is appended to the internal regulations of Foncière des Régions.
- ♦ It defines the areas of responsibility for users and for the Company, in accordance with legislation (in particular the Data Protection Act no. 78-17 of 6 January 1978), to ensure the correct use of the Company's IT resources and Internet services.
- ♦ It ensures the integrity of the IT system, particularly the security and confidentiality of data and technical equipment.
- ♦ It recalls the sanctions incurred by any offender.

##### d) The internal regulations of the Board of Directors

- ♦ They set the operating rules of the Board pursuant to the provisions of the Afep-Medef Code of Corporate Governance for Public Companies, and in particular compliance rules applicable to Directors.

- ♦ The internal regulations outline the definition of – and the sanction for – insider trading (Article L. 465-1 of the French Monetary and Financial Code) as well as the prohibition of the use of privileged information (Article L. 621-15 of the French Monetary and Financial Code).

#### 4.3.2.2.2. Constantly evolving risk management

##### 4.3.2.2.2.1. Risk mapping

Foncière des Régions updated its risk mapping in 2014 to include, in particular, changes to the Company and the environment in which it operates. Mapping was conducted previously in 2006, 2009 and 2012 and presented to the Audit Committee, where special action plans were prepared each time.

In 2014, risk mapping identified six risks which could possibly be better managed. For each of these risks, an action plan was defined and shared with the Audit Committee. A specific monthly follow-up has been carried out with General Management since 2015, in order to improve the management of these risks. This follow-up will continue in 2016, as certain action plans are conducted on a two-year basis.

In the aim of harmonising the risk management tools, risk mapping is conducted at Immeo-Wohnen and Beni Stabili using the same method as at Foncière des Régions. Risk mapping also results in the defining of specific action plans for the major risks which could possibly be better managed.

The audit plans for 2016 were also based on this risk mapping, which revealed about ten so-called "risks to monitor" due to their potential impact and degree of oversight.

##### 4.3.2.2.2.2. Incidents database

An incidents database was established in late 2013. This database strengthens the potential risk management measures and the management of actual incidents to prevent their occurrence or their re-occurrence and contain their consequences.

This incident database provides Foncière des Régions' employees with the means to assess risks in a quantitative and qualitative manner, by setting the following objectives:

- ♦ assisting employees with incident management, in particular those that have never occurred so far
- ♦ characterising these incidents by assessing their financial impact
- ♦ producing risk analysis statements and summaries
- ♦ putting forward solutions to limit those risks and their possible occurrence or repetition
- ♦ allocating, where needed, the necessary resources
- ♦ and thus providing Foncière des Régions with a "daily" risk-management tool.

In 2015, some thirty incidents were identified in this way. Each of them was closely monitored and some were followed up with action plans.

Incidents bases were set up at the end of 2015 at Beni Stabili and Immeo-Wohnen. The data is communicated to the subsidiaries' general management and to the Audit and Internal Control Department on a monthly basis.



**4.3.2.2.2.3. Drawing up an internal control manual**

The internal control manual aims to improve the governance of internal control and risk management.

The manual highlights recent changes in the internal control system in terms of monitoring recommendations, implementing procedures and standards set by the AMF relating to governance, risk management and key information system elements.

**4.3.2.2.2.4. Description and analysis of risks that could have an impact on results**

The main operational risks are detailed in section 1.10. "Risk Factors" of the Business and Portfolio chapter.

**4.3.2.2.3. Control activities proportionate to risks**

Control activities in France and abroad are designed to mitigate the risks that could affect the achievement of the Company's goals. The frequency of controls is adapted to the scale and nature of the risks.

**4.3.2.2.3.1. Control of risks on investments, disposals and financing**

In accordance with the Governance rules (see section 4.3.1.6.2. in part I of this report), decisions dealing with the highest risks (above certain amounts) come under the control of the Board of Directors and its specialised Committees. They particularly involve:

- ♦ acquisitions and disposals
- ♦ medium and long-term financing
- ♦ business plans and budget targets and
- ♦ major strategic decisions.

Other risks come under the control of the General Manager.

In addition, major projects, current developments and business reports are submitted monthly to the General Manager by each Director concerned.

The procedures governing these activities are regularly reviewed and updated, then distributed to all relevant employees.

**4.3.2.2.3.2. Control of recurring business activities****Control of the property and management companies Foncière des Régions Property and Foncière des Régions Développement**

The control points for recurring activities cover the actions necessary to:

- ♦ deliver the budgeted receipts
- ♦ control operating expenses related to assets
- ♦ control the direct operating costs they incur (personnel expenses, appraisals, asset management, etc.).

Group Management Control is responsible for controlling compliance with the budgets.

**Control of Support Departments**

The Support Departments are cost centres and are controlled on a monthly basis to ensure that they contain their expenditure and adhere to their budgets, in particular in terms of insurance costs, legal fees, IT costs and investments, payroll expenses, etc.

**4.3.2.2.3.3. Reporting procedure**

In France, control of the differences between "implemented" projects and Management Control forecasts, as well as indicators and scorecards, are reviewed at monthly business meetings attended by the Audit and Internal Control Department. Moreover, Foncière des Régions' Asset Management teams hold monthly meetings with service providers: Foncière des Régions Property for technical and rental management, and Foncière des Régions Développement for major real estate projects.

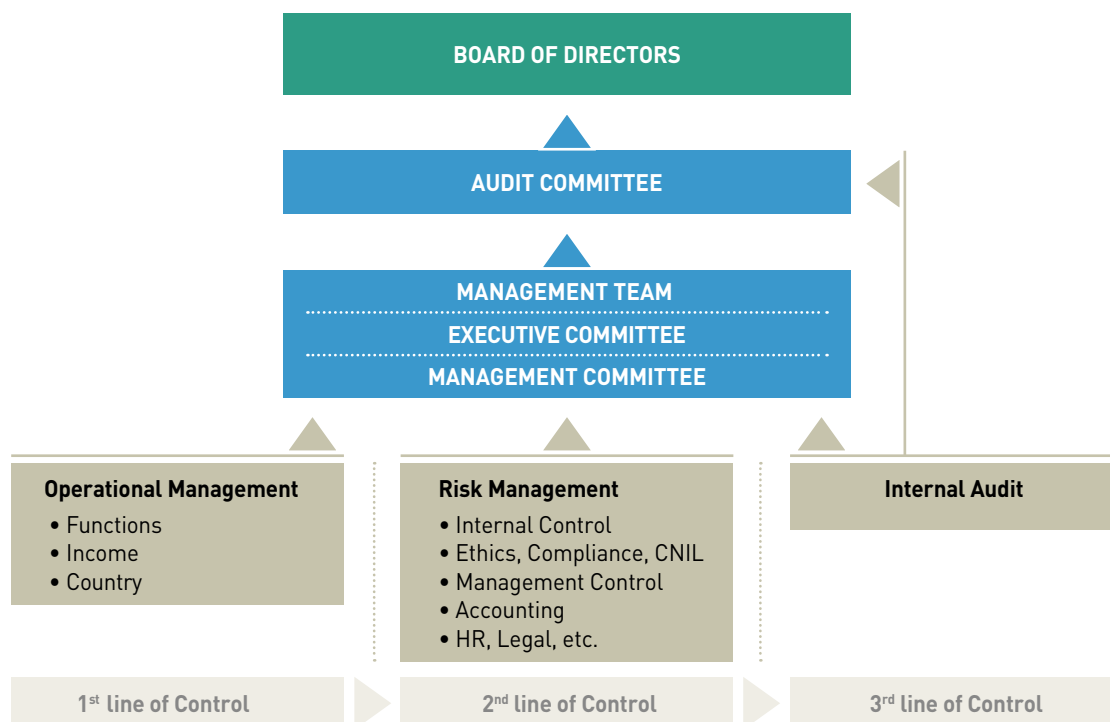
In Germany, the Chairman of Immeo-Wohnen's General Management attends the weekly Executive Committee meetings and Immeo-Wohnen's monthly business reviews. In addition, the accounting and financial teams of Foncière des Régions meet monthly with their German counterparts.

In Italy, control of the differences between "implemented" projects and Management Control forecasts, and the indicators and scorecards are reviewed at monthly meetings with Foncière des Régions' General Management and Finance Department.

**4.3.2.2.4. Internal control and risk management system****4.3.2.2.4.1. Organisation of the internal control and risk management system**

This system is based on the three lines of control laid out in the diagram below:

- ♦ the Internal Control system aimed at controlling group processes. Each Support Department and Operational Department, within both Foncière des Régions and its subsidiaries, is responsible for the establishment and updating of the internal control system. This makes it possible to control their activities and oversee employee efficiency and the efficient use of their resources. This internal control system is evolving continuously to remain in line with the strategy, objectives, processes and level of risk management targeted by Foncière des Régions
- ♦ the Risk Management system aimed at identifying major risks, evaluating them, and ensuring a satisfactory control level for the Company
- ♦ Internal Audit, which assesses, through specific missions, the efficiency of the Internal Control and Risk Management systems. It reports directly to General Management and indirectly to the Board of Directors, which approved this report at its meeting of 17 February 2016.



#### 4.3.2.2.4.2. Evaluating the internal control system

At the end of 2011, Foncière des Régions invited a specialist service provider to carry out an evaluation of the internal control system. This specialist met all the Company's senior executives and the Information Systems Director. It carried out an analysis of the system and identified its strengths as well as areas where improvements could be made. Following this work, an action plan was validated by management and then implemented.

In addition to the assessment of the system by a specialised firm, self-assessment surveys based on the standards recommended by the *Autorité des Marchés Financiers* are reviewed with the relevant departments, in particular concerning accounting and financial statement production processes, and IT Department processes.

Each year, the compliance of the internal controls of Foncière des Régions SGP (OPCI management Company) is audited by an independent firm.

#### 4.3.2.2.4.3. The internal control system in Germany and Italy

Foncière des Régions' foreign subsidiaries, Immeo-Wohnen in Germany, and Beni Stabili in Italy, have their own internal control organisation and mechanisms. However, as subsidiaries they are also subject to the Governance rules of Foncière des Régions.

Within these subsidiaries, the Audit and Internal Control Department ensures the quality of the internal control system. Weekly updates and monthly follow-up and coordination meetings attended by the Audit and Internal Control Department are held respectively in Germany and Italy, in order to monitor the progress of the annual internal control action plans approved by the local governing bodies.

The heads of the local audit and internal control teams maintain a functional relationship with the Foncière des Régions Audit and Internal Control Department. They report to:

- ♦ the General Manager of Immeo-Wohnen, in Germany
- ♦ the Board of Directors of Beni Stabili, in Italy.

The annual action plans in each country are established in line with that of Foncière des Régions and validated by the Audit Committee in Italy and by the Executive Committee in Germany.

In Germany, internal control involves three bodies: General Management, the Audit and Internal Control Department and internal control agents.

In Italy, Beni Stabili, as a listed Company and in compliance with the provisions of Legislative Decree 231 of 2001, "Modello 231" has an internal control system which is run by four bodies:

- ♦ the Board of Directors, which defines the focus of the internal control and risk management policy, with a view to identifying, measuring and monitoring the main risks relating to Beni Stabili and its subsidiaries
- ♦ the Internal Control Committee, which is composed of three Statutory Auditors appointed by the General Meeting. It assists the Board of Directors in ensuring the adequacy and functioning of the internal control system and draws up an annual report assessing the efficiency of internal control and compliance with the rules of governance
- ♦ the Compliance Committee, whose two members are appointed by the Board of Directors. It holds monthly meetings. This Committee guarantees the application and updating of the "Modello 231" and monitors "sensitive activities" (corruption, insider trading, laundering, staff health and safety, etc.). In this regard, it is mandated by all of the Company's stakeholders



regarding actual or suspected violations of provisions set out in the code of ethics. It reports to the Managing Director and submits an annual activity report to the Board of Directors and Audit Committee. The *Modello 231* is periodically updated to take account of the latest legislative developments. This is followed up with a training programme covering all employees

- ♦ the Internal Audit Manager: in cooperation with the Foncière des Régions Audit and Internal Control Department, he/she conducts audits in line with the audit plan adopted by the Audit Committee. He/she draws up periodical reports on his/her activities. He/she also has a duty to alert when particular events that affect the smooth running of the Company arise.

#### 4.3.2.3. Internal control of accounting and financial information

Internal control of the accounting and financial information of Foncière des Régions and its subsidiaries is one of the major elements of the internal control system. It is designed to ensure:

- ♦ compliance of the accounts and the accounting and financial information with the regulations
- ♦ the reliability of the published statements and the information communicated to the market
- ♦ the application of instructions set by General Management
- ♦ the prevention and detection of fraud and accounting irregularities.

##### 4.3.2.3.1. Scope

For the production of the consolidated financial statements, the scope of the accounting and financial internal control for Foncière des Régions covers the following companies: Foncière des Murs, Foncière Développement Logements, Urbis Park, Foncière des Régions Property, Foncière des Régions Développement, Immeo-Wohnen and Beni Stabili.

##### 4.3.2.3.2. Agents

###### 4.3.2.3.2.1. Governance bodies

As the consolidating Company, Foncière des Régions defines and supervises the process of preparing the accounting and financial information published. The Accounting Department is responsible for the management of this process, under the responsibility of the Finance Director. Responsibility for the production of the Company and consolidated accounts of the subsidiaries falls to the Finance Department of Foncière des Régions, under the control of the relevant corporate officers.

Two persons are particularly involved:

- ♦ the General Manager of Foncière des Régions is responsible for the organisation and implementation of the accounting and financial internal control and the preparation of the financial statements:
  - ♦ he/she presents the Company and consolidated accounts (half-yearly and annual) to the Audit Committee and the Board of Directors for approval

- ♦ he/she ensures that the process of preparing the accounting and financial information produces reliable data and gives a fair picture of the Company's financial position

- ♦ the Audit Committee, as the representative of the Board of Directors, conducts the verifications and controls it deems appropriate. It presents its findings to the Board of Directors before the closing of the accounts.

###### 4.3.2.3.2.2. Risk related to the production of the accounting and financial information

In France, as abroad, the quality of the process of producing the financial statements is the result of, in particular:

- ♦ formalised accounting procedures appropriate to recurring work, closing and consolidation of the accounts
- ♦ a consolidation manual, adapted to the functionalities of the consolidation software
- ♦ validation and updating of accounting scenarios
- ♦ verification of balances and the usual validation and control reconciliations, in conjunction with work carried out by management control
- ♦ analytical reviews to validate changes in the principal balance sheet entries and the income statement with operations staff
- ♦ separation of tasks between commitment powers (banking powers or authorisations to incur expenses) and accounting activities
- ♦ review of consolidation reporting for each subsidiary at each closing, to ensure that the group's accounting principles and methods are correct and harmonised
- ♦ review of the impact of taxes and disputes.

In addition, each material event affecting either the companies or the portfolios is the subject of a specific note drafted by the "social accounting" division of the Accounting Department, which analyses its impact on the Company financial statements of the entities as well as on the consolidated financial statements.

The reliability of the processes allows the Foncière des Régions teams to focus more specifically on:

- ♦ drawing up the operational and financial budgets
- ♦ consistency controls of the financial information for foreign operations
- ♦ provisions for risks and contingencies
- ♦ recognition of assets and liabilities at fair value
- ♦ processing of disposals and acquisitions
- ♦ controls for transactions conducted under intra-group agreements.

These controls conducted by the accounting and financial team of Foncière des Régions are also applied within the subsidiaries by the accounting teams.

#### 4.3.2.3.2.3. Production of the consolidated financial statements

For the preparation of the consolidated financial statements, the Accounting Department of Foncière des Régions has written a detailed consolidation manual that contains specific instructions for French and foreign subsidiaries.

The consolidated financial statements are created in a computer program that can be accessed by the various accounts of Foncière des Régions. This tool is updated regularly to satisfy IFRS requirements and the specific characteristics of the various operational and financial activities of Foncière des Régions and its subsidiaries. The consolidated entities have a single accounting plan. The processed data is uploaded in the program in data packages.

At each half-yearly and annual closing, the accountants of the various consolidation sub-levels receive detailed instructions prepared by the Accounts Director.

Instructions distributed well before the closing date also inform the various other contributors of the data to be uploaded and the deadlines to be met.

Moreover, within the Accounting Departments of Foncière des Régions and its subsidiaries, the accounting work performed by the employees in the Department is reviewed by the Accounts Managers. The accounting treatment of complex operations and the account closings are validated by the Accounts Director at preparatory meetings for the closing of the Company and consolidated financial statements.

#### 4.3.2.3.2.4. Control of the communication of financial and accounting information

The General Manager coordinates the closing of the accounts and conveys them to the Board of Directors, which also reads the report from the Chairman of the Audit Committee.

The General Manager defines the financial communications strategy. The press releases about the financial and accounting information require approval from the Audit Committee and Board of Directors. The financial and accounting information of Foncière des Régions is formatted by the Finance Department, which complies with the general principles and best practices in financial communication as provided in the "Framework and Practices of Financial Communications" guide prepared by the Financial Communications Observatory under the aegis of the AMF.

Foncière des Régions applies the Best Practices Recommendations of the EPRA, particularly for the presentation of financial statements and harmonisation of net asset value and net profit from continuing operations indicators. This presentation does not alter Foncière des Régions' accounting principles, but provides greater clarity, particularly with regard to the operating results of the rental business, ancillary activities, the proceeds of sales, recurring net income and restated net asset value, and facilitates comparison between REITs that publish in the same format.

Before the publication of the half-yearly and annual results and quarterly information, Foncière des Régions is required to maintain a quiet period of two weeks during which the Company refrains from contacting analysts and investors.

#### 4.3.2.4. 2016 outlook

In 2016, the Audit and Internal Control Department will ensure that the year's audit plan is fully and thoroughly implemented. In particular, it will continue to strengthen the coordination of the Audit and Internal Control Department within the Foncière des Régions group, more specifically with the non-French subsidiaries Beni Stabili and Immeo-Wohnen. It will also strive to improve the management, identification, assessment and hedging of risks within the group.

#### 4.4. STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF FONCIÈRE DES RÉGIONS

##### Year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of Foncière des Régions, and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2015.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by Article L. 225-37 of the French Commercial Code relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- confirm that the report also includes the other information required by Article L. 225-37 of the French Commercial Code. It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

##### Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

##### Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris-La Défense, 22 March 2016

The Statutory Auditors

**MAZARS**

Gilles Magnan

**ERNST & YOUNG et Autres**

Sophie Duval

Jean-Roch Varon

## 4.5. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

### General Meeting called to approve the financial statements for the year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby report on certain related-party agreements and commitments.

We are required to inform you, based on the information provided to us, of the main terms and conditions of those agreements and commitments brought to our attention, or that we may have identified in the performance of our mission, as well as the reasons justifying their interest for the company. We are not required to comment as to whether they are beneficial or appropriate or to seek to identify any other such agreements or commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you of the information set forth under Article R. 225-31 of the French Commercial Code concerning the implementation of the agreements and commitments already approved by the General Meeting during the year.

We have conducted the checks we deemed necessary in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* (national body of statutory auditors) concerning this task. These measures consisted of verifying the consistency of the information that was given to us with the source documents.

### I. Agreements and commitments subject to the approval of the General Meeting

#### Agreements and commitments authorised during the year ended

In accordance with Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments that were previously authorised by your Board of Directors.

Company	Directors or executives concerned	Terms of office in your company	Terms of office in other companies that have signed the agreement	% capital held by your company at 31/12/15
ACM Vie	Catherine Allonas Barthe	Permanent representative of ACM Vie, Director	General Manager	None
Predica SCI DS Campus (wholly-owned subsidiary of Predica) Holding Predica (wholly-owned subsidiary of Predica)	Jérôme Grivet	Permanent representative of Predica, Director	General Manager of Predica	None
SCI Euromarseille 3 Holding Euromarseille (wholly-owned subsidiary of Predica)	Olivier Estève	Deputy General Manager	Manager of SCI Euromarseille 3	50.00%
Beni Stabili	Jean Laurent	Chairman of the Board of Directors	Director	48.47%
	Leonardo Del Vecchio	Vice-Chairman of the Board of Directors	Director	
	Christophe Kullmann	General Manager and Director	Director	

## a) FDR acquisition of FDM shares from ACM VIE

On 19 February 2015, your Board of Directors authorised Foncière des Régions' off-market acquisition of a block of 3,186,470 Foncière des Murs shares from ACM Vie on 23 February 2015. These shares represent 4.3% of the capital of Foncière des Murs. This acquisition was carried out at the price of €23 per FDM share, for a total gross amount of €73,288,810, fully paid up in cash. The price per share was the same as that offered to the shareholders of Foncière des Murs to tender their shares under the public offer launched by Foncière des Régions, and for which a fairness opinion was issued by an independent appraiser.

This transaction was carried out as part of the strategic development of the Foncière des Régions group in the hotel segment.

## b) Agreements set up as part of the "DS Campus" extension project

On 19 February 2015, your Board of Directors authorised the set-up of several agreements as part of the "DS Campus" extension project. This project fits into a strategy aimed at pooling geographical and unit risks in the Vélizy area. The financial terms of this pooling operation were endorsed by a fairness opinion issued by an independent appraiser.

- ♦ Investment agreement signed on 18 June 2015 between Foncière des Régions, Predica and SCI DS Campus in the presence of SCI Latécoère 2, relating to the proposed expansion of "DS Campus".

The purpose of this agreement is to define the terms and conditions of the partnership between the parties for the sharing of the "DS Campus" extension operation. Predica undertook to subscribe to a capital increase of SCI Latécoère 2. Following this transaction, Predica holds 49.9% of SCI Latécoère 2, while your company still holds 50.1% of the capital. A subordinated credit line is to be granted to SCI Latécoère 2 for a total of €35,671K, of which €17,871K from your company and €17,800K from Predica. At 31 December 2015, the outstanding credit amounted to €34,911K, of which €17,490K loaned by your company and €17,421K loaned by Predica.

- ♦ Shareholders' Agreement between Foncière des Régions, Holding Predica and Predica, concerning SCI Latécoère 2 as part of the "DS Campus" extension project.

The Shareholders' Agreement lays down the terms of the relations of the SCI Latécoère 2 partners within the scope of the "DS Campus" extension project. Your company remains the manager of SCI Latécoère 2. This company has an *ad hoc* committee (the "Partnership Committee") with a supervisory role over the manager of the company. Collective decisions are made unanimously by the shareholders.

The Shareholders' Agreement expires on 18 June 2025, and is renewable by tacit consent on a two-year basis. Specific guarantee agreement between Foncière des Régions and SCI DS Campus as part of the "DS Campus" extension project.

On 18 June 2015, within the scope of the "DS Campus" extension project, your company granted SCI DS Campus a yield guarantee, under the following terms:

- ♦ 3% per annum over the period starting on the completion date (18 June 2015) and ending on the earliest of the following dates ("3% End Date"):
  - ♦ the Delivery Date, with the understanding that it was initially set at 30 November 2016, and
  - ♦ 28 February 2017, i.e. the end of the third month following the initially planned Delivery Date (30 November 2016)
- ♦ 3.5% per annum over the 18-month period starting the day after the "3% End Date"
- ♦ 7% per annum over the period starting the day after the "3.5% End Date" and ending on the Date of the First Rent, if this is later than the "3.5% End Date".

Under the guarantee, your company paid €282K in 2015.

## c) Rider to the Shareholders' Agreement on SCI Latécoère between Foncière des Régions and SCI DS Campus in the presence of Predica and SCI Latécoère

The purpose of the Shareholders' Agreement entered into on 19 October 2012 between your company and Predica was to govern the relations of the shareholders of SCI Latécoère, within the scope of the "DS Campus" operation, and to set the subscription price of Predica to a capital increase for a possible extension of "DS Campus".

At its meeting of 19 February 2015, your Board of Directors authorised a new rider, to amend the terms and conditions for the continuation of this agreement, and to enhance your company's methods of control of SCI Latécoère.

The amendments, which mainly concerned the scope of decision of the Partnership Committee, came into effect on the rider signing date, i.e. 20 April 2015. This rider expires on 20 April 2025, and is renewable by tacit consent on a two-year basis.

**d) Settlement agreement between Foncière des Régions, Beni Stabili, BS 7 and Aldo Mazzocco**

On 21 October 2015, your Board of Directors authorised the set-up of a settlement agreement involving your company, Beni Stabili, BS 7 and Aldo Mazzocco. The purpose of this agreement is to lay down all of the terms and financial conditions that will govern the end of the offices held and functions performed by Aldo Mazzocco within the Foncière des Régions group. It provides for the waiver of the condition requiring Aldo Mazzocco to remain within the company in order to receive the bonus shares, and the granting of all of the shares that were subject to performance conditions, i.e. a total of 21,500 shares, which will be awarded at the end of the initially set vesting periods. It also provides for the payment of the contractually agreed severance compensation for his office as Managing Director of Beni Stabili.

**e) Shareholders' Agreement between Foncière des Régions and Holding Euromarseille in the presence of SCI Euromarseille 3**

On 26 November 2015, your Board of Directors authorised the set-up of a Shareholders' Agreement between Foncière des Régions and Holding Euromarseille (a subsidiary of Predica) in the presence of SCI Euromarseille 3 within the scope of the Euromed operation for the development of the Multiplex.

Please note that, at 31 December 2015, this shareholders' agreement had not yet been signed.

This agreement would enable the company to continue the partnership initiated in 2006 with Predica on the Euromed operation within the scope of the sharing of the Multiplex assets with the CDC.

**II. Agreements and commitments already approved by the General Meeting****Agreements and commitments approved in prior years, which continued to be performed during the year ended 31 December 2015**

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments already approved by the General Meeting in previous years continued to be performed during the past year.

Company	Directors or executives concerned	Terms of office in your company	Terms of office in other companies that have signed the agreement	% capital held by your company at 31/12/2015
Predica	Jérôme Grivet	Permanent representative of Predica, Director	General Manager	None
	Christophe Kullmann	General Manager and Director	Director	
Foncière Développement Logements – FDL	Olivier Estève	Deputy General Manager	Permanent representative of FDR 2 - Director	61.3%
	Bertrand de Feydeau	Director	Chairman of the Board of Directors	
	Predica	Director	Director	
Immeo Wohnen Service GmbH	None	None	None	61.0%
Batisica	Romolo Bardin	Director	Director	61.3%

**a) Payment delegation agreement**

As part of the transfer of the portfolio of Immeo of Foncière Développement Logements – FDL to Foncière des Régions, on 12 June 2014, your company signed a payment delegation agreement with its subsidiaries Batisica and Immeo Rewo. Each party remains liable for the fees, expenses and commissions of its consultants and representatives. Consequently, the remuneration of the agreement is solely made up of the acquisition price of the securities.

Foncière des Régions recognised a debt of €536,182K to Batisica, corresponding to the acquisition of:

- 54,961,242 shares of the company Immeo AG, representing 54.96% of the company's capital and voting rights;
- 23,725 shares of the company FDR Zehnte GmbH, representing 94.90% of the company's capital and voting rights.

The agreement was granted starting on the date of acquisition and until the date of payment.

## b) Commitments made to Christophe Kullmann and Olivier Estève

On 5 December 2014, your Board of Directors authorised the renewal of the commitment to pay compensation to Christophe Kullmann and Olivier Estève, provided that the Board of Directors determines that the cumulative performance conditions detailed below were fulfilled, in the event of the cessation of their respective functions as Chief Executive Officer and Deputy Chief Executive Officer of your company following a forced departure linked to a change in strategy or control within the meaning of the provisions of paragraphs II and III of Article L. 223-16 of the French Commercial Code.

### Procedures

In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code and with the recommendations of the Afep-Medef Code, this compensation would be conditional on fulfilling the following internal and external performance criteria:

- ♦ 50% of the theoretical compensation amount is linked to the growth in the NAV during the three years prior to the termination of office. If the Foncière des Régions EPRA NAV drops 25% below the average for the REITs that make up the EPRA index, the fraction of the severance pay linked to this requirement will not be paid. Otherwise, the theoretical amount of this fraction of the compensation will be adjusted by the variation in the NAV for the period considered.
- ♦ 50% of the theoretical benefit amount is linked to the achievement of target performance during the three years prior to the termination of office. The criteria for allocation of the target bonus are reviewed every year by the Appointments and Remunerations Committee, based on operational and strategic targets. If the average rate of fulfilment of the objectives over the last three years is less than 80%, the fraction of the severance pay linked to that criterion is not paid. Otherwise, the amount of the theoretical compensation will be adjusted by the average of the coefficients of achievement of the last three variable portions.

If exceeding of one of the two fractions of the compensation may compensate for a possible deduction from the other fraction, the total amount of the end-of-service benefit is capped at two years of total remuneration.

The two years of total remuneration include the short-term fixed and variable base and no longer include the base linked to the long-term incentive plan.

This cap rule applies to all forms of severance pay and includes any other compensation paid for any other reason at the end of a term of office, it being specified that the Chief Executive Officer and Deputy Chief Executive Officer do not receive any remuneration from Foncière des Régions other than that paid for their term of office.

These commitments came into force on 1 January 2015 and were approved by the General Meeting of Foncière des Régions on 17 April 2015.

## c) Shareholders' Agreement on SCI Lenovilla relating to the "New Vélizy" operation

The purpose of the Shareholders' Agreement entered into on 1 February 2013 between your company and Predica is to govern the relations of the shareholders of SCI Lenovilla within the scope of the "New Vélizy" project. Your company remains the manager of SCI Lenovilla and has an *ad hoc* committee (the "Partnership Committee") with a supervisory role over the manager of the company. Collective decisions are made unanimously by the shareholders.

## d) Yield guarantee on the "New Vélizy" operation

As part of the New Vélizy project carried out by its subsidiary Lenovilla, on 1 February 2013 your company granted a yield guarantee to SCI New Vélizy, a wholly-owned subsidiary of Predica, with the following terms:

- ♦ 3.5% per annum on the amounts invested during the period beginning on the date of completion specified in the investment agreement and ending on the earliest of the following two dates:
  - ♦ the completion date, scheduled on 30 April 2014, and
  - ♦ 31 July 2011
- ♦ 4% per annum on amounts invested during the 17-month period beginning the day after the preceding period
- ♦ 7.1% per annum on the amounts invested during the period beginning after the 17-month period until the date of the first rent received.

The amounts invested correspond to the cumulative amounts made available by SCI New Vélizy to SCI Lenovilla. All dividends or interest paid during the guarantee period to SCI New Vélizy by SCI Lenovilla shall be deducted from the amount of the yield guarantee.

The amount paid over the 2015 period totalled €2 million.

**e) Shareholders' Agreement on SCI 11 Place de l'Europe relating to the "Campus Eiffage" operation**

The purpose of the Shareholders' Agreement entered into on 19 December 2013 between your company and Predica is to govern the relations of the shareholders of SCI 11 place de l'Europe within the scope of the "Campus Eiffage" operation. Your company will be the manager of SCI 11 place de l'Europe. This company has an *ad hoc* committee (the "Partnership Committee") with a supervisory role over the manager of the company. The collective decisions of shareholders will be taken as provided by law.

**f) Yield guarantee relating to the "Campus Eiffage" operation**

As part of the "Campus Eiffage" project conducted by SCI 11 place de l'Europe, on 19 December 2013 your company granted a yield guarantee to Predica, under the following terms:

- ♦ 4% per annum on amounts invested by Predica in SCI 11 Place de l'Europe during the period starting from the date of completion as specified in the investment agreement and ending on the last day of the grace period
- ♦ all dividends or interest paid during the guarantee period to Predica by SCI 11 Place de l'Europe shall be deducted from the amount of the yield guarantee.

**g) Shareholders' Agreement on SCI Latécoère relating to the "DS Campus" operation**

The purpose of the Shareholders' Agreement entered into on 19 October 2012 between your company and Predica was to govern the relations of the shareholders of SCI Latécoère, within the scope of the "DS Campus" operation, and to set the subscription price of Predica to a capital increase for the possible extension of "DS Campus".

This agreement was amended on 20 April 2015 by the signing of Rider No. 1, whose terms and conditions are set out in the first part of this special report.

Paris-La Défense, 22 March 2016

MAZARS

Gilles Magnan

ERNST & YOUNG et Autres

Sophie Duval

Jean-Roch Varon





## 4.6. STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

Combined General Meeting of Shareholders of 27 April 2016

### Sixteenth resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, in accordance with the terms of our engagement defined by Articles L. 225-209 of the French Commercial Code in the event of a capital reduction by cancellation of purchased shares, we have prepared this report to provide our assessment of the terms and conditions of the proposed capital reduction.

Your Board of Directors proposes that you grant to it, for a period of eighteen months starting from the day of this Combined General Meeting, full authority to cancel the shares purchased as part of the implementation of an authorisation allowing your company to purchase its own shares, for up to 10% of its share capital per twenty-four month period, as part of the provisions in the above-mentioned article.

We have conducted the checks we deemed necessary in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* (national body of statutory auditors) concerning this task. These procedures require that we examine the terms and conditions of the proposed capital reduction to ensure that they are fair and that they are not likely to violate shareholders' parity.

We have no comment to make on the terms and conditions of the proposed transaction which will reduce the share capital.

Paris-La Défense, 22 March 2016

The Statutory Auditors

**MAZARS**

Gilles Magnan

**ERNST & YOUNG et Autres**

Sophie Duval

Jean-Roch Varon

## 4.7. STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES GIVING ACCESS TO THE CAPITAL RESERVED FOR PARTICIPANTS IN A COMPANY SAVINGS PLAN

Extraordinary General Meeting of 27 April 2016

### (Twenty-first resolution)

To the Shareholders,

In our capacity as Statutory Auditors of your company, in accordance with the terms of our engagement defined by Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby present to you our report on the proposal to grant to the Board of Directors the authority to issue up to a maximum of €500,000 in shares and/or securities providing access to the company's capital, with waiver of the preferential subscription right, reserved for participants in a company savings plan of the company and companies and economic interest groups affiliated with the company within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labour Code. This transaction has been submitted for your vote.

This issue is subject to your approval in accordance with the provisions of Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code.

Your Board of Directors proposes, based on its report, that you grant to it, with the option to sub-delegate, for a period of 26 months starting from the day of this meeting, the authority to decide on an issue and to waive your preferential subscription right to the securities that will be issued. As necessary, it will be its responsibility to set the final conditions of the transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to provide our opinion on the fairness of the quantitative information drawn from the financial statements, on the proposal to waive the preferential subscription right and certain other information concerning the issue, provided in this report.

We have conducted the checks we deemed necessary in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* (national body of statutory auditors) concerning this task. These measures consisted of verifying the consistency of the report of the Board of Directors relating to this transaction and the procedures for determining the issue price of the capital securities to issue.

Subject to the subsequent review of the conditions of the issue that would be decided, we have no observation to make on the procedures for determining the issue price of the capital securities to issue given in the Board's report.

As the final conditions in which the issue would be carried out have not been set, we do not express an opinion on them, and consequently, on the proposal to waive your preferential subscription right.

In accordance with Article R. 225 116 of the French Commercial Code, we will prepare a supplementary report, as necessary, at the time the authorisation is used by your Board of Directors, in the event of the issuance of shares or capital securities giving access to other capital securities, and in the event of the issuance of securities providing access to new capital securities to be issued.

Paris-La Défense, 22 March 2016

The Statutory Auditors

**MAZARS**

Gilles Magnan

**ERNST & YOUNG et Autres**

Sophie Duval

Jean-Roch Varon

## 4.8. STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND VARIOUS SECURITIES WITH MAINTENANCE AND/OR WAIVER OF THE PREFERENTIAL SUBSCRIPTION RIGHT

Combined General Meeting of 27 April 2016

### Seventeenth, eighteenth, nineteenth and twentieth resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your company, in accordance with the terms of our engagement defined by Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby present to you our report on the proposal to grant to the Board of Directors the authority to decide on the issue of shares and/or securities on which you will be asked to vote.

Your Board of Directors proposes to you, based on its report:

- ♦ that you authorise it, with the option to sub-delegate, for a period of twenty-six months, to decide on the following transactions and to set the final conditions of these issues, and if appropriate, to waive your preferential subscription right:
  - ♦ issue, with maintenance of the preferential subscription right (seventeenth resolution), of shares and/or securities providing immediate or future access to the company's capital, with the specification that this delegation may allow the issuance of securities under the conditions set forth in Article L. 228-93 of the French Commercial Code,
  - ♦ issue, with waiver of the preferential subscription right through a public offering (eighteenth resolution), of shares and/or securities providing immediate or future access to the company's capital, with the specification that this delegation may allow the issuance of securities under the conditions set forth in Article L. 228-93 of the French Commercial Code;
- ♦ that you authorise it, with the option to sub-delegate, for a period expiring on 31 December 2016, to decide on the issuance of ordinary shares in the event of a public exchange offer initiated by your company (nineteenth resolution);
- ♦ that you authorise it, for a period expiring on 31 December 2016, to issue company shares and/or securities giving immediate or future access to existing or new company shares, in compensation for shares, or securities giving access to shares, tendered to the company, (twentieth resolution), within the limit of 10% of the share capital.

The maximum nominal amount of the capital increases that may be carried out immediately or in the future may not exceed €50,000,000 under each of the seventeenth and nineteenth resolutions, and €20,000,000 under the eighteenth resolution. The overall nominal amount of the debt securities liable to be issued may not exceed €750,000,000 under each of the seventeenth and eighteenth resolutions.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to provide our opinion on the fairness of the quantitative information drawn from the financial statements, on the proposal to waive the preferential subscription right and on certain other information concerning these transactions, provided in this report.

We have conducted the checks we deemed necessary in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* (national body of statutory auditors) concerning this task. These measures consisted of verifying the consistency of the report of the Board of Directors relating to these transactions and the procedures for determining the issue price of the capital securities to issue.

Subject to the subsequent review of the conditions of the issue that would be decided, we have no matters to report on the procedures for determining the issue price of the capital securities to issue given in the Board's report for the eighteenth resolution.

In addition, as this report does not specify the procedures for determining the issue price of the shares to be issued as part of the implementation of the seventeenth and twentieth resolutions, we cannot give our opinion on the choice of the components for calculating this issue price.

As the final conditions in which the issues would be carried out have not been set, we do not express an opinion on them, and consequently, on the proposal to waive the preferential subscription right that is made to you in the eighteenth and nineteenth resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare a supplementary report, as necessary, at the time the granted authority is used by your Board of Directors in the event of (i) the issue of equity securities giving access to other shares or giving rights to the allocation of debt securities, (ii) the issue of securities giving right to shares to issue and (iii) the issue of shares with waiver of preferential subscription right.

Courbevoie and Paris-La Défense, 22 March 2016

The Statutory Auditors

**MAZARS**

Gilles Magnan

**ERNST & YOUNG et Autres**

Sophie Duval

Jean-Roch Varon

## 4.9. STATUTORY AUDITORS' REPORT ON THE AUTHORISATION TO GRANT BONUS SHARES OUT OF EXISTING SHARES OR SHARES TO BE ISSUED

Combined General Meeting of 27 April 2016

### Twenty-second resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, in accordance with the terms of our engagement defined by Article L. 225-197-1 of the French Commercial Code, we hereby present to you our report on the proposal to grant bonus shares, out of existing shares or shares to be issued, to employees and/or corporate officers of your company and affiliated companies. This transaction has been submitted for your vote.

The total number of shares which can be awarded as bonus shares may not exceed 1% of the company's share capital on the date of the Board of Directors' decision to grant them, with the specification that the proportion of shares which may be awarded to corporate officers may not exceed 40% of this ceiling.

Your Board of Directors proposes to you, based on its report, that you authorise it to grant bonus shares out of existing shares or shares to be issued.

It is the responsibility of the Board of Directors to prepare a report on this operation which it seeks to carry out. Our responsibility is to give you our comments, where appropriate, on the information provided to you on the proposed operation.

We have conducted the checks we deemed necessary in accordance with the professional doctrine of the *Compagnie Nationale des Commissaires aux Comptes* (national body of statutory auditors) concerning this task. These measures consisted of verifying that the proposed procedures set out in the Board of Directors' report comply with legal requirements.

We have no comment to make on the information provided in the Board of Directors' report concerning the proposed authorisation of bonus share awards.

Paris-La Défense, 22 March 2016

The Statutory Auditors

**MAZARS**

Gilles Magnan

**ERNST & YOUNG et Autres**

Sophie Duval

Jean-Roch Varon

## 4.10. PARTIES RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

	Statutory Auditors	Date of appointment	Date of re-appointment	Expiry of term of office
Holders	<b>Cabinet Mazars</b> Tour Exaltis 61, rue Henri-Regnault 92400 Courbevoie	22/05/2000	25/04/2012	AGM approving the annual financial statements for the year ended 31/12/2017
	<b>Ernst &amp; Young et Autres</b> 1-2, place des Saisons Paris-La Défense 1 92400 Courbevoie	24/04/2013		AGM approving the annual financial statements for the year ended 31/12/2018
Alternates	<b>Monsieur Cyrille Brouard</b> Tour Exaltis 61, rue Henri-Regnault 92400 Courbevoie	22/05/2000	25/04/2012	AGM approving the annual financial statements for the year ended 31/12/2017
	<b>Cabinet Auditex</b> 1-2, place des Saisons Paris-La Défense 1 92400 Courbevoie	24/04/2013		AGM approving the annual financial statements for the year ended 31/12/2018

# 5

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## 5.1. PRESENTATION OF THE COMPANY

### 5.1.1. History of the Company (Group share data)

1963	The Company is formed under the name "Société des Garages Souterrains et du centre commercial Esplanade – Belvédère". Its original purpose was to operate the first underground car park built in Metz.
1998	The Company acquires a set of mainly residential assets from Immobilière Batibail and adopts a new corporate name, "Garages Souterrains et Foncière des Régions" (GSFR).
1999	Merger between Immobilière Batibail and Gecina. GSFR becomes controlled by the Batipart family holding company chaired by Charles Ruggieri.
2001	Acquisition from Axa of a real estate portfolio of 107,000 m <sup>2</sup> . The value of the Company's holdings increases 2.5 fold. Signature of an exclusive partnership agreement with the MSREF fund (Morgan Stanley) as part of the acquisition of service sector assets. Acquisition of 56 regional head offices from EDF.
2002	Change in corporate name: GSFR became "Foncière des Régions". Acquisition of: <ul style="list-style-type: none"> <li>457 France Télécom assets distributed throughout France, 92,000 m<sup>2</sup> of offices and business premises located in Vélizy-Villacoublay (in partnership with MSREF)</li> <li>the real estate company Sovaklé, a housing subsidiary of the Atomic Energy Commission: 4,000 housing units in France and sites in the major regional cities</li> <li>six EDF real estate complexes acquired in partnership with MSREF.</li> </ul> Subsidiarisation of the Car Parks business: creation of the company Parcs GFR.
2003	Foncière des Régions opts for the tax status of a "Société Immobilière d'Investissement Cotée" (SIIC, a public real estate investment company). The year's highlights were: <ul style="list-style-type: none"> <li>acquisition of full ownership of the assets acquired in partnership with Morgan Stanley and leased to EDF or France Télécom. These assets represent 1.15 million m<sup>2</sup> with a value of €850 million</li> <li>acquisition of 133 assets from the insurer Azur-GMF.</li> </ul>
2004	Acquisition of the headquarters of the Atomic Energy Commission (CEA) in Paris: 25,500 m <sup>2</sup> of offices located on Rue de la Fédération. Creation of Foncière des Murs (a public real estate company with SIIC tax status), the business of which is the acquisition and management of operating properties in the hotel, health and recreation sectors. Foncière des Régions launches a friendly takeover bid for Bail Investissement Foncière.
2005	At the end of the friendly takeover of Bail Investissement Foncière, Foncière des Régions holds nearly 37% of the capital of Bail Investissement. Acquisition of 5,500 housing units in Germany. Creation of Foncière Développement Logements and transfer of housing assets to this entity.
2006	Acquisition by Foncière des Régions of Technical, which owns 206 office assets leased to France Télécom, through Bail Investissement Foncière in partnership with GE Real Estate. Start of construction, at the Vélizy-Villacoublay site, of the world headquarters of Dassault Systèmes (60,000 m <sup>2</sup> ) and the start of renovation work on the CEA headquarters in Paris (Carré Suffren operation). Foncière des Régions reaffirms its development strategy with the launch of Euromed projects in Marseille and the ZAC de l'Amphithéâtre project in Metz. Signature of an agreement with the Autonomous Port of Dunkirk for the development of several logistics zones and the acquisition of an 85,000 m <sup>2</sup> logistics platform in Saint-Martin-de-Crau. Merger of Bail Investissement Foncière into Foncière des Régions.
2007	Foncière des Régions acquires 68% of Beni Stabili, the second-largest public real estate company in Italy. Acquisition of the convertible bonds, held by GE Real Estate, in the company Technical, which owns a portfolio of over 200 office assets leased to France Télécom. Acquisition of the Tour Gan, the future CB 21 Tower, in the La Défense business district. Creation of Foncière Europe Logistique, a public entity (SIIC tax status) dedicated to the logistics business and transfer of assets to this entity.



2008	<p>Acquisition from Eiffage of a portfolio of 190,000 m<sup>2</sup> valued at €102 million and leased to Eiffage on a nine-year firm lease.</p> <p>Cœur d'Orly project: the grouping made up of Aéroports de Paris/Altarea/Foncière des Régions develops a first-tier real estate project near Orly airport south of Paris with 160,000 m<sup>2</sup> of offices, stores and a hotel.</p> <p>Delivery of the "Vélizy Campus" programme, the world headquarters of Dassault Systèmes, comprising 60,000 m<sup>2</sup> of offices.</p> <p>Refinancing of €240 million for the CB 21 project at La Défense.</p> <p>Foncière des Régions becomes part of the SBF 120.</p>
2009	<p>Signature of an agreement with Suez Environnement for the lease of 42,000 m<sup>2</sup> in the CB 21 Tower.</p> <p>Start of renovation work on the CB 21 Tower.</p> <p>Sale of 65 assets to France Télécom and signature to extend the leases for the other assets.</p> <p>Increase of €267 million in equity through the contribution of five office assets and the creation of new shares issued to Groupama and Predica, and an additional €200 million in shareholders' equity in the event of the exercise of equity warrants allotted free of charge to the shareholders of Foncière des Régions (option exercisable until 31 December 2010).</p> <p>Ongoing portfolio rotation through the sale of €504 million of assets (group share) and investments of €457 million in Offices in the Paris region.</p> <p>Ongoing debt reduction.</p>
2010	<p>Purchase of Morgan Stanley's 75% equity stake in the MSREF/Foncière des Régions joint venture, which has an office portfolio of 115,000 m<sup>2</sup>.</p> <p>Approval for payment of the 2009 dividend: payment in cash (optional payment in Foncière des Régions shares) and in Beni Stabili shares.</p> <p>Signature of a new protocol with France Télécom: extension of leases for 6, 9 and 12 years firm, applicable to €35 million in annual rental income.</p> <p>Changes in shareholder structure and governance: Batipart sells a large proportion of its investment in Foncière des Régions to Delfin, Predica and Assurances du Crédit Mutuel Vie (ACM Vie).</p> <p>Charles Ruggieri, Chairman of Batipart, resigns as Chairman of the Supervisory Board of Foncière des Régions.</p> <p>Jean Laurent is appointed Director and named Chairman of the Supervisory Board.</p> <p>Delivery of the renovated CB 21 Tower distribution: Foncière des Régions signs a disposal agreement for 25% of the CB 21 Tower with CNP Assurances. In the third quarter of 2010, Foncière des Régions signs a new financial agreement for the CB 21 Tower for €270 million.</p> <p>Leasing of 23,000 m<sup>2</sup> of the Carré Suffren asset to AON, the French Education Ministry and the Institut Français.</p> <p>Ongoing portfolio rotation through the sale of €439 million of assets (group share) and €149 million in acquisitions (group share).</p> <p>Ongoing debt reduction.</p> <p>Foncière des Régions boosts shareholder equity by nearly €200 million following the exercise of nearly all the equity warrants (BSA) outstanding since December 2009.</p>
2011	<p>Adoption on 31 January 2011 by the General Meeting of Foncière des Régions and the subsequent Board of Directors of a new Governance:</p> <ul style="list-style-type: none"> <li>♦ adoption of the legal form of a company with a Board of Directors</li> <li>♦ segregation of duties of Chairman of the Board of Directors and General Manager, assigned to Jean Laurent and Christophe Kullmann respectively</li> <li>♦ strengthening of the influence of independent Directors, who now represent 40% of the Board of Directors (four out of 10 members).</li> </ul> <p>Continuation of the partnership with Suez Environnement via the acquisition of Degrémont's head office at Rueil-Malmaison for €43 million. This asset is 100% leased under a firm 12-year lease.</p> <p>Increased stake in Foncière Europe Logistique (82%).</p> <p>Inaugural issue of bonds redeemable in cash and/or new and/or existing shares (ORNANE) for a total of €550 million, maturing on 1 January 2017. This issue was carried out with an annual interest rate of 3.34%.</p> <p>The development projects of "32 Grenier" in Boulogne, "Galleria del Corso" in Milan, and the Eiffage Construction head office at Vélizy were delivered and leased.</p> <p>Ongoing portfolio rotation through the sale of €309 million of assets (group share) and €157 million in acquisitions (group share).</p> <p>Ongoing debt reduction.</p>

- 
- 2012 Appointment of two new directors: Christophe Kullmann and Micaela Le Divelec Lemmi.  
Foncière des Régions boosted its shareholders' equity by €150 million by opting to pay the 2011 dividend in shares, underwritten at the rate of 66% of value.  
Strengthening of the partnership with Thales via the development of a 49,000 m<sup>2</sup> campus at Vélizy-Villacoublay with a budget of €192 million. This Campus, which is called "New Vélizy", delivered in 2014, will be occupied by Thales under a nine-year lease.  
Signature of a 50/50 sharing agreement with Predica on two site operations in Vélizy: New Vélizy and DS Campus (world headquarters of Dassault Systèmes with a surface area of 60,000 m<sup>2</sup> that is leased under a firm 12-year lease expiring in 2020).  
Acquisition in early July of the Citroën headquarters (Paris 17<sup>th</sup>) for €62 million, tax included, leased under a firm six-year lease.  
Launch of Phase 1 of the Euromed Center in Marseille. This development, which represents a budget of €48 million (for Foncière des Régions' 50% share), is located in the heart of the largest redevelopment project in Europe, and includes 14,000 m<sup>2</sup> of office space, a four-star, 210-room hotel, and an 846-space car park.  
Purchase of Sophia GE's investment in Foncière Europe Logistique (FEL) by Foncière des Régions, and squeeze-out followed by a mandatory delisting by Foncière des Régions on FEL.  
Award of a BBB- rating with a stable outlook by Standard & Poor's rating agency.  
Inaugural issue of a €500 million bond maturing in January 2018 with a fixed interest rate of 3.875%.  
Securing of €2 billion in bank financing (including the inaugural issue of a €500 million bond).  
Acquisition of a portfolio of 165 B&B Hotels for €508 million excluding taxes, through an OPCI management company held by Foncière des Murs (50.2%), the Crédit Agricole Assurances Group (40%) and Assurances du Crédit Mutuel (9.8%).  
Ongoing portfolio rotation through the sale of almost €665 million of assets (group share) and over €300 million in investment.  
Ongoing debt reduction.  
Foncière des Régions tops the 2012 Novethic Barometer and receives many other awards, including: IPD European Investment Award 2012, EPRA Silver Award 2012, Shareholder Relations Award 2012 (Les Échos-Mazars) and Investor Relations Awards 2012.
- 
- 2013 Appointment of a new director: Sylvie Ouziel.  
Beni Stabili issues a €175 million convertible bond offer.  
Completion of a €180 million private placement maturing in April 2020 (seven years), with a coupon of 3.30%.  
Euromed Center Project: Foncière des Régions and Crédit Agricole Assurances sign an agreement with Louvre Hôtel Group for a four-star 210-room Golden Tulip hotel to be delivered in 2016.  
Launch of the Green Corner operation in Saint-Denis, a project covering 20,400 m<sup>2</sup>, pre-leased for nearly 70%, with the signature of a 10-year firm lease with the French Health Authority.  
Start of the high-profile Cœur d'Orly urban project for Greater Paris with the start of work on the first asset, Askia (18,500 m<sup>2</sup> of office space), 50% pre-leased to a key account.  
Separation of France and Germany portfolios in the residential business.  
Strengthening of Foncière des Régions in Germany:  
  - ♦ success of the public exchange offer on Foncière Développement Logements: Following the transaction, Foncière des Régions holds a 59.7% stake in Foncière Développement Logements
  - ♦ €351 million acquisition of housing units in Germany, in Berlin and Dresden.
Foncière des Régions sold its entire remaining investment in Altea Cogedim (7.65% of the capital) for €115 million.  
Issue of bonds redeemable in cash and/or new and/or existing shares (ORNANE) for a total of €345 million, maturing on 1 April 2019 and with an interest rate of 0.875%; Buyback by Foncière des Régions of approximately €110 million in ORNANE maturing on 1 January 2017.  
Foncière des Régions is awarded two EPRA Awards for the quality of its financial and non-financial reporting, and confirmation of its position in the DJSI, FTSE4Good and Vigéo indexes.
-

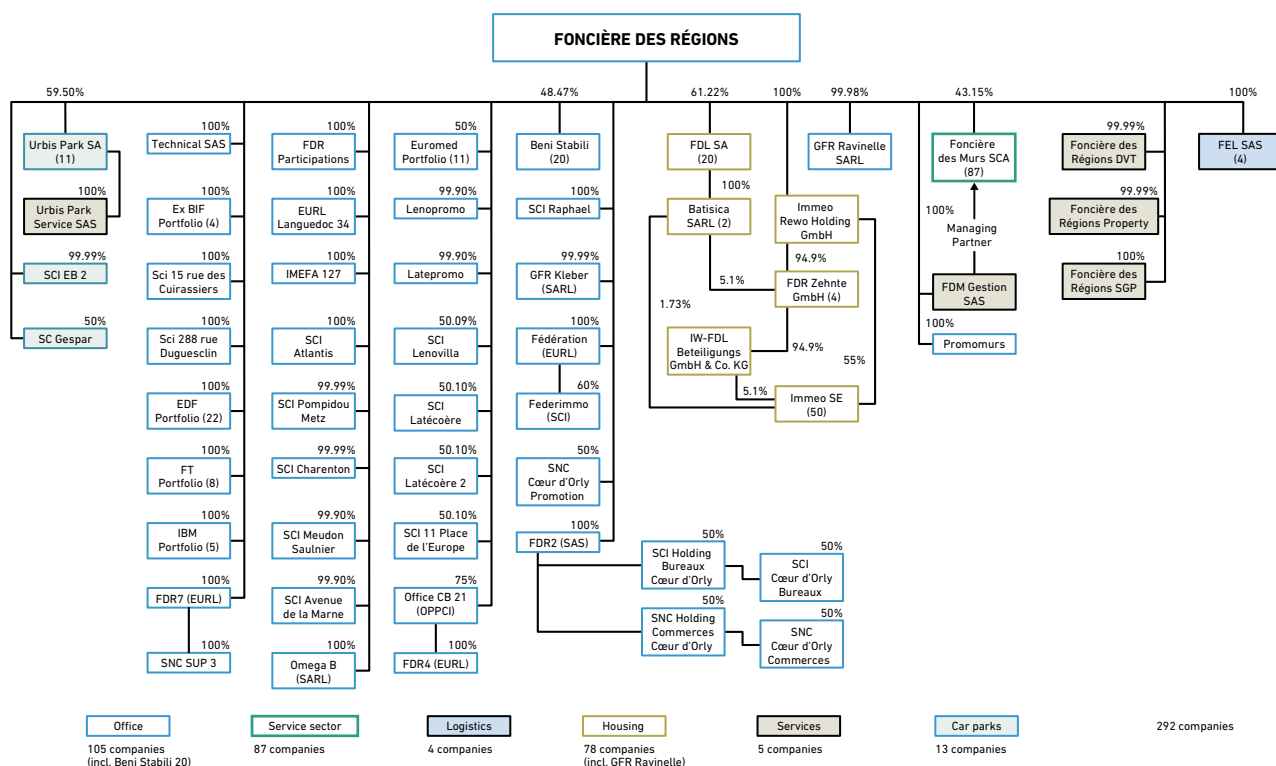


- 
- 2014 Appointment of a new Director: Sigrid Duhamel.
- Acquisition by Foncière des Régions and Crédit Agricole Assurances of the future Eiffage Group campus at Vélizy-Villacoublay.
- New leases at the CB 21 Tower: nearly 11,400 m<sup>2</sup> let in 2014.
- The group forges a new partnership with the acquisition, via a sale and leaseback transaction, of two office assets from Natixis, in Charenton-le-Pont.
- Foncière des Régions and Crédit Agricole Assurances deliver the New Vélizy campus to Thales. Foncière des Régions and Demathieu & Bard Immobilier develop the future headquarters for Bose France in Saint-Germain-en-Laye.
- Foncière des Régions supports B&B in its European expansion and opening of the B&B hotel Paris Porte des Lilas.
- Foncière des Régions and Meininger Hotels announce a strategic partnership.
- Acquisition of a four-star hotel in Amsterdam from the operator NH Hotel Group.
- Foncière des Régions continues to build up its presence in the German residential market, with further investments of €240 million.
- The foundation stone is laid at the four-star Golden Tulip hotel at the new Euromed Center business and cultural complex.
- Foncière des Régions speeds up its strategic refocus, disposing of nearly 60% of its logistics assets for €473 million.
- Foncière des Régions announces the creation of FDM Management, a subsidiary and investment partnership specialising in the acquisition of hotel assets on behalf of leading operators.
- Foncière des Régions successfully places a €500 million seven-year bond issue.
- Beni Stabili issues a €350 million convertible bond offer.
- Foncière des Régions receives two EPRA Gold Awards for the quality of its financial and non-financial reporting, for the 2013 Reference Document and the 2013 Sustainable Development Report.
- 
- 2015 Appointment of two new directors: Romolo Bardin and Delphine Benchetrit, and appointment of a non-voting member of the Board of Directors: Sergio Erede.
- Major investment in Hotel real estate with an increased stake in the Foncière des Murs subsidiary (43.1%).
- Successful capital increase of €255 million.
- Foncière des Régions delivers nine France Offices projects in 2015, covering more than 100,000 m<sup>2</sup>.
- Foncière des Régions enters into a new hotel partnership with Motel One and Meininger to expand its hotel management activities.
- Foncière des Régions, via its subsidiary FDM Management, finalises the raising of €172 million in funds.
- Foncière des Régions reinforces its real estate partnership with AccorHotels by extending the leases of 78 hotels (€1 billion in value), under the same conditions, for 12 years firm, and by selling 46 assets to AccorHotels for €388.5 million.
- Foncière des Régions continues to pursue its strategy in German Residential properties with major investments in Berlin and Hamburg for €500 million.
- Foncière des Régions signed an agreement with Telecom Italia regarding the extension of leases for an additional nine years and the disposal of two assets.
- Foncière des Régions signs the acquisition of two assets in Milan for €81 million, then speeds up its value-creation strategy in Italy by appointing Christophe Kullmann as General Manager following the resignation of Aldo Mazzocco.
- Foncière des Régions sells €101 million in logistics assets and €130 million in France Residential assets.
- Foncière des Régions negotiates €2.6 billion in new debt/refinancing.
- S&P raises the Foncière des Régions rating to BBB, Stable outlook.
- Foncière des Régions receives two 2015 EPRA Gold Awards.
- Carbon Disclosure Project: Foncière des Régions is recognised as a global benchmark for its actions against climate change.
-

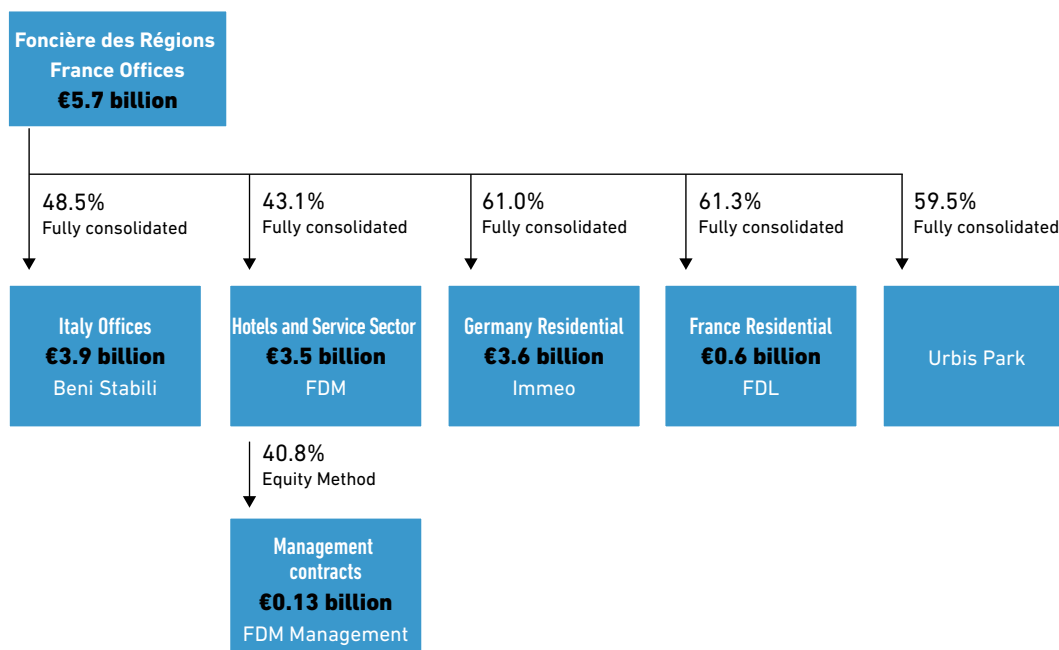


## 5.1.2. Group organisation chart

### 5.1.2.1. Simplified group organisation chart as of 31 December 2015 (based on the scope of consolidation)



### 5.1.2.2. Simplified group portfolio as of 31 December 2015



## 5.2. GENERAL INFORMATION CONCERNING THE ISSUER AND ITS SHARE CAPITAL

### 5.2.1. General information concerning the issuer

#### 5.2.1.1. Corporate name (Article 2 of the Articles of Association)

Foncière des Régions.

#### 5.2.1.2. Legal form (Article 1 of the Articles of Association)

The Combined General Meeting of 31 January 2011 adopted the form of a public limited company (*société anonyme*) with a Board of Directors.

#### 5.2.1.3. Registered office (Article 4 of the Articles of Association) and the Company's administrative offices

In its meeting of 8 November 2012, the Board of Directors transferred the registered office of the Company from 46, avenue Foch in Metz (57000) to 18, avenue François-Mitterrand in Metz (57000) (telephone: +33 (0)3 87 39 55 00).

The Company's administrative offices are located at 30, avenue Kléber, 75116 Paris, France (telephone: +33 (0)1 58 97 50 00).

#### 5.2.1.4. Trade register

The Company is registered in the Metz Trade and Companies Register under number TI 364 800 060.

The APE code of the Company is 6820 B.

The SIRET number of the Company is 364 800 060 00287.

#### 5.2.1.5. Market on which the shares and bonds are listed

Foncière des Régions' shares (ISIN code: FR0000064578) are listed for trading on the Euronext Paris market – Compartment A.

The bonds redeemable in cash and/or in new or existing shares (ORNANE) issued by Foncière des Régions in May 2011 (ISIN code: FR0011050111) as well as the ORNANE issued by Foncière des Régions in November 2013 (ISIN code: FR0011629344) are listed for trading on the Euronext Paris market.

The bonds issued by Foncière des Régions in October 2012 (ISIN code: FR0011345545), in March 2013 (ISIN code: FR0011442979) and in September 2014 (ISIN code: FR0012146744) are listed for trading on the Euronext Paris market.

#### 5.2.1.6. Country of incorporation

The Company is governed by French law.

#### 5.2.1.7. Term of the Company (Article 5 of the Articles of Association)

The Company was created on 2 December 1963 for a period of 99 years.

#### 5.2.1.8. Company purpose (Article 3 of the Articles of Association)

The purpose of Foncière des Régions, both in France and abroad, for itself or in partnership with third parties, involves:

- ♦ primarily:
  - ♦ the acquisition of any land, real estate rights or assets, including through construction leases, emphyteutic leases, authorisations for temporary occupancy of public property and finance leases, as well as all assets and rights that may be accessory or attached to the said real estate properties
  - ♦ the construction of assets, and any operations directly or indirectly related to the construction of such assets
  - ♦ the operation and creation of value of such real estate assets through rental
  - ♦ directly or indirectly, the holding of equity investments in entities stipulated in Article 8 and paragraphs 1, 2 and 3 of Article 206 of the French General Tax Code and, in general, the acquisition of investments in companies whose primary purpose is the operation of rental real estate portfolio, and the promotion, management and assistance of such entities and companies
- ♦ secondarily and directly or indirectly:
  - ♦ the leasing of all real estate properties
  - ♦ the acquisition, including through concession, of temporary authorisation to occupy public property and the operation of parking facilities
  - ♦ the management and administration of all manner of real estate rights and assets for the account of third parties and of direct and indirect subsidiaries
  - ♦ the promotion, management and assistance of all direct and indirect subsidiaries
- ♦ in exceptional circumstances, the transfer, through sale, contribution, exchange or merger, of the assets of the Company
- ♦ and more generally:
  - ♦ the participation as borrower and lender in any intra-group loan or cash transactions and the possibility of granting for this purpose any personal guarantees or security interests in real or personal property, whether mortgages or other borrowings and
  - ♦ all civil, financial, commercial, industrial, personal and real property transactions deemed useful for the development of any one of the aforementioned purposes of the Company.

#### 5.2.1.9. Documents accessible to the public

A number of resources and tools are available to shareholders to keep them informed about the Company and the share price: the website [www.fonciere-des-regions.fr](http://www.fonciere-des-regions.fr), financial notices in the press, the letter to shareholders, a dedicated e-mail address ([actionnaires@fdr.fr](mailto:actionnaires@fdr.fr)), a toll free number inside France (0 805 400 865) and the business report.

This Reference Document is available free of charge from the Investor Relations Department at the Company's administrative offices. It can also be viewed on the Company's website and on the website of the *Autorité des Marchés Financiers* (French Financial Markets Authority) ([www.amf-france.org](http://www.amf-france.org)).

The corporate documents relating to the last three financial years, and more generally all documents sent or made available to shareholders in accordance with legal requirements, can be consulted at the Company's registered office (18, avenue François-Mitterrand – 57000 Metz) and at its administrative offices.

The updated versions of the Company's Articles of Association and the Internal Regulations of the Board of Directors are available on its website at the following address: [www.fonciere-des-regions.fr/groupe/gouvernance/conseil\\_d\\_administration](http://www.fonciere-des-regions.fr/groupe/gouvernance/conseil_d_administration).

Moreover, the Company's historic financial information can be viewed on its website in the section on regulated information, at the following address: [www.fonciere-des-regions.fr/finance/information\\_financiere/informations\\_reglementees](http://www.fonciere-des-regions.fr/finance/information_financiere/informations_reglementees). This section groups together all regulated information disclosed by the Company pursuant to the provisions of Articles 221-1 *et seq.* of the General Regulations of the *Autorité des Marchés Financiers*.

## 5.2.1.10. Fiscal year [Article 24 of the Articles of Association]

Each fiscal year lasts for 12 months, beginning on 1 January and ending on 31 December of each calendar year.

## 5.2.1.11. Distribution of profits [Article 25 of the Articles of Association]

- From the profits for the year less any prior losses, at least five per cent (5%) shall be allocated to the legal reserve fund. This deduction ceases to be required when the reserve amounts to one-tenth (1/10) of the share capital.

Distributable earnings consist of the profit for the year, minus prior losses and sums to be allocated in the reserve as required by law, plus any retained earnings.

The General Meeting may take from this profit any sums it deems appropriate to be allocated to optional, ordinary or extraordinary reserves, or to be carried forward.

Any balance left over is distributed by the General Meeting among the shareholders in proportion with the number of shares they hold.

In addition, the General Meeting may decide to distribute sums taken from the reserves at its disposal, expressly indicating the reserve items from which the sums are to be withdrawn. However, dividends are taken primarily from the profit for the year.

Except in case of a reduction in capital, no distribution may be made to shareholders when the shareholders' equity is, or would become following such a distribution, less than the amount of the capital plus the reserves that may not be distributed by law or the Articles of Association. The revaluation reserve may not be distributed. It may be capitalised in whole or in part.

Any losses are carried forward, after approval of the financial statements by the Ordinary Meeting of Shareholders, to be applied against the profits from subsequent years until extinction.

The Board of Directors may decide to distribute interim dividend payments prior to the approval of the financial statements for the fiscal year, under the conditions provided for by law.

- The terms for payment of dividends approved by the General Meeting are decided by the General Meeting or by the Board of Directors. However, the payment of dividends must take place within a maximum period of nine (9) months after the end of the fiscal year. An extension of this time period may be granted by court decision.

The General Meeting may offer shareholders an option between payment in cash or payment in new shares of Company stock for all or a portion of the dividend or interim dividend distributed, under the conditions established by law.

The Ordinary Meeting of Shareholders may approve the distribution of profits or reserves through the distribution of securities owned by the Company; shareholders shall be responsible for grouping themselves, if necessary, to obtain a whole number of securities thus distributed.

- Any Concerned Shareholder whose own situation or that of its partners makes the Company liable for the withholding (the **"Deduction"**) as referred to in Article 208 C II ter of the French General Tax Code (a **"Shareholder subject to Deduction"**) shall be required to compensate the Company for the deduction tax due arising from a distribution of dividends, reserves, premiums or "income deemed distributed" within the meaning of the French General Tax Code.

Any Concerned Shareholder is assumed to be a Shareholder subject to Withholding. If he/she states that he/she is not a Shareholder subject to Withholding, he/she must prove this to the Company no later than five (5) business days prior to the payment of distributions by providing a satisfactory legal opinion without reservations, issued by an internationally renowned law firm with recognised expertise in French tax law, certifying that he/she is not a Shareholder subject to Withholding and that the distributions paid to him/her do not make the Company liable for Withholding.

In the event that the Company holds, directly or indirectly, a percentage of dividend rights at least equal to that stipulated in Article 208 C II ter of the French General Tax Code or more than one or several listed real estate investments trusts mentioned in Article 208 C of the French General Tax Code (a **"Subsidiary SIIC"**), and when the Subsidiary SIIC, because of the situation of a Shareholder subject to Withholding, has paid the Withholding, the Tax-Paying Shareholder must, as applicable, compensate the Company either for the amount paid as compensation by the Company to the Subsidiary SIIC for the payment of the Withholding by the Subsidiary SIIC or, if there has been no compensation of the Subsidiary SIIC by the Company, for an amount equal to the Withholding paid by the Subsidiary SIIC multiplied by the percentage of the Company's dividend rights in the Subsidiary SIIC, so that the other shareholders of the Company do not bear economically any portion of the Withholding paid by any one of the SIICs in the chain of equity interests on account of the Tax-Paying Shareholder (the **"Additional Compensation"**). The amount of the Additional Compensation will be borne by each of the Shareholders subject to Withholding proportionately to their



respective dividend rights divided by the total dividend rights of the Shareholders subject to Withholding.

The Company shall be entitled to offset the compensation receivable from any Shareholder subject to Withholding with the sums to be paid by the Company for his/her benefit. Therefore, the sums withheld on the Company's profits which are exempt from corporation tax pursuant to Article 208 C II of the French General Tax Code which must, for each share held by the said Shareholder subject to Withholding, be paid to it pursuant to the aforementioned distribution decision or buyback of shares, will be reduced by the amount of the Withholding due by the Company for the distribution of these sums and/or the Additional Compensation.

The amount of any compensation owed by a Shareholder subject to Withholding shall be calculated in such a manner that, after payment thereof and taking into account any specific tax regime that maybe applicable to it, the Company will be placed in the same situation as if the Withholding had never become due.

The Company and the Concerned Shareholders shall cooperate in good faith to ensure that all reasonable measures are taken to limit the amount of Withholding due or to become due and the compensation arising or that could arise from it.

- ♦ In the event that (i) subsequent to a distribution of dividends, reserves or premiums, or "income deemed distributed" within the meaning of the French General Tax Code taken from the profits of the Company or of a Subsidiary SIIC exempt from corporate tax pursuant to Article 208 C II of the French General Tax Code, it should prove that a Shareholder was a Shareholder subject to Withholding on the date of payment of the said sums or (ii) the Company or the Subsidiary SIIC should have made payment of Withholding on the sums thus paid, without the said sums being offset as provided for in Article 25.3 above, the Shareholder subject to Withholding shall be required to pay the Company a compensation for the loss borne by it in an amount equal to the Withholding that should have been paid at that time by the Company for each Company share he/she held on the date of payment of the distribution of dividends, reserves or premiums concerned and the amount of the Additional Compensation (the "**Compensation**"), where applicable.

Where relevant, the Company shall be entitled to make an offset, in the appropriate amount, between its receivables under the Indemnity and any sums that may subsequently become due to this Shareholder subject to Withholding, without prejudice, as appropriate, to the prior allocation to the said sums of the offset as provided for in paragraph 4 of Article 25.3 above. In the event that, after such an offset is made, the Company has still not been paid the amounts owed by Shareholder subject to Withholding under the indemnity, the Company shall be entitled to make a new offset, in the appropriate amount, against any sums that may subsequently be payable to this Shareholder subject to Withholding until the final extinguishment of the said debt.

### 5.2.1.12. General Meetings of Shareholders (Article 22 of the Articles of Association)

General Meetings of Shareholders are called under the conditions set by the laws and regulations in force.

Meetings are to be held at the registered office or at any other location indicated in the notice of meeting.

Every shareholder has the right to attend General Meetings of Shareholders and to participate in the deliberations, in person or by proxy, upon presentation, under the applicable legal and regulatory conditions, of his/her identity and of the registration of the shares in the books in the name of the shareholder or of an intermediary registered on his/her behalf.

The General Meetings of Shareholders are chaired by the Chairman of the Board of Directors or, failing this, by a Vice-Chairman or, in the absence of the latter, by a director specially appointed for this purpose by the Board. Failing this, the General Meeting elects the Meeting Chair.

The two (2) shareholders attending the Meeting with the highest number of votes are elected scrutineers, if they so accept.

The meeting officers shall appoint the Secretary, who may be chosen from outside the shareholders.

At each General Meeting, an attendance sheet shall be compiled under the conditions provided for by law.

Copies or excerpts of the minutes of the General Meetings shall be validly certified by the Chairman of the Board of Directors, a member of the Board or the Secretary of the General Meeting of Shareholders.

Ordinary and Extraordinary Meetings of Shareholders, deliberating under the conditions of quorum and majority set forth in the respective provisions governing them, shall exercise the powers attributed to them by law.

Shareholders may vote by post, appoint a proxy or send in their proxy form by any means permitted under the laws and regulations in force. In particular, shareholders may send the Company proxy or postal voting forms by fax or e-mail before the General Meeting, under the conditions set by law. The proxy and postal vote forms may be signed electronically if the electronic signature satisfies the requirements defined in the first sentence of paragraph 2 of Article 1316-4 of the French Civil Code.

On the decision of the Board of Directors, the shareholders may take part in the General Meeting by videoconference or vote by any remote means of communication and teletransmission, including the internet, under the conditions set forth in the regulations applicable at the time the communication method is used. This decision must be included in the meeting notice published in the *Bulletin des Annonces Légales Obligatoires* (B.A.L.O.).

Shareholders will be considered as being present for quorum and majority calculations if they participate in the General Meeting by videoconference or by any remote means of communication and teletransmission, including the internet, which enables shareholders to be identified under the conditions provided for by laws and regulations.



## 5.2.1.13. Declaration of thresholds as required by the Articles of Association (Article 8 of the Articles of Association)

- ♦ In addition to the legal obligation to notify the Company of the holding of certain fractions of the capital and to make any resultant declarations of intent, any individual or legal entity, acting alone or in concert, who has come to hold or stops holding, directly or indirectly, at least one per cent (1%) of the Company's capital or voting rights, or any multiple of this percentage, must notify the Company, by registered post with proof of receipt request to the registered office within the period provided for in Article R. 233-1 of the French Commercial Code, also indicating the number of securities ultimately giving access to the share capital it holds, the number of related voting rights as well as all the information referred to in Article L. 233-7 I of the French Commercial Code. Mutual fund management firms shall be required to carry out such reporting for the entirety of the shares of the Company held by the funds that they manage.

This reporting obligation applies to all cases of exceeded thresholds mentioned above, including beyond the statutory and regulatory thresholds. Unless a declaration has been made under the conditions outlined above, shares above the fraction which should have been declared will have no voting rights attached for any General Meeting held within two (2)

years after the date of regularisation of the declaration, at the request, recorded in the minutes of the General Meeting, of one or several shareholders together holding at least one per cent (1%) of the share capital.

- ♦ However, any shareholder other than a natural person who comes to hold, directly or through entities that it controls pursuant to Article L. 233-3 of the French Commercial Code, a percentage of rights to Company dividends at least equal to that mentioned in Article 208 C II ter of the French General Tax Code (a **"Concerned Shareholder"**) must register all the shares that it owns in registered form and ensure that the entities that it controls pursuant to Article L. 233-3 of the French Commercial Code register all their shares in registered form. Any Concerned Shareholder which has not met these obligations by the second working day prior to a General Meeting will have the voting rights it holds, either directly or *via* entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, capped at a tenth (1/10) of the number of shares that they hold, respectively, at the relevant General Meeting. The Concerned Shareholder referred to above will regain all of the voting rights attached to the shares it holds, directly or *via* entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, at the following General Meeting, provided that it regularises its situation by registering all the shares it holds, directly or *via* entities it controls within the meaning of Article L. 233-3 of the French Commercial Code, in registered form, by the second working day prior to that General Meeting.

## 5.2.2. General information concerning the share capital

### 5.2.2.1. Form of the shares – Identification of holders (Article 7 of the Articles of Association)

- ♦ Shares shall be registered or bearer shares, at the shareholder's choice.
- ♦ Shares shall be registered in the account of their owner under the conditions and the terms provided for by the legal provisions in force.
- ♦ The Company may use the provisions outlined in Articles L. 228-2 *et seq.* of the French Commercial Code at any time to identify (i) holders of securities conferring immediately or in the future voting rights in its own General Meetings of Shareholders (a **"General Meeting"**) and (ii) holders of bonds issued by the Company.

### 5.2.2.2. Transfer of shares (Article 9 of the Articles of Association)

The shares are freely negotiable.

### 5.2.2.3. Rights and obligations attached to shares (Article 10 of the Articles of Association)

Each share gives the right to ownership of the corporate assets and a share of the profits and the proceeds of liquidation in proportion to the number of existing shares.

Shareholders are only responsible for Company debts up to the limit of their contribution, *i.e.* the par value of their shares.

Each shareholder shall have the same number of votes as the number of shares owned or represented. No double voting rights are conferred pursuant to Article L. 225-123, last paragraph of the French Commercial Code.

Ownership of one share legally implies compliance with the Articles of Association and decisions of the General Meetings of Shareholders of the Company.



Whenever it is necessary to hold several shares to exercise any right, in the event of exchange, reverse split or share allotments, or in the event of a capital increase or reduction, merger or other corporate transactions, the owners of only one share or a number of shares less than the number required may exercise these rights only if they personally ensure the grouping or purchase or sales of the necessary number of shares or allotment rights.

Shares are indivisible with respect to the Company, which recognises only one owner for each share. Joint owners are required to be represented in relation to the Company by one person only. The voting right attached to a share belongs to the beneficial owner for Ordinary Meetings of Shareholders of Shareholders and to the bare owner for Extraordinary Meetings of Shareholders.

## 5.2.3. Insurance policy

### 5.2.3.1. General policy

Foncière des Régions has an insurance policy covering the Group's operating risks. The aim of this policy is to obtain complete cover on the insurance market appropriate to the activities carried out and the risks incurred by the Company. This cover is taken out with leading insurers, in line with the Group's risk management policy implemented.

The main risks covered relate to damages that might affect the Company's real estate portfolio, as well as to potential civil liability in connection with its activities as a real estate professional or asset owner.

In 2015, Foncière des Régions benefited from actions taken with its main insurers in order to maintain, over a firm period of several years, the level of premiums on its main insurance contracts.

### 5.2.3.2. Description of levels of cover

#### 5.2.3.2.1. Real estate portfolio insurance

The real estate portfolios are insured for their reconstruction value, with extended cover for "indirect losses" and "loss of rental income". The contractual cover limitations on the policies taken out are all adapted to the specific features and value of the insured portfolio.

Additionally, the Company receives advice and support from its insurers' engineering prevention services each year. The Company makes every effort to comply with the recommendations of its insurers and thus maintain its assets in a constant state of safety with respect to fire hazards and insurability on the market.

For all of its real estate restructuring projects, Foncière des Régions systematically takes out the mandatory building defects (*dommages-ouvrage*) and non-builder developer (*constructeur non réalisateur*) covers, as well as the builder's all-risks (*tous risques chantier*), business interruption (*pertes d'exploitation*) and contracting authority liability (*responsabilité civile maîtrise d'ouvrage*) covers on top of the Group's professional liability insurance where necessary.

### 5.2.2.4. Conditions for modification of the capital

The Company's Articles of Association do not prescribe measures for the modification of share capital and voting rights attached to shares. These decisions are subject to the legal and regulatory provisions that allow the Extraordinary General Meeting to delegate to the Board of Directors, which may sub-delegate, the powers or authority necessary to modify the Company's share capital and the number of shares, particularly in the event of a capital increase or reduction.

### 5.2.3.2.2. Civil liability insurance

The potential financial consequences of any legal disputes arising from personal injury and physical or other damages, whether consequential or not, suffered by third parties and attributable to misconduct in the performance of the Company's activities, or arising from its real estate portfolio and all the equipment pertaining thereto, are insured as part of a specific insurance programme.

The personal civil liability of the corporate officers and de jure and de facto Managers of the Company is covered to levels appropriate to the risks incurred.

### 5.2.3.2.3. Other risks insurance

Foncière des Régions has taken the necessary measures to protect its interests and those of its shareholders with regard to exposure to the financial risks resulting from acts of fraud or embezzlement, and has an insurance policy providing coverage in respect of such circumstances.

Furthermore, in case of events that might tarnish the image and reputation of Foncière des Régions, the Company has taken out insurance to finance the immediate intervention and the fees of a press relations firm specialised in crisis management. This financial solution is part of the plan established by Foncière des Régions in the event of its crisis response unit being activated.

### 5.2.3.2.4. Professional portfolio insurance (offices, IT, vehicles)

The portfolio used in the business, which include the office buildings owned by the Company, as well as their contents and IT equipment, are insured by policies with extended cover for various events. More specifically, the dedicated IT policy includes cover for additional costs, tailored to the terms, conditions and particularities of the Company's business continuity plan. The Company's vehicles are covered under a comprehensive vehicle fleet policy, while personal vehicles used by employees at certain times for the performance of their duties are covered by a policy for vehicles used for work-related purposes.

### 5.3. SHAREHOLDER STRUCTURE

The Delfin, Covéa, Crédit Agricole Assurances and Crédit Mutuel Insurances groups are among Foncière des Régions' significant shareholders.

#### 5.3.1. Information on capital

As at 1 January 2015, Foncière des Régions' share capital was €188,050,671 divided into 62,683,557 fully paid-up shares, each with a par value of €3.00 and all of the same class.

At year-end, and taking into account the capital increases completed in 2015, Foncière des Régions' share capital was

€199,889,196 divided into 66,629,732 fully paid-up shares, each with a par value of €3.00, and of a single class of shares.

Since 2015 year-end, the Company's share capital has increased to €199,984,068. It now comprises 66,661,356 shares.

#### 5.3.2. Securities providing access to the share capital

**Bonds convertible into shares:** following the redemption in Company shares of 230 ORNANE 2011 bonds in 2015, the balance for ORNANE bonds amounted to 9,325,471 at end-2015. Given the completion on 23 March 2015 of a financial transaction comprising a listed preferential subscription right, and given the distribution of a dividend of €4.30 per share for 2014, €1.32453 of which was taken from "Retained earnings", "Other revaluation difference provisions", "Merger premiums" and "Additional paid-in capital", the General Manager, on the authorisation of the

Board of Directors, and in order to protect the rights of holders of ORNANE issued in May 2011 and November 2013, adjusted the conversion value of the ORNANE. Accordingly, based on a conversion rate of 1.15 shares per ORNANE 2011 and a conversion rate of 1.06 shares per ORNANE 2013, and less the balance of 1,737 shares held by the Company allocated to the objective of "delivering shares upon the exercise of rights attached to securities", the number of potential shares amounted to 10,356,096 at 31 December 2015, *i.e.* an overall potential dilution of 13.4%.

Based on information known to the Company, all ORNANE broken down below as at 31 December 2015 are owned by the public.

	Number of ORNANE 2011 bonds	% holding of ORNANE 2011 bonds	Number of ORNANE 2013 bonds	% holding of ORNANE 2013 bonds	Total number ORNANE	Total % holding of ORNANE
Public	5,253,714	100%	4,071,757	100%	9,325,471	100%

**Bonus shares:** the number of shares that may be issued under bonus share grants implemented by the Company stood at 307,067. These shares may be new, or existing, shares. Based on a grant of 307,067 new shares, the individual potential dilution would be 0.4%.

Information on the awards of bonus shares is provided in section 5.3.9 below of this chapter.

Assuming that (i) the vesting of all the bonus shares granted by the Company is made by creating new shares and (ii) the exercise of the option to redeem all of the ORNANE into shares, and assuming that the entire delivery is made in new shares, the Company would have to issue 10,663,163 new shares, representing a maximum potential dilution of 13.8%.

No other securities giving access to the share capital of the Company exist.

In accordance with the provisions of Article 10 of the Articles of Association amended by the General Meeting of 17 April 2015, each shareholder will continue to have the same number of votes as he or she has shares. No double voting rights are conferred pursuant to Article L. 225-123, last paragraph of the French Commercial Code. Nevertheless, the number of voting rights exercisable in a General Meeting is adjusted to take account of treasury shares, which do not bear voting rights.



### 5.3.3. Breakdown of share capital and voting rights

The table below shows the breakdown of capital and voting rights over the past three years, among shareholders or groups of shareholders who, to the Company's knowledge, own or may come to own, given the shares and voting rights attached to them pursuant to Article L. 233-9 of the French Commercial Code, 5% or more of the capital or voting rights.

	31 December 2015				31 December 2014				31 December 2013			
	Number of shares	% of capital	% of theoretical voting rights <sup>(1)</sup>	% of voting rights exercisable in GM <sup>(2)</sup>	Number of shares	% of capital	% of theoretical voting rights	% of voting rights exercisable in GM	Number of shares	% of capital	% of theoretical voting rights	% of voting rights exercisable in GM
Public	29,088,685	43.66	43.66	43.69	27,360,808	43.65%	43.65%	43.70%	27,310,358	43.57%	43.57%	43.70%
Delfin Group <sup>(3)</sup>	18,897,481	28.36	28.36	28.38	17,362,054	27.70%	27.70%	27.73%	17,321,546	27.63%	27.63%	27.72%
Covéa Group	8,515,775	12.78	12.78	12.79	8,406,210	13.41%	13.41%	13.43%	8,406,210	13.41%	13.41%	13.45%
Crédit Mutuel Insurances	5,191,628	7.79	7.79	7.80	4,880,229	7.78%	7.78%	7.80%	4,783,829	7.63%	7.63%	7.66%
Crédit Agricole Group	4,883,844	7.33	7.33	7.34	4,595,288	7.33%	7.33%	7.34%	4,666,256	7.44%	7.44%	7.47%
Treasury shares	52,319	0.08	0.08	/	78,968	0.13%	0.13%	/	194,889	0.31%	0.31%	/
<b>TOTAL</b>	<b>66,629,732</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>62,683,557</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>62,683,088</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

<sup>(1)</sup> These percentages are calculated on the basis of all shares with voting rights attached, including shares temporarily stripped of voting rights.

<sup>(2)</sup> These percentages are calculated by excluding shares held by the Company that do not have voting rights.

<sup>(3)</sup> Delfin SARL is a holding company that belongs to the Del Vecchio family. Delfin SARL controls the companies Aterno and DFR Investments. Delfin SARL is primarily involved in financial business and holds the following interests:

- in the eyewear sector through Luxottica Group, a public company on the Milan and New York stock markets and founded in 1961 by Leonardo Del Vecchio, of which Delfin SARL has control. Luxottica Group is the world leader in the production, wholesale distribution and retail sale of corrective eyewear and sunglasses (<http://www.luxottica.com>)
- in the real estate sector through an interest in Foncière des Régions
- in the financial sector through its minority interests in banks, insurance companies, etc.

To the Company's knowledge:

- there has been no significant change in the breakdown of capital and voting rights since year-end
- there are no other shareholders owning, directly or indirectly, alone or in concert, more than 5% of the capital or voting rights
- there are no shareholder agreements involving at least 0.5% of the capital or voting rights in the Company, nor any concerted actions.

The Company is neither directly nor indirectly controlled within the meaning of Article L. 233-3 of the French Commercial Code.

As at 31 December 2015, Foncière des Régions directly held, outside the terms of the liquidity agreement (50,582), 1,737 treasury shares. A description of the share buyback programmes implemented during the fiscal year is provided in section 5.3.8. below.

There was no cross-shareholding: Foncière des Régions has no direct or indirect capital interest in any company which, in turn, has a controlling interest in Foncière des Régions.

Using the services of Euroclear, the Company has identified the holders of shares that confer voting rights, either immediately or in the future, in its own General Meetings. The results obtained show that the number of individual shareholders is about 12,000 and that nearly 1,400 shareholders are financial institutions.

Subsequent to the balance sheet date, the Company signed an agreement for the contribution by Crédit Mutuel Insurances of 3.34% of the capital of Foncière des Murs, which would be remunerated in Foncière des Régions shares. Subject to approval of the resolutions by the Combined General Meeting of Shareholders of 27 April 2016, the interest of Crédit Mutuel Insurances in the capital of Foncière des Régions will amount to 9.02%.

### 5.3.4. Threshold disclosure

During 2015, the Company was informed of the following instances where legal thresholds and thresholds set by the Articles of Association were crossed:

Shareholder	Date limit exceeded	Upward threshold crossing		Downward threshold crossing		Shares	Voting rights	% of capital	% of voting rights
		Legal	Articles of Association	Legal	Articles of Association				
CIC Est	12 January 2015	/	/	/	1%	566,323	566,323	0.9035%	0.9035%
Cardif Assurance Vie	15 January 2015	/	/	/	1%	623,005	623,005	0.99%	0.99%
Cohen & Steers	23 January 2015	/	1%	/	/	692,161	239,122	1.10%	0.38%
Covea Finance Group	23 April 2015	/	/	/	13%	8,515,775	8,515,775	12.79%	12.79%
Cohen & Steers	2 July 2015	/	2%	/	/	1,367,724	588,352	2.05%	0.88%
Delfin Group	10 September 2015	/	28%	/	/	18,744,181	18,744,181	28.14%	28.14%

Starting 1 January 2016, the Company was not informed of instances where legal thresholds and thresholds set by the Articles of Association were crossed.

### 5.3.5. Declarations of intent

No declaration of intent was made during 2015.

### 5.3.6. Change in the capital over the last five years

The Company's share capital has changed as follows over the last five years:

	31 December 2011	31 December 2012	31 December 2013	31 December 2014	31 December 2015
Share Capital	€164,846,385	€173,690,076	€188,049,264	€188,050,671	€199,889,196
Number of shares	54,948,795	57,896,692	62,683,088	62,683,557	66,629,732



Changes in the Company's capital arise from the transactions described below:

Date	Nature	Number of shares issued	Share premium amount (in €)	Number of shares	Capital amount (in €)
	Exercise of stock options	2,113	98,445.86	53,617,805	160,853,415
14 January 2011	Exercise of 19,104,945 equity warrants	1,307,168	78,894,394.78	54,924,973	164,774,919
5 May 2011	Exercise of stock options	4,630	202,225.04	54,929,603	164,788,809
26 July 2011	Exercise of stock options	5,849	251,608.75	54,935,452	164,806,356
5 August 2011	Capital increase reserved for employees	12,987	749,739.51	54,948,439	164,845,317
22 February 2012	Exercise of stock options	356	18,444.36	54,948,795	164,846,385
24 May 2012	Exercise of the option to pay the dividend in shares	2,930,739	141,261,619.80	57,879,534	173,638,602
25 July 2012	Exercise of stock options	17,158	887,915.21	57,896,692	173,690,076
12 August 2013	Capital increase (1 <sup>st</sup> public exchange offer period on Foncière Développement Logements shares)	5,099,890	304,463,394.83	62,996,582	188,989,746
3 September 2013	Capital increase (2 <sup>nd</sup> public exchange offer period on Foncière Développement Logements shares)	529	29,505.93	62,997,111	188,991,333
29 November 2013	Capital reduction by cancellation of treasury shares	-314,023	/	62,683,088	188,049,264
13 October 2014	Exercise of stock options	469	35,470.47	62,683,557	188,050,671
23 March 2015	Capital increase with preferential rights of subscription	3,917,722	242,898,764	66,601,279	199,803,837
2 November 2015	Final award of bonus shares	27,953	/	66,629,232	199,887,696
4 November 2015	Final award of bonus shares	500	/	66,629,732	199,889,196

Subsequent to the balance sheet date, 31,624 new shares were issued on 22 February 2016 as part of the final award of bonus shares, bringing the capital to €199,984,068 divided into 66,661,356 shares.

### 5.3.7. Employee shareholding

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, you will find hereafter a report on employee shareholding in the Company's share capital as at the last day of the fiscal year, representing 104,720 Foncière des Régions shares, i.e. 0.16% of the capital.

### 5.3.8. Information about the share buyback programme

In 2015, Foncière des Régions used the authorisation conferred upon it by the General Meeting on 28 April 2014, and by the General Meeting on 17 April 2015, and implemented by decision of the Board of Directors, in order to renew and continue the liquidity agreement with Exane BNP Paribas under the same conditions.

This share buyback programme, which cannot be implemented during public offer periods, has the following characteristics and procedures:

- the maximum purchase price is €100 per share (excluding acquisition expenses)
- the maximum amount of funds reserved for the share buyback programme is €150,000,000
- purchases, sales, exchanges or transfers transactions may be executed by any means, whether on the market or over the counter, including block purchases or sales, or by using financial instruments, with the following primary aims:
  - implementing a liquidity agreement with an investment service provider under the conditions and according to the methods set by the regulations in place and recognised market practices
  - awarding grants to employees and officers of the Company and/or companies in its group
  - delivering shares upon the exercise of rights attached to securities entitled to the award of shares

- ♦ holding and delivering them as payment or in exchange under potential external growth transactions, mergers, spin-offs or contributions
- ♦ cancelling shares
- ♦ using them in any other practice that may come to be recognised by law or by the Financial Markets Authority (*Autorité des Marchés Financiers*) or any other purpose that would provide a basis for the presumption of legitimacy.

The last authorisation brought an end to the previous share buyback programme, which amounted to 43,070 shares held by the Company at 17 April 2015, of which:

- ♦ 20,637 shares from the liquidity agreement
- ♦ 20,560 shares intended for allocation to employees and corporate officers of the Foncière des Régions group and
- ♦ 1,873 shares allocated to delivering shares upon the exercise of rights attached to securities.

The terms and conditions relating to the new buyback programme were set forth in the share buyback programme description posted on the Company's website on 21 April 2015.

Treasury share movements in terms of transactions and use in 2015 shown by type of objective being pursued by the Company were as follows:

(in number of shares)	Position as at 31 December 2014	Movements over the period					Position as at 31 December 2015
		Acquisition	Sale	Transfer	Reallocation	Cancellation	
Liquidity agreement	34,501	291,872	-273,791	-	-2,000	-	50,582
Allocation to employees and corporate officers of the Group	44,467	-	-	-44,467	-	-	0
Delivering shares upon the exercise of rights attached to securities	0	-	-	-263	2,000	-	1,737
Shares held by the Company	78,968						52,319

Transactions completed under the liquidity agreement during 2015 broke down as follows:

Share buyback programme	Acquisition		Sale		Reallocation	
	Number of shares	Average price per share in €	Number of shares	Average price per share in €	Number of shares	Average price per share in €
General Meeting of 28 April 2014	40,657	84.45	52,521	77.81	2,000	88.32
General Meeting of 17 April 2015	251,215	79.35	221,270	79.39	-	-
<b>TOTAL</b>	<b>291,872</b>	<b>80.06</b>	<b>273,791</b>	<b>79.08</b>	<b>2,000</b>	<b>88.32</b>

As at 31 December 2015, Foncière des Régions held 52,319 treasury shares representing 0.08% of the share capital, valued at €4,283,138.77, or €81.87 per share, for a par value of €156,957 per share.

The Company did not use derivatives in its share buyback programmes in 2015.

Transaction costs during 2015 amounted to €14,365.03 ex-tax.

As the authorisation that was granted by the General Meeting on 17 April 2015 was for a period of 18 months, a new share buyback programme will be submitted to the General Meeting on 27 April 2016.

### 5.3.9. Share subscription and share purchase options and granting of bonus shares

#### 5.3.9.1. Share subscription and share purchase options

Since 2008, the Company has not implemented a share subscription or share purchase options plan.

Since the last plan in force (plan No. 1403008 of 4 May 2007) expired on 11 October 2014, there are no longer any share subscription options that can be exercised within the Foncière des Régions group.

#### 5.3.9.2. Award of bonus shares

The award of bonus shares within the Foncière des Régions group is to motivate and foster loyalty with employees who contributed to the Company's growth by sharing the Company earnings with them.

In 2015, the Board of Directors, at the proposal of the Appointments and Remunerations Committee and pursuant to the delegation of powers granted by the General Meeting of 28 April 2014, awarded 33,571 bonus shares detailed below, representing 0.05% of the capital as at 31 December 2015:

Date of the bonus share plans	Number of bonus shares awarded	Beneficiaries of the bonus shares	Unit value, as estimated by an independent actuary			Vesting period		Retention period	
			France	Italy	Germany	France	Italy and Germany	France	Italy and Germany
19 February 2015	33,571	Corporate officers of the Company and directors of related companies	€51.05 <sup>(1)</sup> €68.06 <sup>(2)</sup>	€46.41 <sup>(1)</sup>	€61.88 <sup>(2)</sup>	3 years	4 years	2 years	/

<sup>(1)</sup> Awards subject to performance requirements.

<sup>(2)</sup> Awards not subject to performance requirements.

The bonus share award policy in 2015 for executive corporate officers is detailed in paragraph 5.5.1.2.3 of the Reference Document.

The criteria for awarding bonus shares to staff members of the Foncière des Régions group are linked to performance and growth potential, the goal being to build loyalty and an association with the Company's stock-market performance.

In connection with the delivery of the bonus shares that became available in 2015, the Board of Directors furthermore decided to use up to 29,504 of the treasury shares that the Company acquired under the previous share buyback programmes to grant them to the beneficiaries listed below.

Delivery date of bonus shares	Date of the bonus share plans	Number of bonus shares delivered in 2015		Number of beneficiaries
		French beneficiaries	German and Italian beneficiaries	
	21 February 2011	-	6,000	2
23 February 2015	22 February 2012	17,907	-	4
	9 November 2011	-	4,700	11
9 November 2015	8 November 2012	29,350	-	220



The bonus shares awarded over the last five years are presented below.

	History of performance share allocations				
	Information on performance shares				
	Plan of 21 February 2011	Plan of 9 November 2011	Plan of 22 February 2012	Plan of 8 November 2012	Plan of 20 February 2013
General Meeting date	31/01/2011	06/05/2011	06/05/2011	06/05/2011	06/05/2011
Board of Directors date	21/02/2011	09/11/2011	22/02/2012	08/11/2012	20/02/2013
<b>Total number of bonus shares awarded o/w the number awarded to:</b>	<b>25,721</b>	<b>34,250</b>	<b>24,607</b>	<b>38,815</b>	<b>31,924</b>
♦ Jean Laurent	0	0	0	0	0
♦ Christophe Kullmann	8,236	0	8,900	0	14,468
♦ Olivier Estève	3,795	0	5,675	0	7,283
♦ Aldo Mazzocco	5,000	0	5,000	0	5,000
Vesting date of France shares	21/02/2014	09/11/2014	22/02/2015	08/11/2015	20/02/2016
End of retention period for France shares	21/02/2016	09/11/2016	22/02/2017	08/11/2017	20/02/2018
Vesting date of Germany and Italy shares	21/02/2015	09/11/2015	22/02/2016	08/11/2016	20/02/2017
End of retention for Germany and Italy shares	21/02/2015	09/11/2015	22/02/2016	08/11/2016	20/02/2017
Performance conditions	Continued service	Continued service	For French corporate officers, <b>continued service condition</b> + 1/3 linked to the relative stock market performance compared to the EPRA, and 1/3 linked to the annual individual target achievement rates	Presence	For French corporate officers, <b>continued service condition</b> + 1/3 linked to the relative stock market performance compared to the EPRA, and 1/3 linked to the annual individual target achievement rates
Number of shares vested at 31 December 2014	25,721	31,400	17,907	29,350	0
Number of cancelled or lapsed shares	0	2,850	0	4,865	0
Bonus shares still being vested at the end of the year	0	0	6,700	4,600	31,924



History of performance share allocations

Information on performance shares				
Plan of 7 November 2013	Plan of 26 February 2014	Plan of 25 June 2014	Plan of 5 December 2014	Plan of 19 February 2015
06/05/2011	06/05/2011	28/04/2014	28/04/2014	28/04/2014
07/11/2013	26/02/2014	25/06/2014	05/12/2014	19/02/2015
45,510	36,812	106,500	49,760	33,571
0	0	0	0	0
0	17,065	0	0	15,263
0	8,459	0	0	7,808
0	6,000	0	0	5,500
07/11/2016	26/02/2017	25/06/2018	05/12/2017	19/02/2018
07/11/2018	26/02/2019	25/06/2018	05/12/2019	19/02/2020
07/11/2017	26/02/2018	25/06/2018	05/12/2018	19/02/2019
07/11/2017	26/02/2018	25/06/2018	05/12/2018	19/02/2019
Continued service	For corporate officers, <b>continued service condition</b> + 50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates	For all beneficiaries, <b>continued service condition</b> + 50% linked to the <b>relative stock</b> market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates	Continued service	For corporate officers, <b>continued service condition</b> + 50% linked to the relative stock market performance compared to the EPRA, and 50% linked to the annual individual target achievement rates
0	0	0	0	0
4,650	0	2,500	1,910	0
40,860	36,812	104,000	47,850	33,571

### 5.3.9.3. Details of adjustments made to share subscription options and bonus shares

No adjustments were made in 2015.

## 5.3.10. Transactions carried out by corporate officers in the Company shares

### 5.3.10.1. Transactions carried out by members of General Management in Foncière des Régions shares during 2015

Management Board members	Purchase of financial instruments	Average value (in €)	Sale of financial instruments	Average value (in €)	Number of shares held at 31 December 2015 (to the best of the Company's knowledge)
Christophe Kullmann	11,133 shares <sup>(1)</sup>	41.78	/	/	37,977 <sup>(2)</sup>
Olivier Estève	6,232 shares <sup>(3)</sup>	38.56	19,849 preferential subscription rights	1.23	29,277

<sup>(1)</sup> Including the award of 8,900 bonus shares that became available in 2015.

<sup>(2)</sup> Fully-owned shares to which may be added 24,000 shares beneficially owned resulting from a bare ownership transfer.

<sup>(3)</sup> Including the award of 5,675 bonus shares that became available in 2015.

### 5.3.10.2. Transactions carried out by members of the Board of Directors in Foncière des Régions shares during 2015

Members of the Board of Directors	Purchase of financial instruments	Average value (in €)	Sale of financial instruments	Average value (in €)	Number of shares held at 31 December 2015 (to the best of the Company's knowledge)
Jean Laurent	-	-	-	-	400
Leonardo Del Vecchio	-	-	-	-	1
(associates of Leonardo Del Vecchio)	1,535,427 shares	69.50	-	-	18,897,481
Romolo Bardin	300 shares	68.82	-	-	3,500
ACM Vie	329,483 shares	66.58	18,084 shares	94	5,191,628
Catherine Allonas Barthe	-	-	-	-	0
Jean-Luc Biamonti	213 shares	81.74	-	-	429
GMF Vie	261,404 shares	65	-	-	4,443,857
(associates of GMF Vie)	48,330 shares	65	75,190 shares	93.97	746,388
Philippe Narzul	-	-	-	-	0
Bertrand de Feydeau	200 shares	75.30	-	-	371
PREDICA	270,514 shares	89.32	-	-	4,598,765
Jérôme Grivet	-	-	-	-	0
Pierre Vaquier	-	-	-	-	272
Micaela le Divelec Lemmi	200 shares	95.62	-	-	290
Sylvie Ouziel	25 shares	65	-	-	425
Sigrid Duhamel	251	78.94	-	-	252
Delphine Benchetrit	-	-	-	-	0



### 5.3.11. Summary of financial authorisations currently in force

The General Meeting regularly grants the Board of Directors financial authorisations to increase the Company's share capital by issuing shares and/or securities providing access to the Company's equity.

In accordance with the provisions of Article L. 225-100, paragraph 7 of the French Commercial Code, please find below a breakdown of these active authorisations for capital increases in 2015 granted by the General Meetings on 28 April 2014 and 17 April 2015.

General Meeting date	Description of the authorisation	Validity of the authorisation	Use of the authorisation	
			2015	2016
28 April 2014 Resolution 16	Authorisation to award bonus shares, existing or to be issued, to employees and/or corporate officers of the Company and affiliated companies. Cap set at 0.5% of share capital on the day of the decision to award them by the Board of Directors.	38 months Expiry on 28 June 2017	Award of 33,571 bonus shares	None
17 April 2015 Resolution 25	Authorisation to increase the share capital through capitalisation of reserves, earnings or premiums. Nominal capital increase cap set at €20,000,000.	26 months Expiry on 17 June 2017	None	None
17 April 2015 Resolution 27	Authorisation granted to issue shares and/or securities providing access to the Company's capital, maintaining shareholders' preferential subscription rights. Nominal capital increase cap set at €50,000,000. Nominal marketable security issue cap set at €750,000,000.	26 months Expiry on 17 June 2017	None	None
17 April 2015 Resolution 28	Delegation of authority to issue, through a public offering, debt securities giving access to the Company's share capital, with waiver of shareholders' preferential subscription rights. Nominal debt security issue cap set at €750,000,000. Nominal capital increase cap set at €25,000,000.	26 months Expiry on 17 June 2017	None	None
17 April 2015 Resolution 29	Delegation of authority to undertake capital increases reserved for employees of the Company and the companies of the Foncière des Régions group that are members of a company savings plan, with the waiver of the shareholders' preferential subscription right. Nominal capital increase cap set at €500,000.	26 months Expiry on 17 June 2017	None	None

## 5.4. STOCK MARKET – DIVIDENDS

### 5.4.1. Stock markets

Foncière des Régions' shares are listed for trading on the Euronext Paris market – Compartment A (ISIN code: FR0000064578) and admitted on the SRD. Foncière des Régions stock is included in the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, as well as the benchmark indices for European real-estate firms: EPRA and GPR 250.

The bonds redeemable in cash and/or in new and/or existing shares ("ORNANE") issued in May 2011, for a total of €550 million, maturing on 1 January 2017, were admitted on the Euronext in Paris (ISIN code: FR0011050111). The bonds were issued with an annual interest rate of 3.34%.

The bonds redeemable in cash and/or in new and/or existing shares ("ORNANE") issued in November 2013, for a total of €345 million, maturing on 1 April 2019, were admitted on the

Euronext in Paris (ISIN code: FR0011629344). The bonds were issued with an annual interest rate of 0.875%.

Foncière des Régions bonds issued in October 2012, for a total of €500 million, maturing in January 2018, carry a fixed coupon of 3.875% and are listed on the Euronext in Paris (ISIN code: FR0011345545).

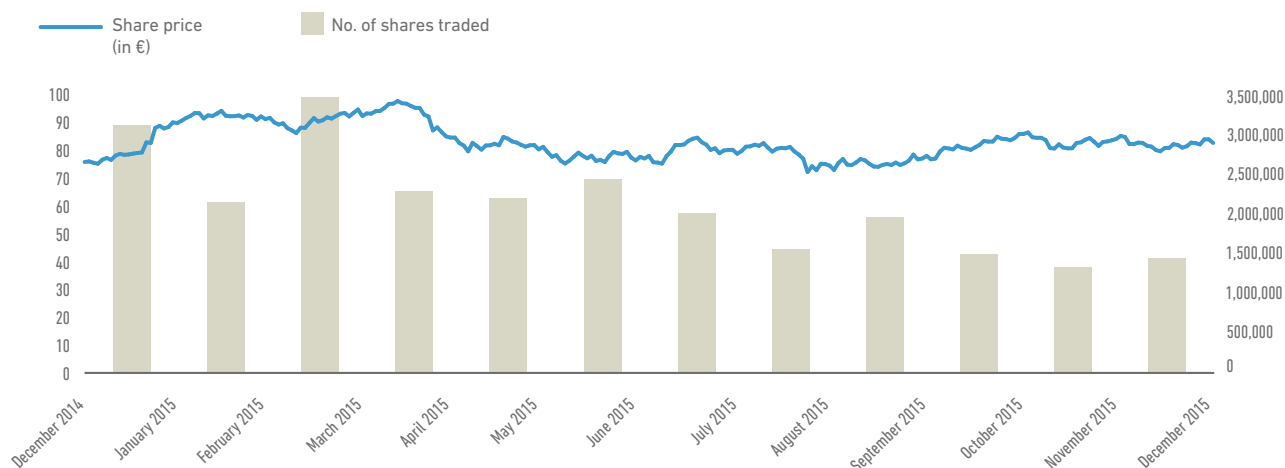
Foncière des Régions bonds issued in March 2013, for a total of €180 million, maturing in April 2020, carry a fixed coupon of 3.30% and are listed on the Euronext in Paris (ISIN code: FR0011442979).

Foncière des Régions bonds issued in September 2014, for a total of €500 million, maturing in September 2021, carry a fixed coupon of 1.75% and are listed on the Euronext in Paris (ISIN code: FR0012146744).

### 5.4.2. Market price at 31 December 2015

The closing Foncière des Régions' share price for the year was €82.50, bringing stock market capitalisation to €5.5 billion at year-end 2015. In 2015, the Foncière des Régions share price increased by 9.03% and the performance of the reinvested dividend amounted to 15.05%.

#### CHANGE IN FONCIÈRE DES RÉGIONS' SHARE PRICE OVER THE YEAR





### 5.4.3. Information about elements that could be relevant in the event of a takeover offer

In accordance with the provisions of Article L. 225-100-3 of the French Commercial Code, please find hereafter our report on the elements likely to have an impact in the event of a public takeover offer.

#### 5.4.3.1. Legal restrictions and restrictions in the Articles of Association on the exercise of voting rights

Article 8.1 of the Articles of Association establishes an obligation to declare to the Company every instance in which a shareholder passes the threshold of 1% (or any multiple of this percentage) of the capital or the voting rights relating thereto whether upwards or downwards, including the legal and regulatory thresholds. Such notification shall be made by registered letter with return receipt addressed to the registered office within five trading days from the day on which either threshold is crossed. Mutual fund management firms shall be required to carry out such reporting for the entirety of the shares of the Company held by the funds that they manage.

If this declaration obligation is not satisfied, shareholders who together hold at least 1% of the capital may request at a General Meeting that the shares exceeding the percentage that should have been declared be deprived of voting rights. This shall apply to all General Meetings for a period of two years dating from the time the declaration is finally made.

Article L. 233-14 Par. 1 of the French Commercial Code stipulates that any shareholder who does not make the declarations in time as provided for in I and II (legal thresholds) of Article L. 233-7 or in VII (statement of intent) of this Article shall be deprived of the voting rights attached to those shares in excess of the fraction that has not been declared in time. This shall apply to all General Meetings for a period of two years dating from the time the declaration is finally made. Under the same conditions, the voting rights attached to the shares that have not been properly declared may not be exercised or delegated by the defaulting shareholder.

Furthermore, under Article 8.2 of the Company's Articles of Association, if any corporate entity holds more than 10% of the share capital directly or indirectly and its shares have not been registered by the second working day prior to any General Meeting of the Company's shareholders, their voting rights will be capped at one tenth of the number of shares held. This situation may be resolved by ensuring that all the shares held directly or indirectly are registered no later than the second working day prior to the General Meeting in question.

#### 5.4.3.2. Capital structure of the Company

This information is included in paragraph 5.3.3. of the Reference Document.

#### 5.4.3.3. Shares providing special control rights

None.

#### 5.4.3.4. Agreements between shareholders that are known to the Company and that could restrict the transfer of shares and the exercise of voting rights

There are no agreements between shareholders that are known to the Company and that could restrict the transfer of shares and the exercise of Company voting rights.

#### 5.4.3.5. Powers of the Board of Directors and General Management

This information is included in paragraphs 5.6.1.4. of Chapter 5, and 4.3.1.6.2 of Chapter 4 of the Reference Document. The capital increase authorisations granted by the General Meeting to the Board of Directors are mentioned in paragraph 5.3.11. of the Reference Document.

#### 5.4.3.6. Rules applicable to the appointment and removal of members of the Board of Directors and changes in the Company's Articles of Association

The Company's Articles of Association on these matters do not differ from the generally accepted guidelines for French stock corporations.

#### 5.4.3.7. Agreements regarding compensation to the members of General Management in the event of termination of their functions as General Manager and Deputy General Manager as a result of forced departure relating to a change of strategy or control pursuant to II and III of Article L. 223-16 of the French Commercial Code

This information is included in paragraphs 5.5.1.2.6. of the Reference Document.

#### 5.4.4. Dividends distributed within the last five fiscal years

In the last five fiscal years, the dividends paid out and the corresponding tax rebate were as follows:

Fiscal year	Type of dividend	Dividend paid per share	Amount of dividend eligible for the 40% rebate <sup>(1)</sup>	Amount of dividend not eligible for the 40% rebate
2010	Current	€4.20	€2.05	€2.15
2011	Current	€4.20	€0.05	€4.15
2012	Current	€4.20	/	€4.20
2013	Current	€4.20	€0.11907	€4.08093
2014	Current	€4.30	/	€4.30

<sup>(1)</sup> Dividends eligible for the 40% tax rebate for individual tax residents in France.

The SIIC status adopted on 1 January 2003 allows for the exemption of property management revenues, real estate capital gains and dividends for SIIC subsidiaries, provided that at least 95% of earnings from asset rentals, 60% of capital gains and 100% of dividends are distributed to shareholders.

The Company's distribution policy naturally takes regulatory requirements into account.

#### 5.4.5. Appropriation of earnings for the fiscal year

A proposal will be made to the General Meeting on 27 April 2016, on the recommendation of the Board of Directors:

- ♦ to allocate the earnings for the year, which amounted to €205,606,730.51, as follows:
  - ♦ (i) €8,535,90 allocated to the legal reserve, bringing the legal reserve amount to 10% of the share capital at year-end, i.e. €19,988,919.60
  - ♦ (ii) the payment of a €205,598,194.61 dividend to shareholders
- ♦ and the distribution of €81,045,636.19, taken from:
  - ♦ (i) the "Retained Earnings" account, i.e. €185,201.00
  - ♦ (ii) the "Distributable revaluation reserve" account, i.e. €548,852.41
  - ♦ (iii) the "Merger premium" account, i.e. €253,204.11
  - ♦ (iv) the "Additional paid-in capital" account, i.e. €80,058,378.67.

Thus, each share will receive a dividend of €4.30.

It will be proposed to the General Meeting:

- ♦ to authorise the Board of Directors to withdraw from the "Share premium" account the amounts required to pay the dividend set above to the shares generated by the conversion of any bonds redeemable in cash and/or new shares and/or existing shares (ORNANE) and/or the vesting of bonus shares before the dividend payment date and

- ♦ to resolve that, pursuant to the provisions of Article L. 225-210 of the French Commercial Code, the amount the shareholders may have waived, as well as the amount corresponding to treasury shares on the dividend payment date, which are not entitled to dividends, will be allocated to the "Retained earnings" account.

The dividend will be paid out on 18 May 2016.

Accordingly, a total dividend of €286,643,830.80 will be paid out, based on the number of existing shares at 31 December 2015, increased by 31,624 new shares issued as part of the vesting of bonus shares on 22 February 2016, and granting rights to dividend payment for 2015, representing a total of 66,661,356 shares. The portion of this dividend drawn from tax-exempt profits and awarded to private individuals who are subject to income tax does not grant a right to a 40% rebate, in accordance with Article 158-3 of the French General Tax Code.

The balance of the dividend deducted in the amount of €80,058,378.67 from the "Additional paid-in capital" account is treated as a reimbursement of contribution in terms of the provisions of Article 112-1 of the French General Tax Code.

The dividend drawn against the Company's profits exempt from corporation tax pursuant to Article 208 C of the French General Tax Code totals €204,346,144.60.

The dividend drawn against the Company's profits exempt from corporation tax pursuant to Article 208-3 *quater* of the French General Tax Code totals €45,414.89.

## 5.5. CORPORATE OFFICERS

### 5.5.1. Remuneration of executive corporate officers

#### 5.5.1.1. Chairman of the Board of Directors

The Chairman, in close coordination with the General Manager, leads the Board of Directors and its Committees. He provides the General Manager with help and advice in designing and implementing strategy. He ensures that all Directors are always kept fully notified of any information relevant to the strategy and its implementation. In close coordination with the General Manager, he ensures that the quality of the Board's relationships with the Company's shareholders, major partners or group customers, as well as with public authorities, institutional and regulatory authorities, the media and investors deemed to be economic players, is maintained. He helps to promote the image and values of Foncière des Régions, both inside and outside the Group. Lastly, he is directly involved in monitoring risk control activities.

Remuneration of the Chairman of the Board of Directors of Foncière des Régions was set on 17 April 2015 by the Board for

his full 4-year term of office, at the overall fixed amount of €400 thousand. There was no change in this remuneration from the previous term. It has therefore remained unchanged since 2011.

Such fixed remuneration is not accompanied by any variable remuneration, performance bonus or remuneration paid in Company shares. It is in line with the average remuneration for non-executive chairmen in the SBF 120.

In 2015, this €400 thousand compensation broke down as follows:

- ♦ €393 thousand fixed remuneration
- ♦ €7 thousand benefits in kind (company car).

The increase in his fixed remuneration offsets his waiver in 2015 of his attendance fees for his involvement in the Foncière des Régions' Strategy and Investment Committee. In 2015, he also received €50 thousand in attendance fees paid by Beni Stabili, an Italian subsidiary of Foncière des Régions, in which he has an active oversight role.

TABLE 2

Executive officer name and function Jean Laurent, Chairman of the Board of Directors since 31/01/2011	2014 fiscal year		2015 fiscal year	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
Fixed remuneration	361,998	361,998	392,998	392,998
Annual variable remuneration	0	0	0	0
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
FdR attendance fees	31,000	31,000	0	0
Beni Stabili attendance fees	50,000	50,000	50,000	50,000
Benefits in kind (company car)	7,002	7,002	7,002	7,002
<b>TOTAL</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>



TABLE 1

Executive officer name and function	2014	2015
Jean Laurent, Chairman of the Board of Directors since 31/01/2011		
Remuneration <i>(detailed in table 2)</i>	450,000	450,000
Value of the multiannual variable remuneration paid during the fiscal year	0	0
Value of options granted during the year	None	None
Value of performance shares granted during the year	None	None
<b>TOTAL</b>	<b>450,000</b>	<b>450,000</b>

## 5.5.1.2. General Management

The remuneration policy for the General Manager and Deputy General Manager, France, is determined by the Board of Directors based on work carried out and proposals made by the Appointments and Remunerations Committee. This Committee met three times in 2015, to ensure the compliance of this policy with the principles listed by the latest changes to the Afep-Medef Code of corporate governance.

The Committee and the Board are particularly keen to follow these guidelines:

- ♦ the remuneration is granted exhaustively *via* three main components: fixed portion, variable portion, allocation of performance shares
- ♦ the basic principles sought are:
  - ♦ a balance between the various components, short term and long term, fixed and variable
  - ♦ remuneration correctly situated in the market and designed to foster loyalty
  - ♦ simple and transparent tools for the market and shareholders
  - ♦ a strong link between remuneration and operational performance
  - ♦ a variable portion based on objective quantifiable performance criteria that combine the interests of the organisation, its staff and its shareholders, at the same time providing an incentive for outperformance and a "circuit breaker" system to sanction any deterioration of key Company indicators
  - ♦ a financial alignment with the long-term interests of shareholders.

The Committee and the Board use industry-based benchmarks and general research studies simply to check that overall remuneration packages are in line with market rates.

### 5.5.1.2.1. Fixed portion

The Appointments and Remunerations Committee and the Board of Directors ensure, on a regular basis, that the amount of fixed remuneration paid to corporate officers is positioned correctly in relation to the market by using benchmarks relating to Directors of SBF80 companies and those companies with equivalent stock market capitalisation to that of Foncière des Régions, supplemented by French and European sector-based research. As a matter of principle, the Board only intends to review this remuneration at regular intervals and on fixed expiry dates, increases normally being associated with events affecting the Company.

The **General Manager's** fixed salary had been set in January 2011, at the commencement of his term of office, at **€540 thousand**. It remained unchanged in 2012, 2013 and 2014. On 5 December 2014, upon the proposal of the Appointments and Remunerations Committee, the Board of Directors reappointed Christophe Kullmann for four more years, and increased his fixed remuneration to €600 thousand for the duration of his term of office. This represents a change of 11%, brought down to 9% given the corporate officers' waiver of attendance fees paid by French subsidiaries as from 2015. This increase takes into account the changes in the size of the Group and its increasingly globalised nature. It is lower than the increase to fixed salaries for SBF80 General Managers between 2010 and 2014 (+20%) and is in line with salary increases within Foncière des Régions over the period (+8.5%).

This remuneration will not change for the term of office, unless there is a major change in responsibilities or scope.

In 2011, the Board also decided to gradually increase the Deputy General Manager's fixed remuneration to €350 thousand over a three-year period. This level was reached in 2013 and Olivier Estève's fixed remuneration remained unchanged in 2014.

On 5 December 2014, upon the proposal of the Appointments and Remunerations Committee, the Board of Directors reappointed Olivier Estève for four more years, and increased his fixed remuneration to **€360 thousand**. This increase compensates the waiver of attendance fees paid by French subsidiaries as of 2015.



### 5.5.1.2.2. Variable portion

With respect to the variable portion of remuneration (bonuses), the Appointments and Remunerations Committee wished for each Director to be assessed and compensated on the basis of targets that are clear, precise, quantifiable and operational. These targets are determined every February, by the Board of Directors based on proposals put forward by the Appointments and Remunerations Committee. They are determined according to the strategic plan, the budget approved by the Board of Directors for the year under way, and the Company's priorities at the time.

The target bonus for the General Manager and Deputy General Manager in 2015 equals 100% of their fixed annual salary.

In an effort to provide differentiation, motivation and an incentive to outperform, provision is made for an upside of as much as 50% of the target bonus to reward performance that goes beyond the targets set at the beginning of the year. In an effort to align this with the interests of shareholders, the Committee proposes that this upside portion of the bonus be paid, if at all, not in cash

but in bonus shares, which are to be conditional on the recipient remaining in the Company's employment for three years after the award.

Finally, this "circuit breaker" system provides for bonuses to be withheld in the event of a significant deterioration in the Company's performance over the year. For 2015, the "circuit breaker" was based on a Loan To Value (LTV) threshold, the crossing of which would have entailed non-payment of the bonus.

For 2015, the criteria for awarding the variable portion of the **General Manager's** compensation were set as follows:

- ♦ **70%** based on **quantitative** targets in terms of Recurring Net Income per Share, Net asset value per share, percentage of strategic focusing of the portfolio, proportion of green assets, level of investments in strategic sectors, replacement of non-core and non-strategic assets, and development projects
- ♦ **30%** based on **qualitative** targets relating to management, leadership of European teams, strategic planning and CSR policy.

On 9 February 2016, the Appointments and Remunerations Committee reviewed all these criteria using precise analytical frameworks, and recorded the following levels of attainment for each objective:

		(in €K)			Bonus allocated	
	General Manager	% of bonus	Min.	Target	Max. (as a % of target)	(in €K)
Quantitative = 70% of the variable	EPRA RNI/share	20%	0	120	180	140
	EPRA NAV/share	10%	0	60	90	85
	Percentage of strategic and geographic focusing of the portfolio, proportion of green assets, level of investments in strategic sectors, replacement of non-core and non-strategic assets, development projects	40%	0	240	360	326
Qualitative = 30% of the variable	Management, leadership and development of European teams (European pathways, operational synergies, sharing of best practices, integration of tools, innovation, etc.) CSR policy (rating in the main CSR-governance and Sustainable Development indices) Strategic planning	30%	0	180	270	200
<b>TOTAL</b>		<b>100%</b>	<b>0</b>	<b>600</b>	<b>900</b>	<b>750</b>

The details of these objectives cannot however be made public for reasons of confidentiality. The Appointments and Remunerations Committee ensures that these ambitious targets are linked to the Company's budgetary and strategic challenges, with exacting calibration: accordingly, all the qualitative targets have been calibrated so that under-performance would lead to the non-payment of the corresponding bonus share.

Consequently, the Committee made a proposal to the Board, which was then approved on 17 February 2016, that the bonus should be paid at 125% of the target. This variable portion amounts to €750 thousand. It was paid in cash for €600 thousand, with the upside of €150 thousand being paid in Company shares that vest in 2019, conditional upon active employment.

The 2015 bonus for the **Deputy General Manager** was calculated as follows:

- ♦ **80%** based on **quantitative** targets: Recurring Net Income per Share, Net asset value per share (targets shared with the General Manager), pre-marketing of development projects under way, marketing of delivered projects, launch of new pre-marketed projects, asset occupancy rate, value generated by the projects, improvement in the energy efficiency and environmental performance of the portfolio, asset management, disposal plan
- ♦ **20%** based on **qualitative** criteria: management and leadership of real estate teams, cross-business leadership of the Group, representing Foncière des Régions in the sector and to the Group's stakeholders, coordinating the CSR policy.

On 9 February 2016, the Appointments and Remunerations Committee reviewed all these criteria using precise analytical frameworks, and recorded the following levels of attainment for each objective:

		(in €K)			Actual	
	Deputy General Manager	% of bonus	Min.	Target	Max. (as a % of target)	(in €K)
Quantitative = 80% of the variable	EPRA RNI/share	20%	0	72	108	116%
	EPRA NAV/share	10%	0	36	54	141%
	Marketing of development projects					
	Launch of turnkey rentals					
	Value creation on projects delivered					
	Occupancy rate					
	Disposals					
	Acquisitions	50%	0	180	270	101%
	Asset management: lease terms, changes in lease payments					
	Disengagement from non-strategic activities					
	Improvement of the portfolio's energy performances					
Qualitative = 20% of the variable	Management, leadership of real estate teams (efficiency of organisation, quality of tools, etc.)	20%	0	72	108	104%
	Internal and external representation					
	CSR policy (rating in the main indices)					
<b>TOTAL</b>		<b>100%</b>	<b>0</b>	<b>360</b>	<b>540</b>	<b>108%</b>
						<b>390</b>

The details of these objectives cannot however be made public for reasons of confidentiality. All the qualitative targets have been calibrated so that under-performance would lead to the non-payment of the corresponding bonus share.

Consequently, the Committee made a proposal to the Board, which was then approved on 17 February 2016, that the bonus should be paid at 108% of the target. This variable portion

amounts to €390 thousand. It was paid in cash for €360 thousand, with the upside of €30 thousand being paid in Company shares that will vest in 2019, conditional upon active employment.

The tables below give a summary of the fixed and variable remuneration paid to each corporate officer for 2015, along with a 2014 comparison.

**TABLE 2**

Executive officer name and function	2014 fiscal year		2015 fiscal year	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
Christophe Kullmann, General Manager				
Fixed remuneration	540,000	540,000	600,000	600,000
Annual variable remuneration <sup>(1)</sup>	694,000	630,000	750,000	694,000
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Attendance fees	65,500	65,500	56,000	56,000
Benefits in kind (company car, GSC type unemployment insurance, etc.)	46,739	46,739	36,820	36,820
<b>TOTAL</b>	<b>1,346,239</b>	<b>1,282,239</b>	<b>1,442,820</b>	<b>1,386,820</b>

<sup>(1)</sup> The variable portion of €630 thousand due for 2013 was made up of €540 thousand paid in cash in 2014 and 2,065 bonus shares allocated in 2014. The variable portion of €694 thousand due for 2014 was made up of €540 thousand paid in cash in 2015 and 2,263 bonus shares allocated in 2015. The variable portion of €750 thousand due for 2015 was made up of €600 thousand paid in cash in 2016 and €150 thousand paid in bonus shares allocated in 2016.



TABLE 2

Executive officer name and function Olivier Estève, Deputy General Manager	2014 fiscal year		2015 fiscal year	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
Fixed remuneration	350,004	350,004	360,000	360,000
Annual variable remuneration <sup>(1)</sup>	317,000	283,000	390,000	317,000
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Attendance fees	9,300	9,300	0	0
Benefits in kind (company car, GSC type unemployment insurance, etc.)	36,405	36,405	36,889	36,889
<b>TOTAL</b>	<b>712,709</b>	<b>678,709</b>	<b>786,889</b>	<b>713,889</b>

<sup>(1)</sup> The variable portion of €283 thousand due for 2013 was made up of €263 thousand paid in cash in 2014 and 459 bonus shares allocated in 2014.

The variable portion of €317 thousand due for 2014 was made up of €262 thousand paid in cash in 2015 and 808 bonus shares allocated in 2015.

The variable portion of €390 thousand due for 2015 was made up of €360 thousand paid in cash in 2016 and €30 thousand paid in bonus shares allocated in 2016.

In 2015, until 21 October (when his term of office ended), Aldo Mazzocco, Deputy General Manager of Foncière des Régions, earned fixed and variable remuneration from Beni Stabili as a Managing Director of this company. The remuneration, as determined by the Board of Directors of Beni Stabili on the basis of a proposal put forward by the Beni Stabili Appointments and Remunerations Committee, breaks down as follows:

TABLE 2

Executive officer name and function Aldo Mazzocco, General Manager of Beni Stabili Deputy General Manager of Foncière des Régions until 21 October 2015 Remuneration paid by Beni Stabili	2014 fiscal year		2015 fiscal year	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
Fixed remuneration	484,000	484,000	401,189	401,189
Annual variable remuneration <sup>(1)</sup>	270,000	270,000	270,000	540,000
Multiannual variable remuneration	0	0	0	0
Extraordinary remuneration	0	0	0	0
Attendance fees	106,000	106,000	45,037	45,037
Benefits in kind (company car and accommodation)	61,460	61,460	59,493	59,493
<b>TOTAL</b>	<b>921,460</b>	<b>921,460</b>	<b>775,719</b>	<b>1,045,719</b>

<sup>(1)</sup> Payment of the bonus for N in N+1, except for the 2014 and 2015 bonuses, which were both paid in 2015.

### 5.5.1.2.3. Long-term incentive plan

The guidelines on awarding performance shares to corporate officers are as follows:

- the allocation of bonus shares is a long-term incentive plan comprising a third component of remuneration, in addition to the fixed and variable portions of salary
- for executive corporate officers, the LTI for year-N is awarded once the accounts are closed, at the start of year N+1
- this lag, suggested by the Appointments and Remunerations Committee, makes it possible to award shares contingent on the achievement of operational results and the achievement of individual targets, and to determine performances also in consideration of the closing of the accounts for year N

- the Appointments and Remunerations Committee, in setting this annual allocation period for share awards to corporate officers, has made it possible to avoid any windfall effect through any share price volatility.

This long-term incentive plan has the following aims for the recipients of the shares:

- employee retention: shares are not definitively allocated until the end of the vesting period, on the condition that beneficiaries are still employed by the Company
- motivation and involvement: Share values ultimately depend on the Company's performance in its sector, which is reflected in the share price
- aligning the interests of management with those of shareholders: shares are only definitively allocated if the performance criteria are achieved
- lastly, enabling management to create a pension scheme, given the lack of a supplementary pension scheme in the Company.

On 9 February 2016, the Appointments and Remunerations Committee proposed to the Board of Directors, which approved the proposal on 17 February 2016, that the granting of 2015 performance shares falls within the framework of Act No. 2015-990 of 6 August 2015, the so-called "Loi Macron", which made significant changes to the legal, tax and social scheme for allocating bonus shares. This Act has introduced changes that are favourable to both beneficiaries and the Company. Accordingly, the Board postponed its decision to allocate LTIs on 27 April 2016, during the meeting that will be held immediately after the General Meeting of the same day, on condition that the appropriate resolution is approved by the General Meeting. As such, during the meeting of 17 February 2016, the Board only decided on the following principles regarding allocation in 2015:

- ♦ although the "Loi Macron" now offers the possibility of reducing the term, the vesting period for performance shares will remain three years, as from the Board of Directors' grant, except for allocations in 2015, which will vest (conditional on performance conditions) at the end of a 34-month period (to return to an annual share delivery frequency in February)
- ♦ the share retention period will be abolished, with the share retention obligations remaining unchanged (see 5.5.1.2.4).

Furthermore, 100% of share awards will be subject to the following performance conditions, each analysed over the three-year vesting period, given that the number of shares awarded, subject to performance requirements, may not exceed the target number listed at the time of allocation:

50%	<b>Active employment and market performance condition:</b> <ul style="list-style-type: none"> <li>♦ Overall stock market performance of Foncière des Régions in relation to the EPRA Eurozone index, defined as the change in the share price over the reference three-year period, taking account of all dividends or interim dividends (gross) reinvested on the distribution date or other distributions reinvested on the distribution date.</li> <li>♦ The target number of shares will be allocated in the event of outperformance by two points compared with the index. An outperformance of 5 points will lead to an allocation representing 110% of the target (130% for 20 points). Performance equal to the index will lead to a 95% allocation of the target number of shares. An under-performance of 20 points will lead to the cancellation of 30% of the target shares, and an under-performance of 30 points will cancel all share allocations.</li> </ul>
50%	<b>Active employment and internal performance condition not affected by the market:</b> <ul style="list-style-type: none"> <li>♦ The number of performance shares is weighted by a coefficient corresponding to the average rate of achievement of the bonus objectives between the year of allocation and the year preceding the acknowledgement of the achievement of the performance target.</li> <li>♦ This average performance rate will be applied to the target number of shares.</li> </ul>

These conditions combine external and internal performances, thus providing shareholders with assurances that:

- ♦ directors' long-term compensation is directly linked to Foncière des Régions' stock market performance
- ♦ it is also linked to the Company's operating performance: yearly bonuses are linked to targets in line with budgets, the roll-out of the strategy, growth of indicators, the financial policy, etc.

Accordingly, the 2015 LTI will be allocated in April 2016, on condition that the appropriate resolution is approved by the General Meeting of 27 April 2016 and conditional on the Board's final allocation decision.

Executive corporate officers receiving performance shares have entered into a formal undertaking not to hedge their risk.

Furthermore, on 9 February 2016, the Appointments and Remunerations Committee examined the achievement of the performance criteria set for the shares allocated in February 2013 for 2012, and in particular noted that the overall stock market performance of Foncière des Régions exceeded that of the EPRA Eurozone index for 2013, 2014 and 2015. It also noted that the attainment rate of these targets over the period exceeded the target, both for Christophe Kullmann and Olivier Estève. Consequently, the performance shares allocated in February 2013 (10,800 shares for Christophe Kullmann and 6,000 shares for Olivier Estève) were received in February 2016, together with the bonus shares allocated as the upside for the 2012 bonus, i.e. 3,668 shares for Christophe Kullmann and 1,283 shares for Olivier Estève.

Since 2008, the Board of Directors, on the recommendation of the Appointments and Remunerations Committee, has put an end to schemes for allocation of stock options that were previously activated in parallel with the schemes for allocation of bonus shares.



The overall remuneration of corporate officers including LTIs is shown in the table below.

**TABLE 1**

Executive officer name and function	2014		2015	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
<b>Christophe Kullmann, General Manager</b>				
Remuneration (detailed in table 2)	1,346,239	1,282,239	1,442,820	1,386,820
Value of the multiannual variable remuneration paid during the fiscal year	0	0	0	0
Value of options granted during the year	None	None	None	None
Value of performance shares granted (detailed in table 6) <sup>(2)</sup>	663,650	490,350	To be determined	663,550
<b>TOTAL</b>	<b>2,009,889</b>	<b>1,772,589</b>	<b>To be determined</b>	<b>2,050,370</b>

<sup>(1)</sup> Since the allocation of performance shares granted for year N is delayed until N+1, for the sake of the accuracy and completeness of the information provided, table 1 distinguishes between allocations paid and those due for each fiscal year

<sup>(2)</sup> Share valuations do not include any bonuses paid in bonus shares which are already included, where appropriate, in table 2.

Performance shares for 2015 will be allocated by the Board of Directors of 27 April 2016, on condition that the appropriate resolution is approved by the General Meeting. In principle, their value is equal to the value of the fixed remuneration. Accordingly, this table will be updated after the General Meeting.

N.B.: Share valuations are calculated by an independent expert.

**TABLE 1**

Executive officer name and function	2014		2015	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
<b>Olivier Estève, Deputy General Manager</b>				
Remuneration (detailed in table 2)	712,709	678,709	786,889	713,889
Value of the multiannual variable remuneration paid during the fiscal year	0	0	0	0
Value of options granted during the year	None	None	None	None
Value of performance shares granted during the year (detailed in table 6) <sup>(2)</sup>	357,350	261,520	To be determined	357,350
<b>TOTAL</b>	<b>1,070,059</b>	<b>940,229</b>	<b>To be determined</b>	<b>1,071,239</b>

<sup>(1)</sup> Since the allocation of performance shares granted for year N is delayed until N+1, for the sake of the accuracy and completeness of the information provided, table 1 distinguishes between allocations paid and those due for each fiscal year.

<sup>(2)</sup> Share valuations do not include any bonuses paid in bonus shares which are already included, where appropriate, in table 2.

Performance shares for 2015 will be allocated by the Board of Directors of 27 April 2016, on condition that the appropriate resolution is approved by the General Meeting. In principle, their value is equal to the value of the fixed remuneration. Accordingly, this table will be updated after the General Meeting.

N.B.: Share valuations are calculated by an independent expert

TABLE 1

Executive officer name and function Aldo Mazzocco, General Manager of Beni Stabili Deputy General Manager of Foncière des Régions until 21 October 2015	2014		2015	
	Amounts due for 2014	Amounts paid in 2014	Amounts due for 2015	Amounts paid in 2015
Remuneration (detailed in table 2)	921,460	921,460	775,719	1,045,719
Value of the multiannual variable remuneration paid during the fiscal year	0	0	0	0
Value of options granted during the year	None	None	None	None
Value of performance shares granted during the year (detailed in table 6)	255,255	183,960	0	255,255
<b>TOTAL</b>	<b>1,176,715</b>	<b>1,105,420</b>	<b>775,719</b>	<b>1,300,974</b>

Note 1: Since the allocation of performance shares granted for year N is delayed until N+1, for the sake of the accuracy and completeness of the information provided, table 1 distinguishes between allocations paid and those due for each fiscal year.

Note 2: Share valuations are calculated by an independent expert.

#### 5.5.1.2.4. Share retention obligation for executive corporate officers

The Afep-Medef Code recommends that the Board set a share retention obligation for executive corporate officers on bonus shares and shares from the exercise of stock option that is sufficiently restrictive. This makes it possible to adequately take into account the Company's long-term performance. The Board of Directors of Foncière des Régions has set a retention obligation of 50% for performance shares throughout the term of office, until executive corporate officers hold shares equivalent to two years' worth of fixed remuneration. Beyond that threshold, Directors and officers will again be free to transfer shares.

The Afep-Medef Code recommends that performance-based bonus shares awarded to executive corporate officers be conditional upon the purchase of a defined quantity of shares on availability of the awarded shares. This recommendation was not implemented by Foncière des Régions. The Board has indeed made it mandatory for executive corporate officers to retain at least 50% of any shares acquired as performance shares until the end of their terms of office, up to the limit of two years' fixed remuneration. Given the strict nature of this obligation, the Board considered that it was not useful to require that they buy an amount of shares in Company stock when the awarded bonus shares became available, as the undertaking to retain the shares is a mechanism with an equivalent effect.

The tables below show the transactions by corporate officers relating to stock options and bonus shares.

TABLE 4

#### SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE FISCAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER

Options granted to each executive corporate officer by the issuer and by any Company of the Group (list by name)	No. and date of plan	Type of option (purchase or subscription)	Valuation of options based on the method used for the consolidated financial statements	Number of options awarded during the year	Exercise price	Exercise period
Jean Laurent	None	None	None	None		
Christophe Kullmann	None	None	None	None		
Olivier Estève	None	None	None	None		
Aldo Mazzocco	None	None	None	None		



TABLE 5

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE FISCAL YEAR  
BY EACH EXECUTIVE CORPORATE OFFICER

Options exercised by executive corporate officers (list by name)	No. and date of plan	Type of options exercised during the year	Exercise price
Jean Laurent	None	None	None
Christophe Kullmann	None	None	None
Olivier Estève	None	None	None
Aldo Mazzocco	None	None	None

TABLE 6

PERFORMANCE SHARES ALLOCATED TO EACH EXECUTIVE CORPORATE OFFICER<sup>(1)</sup>

Performance shares awarded during the year to each executive officer by the issuer and by any company in the Group (list of names)	Plan date	Number of options awarded during the year <sup>(1)</sup>	Valuation of shares by the method used for consolidated financial statements <sup>(2)</sup>	Date of acquisition	Date available
Jean Laurent		None	None		
Christophe Kullmann	19/02/2015	13,000	€51.05	19/02/2018	19/02/2020
Christophe Kullmann	19/02/2015	2,263	€68.06	19/02/2018	19/02/2020
Olivier Estève	19/02/2015	7,000	€51.05	19/02/2018	19/02/2020
Olivier Estève	19/02/2015	808	€68.06	19/02/2018	19/02/2020
Aldo Mazzocco	19/02/2015	5,500	€46.41	19/02/2019	19/02/2019

<sup>(1)</sup> For year N-1/includes the upside of the bonus, paid in shares.

<sup>(2)</sup> Value of the share calculated by an independent expert.

TABLE 7

PERFORMANCE SHARES BECOMING AVAILABLE DURING THE YEAR FOR EACH EXECUTIVE CORPORATE OFFICER

Bonus shares becoming available for executive officers (list of names)	Plan date	Number of shares available during the fiscal year	Vesting conditions	Date awarded
Jean Laurent		None		
Christophe Kullmann	22/02/2012	8,900	Continued service requirement (1/3), relative stock market performance requirement (1/3) and target achievement requirement (1/3)	22/02/2015
Olivier Estève	22/02/2012	5,675		22/02/2015
Aldo Mazzocco	21/02/2011	5,000	N/A	21/02/2015



#### 5.5.1.2.5. Combining corporate office and an employment contract

Pursuant to the Afep-Medef recommendation, which provides that: “when a Director becomes a corporate officer of the Company, [it is recommended] that their employment contract with the Company is terminated, or that they resign”, the employment contract of Christophe Kullmann was terminated by mutual agreement between Foncière des Régions and Mr Kullmann, on 26 November 2008, without payment of any compensation.

Christophe Kullmann has since that date received GSC unemployment insurance.

He also has supplementary group mutual insurance covering healthcare expenses. He does not benefit from the Group Incentive Plan.

Similarly, the employment contract with Olivier Estève, Deputy General Manager, was terminated on 1 November 2012, without payment of compensation. Since that date, he also receives GSC unemployment insurance, as well as supplementary group mutual insurance covering healthcare expenses. 2013 was the last year he was eligible for the Group’s 2012 incentive plan.

#### 5.5.1.2.6. End-of-service benefit

After terminating without compensation their employment contracts, which provided for the payment of a termination benefit in the event of forced departure, the Board of Directors proposed implementing an end-of-service benefit for Christophe Kullmann, the General Manager, and Olivier Estève, the Deputy General Manager.

Such benefit would be paid only in the event of forced departure due to a change of control or a change of strategy. This would exclude cases in which they were to leave the Company at their own initiative, change roles within the Group or be able to collect retirement benefits within a short period of time.

##### 5.5.1.2.6.1. Theoretical compensation amount

Thus the theoretical compensation amount would be equal to 12 months’ total remuneration including the fixed salary and the variable part, plus one month’s additional remuneration per year of service at the Company regardless of positions held, it being understood that the current remuneration system does not include payment of an exceptional bonus.

##### 5.5.1.2.6.2. Performance criteria

In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code and the recommendations of the Afep-Medef Code, this compensation is subject to demanding internal and external performance conditions:

- ♦ 50% of the theoretical compensation amount is linked to changes in the NAV during the three years prior to the termination of office: if the Foncière des Régions EPRA NAV drops 25% below the average REITs that make up the EPRA index, the fraction of the severance pay linked to this requirement will not be paid. Otherwise, the theoretical amount of this fraction of the compensation will be adjusted by the variation in the NAV for the period considered

- ♦ 50% of the theoretical benefit amount is linked to the achievement of target performance during the three years prior to the termination of office. The criteria for allocation of the target bonus are reviewed every year by the Appointments and Remunerations Committee, based on ambitious operational and strategic targets. Their achievement is assessed according to a table of preset criteria. If the average rate of fulfilment of the objectives over the last three years is less than 80%, the fraction of the severance pay linked to that criterion is not paid. Otherwise, the amount of the theoretical compensation will be adjusted by the average of the coefficients of achievement of the last three variable portions.

In any case, although the exceeding of one of the two fractions of the compensation may compensate for a possible deduction from the other fraction, the total amount of the end-of-office compensation is capped at two years of total remuneration. This cap rule applies to all forms of severance pay and includes any other compensation paid for any other reason at the end of a term of office, it being specified that the General Manager and Deputy General Manager shall not receive any remuneration from Foncière des Régions other than that paid for their term of office.

As a result of the performance criteria listed above being set, the Board will be able, where appropriate, to reflect on the severance pay and the target and actual performance of the General Manager and Deputy General Manager. Since the targets that are the conditions for payment of the variable portion are themselves linked to operational performance, staying within budgets and implementing strategy, the compensation paid cannot help but be proportional to the results obtained, thus more fully meeting the requirements of the recommendations made by the Afep-Medef Code.

The compensation payable to the General Manager and Deputy General Manager were approved by the Board of Directors on 5 December 2014 and by the shareholders at the General Meeting of 17 April 2015, when voting on Resolutions 5 and 6.

The amount and the conditions for awarding this compensation were disclosed on 15 December 2014.

On 21 October 2015, Aldo Mazzocco resigned from his position as Deputy Director of Beni Stabili and as Deputy General Manager of Foncière des Régions. At that time, the Board of Directors of Beni Stabili noted that the conditions for the payment of the severance compensation provided for under the contract had been met. Details of all of the financial conditions related to the departure of Aldo Mazzocco were made public the same day by Beni Stabili.

Furthermore, for the active bonus shares plans, the Board of Directors of Foncière des Régions decided on 21 October 2015 to waive the condition requiring Aldo Mazzocco to remain at the Company in order to receive the bonus shares, and, after assessing the level of achievement of performance criteria between the allocation date and 21 October 2015, to grant all of the shares that were subject to performance conditions, i.e. a total of 21,500 shares, which will be awarded at the end of the initial vesting periods as planned. These shares come from the allocation plans for 2012 (5,000 shares valued at €155 thousand), 2013 (5,000 shares valued at €191 thousand), 2014 (6,000 shares valued at €184 thousand) and 2015 (5,500 shares valued at €255 thousand).

#### 5.5.1.2.7. Supplementary pension scheme

No corporate officer within the Group benefits from a specific defined benefits or defined contributions retirement scheme offered by the Company.

The table below shows the situations of the executive corporate officers.

TABLE 10

	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due by reason of cessation of or change in position		Compensation for non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive officers								
Jean Laurent Start of term of office: 17 April 2015		x		x		x		x
Christophe Kullmann Start of term of office: 1 January 2015		x		x	x			x
Olivier Estève Start of term of office: 1 January 2015		x		x	x			x

### 5.5.2. Gross remuneration for members of the Board of Directors

Attendance fees represent the portion of the remuneration awarded to members of the Board of Directors for attending the meetings of the Board and the specialised Committees. The Board of Directors at its meeting of 19 February 2015 decided that the non-voting member of the Board would receive the same attendance fees as Directors.

Taking into account a benchmark of peer companies of Foncière des Régions, the General Meeting held on 31 January 2011 set

an overall budget of €500,000 as part of the implementation of the Company's new Governance policy.

The amount actually paid breaks down into a fixed annual amount and a variable portion, which takes into account the actual attendance of each member. This breakdown is set out in paragraph 4.3.1.7 of the Report by the Chairman of the Board of Directors on corporate governance and internal control.

The gross amount for attendance fees allocated in 2015 to members of the Board of Directors and to the non-voting Board member for their involvement in Board meetings and in the specialised Committees amounted to €353,375. Jean Laurent and Christophe Kullmann receive no attendance fees:

Board and Committee members	2015 gross attendance fees paid in €	2015 net attendance fees paid in €
Jean Laurent	/	/
Leonardo Del Vecchio	18,000	12,600
ACM Vie represented by Catherine Allonas Barthe	11,125	11,125
Romolo Bardin	39,125	30,909
Jean-Luc Biamonti	40,417	28,292
GMF Vie represented by Philippe Narzul	31,875	31,875
Bertrand de Feydeau	36,000	22,860
Predica represented by Jérôme Grivet	30,000	19,050
Pierre Vaquier	27,583	17,515
Micaela le Divelec Lemmi	12,875	10,171
Christophe Kullmann	/	/
Sylvie Ouziel	27,000	17,145
Sigrid Duhamel	29,125	18,494
Delphine Benchetrit	13,250	8,414
Sergio Erede (non-voting member of the Board)	37,000	29,230
<b>TOTAL</b>	<b>353,375</b>	<b>257,680</b>

Tax withholdings (withheld at source, mandatory 21% deduction at source and 15.5% social security contributions) totalling €95,695 were paid by the Company directly to the tax authorities.

**TABLE SHOWING OTHER ATTENDANCE FEES (EXCLUDING ATTENDANCE FEES PAID BY FONCIÈRE DES RÉGIONS) AND OTHER REMUNERATION EARNED BY CORPORATE OFFICERS WHO ARE NOT DIRECTORS (IN €)**

Non-executive corporate officers <sup>(1)</sup>	Amounts paid during 2014	Amounts paid during 2015
<b>Jean Laurent</b>		
Attendance fees (Beni Stabili)	50,000	50,000
Other remuneration	369,000	400,000
<b>Leonardo Del Vecchio<sup>(2)</sup></b>		
Attendance fees (Beni Stabili)	56,000	56,000
Other remuneration		
<b>Bertrand de Feydeau</b>		
Attendance fees (Foncière Développement Logements)	7,700	4,900
Other remuneration (Foncière Développement Logements)	140,054	140,448
<b>Catherine Allonas Barthe (permanent representative of ACM Vie)<sup>(3)</sup></b>		
Foncière des Murs attendance fees	4,700	4,800
Other remuneration		
<b>TOTAL</b>	<b>627,454</b>	<b>656,148</b>

<sup>(1)</sup> This table only takes into account corporate officers who were not Directors in 2015.

<sup>(2)</sup> These attendance fees are subject to tax withholdings.

<sup>(3)</sup> The attendance fees were paid to the company in its capacity as Director, not to its permanent representative.

The members of the Board of Directors and Committees, together with the non-voting member of the Board, are also entitled to reimbursement for travel expenses and costs incurred from attending Board and Committee meetings, upon producing supporting documents.

### 5.5.3. Corporate officers' terms of office and functions

In accordance with the provisions of Article L. 225-102-1 Par. 4 of the French Commercial Code, and with Article 14.1 of Appendix 1 to Regulation (EC) No. 809/2004, please find below a list of all offices and functions exercised in all companies, in France and abroad, by each of the Company's corporate officers in 2015.

#### 5.5.3.1. List of offices and functions exercised by members of the General Management



#### Christophe Kullmann

Born 15 October 1965 in Metz (57)  
French national  
Business address: 30, avenue Kléber – 75116 Paris

#### Main function:

**General Manager of Foncière des Régions**

#### Biography:

Christophe Kullmann has spent his whole career in the real estate industry. He was in charge of financial management at Immobilière Batibail, a publicly traded real estate development Company, from 1992 until its merger in 1999 with Foncière Gecina, where he oversaw its financial management.

At the helm of Foncière des Régions since its creation in 2001, Christophe Kullmann serves as General Manager and is a member of the Board of Directors. Since 2015, he also serves as Deputy Director of Beni Stabili, a subsidiary of Foncière des Régions in Italy.

Since 2012, Christophe Kullmann serves as the Chairman of the French Federation of Real Estate Companies (FSIF), a trade association in the listed real estate sector. In addition, he is a member of the EPRA Board of Directors and member-founder of the Palladio Foundation.

**Number of shares held at 31 December 2015:** 37,977 (as well as 24,000 beneficially-owned shares following a bare ownership transfer)

#### Offices held within the Foncière des Régions group:

##### General Manager

Date of appointment: 31 January 2011  
Date of re-appointment: 1 January 2015  
Date of expiration of the term of office: 31 December 2018

##### Director

Date of appointment: 25 April 2012  
Date of expiration of the term of office: GM approving in 2016 the annual financial statements for the year ended 31 December 2015

#### Other offices held within the Foncière des Régions group:

**Chairman of the Supervisory Board:** Foncière des Murs SCA (public company)

**Chairman of the Strategy Committee:** FDM Management SAS

**Member of the Supervisory Board:** Immeo SE (German company – since 27 May 2015)

**Member of the Appointments and Remunerations Committee:** Foncière Développement Logements – FDL SA (public company)

**Member of the Executive and Investment Committee:** Beni Stabili S.p.A. SIIQ (Italian public company)

**Deputy Director:** Beni Stabili S.p.A. SIIQ (Italian public company – since 21 October 2015)

**Director:** Foncière Développement Logements – FDL SA (public company)

**Manager:** GFR Kléber SARL

**Permanent representative of Urbis Park, Director:** BP 3000 SA

**Legal representative of Foncière des Régions, Chairman:** Technical SAS

**Legal representative of Foncière des Régions, Manager:** SCI Esplanade Belvédère II, SCI Raphaël, SCI Le Ponant 1986, SCI Omega A, SCI Omega C, SCI Ruhl Côte d'Azur, SCI Latécoère, SCI Latécoère 2, SCI Lenovilla, SCI Meudon Saulnier, SCI 11 Place de l'Europe, SCI du 15 Rue des Cuirassiers (since 30 October 2015), SCI DU 288 Rue Duguesclin (since 30 October 2015)

#### Offices held outside the Foncière des Régions group:

**Chairman of the Board of Directors:** FSIF (trade union)

**Member of the executive board:** EPRA

#### Terms of office expired within the last five fiscal years:

**Chairman of the General Management:** Foncière des Régions SA (public company – form changed from Management Board and Supervisory Board to Board of Directors on 31 January 2011)

**Manager:** IEIF (Association – ended in 2014), IPD France SAS (ended in 2013)

**Permanent representative of Foncière des Régions, Manager:** FSIF (Trade association) – ended in 2012)

**Permanent representative of FDR 3, member of the Supervisory Board:** Altarea SCA (public company – ended in 2012)



## Olivier Estève

Born 18 September 1964 in Algiers – Algeria  
French national  
Business address: 30, avenue Kléber – 75116 Paris

### Main function:

**Deputy General Manager of Foncière des Régions**

### Biography:

Olivier Estève is a graduate of École Spéciale des Travaux Publics (ESTP). After a career spanning 12 years in the Bouygues Group (1990-2001), where in particular he served as Director of Development in the SCREG Bâtiment subsidiary, he joined Foncière des Régions in September 2002.

After being Real Estate Director responsible for Major Commercial Property Development Projects, he currently supervises all Foncière des Régions Offices activities (development, asset management, property management, etc.).

Olivier Estève is a member of the Executive Committee and Deputy General Manager of Foncière des Régions.

**Number of shares held at 31 December 2015:** 29,277

### Offices held within the Foncière des Régions group:

#### Deputy General Manager

Date of appointment: 31 January 2011

Date of re-appointment: 1 January 2015

Date of expiration of the term of office: 31 December 2018

### Other offices held within the Foncière des Régions group:

**Chairman:** FDR 2 SAS, Foncière Europe Logistique SAS

**Chairman of the Board of Directors:** Urbis Park SA, BP 3000 SA, Office CB 21 SPPICAV

**Permanent representative of FDR 2, Director:** Foncière Développement Logements – FDL SA (public company)

**Chairman of the Investment Committee:** Urbis Park SA, Foncière des Murs SCA (public company)

**Member of the Investment Committee:** Foncière Développement Logements – FDL SA (public company)

**Member of the Supervisory Board:** Foncière Des Murs SCA (public company)

**Manager:** Foncière des Régions Développement SNC, GFR Ravinelle SARL, Euromarseille Invest eurl, SCI Euromarseille 1, SCI Euromarseille 2, FDR 4 EURL, FDR 7 eurl, Fédération eurl, BGA Transaction sarl, Foncière Margaux sarl, Sarl du 2 Rue Saint Charles, Sarl du 11 Rue Victor Leroy, SARL du 25-27

Quai Félix Faure, Sarl Du 106-110 Rue des Troènes, Telimob Paris Sarl, Imefa 127 sci, SCI Atlantis, Eurl Languedoc 34, Sci Pompidou Metz, Snc Palmer Plage, Snc Palmer Transactions, SNC Foncière Palmer, Sci Palmer Montpellier, Sci Dual Center, SCI Charenton, Latepromo SNC, Lenopromo snc, Promomurs SNC (since 11 September 2015), FDR Participations EURL (since 11 September 2015), SCI Avenue de La Marne (since 14 October 2015), SCI Euromarseille 3 (since 4 November 2015), Omega B SARL (since 27 November 2015)

**Legal representative of Federation, Manager:** Federimmo SCI

**Legal representative of Telimob Paris SARL, Manager:** Telimob Est SNC, Telimob Nord SNC, Telimob Ouest SNC, Telimob Paca SNC, Telimob Paris SNC, Telimob Rhône-Alpes SNC, Telimob Sud-Ouest SNC

**Legal representative of Foncière Margaux, Manager:** SCI du 1 Rue de Chateaudun, SCI du 2 Rue de L'Il, SCI du 2 Rue de Verdun, SCI du 3 Place A. Chaussy, SCI du 8 Rue M. Paul, SCI du 9 Rue des Cuirassiers, SCI du 10 bis et 11 A 13 Allée des Tanneurs, SCI du 11 Avenue de Sully, SCI du 20 Avenue Victor Hugo, SCI du 32 Avenue P. Grenier, SCI du 35/37 Rue Louis Guérin, SCI du 40 Rue Jean-Jacques Rousseau, SCI Du 125 Avenue du Brancolar, SCI du 682 Cours de La Libération, SCI du 1630 Avenue de La Croix Rouge, SNC du 57/59 Rue du Commandant R. Mouchotte (since 1 January 2015)

**Legal representative of SCI Euromarseille 1, Manager:** SCI Euromarseille BL, SCI Euromarseille BI, SCI Euromarseille BH, SCI Euromarseille BH2

**Legal representative of SCI Euromarseille 2, Manager:** Sci Euromarseille PK, Sci Euromarseille M, Sci Euromarseille H

### Offices held outside the Foncière des Régions group:

None.

### Terms of office expired within the last five fiscal years:

**Member of the General Management:** Foncière des Régions SA (public company – form changed in 2011)

**Permanent representative of Foncière des Régions, member of the Supervisory Board:** Altarea SCA (public company – ended in 2013)

**Permanent representative of Foncière des Régions, Manager:** Technical Property Fund 1 SPPICAV (ended in 2014)

### 5.5.3.2. List of offices and functions exercised by members of the Board of Directors



#### Jean Laurent

Born 31 July 1944 in Mazamet (81)  
French national  
Business address: 3, allée Beau-Site, 92150 Suresnes

#### Main function:

**Chairman of the Board of Directors of Foncière des Régions**

#### Biography:

Jean Laurent is a graduate of the École Nationale Supérieure de l'Aéronautique (1967) and holds a Master of Science from Wichita State University.

He has spent his entire career within the Crédit Agricole Group, initially in the Crédit Agricole branches in Toulouse, then in Loiret and in Paris Region where he held or supervised various roles in retail banking.

He then joined the Caisse Nationale du Crédit Agricole, first as Deputy General Manager (1993-1999), and then as General Manager (1999-2005). In this capacity, he handled the IPO of Crédit Agricole SA (2001), then the acquisition and integration of Crédit Lyonnais in the Crédit Agricole group.

He was appointed Chairman of the Board of Directors of Foncière des Régions in 2011.

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2019 the annual financial statements for the year ended 31 December 2018

#### Other offices held within the Foncière des Régions group:

**Director:** Beni Stabili SPA SIIQ (foreign public company)

#### Offices held outside the Foncière des Régions group:

**Lead Director, Chairman of the Corporate Social Responsibility Committee, and Chairman of the Appointments and Remunerations Committee:** Danone SA (public company)

**Vice-Chairman of the Supervisory Board, Chairman of the Audit Committee and member of the Strategic and Investment Committee:** Eurazeo SA (public company)

#### Terms of office expired within the last five fiscal years:

**Director:** Unigrains SA (ended in 2014)

**Member of the Supervisory Board:** M6 Télévision (ended in 2012)

**Director:** Crédit Agricole Egypt SAE (ended in 2012)

**Chairman of the Board of Directors:** Institut Europlace de Finance (Foundation)

**Chairman:** Pôle de Compétitivité Finance Innovation (Association – ended in 2011)

**Number of shares held at 31 December 2015:** 400

#### Offices held within the Foncière des Régions group:

**Chairman of the Board of Directors, independent Director**

**Member of the Strategic and Investment Committee**

Date of appointment: 31 January 2011



#### Leonardo Del Vecchio

Born 22 May 1935 in Milan – Italy  
Italian national  
Business address: 24, avenue Princesse Grace – Le Roccabella, 98000 Monaco

#### Main function:

**Chairman and General Manager of Luxottica Group SpA**

#### Biography:

Leonardo Del Vecchio is the Chairman and founder of the Luxottica Group, a world leader in the design, manufacturing and distribution of eyewear, which has been listed on the New York Stock Exchange since 1990. Since 2000, the Group has also been listed on the Milan Stock Exchange where it holds a prominent position in the S&P/MIB index of blue chip companies, with a market capitalisation in excess of €24 billion. In 1986, Leonardo Del Vecchio was named "Cavaliere del Lavoro", an honour awarded by the President of Italy.

**Number of shares held at 31 December 2015:** 1

#### Offices held within the Foncière des Régions group:

**Member and Vice-Chairman of the Board of Directors**

**Chairman of the Strategic and Investment Committee**

Date of appointment: 31 January 2011

Date of reappointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2019 the annual financial statements for the year ended 31 December 2018



**Other offices held within the Foncière des Régions group:**

**Director:** Beni Stabili SPA SIIQ (foreign public company)

**Offices held outside the Foncière des Régions group:**

Delfin SARL (foreign company), Aterno SARL (foreign company), Luxottica Group SpA (public foreign company), Julius Baer SGR

(foreign company), GIVI Holding SpA (foreign company), Gianni Versace SpA (foreign company)

**Terms of office expired within the last five fiscal years:**

**Member and Vice-Chairman of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011)

**ACM VIE SA**

34, rue du Wacken – 67000 Strasbourg  
Strasbourg Commercial and Trade Register TI 332 377 597  
**Number of shares held at 31 December 2015:** 5,191,628

**Offices held within the Foncière des Régions group:**

**Director**

Date of appointment: 31 January 2011  
Date of re-appointment: 17 April 2015  
Date of expiration of the term of office: GM approving in 2018 the annual financial statements for the year ended 31 December 2017

**Other offices held within the Foncière des Régions group:**

**Member of the Supervisory Board:** Foncière des Murs SCA (public company)

**Offices held outside the Foncière des Régions group:**

**Director:** Serenis Vie SA, Serenis Assurances SA, ACMN IARD, ACM GIE, ACM Services SA, Foncière Massena SA, Partners

Assurances SA (foreign company), ACM Ré SA (foreign company), Agrupacio ACMI SA (foreign company), AMGEN Seguros Generales (foreign company), GACM Espagne (foreign company)

**Member of the Supervisory Board:** SCPI Ouest Pierre Investissement, SCPI CM CIC Pierre Investissement, SCPI Crédit Mutuel Pierre 1, SCPI Selectipierre 1, SCPI Logipierre 1, SCPI Logipierre 3

**Member of the Audit Committee:** GACM Espagne (foreign company)

**Terms of office expired within the last five fiscal years:**

**Member of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011), Foncière Massena SCA (form changed on 17 June 2015)

**Director:** Korian (public company – ended in 2014), Foncière Développement Logements – FDL (public company – ended in 2013), Foncière des 6e et 7e arrdts de Paris SA (public company – merger on 21 April 2015)



**Catherine Allonas Barthe**

Born 18 January 1955 in Strasbourg (67)  
French national  
Business address: 42, rue des Mathurins – 75008 Paris

**Main function:**

**Chief Financial Officer of Crédit Mutuel Insurances**

**Biography:**

Catherine Allonas Barthe has a master's degree in mathematics. She is a graduate of the École Nationale de la Statistique et de l'Administration Économique (ENSAE), and has served as Financial Director of Insurance at Crédit Mutuel since 2003. In addition, she is General Manager of ACM Vie Mutuelle. Previously, Catherine Allonas Barthe served as Financial Director of SOCAPI, a subsidiary of the CIC banks, from 1992 to 2003.

**Number of shares held at 31 December 2015:** None

**Offices held within the Foncière des Régions group:**

**Permanent representative of ACM Vie, Director**

**Member of the Strategic and Investment Committee (with voting rights since 17 April 2015)**

Date of appointment: 31 January 2011

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2018 the annual financial statements for the year ended 31 December 2017

**Other offices held within the Foncière des Régions group:**

None

**Offices held outside the Foncière des Régions group:**

**General Manager:** ACM Vie SAM

**Deputy General Manager:** Assurances du Crédit Mutuel Vie SA

**Director:** CIC SA (public company)

**Member of the General Management:** Groupe des Assurances du Crédit Mutuel SA

**Permanent representative of ACM Vie SA, Director:** Serenis Assurances, Valinvest Gestion SICAV

**Permanent representative of ACM Vie Sam, Director:** GIE ACM

**Permanent representative of Adepi, Director:** CM-CIC Asset Management SAS

**Permanent representative of GACM, Director:** GACM Espagne

**Chairwoman of the Board of Directors:** Foncière Masséna SA (since 17 June 2015)

**Manager:** SCI ACM

**Terms of office expired within the last five fiscal years:**

**Permanent representative of ACM Vie SAM, member of the Supervisory Board:** CM-CIC Asset Management (ended in 2013)

**Permanent representative of ACM Vie SAM, Director:** Foncière de Paris (public company – ended in 2015)

**Permanent representative of Paragestion 2, Director:** CM-CIC Asset Management SAS (ended in 2014)

**Chairwoman:** Masséna Property SAS (merger in November 2015)



### Romolo Bardin

Born 23 April 1978 in Belluno, Italy

Italian national

Business address: 7, rue de la Chapelle, L-1325 Luxembourg

**Main function:**

**Deputy Director of Delfin Sarl**

### Biography:

Romolo Bardin is a graduate of Business Management at Ca' Foscari University in Venice. He is Financial Director of Delfin Sarl. Prior to that he held positions at Sunglass Hut Europe in London, and Luxottica Group in Italy

**Number of shares held at 31 December 2015:** 3,500

### Offices held within the Foncière des Régions group:

**Director**

**Member of the Strategic and Investment Committee**

**Member of the Audit Committee**

Date of appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2018 the annual financial statements for the year ended 31 December 2017

### Other offices held within the Foncière des Régions group:

**Member of the Board of Directors of foreign companies:** Batisica SA, Berlin I (since 28 May 2015), Berlin V (since 28 May 2015), Immeo Lux SARL (since 28 May 2015), Immeo Berlin Prime SARL

(since 28 May 2015 – formerly Immeo Prime Residential SARL), Berlin Prime Commercial SARL (since 28 May 2015), Immeo Valore 4 SARL (since 28 May 2015), Immeo Valore 6 SARL (since 28 May 2015)

### Offices held outside the Foncière des Régions group:

**Deputy Director:** Delfin SARL (foreign company)

**Member of the Board of Directors and Chairman and General Manager:** Aterno SARL, DFR Holding SARL, DFR Investment SARL, Redfern SARL, Delfin Finance SA, Immochapelle SA, Vast Gain SARL

### Terms of office expired within the last five fiscal years:

**Permanent representative of Delfin, member of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011)

**Permanent representative of Aterno, Director:** Foncière des Régions SA (public company – until 17 April 2015)

**Member of the Board of Directors:** Molmed SpA (foreign public company – ended in 2014)





## Delphine Benchetrit

Born 1 September 1968 in Paris (75)  
French national  
Business address: 76, avenue d'Iéna – 75116 Paris

**Main function:**  
**Managing Partner of Finae Advisors**

### Biography:

Delphine Benchetrit is a graduate of the Ecole Supérieure de Commerce de Paris and has a Master's degree in Corporate Finance. She started her career in 1994 as an investor within the Affine Group, and then was a banker at Natixis. As Executive Director, in 2004 she created the real estate department of Lehman Brothers France.

Delphine Benchetrit founded and has managed since 2009 the company Finae Advisors, an independent financial advisory company for real estate investors.

**Number of shares held at 31 December 2015:** None

### Offices held within the Foncière des Régions group:

#### Independent Director

Date of appointment: 17 April 2015  
Date of expiration of the term of office: GM approving in 2018 the annual financial statements for the year ended 31 December 2017

### Other offices held within the Foncière des Régions group:

None

### Offices held outside the Foncière des Régions group:

**Director and member of the Remunerations Committee:** Affine SA (public company)

### Terms of office expired within the last five fiscal years:

**Director and member of the Audit Committee:** Züblin Immobilière France (until 5 January 2015)



## Jean-Luc Biamonti

Born 17 August 1953 in Monaco  
Monegasque nationality  
Business address: 8, rue du Gabian – MC 98000 Monaco – Principality of Monaco

**Main function:**  
**Deputy Chairman of the Société des Bains de Mer Monaco**

### Biography:

Holder of an MBA from Columbia University and a graduate of the ESSEC, Jean-Luc Biamonti joined Goldman Sachs as an investment banker and held various offices there for 16 years. As a partner in the firm, he was responsible for banking business in France and for coverage of the distribution and mass market consumer goods industry in Europe. After having left the bank in 2008, he founded Calcium Capital and developed an SME investment business via this group. Since January 2013, he has been Deputy Chairman of Société des Bains de Mer Monaco, where he has been a Director since 1985 and Chairman of the Board of Directors since 1995.

**Number of shares held at 31 December 2015:** 429

### Offices held within the Foncière des Régions group:

#### Independent Director

#### Member of the Audit Committee

**Chairman of the Appointments and Remunerations Committee** (since 17 April 2015)

Date of appointment: 31 January 2011  
Date of re-appointment: 17 April 2015  
Date of expiration of the term of office: GM approving in 2017 the annual financial statements for the year ended 31 December 2016

### Other offices held within the Foncière des Régions group:

None

### Offices held outside the Foncière des Régions group:

**Deputy Chairman:** Société des Bains de Mer Monaco SA (foreign public company)

### Terms of office expired within the last five fiscal years:

None



### Sigrid Duhamel

Born 1 December 1965 in Paris (75)  
French and Danish nationality  
Business address: 11, place Édouard-VII, 75009 Paris

**Main function:**  
**Chair of CBRE Global Investors France**

#### Biography:

Sigrid Duhamel has been Chairwoman of CBRE Global Investors France since 1 December 2014. Previously, she was Group Real Estate Director at PSA Peugeot Citroën.

After graduating from ESTP in 1990, she joined Bouygues Construction and spent four years managing major industrial renovation and construction projects. She then earned an MBA at INSEAD and joined the US group, United Technologies, where she spent three years managing mergers and acquisitions. After four years' experience in executive recruitment at Eric Salmon & Partners, in 2005, she moved into the real estate business at Tishman Speyer in London, where she spent four years in charge of business development in Europe. In 2008, she joined Carrefour Property, where she was international portfolio director for three years.

Number of shares held at 31 December 2015: 252

#### Offices held within the Foncière des Régions group:

**Independent Director**

**Member of the Audit Committee (since 17 April 2015)**

Date of appointment: 28 April 2014

Date of expiration of the term of office: GM approving in 2018 the annual financial statements for the year ended 31 December 2017

#### Other offices held within the Foncière des Régions group:

None

#### Offices held outside the Foncière des Régions group:

**Member of the Supervisory Board:** SA Selectirente (public company)

**Chairwoman:** Urban Land Institute (ULI) France (association), Trustee of ULI

#### Terms of office expired within the last five fiscal years:

**Member of the Board of Directors:** Association des Directeurs Immobiliers (ADI – ended in 2015)



### Bertrand de Feydeau

Born 5 August 1948 in Paris (75)  
French national  
Business address: 10, avenue Kléber – 75116 Paris

**Main function:**  
**Chairman of the Board of Directors of Foncière Développement Logements – FDL**

#### Biography:

After legal and political sciences training at École du Louvre, Bertrand de Feydeau embarked on his career in real estate at Groupe de l'Union Internationale Immobilière and participated in its development worldwide as its Chief Financial Officer between 1972 and 1982.

In 1982, he joined Claude Bébéar's team at the regional insurance group, which in a few years would become one of the world's top financial groups, under the name AXA. He headed the Group's real-estate activity for 18 years, participating in the structuring of the business in order to give it an international and financial dimension.

In 2000, he was called by Monseigneur Lustiger to join the Paris diocese as its General Manager for Economic Affairs,

and he led the restoration of the Collège des Bernardins, inaugurated in September 2008.

In July 2010, he became Chairman of the Fondation des Bernardins.

He is currently Chairman of Foncière Développement Logements and a Director on the boards of various real estate companies (Klepierre, Affine, Foncière des Régions), in addition to being Chairman of the Palladio Foundation.

He is also Vice-Chairman of the Fondation du Patrimoine and Vice-Chairman of Vieilles Maisons Françaises.

Number of shares held at 31 December 2015: 371

#### Offices held within the Foncière des Régions group:

##### Independent Director

##### Chairman of the Audit Committee

Date of appointment: 31 January 2011

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2019 the annual financial statements for the year ended 31 December 2018

#### Other offices held within the Foncière des Régions group:

**Chairman of the Board of Directors, Chairman of the Investment Committee, Member of the Appointments and Remunerations Committee:** Foncière Développement Logements – FDL SA (public company)

#### Offices held outside the Foncière des Régions group:

**Chairman and General Manager:** Société des Manuscrits des Assureurs Français

**Director:** Klepierre (public company), Affine (public company), Société Beaujon SAS, Sefri-Cime

**Offices held in associations:** Chairman of the Fondation des Bernardins, Chairman of the Palladio Foundation, Director of the Fondation du Patrimoine (Vice-Chairman), Director of Vieilles Maisons Françaises (Vice-Chairman), Director of the F.S.I.F. (French federation of real estate companies), Director of the Club de l'Immobilier

#### Terms of office expired within the last five fiscal years:

**Director:** Klemurs (public company), SITC SAS, Radio Notre-Dame, KTO

**General Manager:** Parisian Diocesan Association

**Member of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011)

### GMF VIE

1, rue Raoul-Dautry – 95120 Ermont  
Pontoise Commercial and Trade Register 95120

Number of shares held at 31 December 2015: 4,443,857

#### Offices held within the Foncière des Régions group:

##### Director

Date of appointment: 31 January 2011

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: 10 February 2016

#### Other offices held within the Foncière des Régions group:

None

#### Offices held outside the Foncière des Régions group:

**Director:** AGSI GIE, Assistance Protection Juridique SA, Cegereal SA (public company), Covéa SGAM, Covéa Coopérations SA, Eurosic SA (public company), Fidelia Assistance SA, GMF Assurances SA, La Sauvegarde SA, Téléassurances SA, Maaf Vie SA

**Member of the Supervisory Board:** Foncière de Paris SIIC SA (public company)

**Member of the Supervisory Board:** Covéa Finance SAS

**Manager:** Silverseine SCI

#### Terms of office expired within the last five fiscal years:

**Member of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011),

**Director:** AME Réassurance SA, Azur GMF Mutuelles d'assurances Associées SA, Foncière Développement Logements – FDL SA (public company – ended in 2013), Foncière des 6<sup>e</sup> et 7<sup>e</sup> arrdt. de Paris SA (public company – ended in 2015), Medica SA (public company)

**Vice-Chairman of the Supervisory Board:** Covéa Finance SAS (ended in 2015)

Following the end of the 2015 fiscal year, the Board of Directors' meeting of 17 February 2016 appointed Covéa Coopérations as a Director, represented by Mr. Philippe Narzul, in replacement of GMF Vie.

### COVEA COOPERATIONS

14 boulevard Marie et Alexandre Oyon – 72030 Le Mans  
RCS Le Mans 439 881 137

Number of shares held at 31 December 2015: None

#### Offices held within the Foncière des Régions group:

##### Director

Date of appointment: 17 February 2016

Date of expiration of the term of office: General Meeting of 2019 approving the annual financial statements for the year ended 31 December 2018

#### Other offices held within the Foncière des Régions group:

None

#### Offices held outside the Foncière des Régions group:

**Director:** Assurland.com SA, Caja de Seguros Reunidos – Compania de Seguros y Reaseguros SA (CASER – foreign

company), Carma SA, Covéa Agora GIE (since 10 November 2015), DAS SA, Gespre Europe SA, GMF Assurances SA, MAAF Assurances SA (since 22 April 2015), MAAF Vie SA (since 12 June 2015), MMA IARD SA, MMA Vie SA

**Chairman of the Strategy Committee:** CAT.SA SAS

**Chairman:** CAT.SA SAS, Cesvi France SAS (since 2 November 2015)

**Member:** Cibail GIE (since 17 July 2015), Covéa Immobilier Support GIE

**Member of the Supervisory Board:** Lybnet Assurances SA

#### Terms of office expired within the last five fiscal years:

**Director:** AZ Plus SA (until 3 June 2015), Covéa Caution SA (until 16 December 2015), E-Santé SA (ended in 2014), Le Mans Conseil SA (until 4 August 2015)

**Member of the Supervisory Board:** Covéa Fleet SA (until 7 October 2015), Covéa Risks SA (until 10 August 2015), Fincorp SAS (until 22 December 2015)



## Philippe Narzul

Born 12 August 1953 in Wissembourg (67)  
French national

Business address: 14, boulevard Marie et Alexandre Oyon – 72000 Le Mans

### Main function:

**Director of Interests, Cash and Assets Control at Covéa**

### Biography:

Philippe Narzul graduated from the École Supérieure de Commerce de Paris (ESCP) and from Sciences Po Paris (IEP). After starting his career at the French Ministry of Budget, he joined the MMA Group in 1981. There, he held a number of positions in the Vie Actuarial, Vie Marketing and Sales, and Financial divisions. In 2003, he became Chairman and General Manager of Le Mans Conseil (subsidiary of MMA). In 2009, he became Director of Financial Strategy at MMA and Chairman of MMA Participations (subsidiary of MMA). In 2010, he became Chairman of Catalogne Participations (subsidiary of MMA). Since February 2015, he has been serving as Director of Interests, Cash and Asset Control at Covéa.

**Number of shares held at 31 December 2015:** None

### Offices held within the Foncière des Régions group:

**Permanent representative of Covéa Coopérations, Director since 17 February 2016**

**Member of the Strategic and Investment Committee**

Date of appointment: 17 February 2016

Date of expiration of the term of office: GM approving in 2019 the annual financial statements for the year ended 31 December 2018

### Other offices held within the Foncière des Régions group:

**Member of the Board of Directors:** None

### Offices held outside the Foncière des Régions group:

**Representative of Covéa Coopérations, Director:** Assurland.com SA

**Director:** MMA Alternative Fund (foreign company), MMA Holdings UK PLC (foreign company), Covéa Lux (foreign company), AME Life Lux (foreign company), Covéa Insurance Service LTD (foreign company), CSE ICO (foreign company), CSE Insurance Services (foreign company), CSE Safeguard (foreign company), GMF Financial Services Corporation (foreign company)

**Representative of GMF Vie, Director:** Eurosic SA (public company)

**Representative of GMF Vie, member of the Investment Committee:** Eurosic SA (public company)

**Representative of GMF Vie, member of the sustainable development committee:** Eurosic SA (public company)

**Chairman:** MMA Participations SAS

**Chairman of the Management Board:** Société Civile Sportive des MMA

**Representative of MMA Participations, Chairman:** MIDEPP SAS

**Representative of Maaf Assurances SA, member of the Supervisory Board:** EFFI Invest 1 SCA

**Representative of MMA Vie Assurances Mutuelles, member of the Supervisory Committee:** Covéa Finance SAS

**Chairman of the Asset Liabilities Management Committee:** CSE ICO (foreign company), CSE Insurance Services (foreign company), CSE Safeguard (foreign company), GMF Financial Services Corporation (foreign company)

### Terms of office expired within the last five fiscal years:

**Managing Director B:** Le Mans International Holding BV (ended in 2011)

**Director:** Le Mans Holdings PLC (ended in 2012), Le Mans Conseil SA (ended in 2015)

**Chairman of the Financial Committee:** Covéa Fleet SA (ended in 2012)

**Member of the Asset Management Committee:** Provident Insurance LTD (ended in 2012)

**Member of the Supervisory Board:** SCPI Cofipierre 3 (ended in 2011)

**Chairman:** Catalogne Participations SAS (ended in 2013)

**Representative of GMF Vie, Director:** Foncière Développement Logements – FDL (ended in 2013)

**Representative of MMA IARD Assurances Mutuelles, member of the Supervisory Board:** Covéa Fleet SA (ended in 2012)

**Representative of MMA IARD Assurances Mutuelles, Director:** Covéa Actions Monde SICAV (ended in 2011), Covéa Fleet Solutions SA (ended in 2012)

**Representative of Catalogne Participations, Chairman:** Covéa Groupe SAS (ended in 2013), MIDEPP SAS (ended in 2013)

**Representative of Catalogne Participations, Director:** Assurland.com SA (ended in 2013)

**Representative of Catalogne Participations, member of the Supervisory Board:** Fincorp SAS (ended in 2013)

**Representative of MMA IARD, Director:** E-SANTE SA (ended in 2014)

**Representative of MMA Participations, Chairman:** Covéa Groupe SAS (ended in 2014), Covéa Next SAS (ended in 2014)

**Representative of MMA Participations, member of the Supervisory Board:** Lybernet Assurances SA (ended in 2014)

**Representative of MMA Vie, Director:** Eurosic SA (ended in 2012)

**Representative of Covéa Coopérations, member of the Supervisory Board:** Fincorp SAS (ended in 2015)

**Chairman and General Manager:** Le Mans Conseil SA (ended in 2015)

**Representative of Covéa Risks, member of the Supervisory Committee:** Fincorp SAS (ended in 2015)



### Micaela Le Divelec Lemmi

Born 3 June 1968 in Florence, Italy  
Italian national

Business address: 6, Via Don Lorenzo Perosi – 50018 Scandicci (Florence) – Italy

#### Main function:

**Executive Vice President and Chief Consumer Officer of Gucci**

#### Biography:

Micaela Le Divelec is Executive Vice President of Gucci, member of the Kering Group, and, since March 2015, Chief Consumer Officer of Gucci leading the sales networks, after being responsible for compliance, legal affairs, human resources, security and Corporate Social Responsibility (CSR).

She was appointed in September 2014 as General Manager of Richard Ginori (part of the Kering Group).

Before being appointed to her current position, she was the Chief Financial Officer of Gucci and some of its subsidiaries in Italy, after having held various positions in the finance and management control department. She began her career as an auditor with Ernst & Young.

**Number of shares held at 31 December 2015:** 290

#### Offices held within the Foncière des Régions group:

##### Independent Director

Date of appointment: 25 April 2012

Date of expiration of the term of office: GM approving in 2016 the annual financial statements for the year ended 31 December 2015

#### Other offices held within the Foncière des Régions group:

None

#### Offices held outside the Foncière des Régions group:

**Member of foreign companies:** Guccio Gucci SpA, Gucci Logistica SpA

**Chairwoman:** Gauguin Srl (foreign company)

**Director at foreign companies:** Luxury Goods Retail Pvt, Gucci India Pvt, Gucci Thailand

#### Terms of office expired within the last five fiscal years:

**Foreign company chairwoman:** Calzaturificio Flora Srl (ended in 2014), Caravel Pelli Pregiate SpA (ended in 2014), Conceria Blutonic SpA (ended in 2014), Design Management Srl (ended in 2014), Garpe Srl (ended in 2014), Gauguin Srl (ended in 2014), GPA Srl (ex-Real Estate Inv. – ended in 2014), Guccio Gucci SpA (ended in 2014), G Commerce Europa SpA (ended in 2012), Ggw Italia Srl (ex-Deimos Srl – ended in 2012), GT Srl (ended in 2014)

**Foreign company Director:** Caravel Pelli Pregiate SpA (ended in 2014), Design Management Srl (ended in 2014), G Commerce Europe SpA (ended in 2012), GT Srl (ended in 2014), Guccio Gucci SpA (ended in 2014), Kering Italia SpA (ended in 2011), Kering Service Italia SpA (ended in 2012), Luxury Goods Italia SpA (ended in 2014), Gucci Asia Company Limited (ended in 2014), Gucci Group (HK) LTD (ended in 2014), Gucci Group Watches Inc (ended in 2014), Gucci Group Guam Inc (ended in 2014), Gucci Australia (ended in 2014), Lux. Timepieces (UK) Ltd (ended in 2014), Gucci Macau Limited (ended in 2014), Lux. Timepieces Japan Ltd (ended in 2014), Gucci Malaysia (ended in 2014), Gucci New Zealand Ltd (ended in 2014), Gucci Singapore Ltd (ended in 2014), Lux. Timepieces Espana (ended in 2014), Gucci Thailand Limited (ended in 2014), Gucci Group Korea Ltd (ended in 2014)

**Member of foreign companies:** GPA SRL (ex-Real Estate INV. – ended in 2014)

**Chairwoman of the Board of Directors:** Gucci France SAS (ended in 2013)

**Chairwoman:** Gucci Group Watches France (ended in 2013)

**General Manager:** Gucci Group Watches France (ended in 2011)

**Permanent representative of Gucci International NV, member of the Board:** Gucci Belgium (ended in 2013)

**Member of the Audit Committee:** Foncière des Régions SA (public company – until 17 April 2015)

**Director:** Gucci Spain (foreign company – ended in 2015)



### Sylvie Ouziel

Born 18 March 1970 in Boulogne-Billancourt (92)  
French national  
Business address: Königinstrasse 28 – Munich 80802 – Germany

#### Main function:

**Chairwoman and General Manager of Allianz Managed Operations & Services (Amos)**

#### Biography:

Sylvie Ouziel has been the General Manager of Allianz Managed Operations & Services (Amos) since 2012, the shared services entity set up by Allianz to build synergies amongst its various subsidiaries.

Sylvie Ouziel is a Centrale Paris graduate who rose to Deputy General Manager World for Accenture Management Consulting (formerly Andersen Consulting), where she started her management career, and where she occupied various leadership posts over twenty years affording her heavy exposure to the international scene.

**Number of shares held at 31 December 2015:** 425

**Offices held within the Foncière des Régions group:**  
**Independent Director**

#### Member of the Audit Committee (since 17 April 2015)

Date of appointment: 24 April 2013

Date of expiration of the term of office: GM approving in 2017 the annual financial statements for the year ended 31 December 2016

#### Other offices held within the Foncière des Régions group:

None

#### Offices held outside the Foncière des Régions group:

**Chairwoman and General Manager:** Allianz Managed Operations & Services (Amos – foreign company)

**Member of the Board:** AMOSA (Amos of America – foreign company)

**Member of the Supervisory Board:** M6 Métropole TV

#### Terms of office expired within the last five fiscal years:

**Member of the Board of Directors:** Aperam (ended in 2011)

### Predica

50/56, rue de la Procession – 75015 Paris  
Paris Commercial and Trade Register 334 028 123

**Number of shares held at 31 December 2015:** 4,598,765

#### Offices held within the Foncière des Régions group:

##### Director

Date of appointment: 31 January 2011

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2017 the annual financial statements for the year ended 31 December 2016

#### Other offices held within the Foncière des Régions group:

**Member of the Supervisory Board:** Foncière des Murs SCA (public company)

**Director:** Urbis Paris SA, Foncière Développement Logements – FDL SA (public company), B2 Hotel Invest OPPI

#### Offices held outside the Foncière des Régions group:

**Director:** Altarea SCA (public company), AEW Immocommercial OPCI, CAA Commerces 2 OPCI, Aéroport de Paris SA (public company), Gecina SA (public company), Eurosic SA (public company), Previsio Obsèques SA, La Médicale de France SA, CAAM Mone Cash SICAV, Predica Habitation OPCI, Predica

Bureaux OPCI, Predica Commerces OPCI, River Ouest OPCI, Sanef (HIT) SA, Korian-Medica SA (public company), Frey SA (public company), Lesica SAS, Messidor OPCI, CA Life Greece SA (foreign company), Générale de Santé SA (public company), Louvresses Development SAS, Fonds Nouvel Investissement 1 (SICAV), Fonds Nouvel Investissement 2 (SICAV), Fonds Stratégique de Participation (SICAV), Patrimoine & Commerce OPCI

**Member of the Supervisory Board:** Effi-Invest I SCA, Effi-Invest II SCA, Ofelia SAS, Unipierre Assurance SCPI, CA Grands Crus SAS, Sopresa (SA), Interfimo SA

**Co-Manager:** Predicare SARL

**Non-voting member of the Board, permanent representative:** Siparex Associés SA

**Chairwoman:** Citadel SAS, Citadel Holding SAS

#### Terms of office expired within the last five fiscal years:

**Member of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011), Lion SCPI (ended in 2015)

**Director:** Crédit Agricole Immobilier Promotion (ex-Unimo), Dolcea Vie, Foncière Paris France, SCI Holding Dalthia, Cyrius Conseil, Logitis





### Jérôme Grivet

Born 26 March 1962 in London  
French national  
Business address: 12, place des États-Unis, 92120 Montrouge

#### Main function:

**Deputy General Manager of Crédit Agricole SA in charge of the Group Finance Division**

#### Biography:

Jérôme Grivet is a graduate of ESSEC, the Paris Institute of Political Sciences (Sciences Po), and of the ENA. He spent his early career in administration (general inspection of finances, advisor to the Prime Minister for European Affairs) and went on to join Crédit Lyonnais in 1998, first as Financial Director of the retail banking business in France, and then as Director of Strategy. He was Deputy General Manager of Calyon from 2007 to 2010. From 2010 to 2015, he served as General Manager of Crédit Agricole Assurances and General Manager of Predica. He is a member of the Executive Committee of Crédit Agricole S.A. Since 21 May 2015, he has been serving as Deputy General Manager of Crédit Agricole SA responsible for the Group Finance Division.

**Number of shares held at 31 December 2015:** None

#### Offices held within the Foncière des Régions group:

**Permanent representative of Predica, Director**

**Member of the Strategic and Investment Committee**

**Member of the Appointments and Remunerations Committee**

Date of appointment: 31 January 2011

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2017 the annual financial statements for the year ended 31 December 2016

#### Other offices held within the Foncière des Régions group:

None

#### Offices held outside the Foncière des Régions group:

**Deputy General Manager and member of the Executive Committee:** Crédit Agricole SA (public company)

**Director:** Crédit Agricole Assurances SA (public company), Korian SA (public company), Icade SA (public company), Nexity (public company), CACEIS

**Permanent representative of Predica, Chairman:** Fonds Stratégique Participations SICAV

**Chairman:** Life Greece SA (foreign company)

#### Terms of office expired within the last five fiscal years:

**Director, Chairman of the Board of Directors:** Spirica SA

**Vice-Chairman:** BES Vida

**General Manager:** Crédit Agricole Insurance SA (public company), Predica SA

**Director:** Caagis SAS, Crédit Agricole Vita SpA (foreign company), Pacifica SA, CA Indosuez Private Banking, CA Cheuvreux, Cedecam, Ubaf, Newedge Group, Lcl Obligation Euro

**Deputy General Manager, member of the Executive Committee:** Calyon

**Managing Director:** CLSA BV, Sticking CLSA Foundation

**Permanent representative of Calyon, Director:** Fletirec

**Permanent representative of Predica, Director:** Siparex Associés, La Médicale de France

**Permanent representative of Crédit Agricole Assurances SA, Director:** Caci SA

**Permanent representative of Predica, member of the Supervisory Board:** CA Grands Crus SAS, Cape

**Chairman and General Manager, Director:** Mescas

**Chairman:** SNGI, CA Assurances Italie Holding, Dolcea Vie

**Non-voting member of the Board:** Aéroport de Paris, CA Immobilier, La Médicale de France SA.



## Pierre Vaquier

Born 30 December 1956 in Bourgneuf (23)  
French national  
Business address: Cœur Défense, Tour B, La Défense 4  
100, esplanade du Général-de-Gaulle, 92932 Paris-La Défense Cedex

**Main function:**  
**General Manager of Axa REIM**

### Biography:

Pierre Vaquier has over 30 years of experience in finance and real estate investment. He is currently General Manager of AXA REIM, where he chairs the Board of Directors and the Executive Committee. He is also Vice-Chairman and member of the Supervisory Board of Logement Français.

Pierre Vaquier has held several positions at Paribas and at AXA in France and in the United States. He graduated from the H.E.C. in 1980 and became a Partner at the Paribas investment bank's international department for two years. He then went to New York as Manager of real estate-related investment activities, before being named General Manager of Paribas Properties Inc. until 1992, then Partner of Paribas Asset Management.

In 1993, he returned to AXA as Director of Development for AXA Immobilier in Paris.

He became Chairman and General Manager of Colisées Services (AXA group) in 1995. In 1999, he was named Chairman and General Manager of AXA REIM.

Pierre Vaquier is a member of the "Royal Institution of Chartered Surveyors".

**Number of shares held at 31 December 2015:** 272

### Offices held within the Foncière des Régions group:

**Independent Director**

**Member of the Appointments and Remunerations Committee**

Date of appointment: 31 January 2011

Date of re-appointment: 17 April 2015

Date of expiration of the term of office: GM approving in 2017 the annual financial statements for the year ended 31 December 2016

### Other offices held within the Foncière des Régions group:

None

### Offices held outside the Foncière des Régions group:

**Director and General Manager:** AXA REIM SA

**Chairman and General Manager:** AXA REIM France SA

**Chairman:** Colisée Gérance SAS

**Chairman of the Board of Directors:** FDV Venture SA (foreign company) AXA Reim SGP SA, FDV Venture SA (foreign company)

**Member of the Management Committee:** Axa Suduiraut SAS

**Vice-Chairman and member of the Supervisory Board:** Logement Français SA (formerly SAPE)

**Director:** AXA Selectiv'immo SPPICAV, Axa Real Estate Investment Managers US LLC (foreign company), FDV II Participation Company SA, DV III General Partner SA, DV IV General Partner, FSIF, Ahorro Familiar SA (foreign company)

**Chairman and member of the Supervisory Board:** AXA Investment Managers Deutschland GmbH (foreign company)

**Director and Chairman of the Investments Committee:** Carmilla SAS

**Member of the Supervisory Board:** Sefricime Activité et Services SAS

### Terms of office expired within the last five fiscal years:

**Director, Member of the Audit Committee and Member of the Investment Committee:** Mercialys SA (public company)

**Director at foreign companies:** EOIV Management Company, European Retail Venture SA, FDV II Participation Company SA

**Chairman of the Board of Directors:** AXA Reim Italia SARL (foreign company), Dolmea Real Estate SA

**Permanent representative of AXA Reim France:** AXA Reim SGP SA, IPD France SAS, AXA Aedificandi SICAV

**Permanent representative of AXA France Vie, Director:** Segece SCS

**Director:** Drouot Pierre SPPICAV, Pierre Croissance SPPICAV, and Ugimmo SPPICAV

**Member of the Supervisory Board:** Foncière des Régions SA (public company – form changed in 2011)

**Chairman of the Appointments and Remunerations Committee:** Foncière des Régions SA (public company – until 17 April 2015)



## 5.6. ADMINISTRATION AND MANAGEMENT

### 5.6.1. Board of Directors

At the General Meeting of 31 January 2011, Foncière des Régions adopted the form of a public limited company (*société anonyme*) with a Board of Directors, separating the roles of Chairman and General Manager. This structure establishes a clear distinction between the strategy, decision-making and control functions, which are the responsibility of the Board of Directors, and the operational and executive functions, which are the responsibility of General Management.

#### 5.6.1.1. Appointments – Composition – Term of office – Dismissal (Articles 12 and 13 of the Articles of Association)

The Company is administered by a Board of Directors comprising at least 3 members and no more than 18 members, subject to statutory exemptions. The Board members are appointed by the Ordinary Meeting of Shareholders.

The term of office of Directors is four years. However, as an exception, the General Meeting may, at the suggestion of the Board of Directors, appoint or reappoint some Directors for a term of office of two or three years to allow for a staggered renewal of the Board of Directors. The term of a Director expires at the end of the Ordinary Meeting of Shareholders called to approve the financial statements for the previous year, held in the year in which the term of the said Director expires.

The number of members of the Board of Directors over the age of 75 may not be greater than one-third of the members in office. When this number is exceeded, and if a member of the Board aged seventy-five or over does not resign voluntarily within three months from the date the statutory limit was exceeded, the oldest member shall be automatically considered to have resigned.

Directors may be reappointed indefinitely, subject to the afore-mentioned provisions governing the age limit.

Directors may be dismissed at any time by the General Meeting, without indemnity or prior notice.

#### 5.6.1.2. Executives of the Board of Directors (Article 14 of the Articles of Association)

The Board of Directors appoints a Chairman from among its members (only an individual is eligible) and one or more Vice Chairmen, if required. It defines the terms of office, which may not exceed the appointee's term as a Board member, and which the Board may terminate at any time. The Chairman and Vice-Chairmen may be reappointed.

The age limit for the Chairman of the Board of Directors is 75. When the Chairman of the Board reaches this age limit during his/her term of office, he/she shall be automatically deemed to have resigned.

If the Chairman is temporarily incapacitated or dies, the oldest Vice-Chairman is delegated to serve as Chairman. In a case of temporary incapacity, this delegation is given for a limited period and may be renewed. If the Chairman dies, this delegation is valid until the appointment of a new Chairman.

Meetings of the Board of Directors are chaired by the Chairman. If the Chairman is absent, the meeting is chaired by one of the Vice-Chairmen present, appointed for each meeting by the Board of Directors. In the absence of the Chairman and Vice-Chairmen, the Board of Directors shall designate, for each meeting, one of the Directors present to chair the meeting.

The Board of Directors also appoints a Secretary, who does not have to be a member. It defines the Secretary's duties, which it may terminate at any time.

#### 5.6.1.3. Notice of meetings and deliberations of the Board of Directors (Article 15 of the Articles of Association)

The Board of Directors meets as often as required by the interests of the Company and whenever the Chairman deems appropriate, upon notice from the Chairman.

Directors representing at least one-third of the members of the Board may ask the Chairman to call a Board meeting at any time for a specific purpose.

If the roles of the General Manager and the Chairman are separate, the General Manager may ask the Chairman to call a Board meeting at any time for a specific purpose.

The Chairman is bound by the requests made to him/her in line with the aforementioned provisions, and must defer to them without delay.

Notices of meetings are conveyed by any written method at least five (5) days in advance. This five-day period may be reduced if one-third of the Directors agree to a shorter notification period. Meetings are held at the Company's registered office or any other location indicated in the notice of meeting.

The Board of Directors validly deliberates only if at least half of its members are present.

A director may give a written proxy to another director to represent him or her at a meeting of the Board of Directors in accordance with legal and regulatory provisions.

Decisions are adopted by a majority of the members present or represented. In the event of a tied vote, the meeting's Chairman does not have the casting vote.

Subject to the applicable laws and regulations, the meetings of the Board of Directors may be held *via* videoconference or telecommunications or any other method allowed under the law and the regulations under the conditions defined by the Internal Regulations adopted by the Board of Directors.

The deliberations of the Board of Directors are recorded in meeting minutes prepared in accordance with the law.



#### 5.6.1.4. Powers of the Board of Directors (Article 16 of the Articles of Association)

The Board of Directors determines the strategy for the Company's business and oversees its implementation. Subject to the powers expressly reserved for General Meetings of Shareholders and within the limits of the corporate purpose, the Board of Directors handles all matters affecting the operation of the Company and governs its business through its deliberations.

In its relations with third parties, the Company is also bound by the acts of the Board of Directors that are not within the Company purpose, unless it proves that the third party was aware that the act exceeded such purpose or that the third party should have been aware of this in view of the circumstances.

The Board of Directors carries out the checks and verifications that it considers necessary.

Each Director shall receive all the information necessary to perform his/her duties and may obtain from the Chairman or General Manager all documents necessary to perform his/her mission.

The Board of Directors may confer special assignments for one or more specific purposes to one or more of its members, or to third parties who do not need to be shareholders.

The Board may also create one or more permanent or temporary special Committees charged with studying matters which the Board or the Chairman submit for their opinion, and in particular an Audit Committee, an Appointments and Remunerations Committee and a Strategy and Investment Committee. These Committees, the members and duties of which are defined by the Board, shall conduct their activities under the responsibility of the Board.

#### 5.6.1.5. Remuneration of Directors (Article 17 of the Articles of Association)

The members of the Board of Directors may receive remuneration in the form of Directors' fees, the total amount of which is determined by the General Meeting and distributed freely by the Board.

The Board of Directors may allocate exceptional remuneration to Directors performing special assignments or mandates.

#### 5.6.1.6. Powers of the Chairman of the Board of Directors (Article 18 of the Articles of Association)

The Chairman of the Board of Directors organises and directs the work of the Board and reports to the General Meeting.

He or she oversees the various corporate bodies of the Company to ensure they are working smoothly and, in particular, that the Directors are in a position to fulfil their required duties.

The Board of Directors determines the amount, methods of calculation and payment of the Chairman's remuneration, if any.

The Chairman of the Board of Directors may also assume the General Management of the Company, in accordance with Article 19 of these Articles of Association.

#### 5.6.1.7. Duties of the members of the Board of Directors – Ethics (Article 5 of the Internal Regulations)

##### 5.6.1.7.1. Competence

Before taking up their duties, Board members must be familiar with the legal or regulatory texts governing their duties, the Company's Articles of Association and the Board's rules of procedure. All Board members shall ensure that they fully comply with legal requirements relating to the holding of multiple terms of office (no more than four other terms of office in public companies outside of the Group, including foreign companies), and must inform the Board of terms of office held in other companies, including their participation in the Board committees of any French or foreign companies. Whenever a Board member also holds an executive position, he/she shall, in addition to seeking authorisation from the Board prior to accepting any other new term of office in a public company outside the Group, refrain from accepting more than two other terms of office in public companies, including foreign companies, outside the group.

##### 5.6.1.7.2. Share ownership

The Company shares held by each member of the Board at the time he/she takes office must be recorded in registered form (pure or administered). The same shall apply for any shares acquired at a later date.

As an internal guideline and as a way to reflect their involvement in the Company's management, the members of the Board must hold a number of Company shares equivalent to around a year's worth of the Attendance fees received.

##### 5.6.1.7.3. Transparency

In accordance with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and the applicable provisions of the General Regulations of the AMF, each member of the Board is required to declare to the Company and to the AMF any purchase, sale, subscription or exchange transactions that he/she has made on Company securities, as well as on any related financial instruments. This declaration shall be made within five trading days after the execution of such transactions, when the total amount of the transactions made during the calendar year is greater than €5,000.

Any agreement governed by the provisions of Articles L. 225-38 of the French Commercial Code is furthermore subject to the filing, authorisation and control formalities required by Articles L. 225-38 to L. 225-42 of the same code.

##### 5.6.1.7.4. Duty of loyalty

Each person participating in the work of the Board, whether Board members or permanent representatives of a legal-entity Board member, shall have the obligation to use his or her best efforts to determine in good faith whether a conflict of interest exists. Such person is bound to inform the Chairman of the Board thereof as soon as he or she learns of any situation that could constitute a conflict of interest between (i) him or herself or the company for which he or she is the permanent representative, or any company of which he or she is an employee or agent,

or any company of the same group and (ii) the Company or any company in its Group.

These provisions shall apply in particular when, as part of any transaction under analysis or engaged in by the Company or any company of its Group, a member of the Board or a company of which a Board member is an employee or corporate officer (as well as any company in the same group) has interests competing with or contrary to those of the Company or of the companies in its Group.

In such a case, the Board member concerned (or the permanent representative of the legal-entity Board member concerned) must refrain from taking part in the deliberations of the Board (or of any Committee) relative to the said transaction and, in general, observe a strict duty of confidentiality.

In case of a standing conflict of interest, the Board member concerned (or the permanent representative of the legal-entity Board member concerned) must submit his/her resignation.

### 5.6.1.7.5. Duty of diligence

Each member of the Board is required to devote the time and attention necessary to the performance of his/her duties. He/she must be diligent and, to the extent possible, attend all of the meetings of the Board and, as the case may be, the Committees of which he/she is a member as well as the General Meetings of Shareholders.

### 5.6.1.7.6. Duty of confidentiality

In the case of non-public information acquired in connection with his/her duties and deemed to be confidential, each person

assisting the Board shall be bound to professional secrecy, beyond the simple obligation of discretion provided for by Article L. 225-37 of the French Commercial Code, and must strictly preserve its confidentiality. He/she must also refrain from trading Company securities pursuant to the rules on insider dealing and from trading securities of companies about which he/she has privileged information due to his/her duties, pursuant to the principles stipulated by the Guide to the Prevention of Insider Trading attached to the Board's Internal Regulations.

### 5.6.1.8. Non-voting members of the Board of Directors (Article 20 of the Articles of Association)

The Board of Directors may appoint one or more non-voting members (individuals or legal entities). It defines their term of office and any remuneration if they are assigned a particular mission.

The non-voting members of the Board of Directors attend meetings of the Board as observers and may be consulted by the Board. They must be called to every meeting of the Board of Directors, which may task them with specific missions.

The Board of Directors may decide to pay the non-voting members of the Board of Directors a portion of the Directors' fees allocated by the General Meeting and authorise the reimbursement of expenses incurred by the non-voting members of the Board of Directors in the interests of the Company.

The non-voting members of the Board of Directors are subject to the confidentiality obligations stipulated by the Board of Directors in its Internal Regulations.

## 5.6.2. General Management

### 5.6.2.1. Management of the Company (Article 19.1 of the Articles of Association)

The Company's general management is led, at the choice of the Board of Directors, either by the Chairman of the Board of Directors, or by another individual appointed by the Board of Directors with the title of General Manager.

The choice between these two methods of General Management is made by the Board of Directors, which must inform the shareholders and third parties as required by law.

The Board of Directors' decision on the choice of General Management method is made by a majority of the Directors present or represented.

### 5.6.2.2. General Manager (Article 19.1 of the Articles of Association)

When the general management of the Company is led by the Chairman of the Board of Directors, the provisions below on the General Manager are then applicable to him/her in addition to the provisions specific to his/her role as Chairman of the Board of Directors.

When the Board of Directors chooses to separate the roles of Chairman and General Manager, it will appoint the General Manager, define his/her term of office and determine his/her compensation and any limits on his/her powers.

The General Manager may be reappointed.

The age limit for holding the position of General Manager, separate from the position of Chairman, is 67. Irrespective of the term for which it is granted, the General Manager's office comes expires at the very latest after the Ordinary Meeting of Shareholders called to approve the financial statements for the previous year and held the year during which the General Manager turns 67.

The General Manager may be dismissed at any time by the Board of Directors. If the dismissal is decided upon without just cause, it may result in damages being paid, except when the General Manager is also the Chairman of the Board of Directors.

The General Manager is fully empowered to act in any situation on behalf of the Company. He/she exercises these powers within the limits of the corporate purpose and subject to the powers granted expressly by law and these Articles of Association to General Meetings of Shareholders and the Board of Directors.



The General Manager represents the Company in its relationships with third parties. The Company is also bound by the acts of the General Manager that are not within the limits of its corporate purpose, unless it proves that the third party was aware that the act exceeded such purpose or that the third party should have been aware of this in view of the circumstances. The publication of the Articles of Association is not on its own sufficient basis for such proof.

### 5.6.2.3. Deputy General Manager (Article 19.2 of the Articles of Association)

At the suggestion of the General Manager, the Board of Directors may appoint, from within its membership or not, one or several individuals to assist the General Manager, bearing the title of Deputy General Manager.

The maximum number of Deputy General Managers is set at five.

In agreement with the General Manager, the Board of Directors shall determine the scope and duration of the powers granted to the Deputy General Managers.

With respect to third parties, the Deputy General Managers have the same powers as the General Manager.

The age limit for holding the position of Deputy General Manager is 67.

Irrespective of the term for which they have been granted, the functions of Deputy General Manager expire at the very latest after the Ordinary Meeting of Shareholders called to approve the financial statements for the previous year and held in the year during which the Deputy General Manager turns 67.

The Board of Directors determines the remuneration of the Deputy General Managers.

If the General Manager relinquishes his/her duties or is prevented from carrying them out, the Deputy General Managers shall retain their functions and powers unless otherwise decided by the Board of Directors, until such time as a new General Manager is appointed.

Deputy General Managers may be dismissed at any time by the Board of Directors, at the suggestion of the General Manager. If the dismissal is decided upon without just cause, it may result in damages being paid.

## 5.6.3. Composition of the Board of Directors and General Management

The composition of the Board of Directors and the General Management of the Company is described in the Report of the Chairman of the Board of Directors on corporate governance and internal control, included in section 4.3. of Chapter 4 of the Reference Document.

## 5.6.4. Declarations relating to the information required by Article 14.1 of Annex 1 of Commission Regulation (EC) No. 809/2004

The corporate officers of the Company currently in office have declared to the Company:

- ♦ that they have not been convicted of fraud during the last five years
- ♦ that they have not been involved in bankruptcy, receivership or liquidation proceedings during at least the last five years

- ♦ that they have not been subject to any official public incrimination or sanction by a statutory or regulatory authority
- ♦ that they have not been prevented by a court from serving as a member of an administrative, management and supervisory body, or from being involved in managing or leading a Company's business during at least the last five years.

## 5.6.5. Conflicts of interest – Family ties

To our knowledge, there are no family ties among the Board of Directors nor, more generally, among the corporate officers, nor any potential conflict of interest between the duties of the members of the Board of Directors with regard to the Company and their private interests or other duties.

Article 9 of the Internal Regulations of the Board of Directors provides for a procedure to prevent conflicts of interests in the presentation of investment projects submitted to the Board and/or to the Strategy and Investment Committee.

Subject to confirmation by each Board or Strategy and Investment Committee member of the absence of a conflict of interest for each of the investment projects presented, the Board or Strategy and Investment Committee members shall receive the complete files for the projects in question and shall then be authorised

to participate in the deliberations of the Board or Strategy and Investment Committee on this agenda item.

Any Board or Strategy and Investment Committee member who fails to confirm the absence of a conflict of interest shall not receive the presentation files for the projects in question and will not be able to participate in the Board or Strategy and Investment Committee meeting during the discussion of the corresponding agenda items.

If a conflict of interest situation arises during the review of the investment project, the member concerned must, as soon as he/she is aware of the conflict, notify the Chairman and the Chairman of the Strategy and Investment Committee and return the documents in his/her possession, and may no longer participate in the Board or Strategy and Investment Committee

meetings devoted to a discussion of the agenda items relating to this investment project.

If a conflict of interest situation ceases to exist, the Board or Strategy and Investment Committee member may once again

participate in the deliberations of the Board or the Strategy and Investment Committee as of receipt, by the Chairman of the Strategy and Investment Committee and the Chairman of the Board, of notification of the conflict of interest's disappearance from the member concerned.

## 5.7. INFORMATION ABOUT THE COMPANY AND ITS INTERESTS

We have presented the main activities of our principal subsidiaries and investments in section 1.6. of the Reference Document.

### 5.7.1. Group organisation

Foncière des Régions is an investor in the office real estate sector in France and Italy (via its subsidiary Beni Stabili), with investments in commercial and residential real estate companies:

- investments in commercial real estate through Foncière des Murs (SIIC), which owns service sector properties in France, Germany, the Netherlands, Belgium and Portugal, through Foncière Europe Logistique (a private company), which owns logistics platforms and retail premises in France, and through Urbis Park (a private company), which owns parking facilities;
- an investment in residential real estate in France via Foncière Développement Logements (SIIC) and in Germany via Immeo SE (a private company).

Accordingly, as at 31 December 2015, the Foncière des Régions Group consisted of 292 separate legal entities, of which 105 were in the commercial sector, 87 in the Hotels and Service Sector, 4 in the logistics sector, 56 in the Germany Residential sector, 22 in the France Residential sector, 13 in parking facilities and 5 in service companies.

Foncière des Régions has teams responsible for managing its growth and for the management of its assets throughout the territory. Each main group company relies upon a dedicated asset management team.

This services provider activity developed within the Foncière des Régions group concentrates on enhancing portfolio value through:

- *Asset Management services*: this function focuses on the real estate strategy to be adopted for the assets held (disposal, renovations, financial management, etc.). Asset by asset, it consists of creating value to meet the expectations of the Group's companies by optimising the "profitability/risk" ratio

- *Asset Development services*: this function consists of assisting Group companies in activities to enhance the value of assets in the portfolio through real estate development. This function requires extensive expertise in real estate development
- *Property Management services*: management of all aspects of the life cycle of real estate assets (payments, ongoing and preventive maintenance, etc.). Property Management requires extensive expertise in leases, expense management, technical management, etc.

For portfolio transactions on large projects, Foncière des Régions has a dedicated team, via its subsidiary, Foncière des Régions Développement.

As regards rental property, the Property Management of Foncière des Régions, Foncière des Murs et Foncière Europe Logistique (except for the German and Luxembourg real estate portfolio) is provided by Foncière des Régions Property, a subsidiary of Foncière des Régions, which constitutes a common platform consisting of central services and personnel operating in regional agencies. Foncière Développement Logements (FDL), which had managed its French residential portfolio directly since 1 January 2009, turned over the management of its assets to Quadral Property, effective as of 1 April 2012.

The service agreements are straightforward and non-exclusive contracts.

The specialisation of the various sector companies of the Foncière des Régions group by type of asset means that the companies concerned are not exposed to potential conflicts of interest, in terms of investments, divestments or asset management.



### 5.7.2. Results of subsidiaries and investments

The table of results of subsidiaries and investments is shown in the individual financial statements (3.5.6.6.).

### 5.7.3. Company earnings over the past five fiscal years

The table of results of the Company over the past five fiscal years is shown in the individual financial statements (paragraph 3.5.6.8).

### 5.7.4. Information on cross-shareholding

None.

### 5.7.5. Extraordinary events and litigation

The Group may be involved in court or administrative proceedings and is liable to be subject to a notice of deficiency from the French Tax administration.

To the Company's knowledge, to date, except for the main proceedings under way set out in 3.2.2.9.4 and 3.2.6.12 in part 3,

there are no other extraordinary events or litigation likely to materially affect the portfolio, financial position, business or results of Foncière des Régions or its subsidiaries.

### 5.7.6. Ratings

Less than three years after Foncière des Régions obtained an inaugural rating of BBB-, Stable outlook, Standard & Poor's raised the Group's rating to BBB, Stable outlook in July 2015.

This significant upgrade recognises the work performed since 2012 to improve the quality of the portfolio and continually strengthen cash flow. It moreover reflects the sound balance sheet of Foncière des Régions.

## 5.8. INFORMATION ABOUT SOCIAL AND ENVIRONMENTAL IMPACT

Information on social and environmental impact is discussed in detail in part two of the Reference Document, "Sustainable Development".

## 5.9. CONTRACTS AND AGREEMENTS

### 5.9.1. Agreements of Article L. 225-102-1, last paragraph of the French Commercial Code

Pursuant to the provisions of Article L. 225-102-1, last paragraph of the French Commercial Code, we hereby inform you of the agreements entered into in 2015, directly or through an intermediary, between a manager, director, or shareholder owning over 10% of the Company's voting rights, and a subsidiary whose capital is owned over 50% directly or indirectly by the Company, it being specified that the stipulations of the aforementioned article do not include agreements relating to ongoing transactions and those concluded under normal conditions:

- ♦ Investment protocol signed on 18 June 2015 between Foncière des Régions, Predica and SCI DS Campus in the presence of SCI Latécoère 2, relating to the proposed expansion of "DS Campus"
- ♦ Rider No. 1 to the Shareholders' Agreement of 19 October 2012 regarding SCI Latécoère signed on 20 April 2015 between Foncière des Régions and SCI DS Campus in the presence of Predica and SCI Latécoère.



## 5.9.2. Material agreements

The material agreements to which the Company and/or certain of its subsidiaries are party are presented below.

### 5.9.2.1. Agreement between shareholders of Foncière des Murs, concluded between Foncière des Régions, ACM Vie, Predica, Pacifica and Generali Vie

In order to organise their relationship within Foncière des Murs SCA, Foncière des Régions, Predica, Pacifica, ACM Vie and Generali Vie signed a shareholders' agreement on 29 November 2004. In particular, this agreement provides a right of first offer in the event that any of the parties to the agreement seeks to sell some or all of its shares in the Company, if the shares whose sale is proposed constitute a block, as defined by Article 516-2 of the General Regulations of the *Autorité des Marchés Financiers*. The agreement also sets forth a commitment to discussion in good faith in the event that any party to the agreement seeks to sell on the market some or all of its shares in the company, representing at least 1% of the company's share capital. The parties to the agreement also agreed to distribute among themselves the seats on the Supervisory Board of Foncière des Murs SCA proportionately to their investments in the capital of the company.

### 5.9.2.2. Partnership between SARL Fédération (a wholly owned subsidiary of the Foncière des Régions group) and Predica for the Carré Suffren assets

An agreement was signed on 14 December 2004 between SARL Fédération and Predica (the "Partners") in the presence of Foncière des Régions for the acquisition of an asset located in Paris at 31-35, rue de la Fédération and 8-14, rue du Capitaine Scott by Federimmo, in which Predica sought to acquire a 40% investment within the framework of a partnership with Foncière des Régions. The purpose of this agreement was to establish the terms of this partnership by, in particular, contractually agreeing on the functioning and control of the company. The partners agreed to vote in favour of any proposed resolution for a capital increase of the company or subscription of a shareholder loan that is proposed, according to the company's financing needs, specifying that the additional contributions shall be made by the Partners in proportion to their investment in the company.

### 5.9.2.3. Framework partnership agreement between Foncière des Régions and Predica regarding the company Urbis Park

A framework partnership agreement was entered into on 6 April 2006 between Foncière des Régions, Predica, Heulin Frères, Xavier Heulin and Frédéric Heulin. The purpose of this agreement was to reorganise and accelerate the development of the Parking business of Urbis Park and determine the general principles for governing their cooperation for the purpose of investing in parking facilities. The main provisions of the partnership agreement concern the establishment of rules for (i) contributions of equity for the acquisition or development of assets, (ii) corporate governance, and (iii) transferring shares, the right of first offer

and drag-along rights, as well as the setting up of service, management and development agreements.

This agreement was amended on 25 August 2008. Following the sale of Urbis Park and Urbis Park Services shares in December 2009, the Heulin Frères, XH Invest and FH Invest companies, and Xavier Heulin and Frédéric Heulin are no longer parties to the agreement.

### 5.9.2.4. Shareholders' agreement concerning Foncière Développement Logements between Foncière des Régions, Predica, ACM Vie, Generali Vie, GMF Vie and GMF Assurances

On 29 November 2006, a shareholders' agreement concerning Foncière Développement Logements entered into between Foncière des Régions and the abovementioned parties terminated and replaced the agreement that had entered into effect on 21 December 2005 between the same parties, under which the parties sought to arrange their relations within Foncière Développement Logements, alongside the provisions of the company's Articles of Association, by organising a right of first offer as well as a right of pre-emption and share transfers within a group of shareholders. This agreement does not constitute an action in concert by its signatories.

Under the terms of the tendering of Foncière Développement Logements securities by ACM Vie and Covéa to the public exchange offer initiated by Foncière des Régions in August 2013, ACM Vie, GMF Vie and GMF Assurances are no longer parties to the agreement.

### 5.9.2.5. Memorandum of understanding between Foncière des Régions and Predica concerning the Euromed project

The purpose of the memorandum of understanding signed on 15 September 2006 is to define the principles of the partnership for finalising the project for which Predica was designated as the lead investor. It sets forth the terms of cooperation between Predica and Foncière des Régions to achieve, with the assistance of developers, the completion of four assets for office use, a hotel, a multiplex and a parking facility.

### 5.9.2.6. Memorandum of understanding between Aéroports de Paris, Altarea and Foncière des Régions regarding the Cœur d'Orly project

As part of a 50/50 consortium, Altarea and Foncière des Régions were selected following a consultation of developers-investors to develop, together with Aéroports de Paris, the first tranche of 160,000 m<sup>2</sup> gross internal area (SHON) of the Cœur d'Orly project. This partnership was finalised in 2008 through the creation of specialised development companies depending on the type of



assets (office or commercial) and controlled, directly or indirectly, by Aéroports de Paris (50%) and Altarea and Foncière des Régions (25% each). The shareholders of the companies are bound by a memorandum of understanding and a shareholders' agreement governing their rights and obligations signed on 10 March 2008.

#### **5.9.2.7. Shareholders' agreement between Foncière des Régions and CNP Assurances in the presence of Office CB 21 and Foncière des Régions SGP**

This agreement follows the signing on 25 November 2010 of a memorandum of understanding to define the principal terms and conditions of the partnership agreement relating to the shared ownership of the CB 21 Tower between CNP Assurances (25%) and Foncière des Régions (75%). A real estate collective investment undertaking, Office CB 21, was formed to hold the CB 21 Tower indirectly. As a result, on 20 December 2010, Foncière des Régions and CNP Assurances entered into a partnership agreement to organise their relations within the Office CB 21 SPICAV, and to determine their respective commitments and the conditions for the sale of their investments.

In particular, the agreement provides for:

- a period of non-transferability of the securities of the Office CB 21 SPICAV, CB 21 Tower and FDR 4 for four years from the date of signature of the agreement
- a right of first refusal in the event that one of the partners seeks to sell its investment at the expiration of the period of non-transferability, and a right of joint sale
- a right of first offer in the event of the sale by the Office CB 21 SPICAV of the securities of FDR 4 or of the CB 21 Tower at the end of the period of non-transferability.

#### **5.9.2.8. Issue of a bond (ORNANE of €550 million)**

In May 2011, the Company launched an issue of bonds redeemable in cash and/or in new or existing shares (ORNANE), maturing on 1 January 2017, with a priority period for a nominal amount of approximately €480 million, and the potential to be extended to a maximum nominal amount of approximately €550 million in the event that the entire extension clause was exercised. The extension clause was exercised on 18 May 2011, thus taking the amount of the issue to approximately €550 million, representing 6,405,776 bonds. This issue was made at an annual interest rate of 3.34% and a unit value of bonds of €85.86. It allowed the Company to diversify its sources of financing and extend the maturity of its debt. The proceeds of this issue were dedicated principally to refinancing existing lines of credit, and to a lesser extent, to financing the Company's general requirements.

#### **5.9.2.9. Investment agreement between Foncière des Régions and Predica – Prévoyance Dialogue of Crédit Agricole in the presence of SCI Latécoère**

An investment agreement reached on 19 July 2012 sets out the terms and conditions of the acquisition by Predica of 49.9% of the capital of SCI Latécoère, owner of a real estate development known as "DS Campus" located at Vélizy-Villacoublay and fully

leased to Dassault Systèmes on a firm 12-year lease coming due in 2020, by subscribing to a capital increase in cash reserved for Predica.

A shareholders' agreement regulating shareholder relations within SCI Latécoère, the subject of the partnership, was concluded on 19 October 2012 and was amended by rider No. 1 on 20 April 2015.

#### **5.9.2.10. Investment agreement between Foncière des Régions and Predica – Prévoyance Dialogue of Crédit Agricole in the presence of SCI Lenovilla**

An investment agreement reached on 19 July 2012 sets out the terms and conditions of the partnership between Foncière des Régions and Predica for completing a real estate development project known as "New Vélizy" in the Inovel Parc zone of Vélizy-Villacoublay and fully pre-leased to Thales.

The agreement states the principal contracts that Lenovilla must conclude under the project implementation process and sets the completion schedule for the project.

A shareholder's agreement regulating shareholder relations within SCI Lenovilla, the subject of the partnership, was concluded on 1 February 2013.

#### **5.9.2.11. Bond issue of €500 million**

The Company carried out a bond issue in the amount of €500 million on 9 October 2012 with French and European investors. The issue involves 5,000 bonds priced at €100,000 each maturing in January 2018, with a coupon of 3.875% and a spread of 295 basis points. The issue was carried out after obtaining a BBB- /Stable rating from Standard & Poor's on 28 September 2012. The banks BNPP, CA-CIB, CM-CIC, HSBC, Natixis, and SGCIB acted as lead managers in this bond issue.

#### **5.9.2.12. Bond issue of €180 million**

The Company carried out a private bond issue in the amount of €180 million on 12 March 2013 with French and European investors. The issue involves 1,800 bonds priced at €100,000 each maturing in April 2020, with a coupon of 3.30% and a spread of 197 basis points. The banks Natixis and Société Générale acted as lead managers in this bond issue.

#### **5.9.2.13. Bond issue (ORNANE of €345 million)**

In November 2013, the Company launched an issue of bonds redeemable in cash and/or in new or existing shares (ORNANE), maturing on 1 April 2019, for a nominal amount of €345 million after fully exercising the extension clause, representing 4,071,757 bonds. This issue was made at an annual interest rate of 0.875% and a unit value of bonds of €84.73. The proceeds of this issue were dedicated principally to refinancing a part of the Company's existing debt for the amount of some €170 million and carrying out the buyback for €110 million and the redemption of a portion of the ORNANE issued on 24 May 2011. For the remainder, proceeds from the issue of bonds were dedicated to financing the Company's general requirements.



#### **5.9.2.14. Investment agreement between Foncière des Régions and Predica – Prévoyance Dialogue of Crédit Agricole in the presence of SCI 11 Place de l'Europe**

The investment agreement signed on 19 December 2013 sets out the terms and conditions of the acquisition by Predica of 49.9% of the capital of SCI 11 Place de l'Europe, by subscribing to a capital increase in cash reserved for Predica. SCI 11 Place de l'Europe is the owner (i) of a real estate complex known as "Eiffage Construction", located at Vélizy-Villacoublay and fully leased to Eiffage Construction on a firm 12-year lease, and (ii) of an asset under construction, mainly for office use, known as "Eiffage Campus" located at Vélizy-Villacoublay and fully leased to Eiffage Construction from its delivery on a firm 12-year lease.

A shareholder's agreement regulating shareholder relations within SCI 11 Place de l'Europe, the subject of the partnership, was concluded on 19 December 2013.

#### **5.9.2.15. Bond issue of €500 million**

The Company carried out a bond issue in the amount of €500 million on 4 September 2014 with French and European investors. The issue involves 5,000 bonds priced at €100,000 each maturing in September 2021, with a coupon of 1.75% and a spread of 105 basis points. Barclays Bank PLC, CM-CIC

Securities, Merrill Lynch international and Société Générale acted as joint lead managers for this bond issue.

#### **5.9.2.16. Investment agreement between Foncière des Régions and Predica – Prévoyance Dialogue of Crédit Agricole in the presence of SCI Latécoère 2**

The investment agreement entered into on 18 June 2015 sets out the terms and conditions of Predica's investment through its subsidiary Holding Predica's acquisition of 49.9% of the capital of SCI Latécoère 2, by subscribing to a capital increase in cash reserved for Predica, having acquired the land ownership enabling the real estate development known as "DS Campus" located at Vélizy-Villacoublay.

A shareholders' agreement regulating shareholder relations within SCI Latécoère 2, the subject of the partnership, was concluded on the same day.

#### **5.9.2.17. Principal financial agreements**

The principal financial agreements are detailed in section 3.2.6.11.2 and in section 1 of paragraph 1.8.4. of the notes to the consolidated financial statements included in this Reference Document.

## **5.10. PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT**

### **5.10.1. Person responsible for the Reference Document**

Christophe Kullmann  
 General Manager

### **5.10.2. Certification of the person responsible for the Reference Document including the annual financial report**

I hereby certify, after having taken all reasonable measures to this effect, that the information contained in this Reference Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with the applicable accounting standards and give a fair view of the assets, liabilities, financial position and profit or loss of the Company and all of its consolidated companies, and that the management report of the Board of Directors including a concordance table on page 442, fairly reflects the development and performance of the business, the profit or loss and the financial position of the Company and all of its consolidated companies, as well as a description of the main risks and uncertainties they face.

I have received a completion letter from the Statutory Auditors stating that they have audited the information contained in this Reference Document about the financial position and financial statements and that they have read this document in its entirety.

The Statutory Auditors have reviewed the historical financial information presented in this Reference Document and have issued reports, included in sections 3.3. and 3.6. of this document.

For the 2013 fiscal year, without qualifying their opinion, the Statutory Auditors drew attention, in the report on the consolidated financial statements for the year ended 31 December 2013, to Notes 3.2.1.6.3. and 3.2.4.1.2., which present information relating to the measurement of the fair value of real estate portfolio following the first-time adoption of IFRS 13.



### 5.10.3. Declaration by the person responsible

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#### 5.10.3.1. Provisional timetable for financial reporting

General Meeting: 27 April 2016  
Publication of revenue of the first quarter of 2016: 4 May 2016  
Publication of half-yearly results of 2016: 22 July 2016  
Publication of revenue of the third quarter of 2016:  
4 November 2016

#### 5.10.3.2. Historic financial information

Pursuant to Article 28 of European Commission Regulation (EC) No. 809/2004 of 29 April 2004, the following information is incorporated by reference in this Reference Document:

- ♦ the consolidated financial statements relating to the year ended 31 December 2014 and the corresponding reports of the Statutory Auditors included on pages 349 to 350 of the 2014 Reference Document filed with the AMF on 17 March 2015 under No. D. 15-0149
- ♦ the consolidated financial statements relating to the year ended 31 December 2013 and the corresponding reports of the Statutory Auditors included on pages 313 to 314 of the 2013 Reference Document filed with the AMF on 24 March 2014 under No. D. 14-0190.

The IFRS/EPRA reconciliation was performed in 2010, the first year of reporting in EPRA format.

It is shown on pages 210, 220 and 221 of the 2010 Reference Document. No change has occurred in these adjustments since this reconciliation.





# TABLE OF CONCORDANCE



## Table of concordance for the Reference Document

(in accordance with the structure of Appendix I of (EC) Regulation No. 809/2004 of 29 April 2004)

	Type of information	Relevant parts	Pages
<b>1.</b>	<b>Responsible parties</b>		
1.1.	Parties responsible for information	5.10.1	436
1.2.	Statements made by the responsible parties	5.10.2	436
<b>2.</b>	<b>Statutory auditors</b>		
2.1.	Names and addresses	4.10	377
2.2.	Resignations/non-renewals	N/A	
2.3.	Compensation	3.2.8.6	265
<b>3.</b>	<b>Selected financial information</b>		
3.1.	Presentation of selected historical financial information	1.6; 1.7; 3.1; 3.2	45; 51; 201; 208
3.2.	Interim periods	N/A	
<b>4.</b>	<b>Risk factors</b>		
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4.2.	Financial risks	1.10.3 and 3.2.2	77 and 216
4.3.	Legal, fiscal and regulatory risks	1.10.4	78
4.4.	Risks related to specific regulations	1.10.4	78
4.5.	Environmental risks	1.10.4	78
4.6.	Risks related to the costs and availability of appropriate insurance cover	1.10.4	78
<b>5.</b>	<b>Information about the issuer</b>		
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5.1.1.	Name and purpose of the company	5.2.1.1	385
5.1.2.	Place of registration and registration number of the company	5.2.1.4	385
5.1.3.	Date of incorporation and term of the company	5.2.1.7	385
5.1.4.	Registered office and legal form of the company	5.2.1.2 and 5.2.1.3	385
5.1.5.	Development of the company's activity	1.3 and 3.2.5	10
5.2.	Investments	1.2; 1.4.6; 1.4.7	8; 18; 18
5.2.1.	Main investments made during the financial year	1.4.6	18
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Type of information	Relevant parts	Pages
<b>6. Overview of activities</b>		
6.1. Primary activities	1.4	14
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6.1.2. Major new products and/or services launched on the market	N/A	
6.2. Primary markets	1.5	22
6.3. Exceptional events	5.7.4 and 5.6.5	433 and 431
6.4. Dependence	N/A	
6.5. Competitive position	N/A	
<b>7. Organisation chart</b>		
7.1. Description of the group	5.7.1 and 5.1.2	432 and 384
7.2. List of major subsidiaries	5.7.2; 3.2.3.5 and 3.5.6.6	433; 221 and 306
<b>8. Real estate</b>		
8.1. Major property, plant and equipment	3.2.6.1.2 and 3.2.6.1.3	233 and 286
8.2. Environmental issues	2	82
<b>9. Review of the financial situation and income</b>		
9.1. Financial situation	1.6	45
9.2. Operating profit	1.6.1.3 and 3.2.5	48 and 230
<b>10. Cash and share capital</b>		
10.1. Issuer capital	3.1.4 and 3.5.3.3	205 and 290
10.2. Cash flow	3.1.5	206
10.3. Issuer's borrowing conditions and financing structure	1.8 and 3.2.6.11	59 and 243
10.4. Restriction on the use of funding	N/A	
10.5. Financing sources needed to fulfil commitments relating to investment decisions	3.2.6.11	243
<b>11. Research and development, patents and licenses</b>	3.5.6.9	312
<b>12. Information on trends</b>		
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12.2. Events that may influence trends	1.2 and 3.2.5	8 and 230
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<b>14. Administrative, management and supervisory bodies and general management</b>		
14.1. Information on members of the administrative, management and supervisory bodies	5.5.3 and 4.3.1	415 and 341
14.2. Conflicts of interest involving administrative, management and supervisory bodies and general management	5.6.5	431
<b>15. Compensation and benefits</b>		
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15.2. Amounts subject to provision	N/A	



Type of information	Relevant parts	Pages
<b>16. Operation of the administrative and management bodies</b>		
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16.2. Information on service agreements binding the members of the administrative, management or supervisory bodies to the issuer or any of its subsidiaries	5.9.2	434
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<b>17. Employees</b>		
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17.2. Profit-sharing and stock options	5.3.8; 5.3.9 and 2.9.2.4	393; 395 and 137
17.3. Agreement on employees' profit-share in issuer's capital	N/A	
<b>18. Principal shareholders</b>		
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18.2. Principal shareholders of the issuer having different voting rights	N/A	
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18.4. Agreement leading to a change of control	N/A	
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<b>20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses</b>		
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20.2. Pro forma financial information	N/A	
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<b>24. Documents accessible to the public</b>	5.2.1.9	385
<b>25. Information on holdings</b>	5.7.2; 3.5.6.6; 3.2.3.5; 5.1.2	433; 306; 221; 384

## Table of conformance to the annual financial report<sup>(1)</sup>

Type of information	Relevant parts	Pages
1 – Annual financial statements	3.4; 3.5	275; 279
2 – Consolidated financial statements	3.1; 3.2	201; 208
3 – Management report	Concordance with the Management Report	442
4 – Statement of individuals assuming responsibility for the document	5.10.3	437
5 – Statutory Auditors' report on the annual financial statements and the consolidated financial statements	3.3; 3.6	273; 313
6 – Statutory Auditors' fees	3.2.8.6	265
7 – Report by the Chairman of the Board of Directors on corporate governance and internal control	4.3	341
8 – Statutory Auditors' report prepared in accordance with Article L. 225-235 of the French Commercial Code on the report by the Chairman of the Board of Directors of Foncière des Régions	4.4	366

## Concordance with the Management Report

Type of information	Relevant parts	Pages
Overview of the position of the Company and Group over the past year (Articles L. 232-1-2 and L. 233-26 of the French Commercial Code); analysis of changes in the business, earnings and financial position of the Company and Group (Articles L. 225-100 and L. 225-100-2 of the French Commercial Code)	1.3 to 1.9	10 to 73
Outlook for the Company and Group (Articles L. 232-1-2 and L. 233-26 of the French Commercial Code)	1.3	10
Significant events between the balance sheet date and the drafting of the management report (Articles L. 232-1-2 and L. 233-26 of the French Commercial Code)	3.2.10	272
R&D activities (Article L. 232-1-2 and L. 233-26 of the French Commercial Code)	3.5.6.9	312
Information relating to the environment and employees (Article L. 225-100 and L. 225-100-2 of the French Commercial Code)	Chapter 2	82
Description of the main risks and uncertainties (Article L. 225-100 and L. 225-100-2 of the French Commercial Code)	1.10	74
Information relating to the Company's shareholding structure; summary of capital increase authorisations still in effect (Article L. 225-100 par. 7 of the French Commercial Code); statement of employee shareholding at the year end (Article L. 225-102 of the French Commercial Code); possible adjustments for securities providing access to the share capital (Article L. 228-99 and R. 228-89 of the French Commercial Code); summary of transactions carried out by Company Officers and related parties involving Company shares	5.3	390
Elements that could be relevant in the event of a takeover offer (Article L. 225-100-3 of the French Commercial Code)	5.4.3	401
Information on the number of shares purchased and sold during the year under a share buyback programme, and characteristics of these transactions (Article L. 225-211, par. 2 of the French Commercial Code)	5.3.8	393
Company earnings over the past five fiscal years (Article R. 225-102)	3.5.6.8	312
Amount of dividends paid in respect of the past three financial years	5.4.4	402
Information on terms of payment	3.5.6.10	312
Remuneration and benefits in kind received by each corporate officer; list of offices and functions held in all organisations by each of the Company Officers during the financial years (Article L. 225-102-1 of the French Commercial Code)	5.5	403
Amount of sumptuary expenses (French General Tax Code, Art. 223 quater)	3.5.4.6	300
Non-deductible overhead expenses to be added back to taxable income (French General Tax Code, Art.223 quinquies)	3.5.4.6	300
Significant equity investments or takeover of companies based in France (Article L. 233-6 of the French Commercial Code)	3.2.5 and 3.5.6.6	230 and 306
Agreements between a Company Officer or a major shareholder and a subsidiary (Article L. 225-102-1, last paragraph of the French Commercial Code)	5.9.1	433

<sup>(1)</sup> In accordance with Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulations.



# DEFINITIONS, ACRONYMS AND ABBREVIATIONS USED

## Cost of development projects

This indicator is calculated including interest costs. It includes the costs of the property and costs of construction.

## Debt interest rate

### ♦ Average cost:

$$\frac{\text{Financial Cost of Bank Debt for the period} + \text{Financial Cost of Hedges for the period}}{\text{Average Used Bank Debt outstanding in the year}}$$

- ♦ **Spot rate:** Definition equivalent to average interest rate over a period of time restricted to the last day of the period.

## Definition of the acronyms and abbreviations used:

- ♦ **MR:** Major Regional Cities, i.e. Bordeaux, Grenoble, Lille, Lyon, Metz, Aix-Marseille, Montpellier, Nantes, Nice, Rennes, Strasbourg and Toulouse
- ♦ **ED:** Excluding Duties
- ♦ **ID:** Including Duties
- ♦ **IDF:** Paris region (Île-de-France)
- ♦ **ILAT:** French office rental index
- ♦ **CCI:** Construction Cost Index
- ♦ **CPI:** Consumer Price Index
- ♦ **RRI:** Rental Reference Index
- ♦ **PACA:** Provence-Alpes-Côte-d'Azur
- ♦ **LFL:** Like-for-Like
- ♦ **GS:** Group share
- ♦ **CBD:** Central Business District
- ♦ **Rtn:** Yield
- ♦ **Chg:** Change
- ♦ **MRV:** Market Rental Value

## Firm residual term of leases

Average outstanding period remaining of a lease calculated from the date a tenant first takes up an exit option.

## Green Assets

"Green" buildings are those where the building and/or its operating status are certified as HQE, BREEAM, LEED, etc. and/or which have a recognised level of energy performance such as the BBC-effinergie®, HPE, THPE or RT Global certifications.

## Like-for-like change in rent

This indicator compares the accounted rental income from one fiscal year to another without taking into account any changes in scope: acquisitions, disposals, developments including the vacating and delivery of properties. The change is calculated on the basis of rental income under IFRS for strategic activities.

This change is restated for certain severance pay and income associated with the Italian real estate (IMU) tax.

The current scope includes all portfolio assets except assets under development.

## Like-for-like change in value

This indicator is used to compare asset values from one fiscal year to another without accounting for changes in scope: acquisitions, disposals, developments including the vacating and delivery of properties.

The change presented in portfolio tables is a figure that includes work carried out on the existing assets. The restated like-for-like change in value of this work is cited in the comments section.

The current scope includes all portfolio assets.

## Loan To Value (LTV)

The LTV calculation is detailed in Part 7 "Financial Resources".

## Net asset value per share (NAV/share) and Triple Net NAV per share

NAV per share (Triple Net NAV per share) is calculated pursuant to the EPRA recommendations, based on the shares outstanding as at year-end (excluding treasury shares) and adjusted for the effect of dilution.





## Occupancy rate

The occupancy rate corresponds to the spot financial occupancy rate at the end of the period and is calculated using the following formula:

$$\frac{1 - \text{Loss of rental income through vacancies (calculated at MRV)}}{\text{Rental income of occupied assets} + \text{loss of rental income}}$$

This indicator is calculated solely for properties on which asset management work has been done and therefore does not include assets available under pre-leasing agreements. Occupancy rate are calculated using annualised data solely on the strategic activities portfolio.

The indicator "Occupancy rate" includes all portfolio assets except assets under development.

## Operating assets

Properties leased or available for rent and actively marketed.

## Portfolio

The portfolio presented includes investment properties, properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value. For offices in France, the portfolio includes asset valuations of Euromed and New Vélizy, which are consolidated under the equity method.

## Projects

- ♦ **Committed projects:** these are projects for which promotion or construction contracts have been signed and/or work has begun and has not yet been completed at the closing date. The delivery date for the relevant asset has already been scheduled. They might pertain to VEFA (pre-construction) projects or to the repositioning of existing assets.
- ♦ **Managed projects:** These are projects that might be undertaken and that have no scheduled delivery date. In other words, projects for which the decision to launch operations has not been finalised.

## Recurring Net Income per share (RNI/share)

Recurring Net Income per share is calculated based on the average number of shares outstanding (excluding treasury shares) over the period under review and adjusted for the effect of dilution.

## Rental activity

Rental activity includes the total surface areas and the annualised rental income for renewed leases, vacated premises and new lettings during the period under review.

For renewed leases and new lettings, the figures provided take into account all contracts signed in the period so as to reflect the transactions completed, even if the start of the leases is subsequent to the period.

Lettings relating to assets under development (becoming effective at the delivery of the project) are identified under the heading "Pre-lets".

## Rental income

- ♦ **Recorded rent** corresponds to gross rental income accounted for over the year by taking into account deferment of any relief granted to tenants, in accordance with IFRS standards.
- ♦ **The like-for-like rental** income posted allows comparisons to be made between rental income from one year to the next, before taking into account changes to the portfolio (e.g. acquisitions, disposals, construction work and project deliveries) into account. This indicator is based on assets in operation, i.e. properties leased or available for rent and actively marketed.
- ♦ **Annualised "topped-up" rental** income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any relief.

## Surface

- ♦ **GIA:** Gross Internal Area
- ♦ **SUB:** Gross used surface

## Unpaid rent (%)

Unpaid rent corresponds to the net difference between charges, reversals and unrecoverable loss of income divided by rent invoiced. These appear directly in the income statement under net cost of unrecoverable income (except in Italy where unpaid amounts not relating to rents were restated).

## Yields/return

- ♦ **The portfolio returns** are calculated according to the following formula:

$$\frac{\text{Gross annualised rent (not corrected for vacancy)}}{\text{Value excl. duties for the relevant scope (operating or development)}}$$

- ♦ **The returns on asset disposals or acquisitions** are calculated according to the following formula:

$$\frac{\text{Gross annualised rent (not corrected for vacancy)}}{\text{Acquisition value incl. duties or disposal value excl. duties}}$$



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