2017 ACTIVITY REPORT

Foncière des Régions

NEW PROPOSALS,
NEW EUROPEAN PERSPECTIVES, NEW DEVELOPMENTS, A NEW SERVICE-ORIENTED DIMENSION, A NEW SPATIAL AND TEMPORAL FLEXIBILITY… FONCIÈRE DES RÉGIONS IS ADAPTING AND INNOVATING TO ASSIST WITH THE TRANSFORMATION OF BUSINESSES AND APPROACHES.
EVERYTHING IS CHANGING, EXCEPT FOR ONE THING ON WHICH OUR HISTORY IS BASED: OUR PARTNERSHIP-BASED CULTURE WHICH GUARANTEES THE BEST IN BOTH THE SHORT AND THE LONG TERM, WORKING NOT ONLY FOR OUR STAKEHOLDERS BUT ALSO WITH THEM.

€ billion
of assets

markets:
Offices, Hotels, Residential

of assets in Paris, Berlin, Milan

THE MEANING OF HISTORY

Foncière des Régions is confirming its shift in focus to Europe. Its multi-asset property model is more than ever generating synergies and creating value. The company that I chair is entering a new phase of its development based on those two pillars that are forging its future.

The real estate product is changing at a very fast pace. Many regions and clients are today moving towards a new generation of buildings, which combine service, hotel and residential property. The diversified positioning of Foncière des Régions, which is unusual in the reits landscape, corresponds to this change in lifestyle and working habits at a European level.

The company is undergoing a big change and we, on the Board, are at the heart of its transformation. In 2017, we gave a lot of attention to customer relations and new services, to anticipate our partners' needs and of course to keep a step ahead in terms of innovation. The Board is also very deeply committed to the human resources policy and, on the occasion of the 2017 Commitment Barometer survey, it took a closer look at the way in which employees address these changes, which range from the restructuring of workspaces to digital tools and collaborative methods.

"In 2017, we gave a lot of attention to customer relations, new services to anticipate our partners' needs, and of course, to keep pace with innovation."

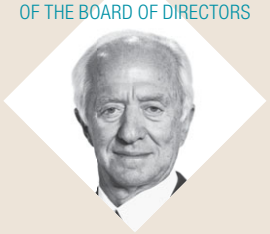
Foncière des Régions's employees are its strength and their state of mind is the guarantee of its success. The Board's strategic seminar which was held in Milan for two days enabled us to share this state of mind, to feel the strong team dynamics and to assess the quality of the company's management.

In 2018, the pace is going to step up and we will experience exciting transformations that we will face serenely and confidently.

JEAN LAURENT
Chairman of the Board of Directors

It defines the strategic orientations of Foncière des Régions and guarantees their implementation. It is made up of fifteen members, present both as individuals or as representatives of legal entities, and one of whom is a non-voting member.

Leonardo Del Vecchio
VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

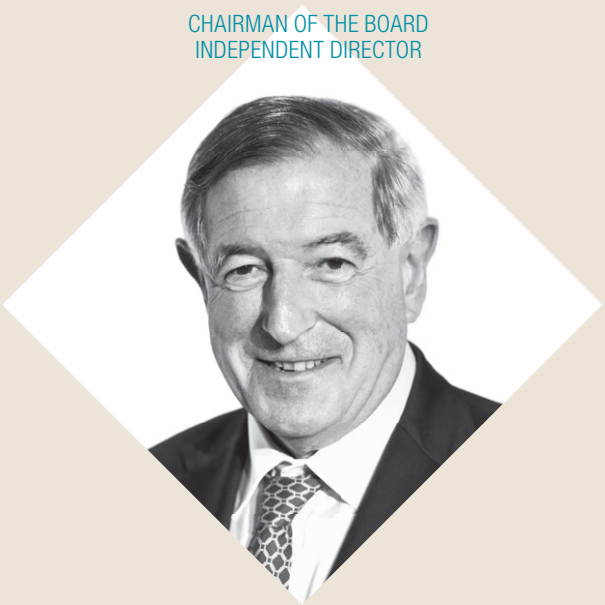


Catherine Allonas-Barthe
PERMANENT REPRESENTATIVE OF ACM VIE

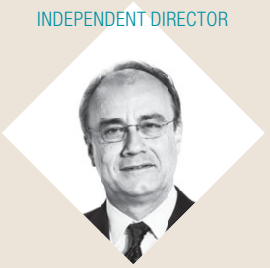
Romolo Bardin
DIRECTOR

Delphine Benchetrit
INDEPENDENT DIRECTOR

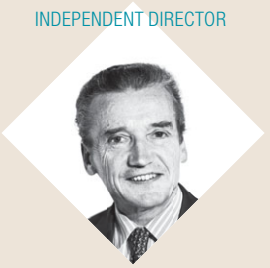
Jean Laurent
CHAIRMAN OF THE BOARD
INDEPENDENT DIRECTOR



Jean-Luc Biamonti
INDEPENDENT DIRECTOR



Bertrand de Feydeau
INDEPENDENT DIRECTOR



Sigrid Duhamel
INDEPENDENT DIRECTOR

Jérôme Grivet
PERMANENT REPRESENTATIVE OF PREDICA

Christophe Kullmann
DIRECTOR/ CHIEF EXECUTIVE OFFICER

Sylvie Ouziel
INDEPENDENT DIRECTOR

Patricia Savin
INDEPENDENT DIRECTOR

Catherine Soubie
INDEPENDENT DIRECTOR

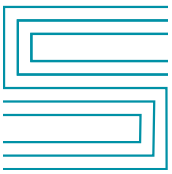
Laurent Tollié
PERMANENT REPRESENTATIVE OF COVÉA COOPÉRATIONS

Pierre Vaquier
INDEPENDENT DIRECTOR

Sergio Erede
NON-VOTING MEMBER

A new raison d’être

CHRISTOPHE KULLMANN
Chief Executive Officer

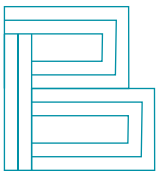


SUPPORT AND ASSISTANCE

the ambition of Foncière des Régions is to transform our clients through real estate. Our partnership-oriented DNA places us very close to the expectations of our clients, to bring them a new real estate experience. As a global real estate operator, both investor and developer, we converge our products – offices, residential property and hotels – into multi-purpose buildings that are in tune with today's new challenges.

LIVING

transformation in-house: that is the approach adopted by Foncière des Régions, by giving priority to the end user. To keep our ear closer to the ground and to capture trends, we have switched to the digital mode. Our multiple property expertise breaks down the walls of our know-how to forge a service-oriented rationale. To invent this inspiring on-demand approach to real estate, we are opening out to other universes to step out of the box.



BEING

a human company that is both agile and attractive is the greatest ambition of Foncière des Régions. This transformation of our model is based on the commitment and talent of our employees. The key concepts in our Human Resources policy are support, transmitting the value of our skills and developing loyalty. We are European both in our attitude and in our organization. A group where our employees feel happy to work, where it is possible to undertake any project and where mistakes are accepted. A group in which women and men have the same chances of success. A group that is decidedly different, ready to invent the real estate that will change the way we work, live and travel.

ESSENTIAL

TRENDS

by the members of the Management Committee

CLIENTS 1

Being constantly attentive to both their current and their future needs.

MARIELLE SEEGMULLER
Operations Director

EXPERIMENTATION 2

Berlin is reinventing itself and has become our laboratory of tomorrow's real estate.

THIERRY BEAUDEMOULIN
CEO Residential

COLLABORATIVE 3

Our projects increasingly combine different uses, businesses and staff.

ALEXEI DAL PASTRO
General Manager, Italy

TOMORROW 4

More services and more experiences for our clients, more synergies and more Europe in our businesses, and even more perspectives for our employees.

CHRISTOPHE KULLMANN
Chief Executive Officer

ANTICIPATION 5

We are no longer looking to rent built buildings, we want to build rented buildings.

AUDREY CAMUS
Head of Development

SYNERGIES 6

Products, activities, countries, tools and, of course, processes.

MARJOLAINE ALQUIER DE L'ÉPINE
Head of Audit and Internal Control

ASSETS 7

To ensure the continuity of our assets at a time when everything is changing, we have to bring them to life.

TUGDUAL MILLET
Chief Financial Officer

IDENTITY 8

Foncière des Régions's identity is going to change to reveal our transformation.

YVES MARQUE
Chief Operating Officer

CONTINUITY 9

Operation after operation, we affirm our status as the preferred partner of players in the European hotel industry.

DOMINIQUE OZANNE
Deputy CEO – Hotels

OPEN 10

Digital technology is opening dialogue with our clients and reinventing our relationship with them.

LAURIE GOUDALLIER
Chief Digital Officer

DIVERSIFICATION 11

Extend our areas of intervention, always provide our clients with more, for all our three products: this is our priority.

OLIVIER ESTÈVE
Deputy CEO – Offices

ALWAYS

MORE STRIVE FOR CONVERGENCES BETWEEN OUR PRODUCTS

Increasingly, the barriers between
work, housing and recreation are disappearing.
Uses are converging.
Office and hotel products are becoming increasingly closer.
Synergies are being developed between
Foncière des Régions' businesses and are
at the heart of its buildings.
Today, we think of
diversity upstream.

*"On the Alexanderplatz,
the crossroads of transport
and retail at the heart of Berlin,
we are going to roll out all our businesses
– hotels, residential and offices – in an urban
complex that will create a new future for this
square that is laden with history."*

MARCUS BARTENSTEIN
Head of Investment & Retail Development, Germany

"Concierge services have entered the office, shared spaces are now in hotels. The diversity of uses and the increase in the services are boosting porosity between products. These shared codes are fashioning the new signature of Foncière des Régions.

JOHANNA WAGNER
Hotel Portfolio Manager

5.1 € billion

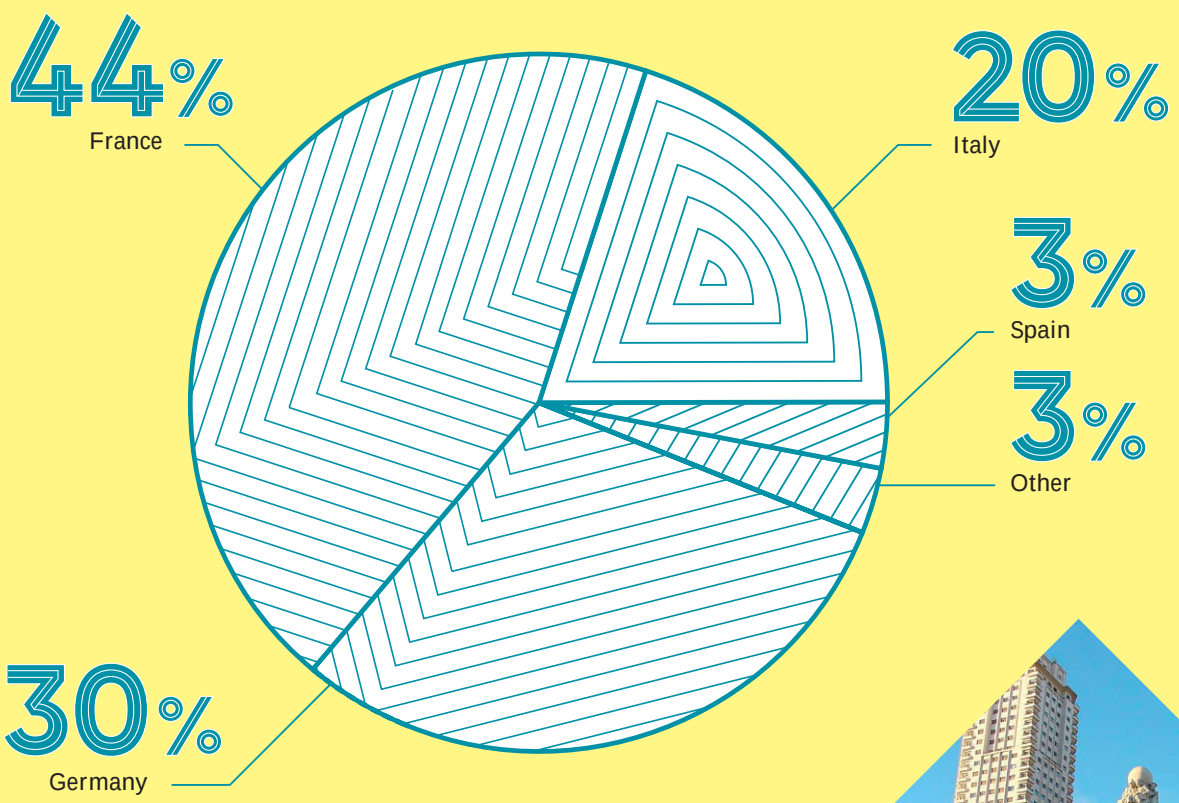
of the development pipeline in Europe, with innovative operations such as N2 in Paris, The Sign in Milan or Alexanderplatz in Berlin.

ALWAYS

MORE EUROPE IN OUR DAY-TO-DAY LIFE

In 2017, Foncière des Régions set up operations in Spain, increased its foothold in Germany and stepped up the pace in Italy. 60% of its assets are now located in Europe (excluding France). Exactly what is needed to continue to nurture its European culture and inspiration without boundaries.

BREAKDOWN OF ASSETS BY COUNTRY



"The Symbiosis project is our laboratory for experimenting new ways of working in real estate. Co-designed with the city of Milan, it is designed square meter by square meter with the future users, and everything becomes a workspace, whether as offices or gardens."

ANNA DI GIRONIMO
Head of Symbiosis Development,
Head of Product Innovation, Italy

1.8 € billion
of investments in major European cities

"The acquisition of a portfolio of 17 hotels concentrated in Barcelona and Madrid has already given us the critical mass on the Spanish market, the world's third largest tourist destination. The recruitment of a country manager guarantees local momentum."

GAËL LE LAY
Deputy CEO,
Hotels & Hospitality Management

EVER

MORE AGILE IN OUR OFFERINGS

"With coliving, the criterion is not so much the issue of price as that of the experience and the search for a community spirit. It is a new way of thinking of accommodation that is suited to the trends in Berlin and a new way of creating value on our assets."

KEVIN LABUS
Residential Asset & Transaction Management, Germany

3,000
coliving rooms
in Berlin by 2022

70,000 m²
pro-working areas
in Europe by 2022

"By enriching the best of coworking with client feedback, Foncière des Régions is inaugurating a new offering in its image – fully flexible yet very demanding in the tiniest details – and under its own brand: Wellio. With four sites open in 2018 and about fifteen by 2022, the group is intending to become the leader of pro-working in Europe."

CÉLINE LEONARDI
Director, Wellio

In a trendy neighbourhood
A fully appointed apartment of roughly 100 sq.m.
4 to 5 private rooms
Shared kitchen and living room
Wi-Fi and laundry services
To be rented for six months or one year

LIVING

WORKING

A unique diversity of spaces
A premium offering: comfort and design
Top-of-the-range services
Business and relaxation activities
A "Plug & Play" solution
A Europe-wide network

wellio

www.wellio.fr

ALWAYS

ALWAYS MORE EXPERIENCES FOR OUR CLIENTS

The revolution in building uses has brought us closer to end users and opened a new page of our partnership history. We are still and will continue to be inspired by the *client-centric* approach. The hackathon organized with our partners Orange and IBM brought together more than 100 participants from all horizons, broke down the codes and contributed to bringing life to the office of tomorrow.

+ FLEXIBILITY

"For the Via Cernaia project in Milan, we experienced each stage of the development with our client, Amundi, and shared every single one of its expectations for a flexible building – combining work and recreation, large spaces and confidentiality –, service-oriented, smart, easy to live in and ready to change!"

FRANCESCA VAGLIANI
Head of Development for Refurbishment Project, Italy

"Real estate has become the preferred lever of transformation of businesses and a key vector of attractiveness. Location is obviously crucial, but is not the only criterion. Services, client experience, innovation, well-being and performance also count... It is up to us to understand, anticipate and fulfill these needs so as to enrich the customer relationship."

FABIEN GUISSEAU
Head of Letting

+ SERVICES

+50% of value creation on the operations delivered in 2017

12 projects delivered, 89,000 sq.m. of offices and 683 hotel rooms, rented to **98%**

ALWAYS +

MORE ATTRACTIVE TO OUR EMPLOYEES

The setting up of teleworking is a success.
The Commitment Barometer Survey reveals the quality of life within the company. Products are both getting closer and bringing countries and employees closer.
Training and targeted programs such as Ex-aequo, that boosts gender equality in the company, open up perspectives. Welcome to the real estate of today's world!

82%

employees are proud to work at Foncière des Régions

"The excellent results of the Commitment Barometer are testimony of employees' pride in belonging to the Foncière des Régions group, of their optimism and their trust in our collective future. They also illustrate the efforts made with respect to quality of life in the workplace."

ELSA CANETTI
Human Resources Director

"We now need to be European every day. This involves the creation of shared functions, itineraries, codes and tools. For Foncière des Régions European integration is a wonderful opportunity to become a united and unique group."

ARMIN HUTNER
Chief Legal Officer, Germany

88%
the employees interviewed consider that there is a good atmosphere in the company

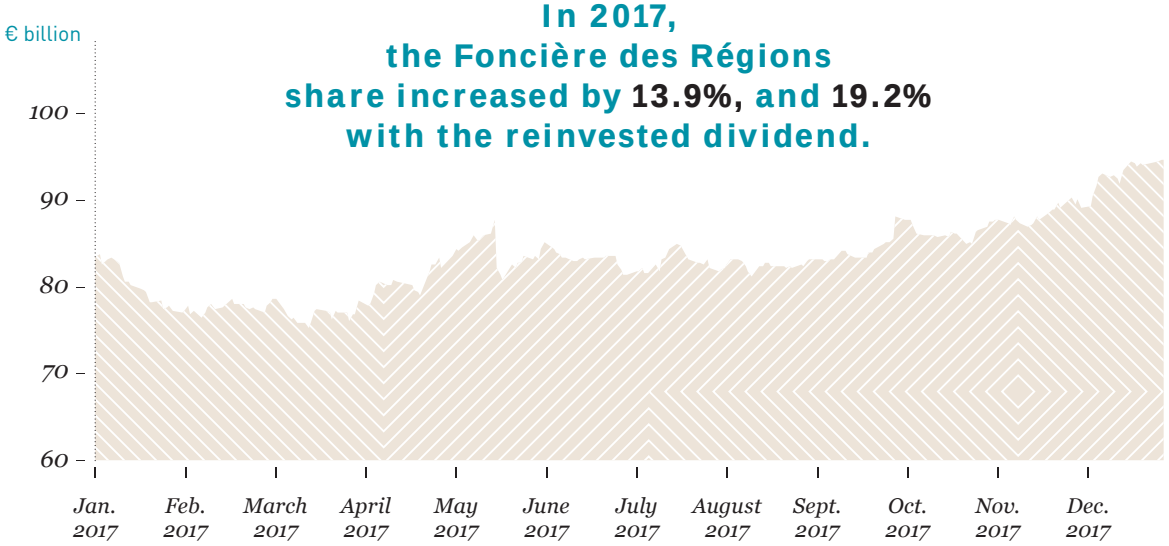
83%
believe that they can develop their aptitudes and skills

Survey conducted by the Kantar TNS institute on the French market from 24 April to 12 May 2017.

SHAREHOLDERS' NOTES

Share price performance of
Foncière des Régions in 2017

**In 2017,
the Foncière des Régions
share increased by 13.9%, and 19.2%
with the reinvested dividend.**



Financial and rental performance

98 %
Occupancy rate

927 M€
Rental income

358 M€
EPRA Earnings
(€4.86 per share)

7.1 Md€
ANR EPRA
(€94.50 per share)

Non-financial performance *Green offices*

73 %
Offices in France

54 %
Offices in Italy

48 %
Hotels in Europe

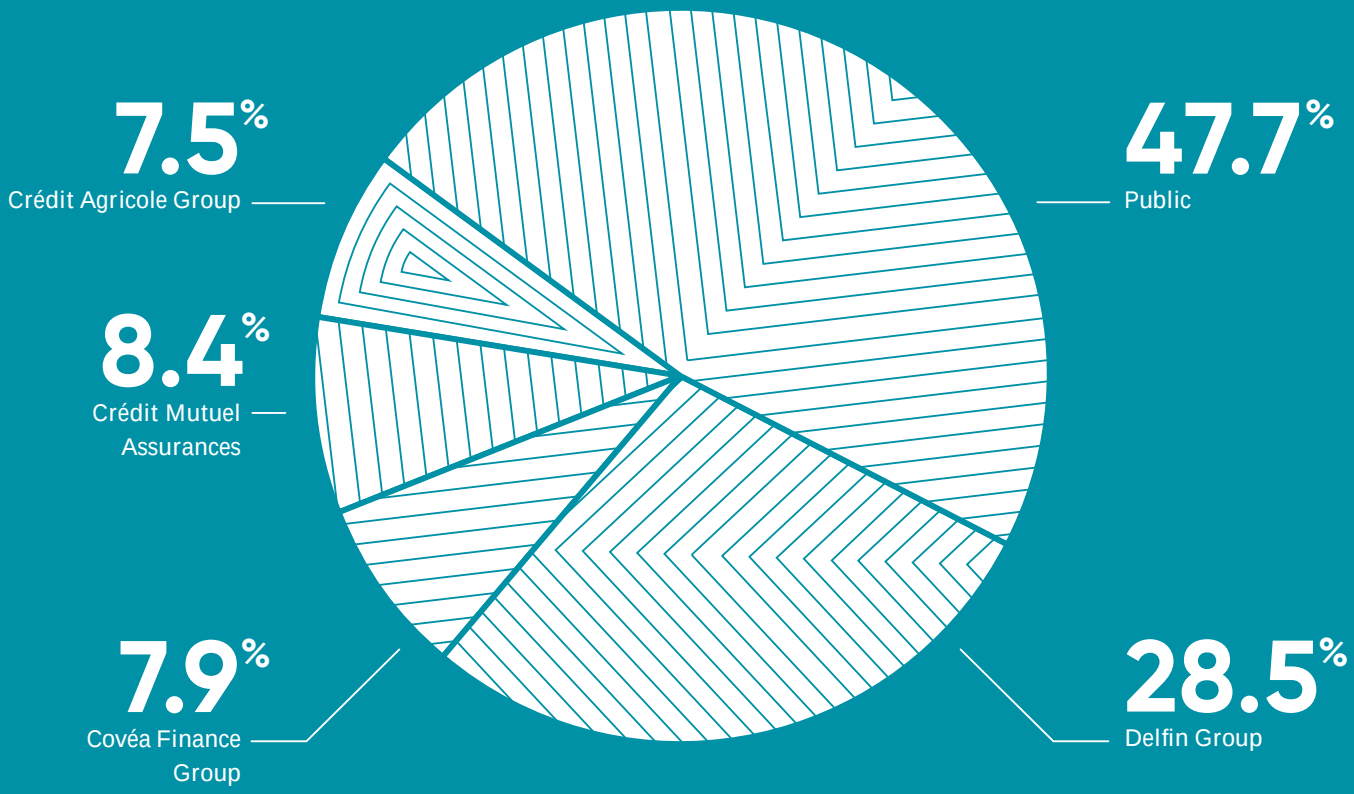
2017 DIVIDEND

4.50 €/ACTION*

up 2.3% compared with 2016 dividend

* Submitted for approval at the AGM of 19 April 2018.

BREAKDOWN OF CAPITAL AT END 2017



COMPANY ID

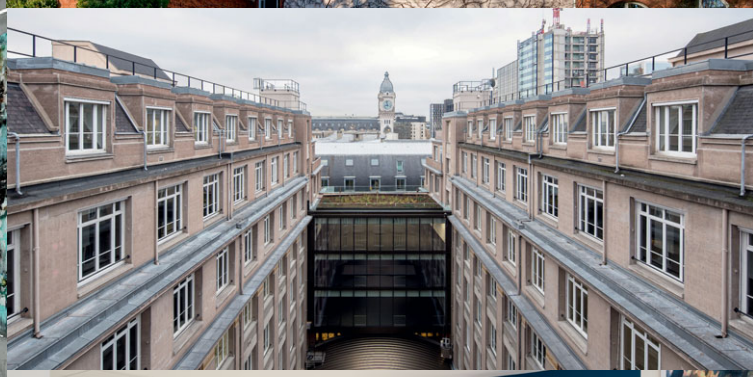
- ISIN Code: FR0000064578
- Mnemonic code: FDR
- Place of listing: Euronext Paris
- Market: Compartment local securities A Blue Chips-SRD
- Business sector: Real Estate Investment Trusts
- SRD: eligible
- Indices: MSCI, SBF 120, Euronext IEIF "SIIC France", CAC Mid 100, in the benchmark indices of European real estate companies "EPRA" and "GPR 250", and in the FTSE4Good, DJSI World and Euronext Vigeo ethical indices (World 120, Eurozone 120, Europe 120 and France 20)
- Foncière des Régions has a BBB/stable rating by Standard & Poor's

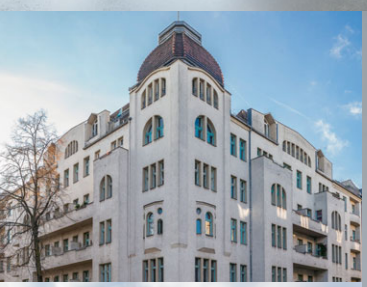
DIRECT OWN-NAME OR ADMINISTERED SHARE REGISTRATION

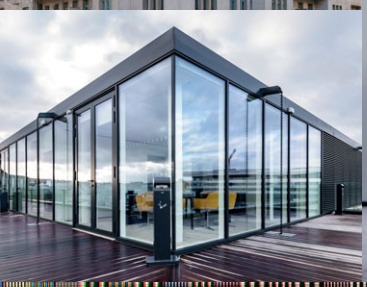
In both cases, all you need to do is contact your financial intermediary or simply call 0 826 109 119 (BNP Paribas Securities Services).

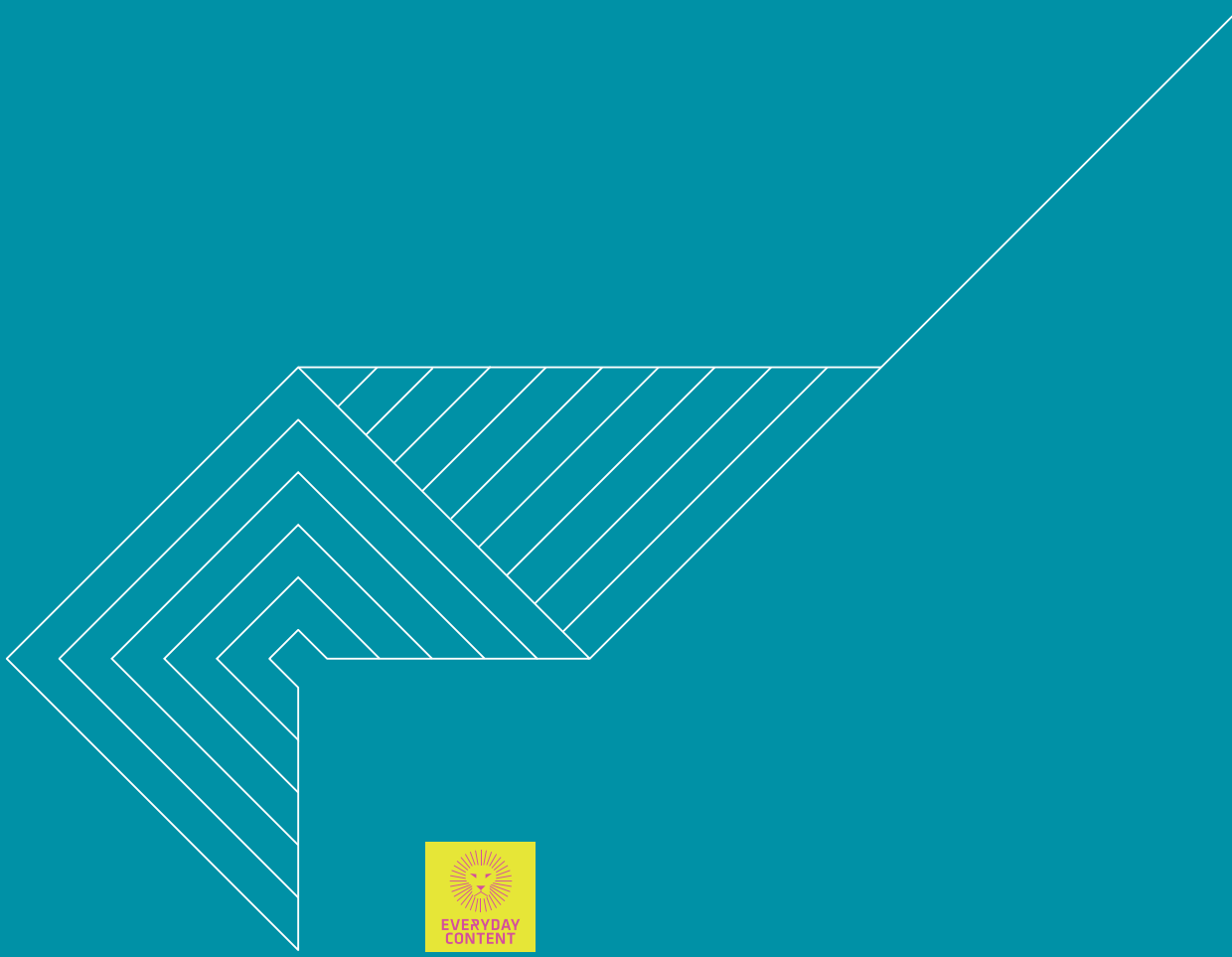
PRIVATE SHAREHOLDERS HOTLINE

Toll free:
0 805 400 865
(toll free from a land line)
E-mail: actionnaires@fdr.fr









EVERYDAY CONTENT

DESIGN - CREATION

COMMUNICATION DEPARTMENT
FONCIÈRE DES RÉGIONS
March 2018

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