

2010 Annual Results

Moderate decline in recurring net income in a difficult market environment

	2009	2010	Change (%)
Assets in € millions	1,140	1,181	+ 3.6%*
NAV per share in € **	3.9	4.4	+13.0%
Consolidated revenues in € millions	92.4	86.8	- 3.0%*
Consolidated recurring net income in € millions	38.4	36.0	- 6.3%
Net income in € millions	-118.7	61.8	NA

* on a like-for-like basis

** before financial instruments and deferred taxes

NAV up 13%, supported by increased asset value

At 31 December 2010, the assets of Foncière Europe Logistique were valued at €1,181 million excluding rights, up 3.6% on a like-for-like basis versus 31 December 2009, primarily distributed between logistics assets (+3.3%) and light industrial (+9.9%).

This change was largely due to a decline in capitalisation rates over the year, and the renovation of Citrail at Pantin, which began in late 2010. The potential yield excluding portfolio rights totals 8.5%.

The EPRA NAV (excluding financial instruments and deferred taxes) was €4.4/share, up 13% over December 31, 2009 (+€0.5/share). Triple-net NAV excluding financial instruments was €4.1/share, versus €3.6/share at the end of 2009.

Reinforced financial structure: 300-bps decline in LTV to 57.6%

Net debt at 31 December 10 was €680 million, or 57.6% of asset value, for banking covenants set at 65%. This level of debt is a clear reduction from 31 December 2009 (60.6%), due to the appreciation in assets and cash generated by the company's activity.

The average debt rate was stable overall at 4.9% (versus 4.8% at year-end 2009), while the spot rate at year-end 2010 was 4.5%. The entire debt is repayable *in fine* when due in 2014.

The debt is 82% hedged with an average maturity of 5.3 years.

The ICR was 2.1 at 31 December 2010, significantly up on its banking covenants (1.5).

Limited decline in rental income on a like-for-like basis

As at 31 December 2010, leasing revenue totalled €86.6 million:

EUR '000s	2009	2010	Change (%)	Like-for-like change (%)
Logistics France	49,540	45,067	-9.0%	-4.4%
Logistics Germany	8,302	8,725	+5.1%	+6.3%
Light industrial	18,260	17,706	-3.0%	-3.0%
Garonor Aulnay	16,066	15,093	-6.1%	-3.6%
TOTAL	92,168	86,591	-6.1%	-3.0%

In a difficult market environment, the change in rental income between 31 December 2009 and 31 December 2010 was - €5.6 million. This decline was due to:

- a limited decline of 3.0% in rental income on a like-for-like basis: - €2.7 million
- disposals in 2009: - €1.5 million
- the end of lease guarantees activated in 2009: - €1.1 million
- the demolition of two buildings at the Garonor Aulnay site, in order to redevelop this site: - €0.3 million

The change in rental income on a like-for-like basis may largely be explained by:

- the securing of leasing revenue by means of lease extensions at rents between current rents and market rents (impact: - €2.4 million)
- an increase in average vacancies in 2010 (impact: - €0.2 million), despite a rebound in occupancy rates at year-end, to 11.9% at 31 December 2010, versus 12.3% at end-December 2009
- indexation of rents (impact: - €0.1 million)

Residual lease duration stable at some three years

Foncière Europe Logistique signed leases for some 471,000 m² of floor space, including 312,000 m² for renewals and 159,000 m² for new tenants. In the Logistics sector, these leases represent one quarter of assets and demonstrate the company's intention to provide greater visibility with regard to future income.

Following these signings, the average remaining duration of leases in the Logistics portfolio was 2 years and 10 months.

Slight decrease in recurring net income

The ongoing process of cost rationalisation as well as lower interest expenses allowed Foncière Europe Logistique to post recurring net income of € 36.0 million, i.e., down 6.3%.

Net recurrent earnings per share for Foncière Europe Logistique, however, slid more significantly (-15%) to €0.31 from €0.37 at 31 December 2009, due to the increase in share capital to €2/share in June 2009.

EPRA recurring net income includes, among other items, the cost of unpaid debts, totalling €34.4 million, i.e., €0.30/share.

A dividend of €0.17/share

During fiscal year 2010, the General Shareholders' Meeting of 8 April 2011 will propose paying a dividend of €0.17/share.

Strategy and outlook

The rebound in activity noted at the end of 2010 should allow the company to improve its occupancy rate and leasing revenue in 2011.

The company also intends to continue its development and concentrate from now on the following aspects:

- ongoing asset-management work on increasing the occupancy rate and the long-term stability of leasing revenue, by lengthening the duration of leases,
- adapting its assets to future logistics challenges, specifically by anticipating and assessing future environmental standards, particularly at the Garonor Aulnay and Pantin sites, where renovations have begun.

About Foncière Europe Logistique

Foncière Europe Logistique, 67.1% owned by Foncière des Régions, is a listed property investment company under France's SIIC regime (*Société d'Investissements Immobiliers Cotée*) and specialises in investment in logistics and light industrial. At 31 December 2010, Foncière Europe Logistique held an asset portfolio valued at 1.2 billion euros, with assets located in France and Germany.

The Chairman of the Supervisory Board of Foncière Europe Logistique is Yan Perchet. Foncière Europe Logistique is managed by François de La Rochefoucauld.

Foncière Europe Logistique is listed on Euronext Paris, compartment B (FR0000064305 - FEL)

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See this press release at www.fonciere-europe-logistique.fr