

**SECOND SUPPLEMENT DATED 4 APRIL 2011  
TO THE BASE PROSPECTUS DATED 1 JULY 2010**



**Euro 125,000,000,000  
Euro Medium Term Note Programme  
for the issue of *Obligations Foncières* due from one month from the date of original issue**

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 1 July 2010 (the “**Base Prospectus**”) which has been prepared by Compagnie de Financement Foncier (the “**Issuer**”) with respect to its €125,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) and the first supplement dated 2 September 2010 (the “**First Supplement**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa no. 10-214 on 1 July 2010 on the Base Prospectus and visa no 10-301 on 2 September 2010 on the First Supplement.

Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

Application has been made to the AMF in France for approval of this Second Supplement to the Base Prospectus, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* and, at the same time for the notification of a certificate of approval released to the *Commission de Surveillance du Secteur Financier in Luxembourg* for Notes issued under the Programme to be listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, both of approval and notification being made in its capacity as competent authority under Article 212-2 of the *Règlement Général* of the AMF which implements the Prospectus Directive.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus and the First Supplement which is capable of affecting the assessment of the Notes to be issued under the Programme since the publication of the Base Prospectus as supplemented by the First Supplement. To the extent that there is any inconsistency between (a) any statements in this Second Supplement and (b) any other statement in, or incorporated in, the Base Prospectus as supplemented by the First Supplement, the statements in (a) above will prevail.

Copies of this Second Supplement (a) may be obtained, free of charge, at the principal place of business of the Issuer, 4, Quai de Bercy, 94224 Charenton, France, during normal business hours, and (b) will be available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

This Second Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purposes of incorporating by reference the financial report as of 31 December 2010 of the Issuer and its financial statements (the "**2010 Annual Financial Statements**") which are included in the *Document de Référence* of the Compagnie de Financement Foncier (filed with the AMF on 1 April 2011 in accordance with Article 212-13 of its general regulation and registered under number D.11-0214) and for the purposes of updating section "Terms and Conditions of the Notes" of the Base Prospectus.

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## 1. 2010 ANNUAL FINANCIAL STATEMENTS

This Second Prospectus Supplement incorporates by reference the financial report as of 31 December 2010 of the Issuer and its financial statements (the “**2010 Annual Financial Statements**”) which are included in the *Document de Référence* of the Compagnie de Financement Foncier (filed with the AMF on 1 April 2011 in accordance with Article 212-13 of its general regulation and registered under number D.11-0214). The information incorporated by reference in this Second Supplement shall be read in connection with the following cross-reference list:

| <b>Information incorporated by reference</b> | <b><i>Document de Référence</i> Page number</b> |
|--|---|
| Management Report                            | Volume 2 Pages 3 to 31                          |
| Balance Sheet                                | Volume 2 Page 33                                |
| Off Balance Sheet                            | Volume 2 Page 34                                |
| Income Statement                             | Volume 2 Page 35                                |
| Cash Flow Statement                          | Volume 2 Pages 76 to 77                         |
| Notes  | Volume 2 Pages 33 to 78                         |
| Statutory Auditors' Report                   | Volume 2 Pages 79 to 80                         |

## 2. UPDATE OF THE SECTION “TERMS AND CONDITIONS OF THE NOTES” OF THE BASE PROSPECTUS

The Condition 6(h) in section “Terms and Conditions of the Notes” on page 67 of the Base Prospectus is deleted and replaced with the following:

**“Purchases:** The Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. All Notes so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the Notes in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier*”

The Condition 6(i) in section “Terms and Conditions of the Notes” on page 67 of the Base Prospectus is deleted and replaced with the following:

**“Cancellation:** All Notes purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Bearer Materialised Notes, by surrendering Temporary Global Certificate or the definitive Bearer Materialised Notes in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Materialised Notes, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.”

The Condition 6(j) in section “Terms and Conditions of the Notes” of the Base Prospectus is created and added with the following:

**“(j) Subscription and use as collateral:** Notwithstanding this Condition 6, the Issuer may, pursuant to Article L.515-32-1 of the French *Code monétaire et financier*, subscribe its own Notes for the sole purpose of pledging them as collateral for the credit operations of the Banque de France in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the Issuer is unable to meet its cash-flow needs with other means available to it.”

### 3. PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT

#### In the name of the Issuer

We declare, having taken all reasonable care to ensure that such is the case and to the best of our knowledge, that the information contained in this Second Supplement (when read together with the Base Prospectus as supplemented by the First Supplement) is in accordance with the facts and that it contains no omission likely to affect its import.

#### **Compagnie de Financement Foncier**

19, rue des Capucines

75001 Paris

France

Duly represented by:

Thierry Dufour

*Président Directeur Général / Chairman and C.E.O.*

Duly authorised

Date : 4 April 2011



#### ***Autorité des marchés financiers***

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* ("**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa no. 11-092 on 4 April 2011. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.