

SFL – Third-Quarter 2018 Financial Information

Rental income: €143.8m, up 4.6% like-for-like

Consolidated revenue by business segment (€000's)

	2018 (9 months)	2017 (9 months)
Rental income	143,790	147,819
<i>o/w Paris Central Business District</i>	119,038	114,326
<i>Paris Other</i>	22,479	21,526
<i>Western Crescent</i>	2,273	11,967
Other revenue	0	0
Total consolidated revenue	143,790	147,819

At €143.8 million, consolidated rental income for the first nine months of 2018 was down €4.0 million or 2.7% compared to the €147.8 million reported for the same period of 2017. The decline was due to the disposal of the IN/OUT property in September 2017, the effects of which were offset to a significant extent by growth in like-for-like income.

- On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €6.0 million (4.6%) higher, reflecting the contribution of new leases signed in 2017 and 2018, mainly in the Washington Plaza, 103 Grenelle, Cézanne Saint-Honoré and 9 Percier properties, as well as an increase in rents for Galerie des Champs-Élysées retail units and for the #cloud.paris and 131 Wagram office properties.
- The sale of the IN/OUT building on 29 September 2017 led to a €9.7 million decrease in rental income compared to the first nine months of 2017.
- Lastly, income from assets under redevelopment and various penalties dipped by €0.3 million versus the year earlier period.

During the first nine months of 2018, leases were signed on close to 20,000 sq.m. of space, of which over 11,000 sq.m in the third quarter.

The average nominal rent for office space leased was €694 per sq.m. and the effective rent was €605 per sq.m.

The physical occupancy rate for revenue-generating buildings remained high, at 96.6% as of 30 September 2018 versus 96.4% as of 31 December 2017, while the EPRA vacancy rate stood at 2.5%.

No properties were purchased or sold during the first nine months of 2018.

At 30 September 2018, SFL's consolidated net debt amounted to €1,662 million, compared with €1,631 million at 31 December 2017, representing a loan-to-value ratio of 24.4% based on the portfolio's appraisal value at 30 June 2018.

At 30 September 2018, SFL had €820 million in committed undrawn lines of credit.

About SFL

Leader in the prime segment of the Parisian commercial real estate market, Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at €6.4 billion and is focused on the Central Business District of Paris (#cloud.paris, Edouard VII, Washington Plaza, etc.), and for the quality of its client portfolio, which is composed of prestigious companies in the consulting, media, digital, luxury, finance and insurance sectors. As France's oldest property company, SFL demonstrates year after year an unwavering commitment to its strategy focused on creating a high value in use for users and, ultimately, substantial appraisal values for its properties.

Stock market: Euronext Paris Compartment A – Euronext Paris ISIN FR0000033409 – Bloomberg: FLY FP – Reuters: FLYP PA

S&P rating: BBB+ stable outlook