



# 2018 Annual Results Presentation



18/02/2019



# Overview

**1 Introduction & Property Portfolio at 31 December 2018**

**2 2018 Rental Activity**

**3 Property Transactions**

**4 Financial Statements & Results**

**Appendices**



# 1

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## **Introduction & Property Portfolio at 31 December 2018**

# 1 Key Indicators

## Performance indicators



### Profit and Loss Account

• Rental income:	<b>€193.5m</b>	(up 5.0% like-for-like)
• EPRA Earnings:	<b>€106.7m</b>	(up 4.1%)
• Attributable net profit:	<b>€351.6m</b>	

### Statement of Financial Position

• Portfolio value (excl. transfer costs):	<b>€6,570m</b>	(up 5.5%)
• EPRA NNAV:	<b>€4,017m</b>	(up 7.7%)
	representing	<b>€86.3/share</b>

### Business indicators

• Average nominal rent:	<b>€646/sq.m./year</b>
• Average lease maturity:	<b>5.0 years</b>
• Physical occupancy rate:	<b>97.3%</b>
• EPRA vacancy rate:	<b>1.6%</b>

### Debt

• Average maturity:	<b>4.6 years</b>
• Average spot cost:	<b>1.5%</b>
• Loan-to-value:	<b>24.1%</b>
• Interest cover:	<b>5.1x</b>

# 4 EPRA Performance Indicators



(€m)	2018	2017
EPRA earnings /share	106.7 €2.29	102.4 €2.20
EPRA NAV /share	4,142 €89.0	3,889 €83.6
EPRA NNAV /share	4,017 €86.3	3,729 €80.1



(%)	2018	2017
EPRA Net Initial Yield	2.8%	2.8%
EPRA topped-up Net Initial Yield	3.2%	3.2%
EPRA Vacancy Rate	1.6%	3.1%
EPRA Cost Ratio (incl. vacancy costs)	14.2%	13.6%
EPRA Cost Ratio (excl. vacancy costs)	13.0%	12.2%

# 1 2018 Highlights

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## DEVELOPMENT

- Louvre Saint-Honoré: New building permit application submitted (16,000 sq.m.)
- 96 léna: Building permit obtained (9,600 sq.m.), modified permit application submitted, property being prepared for redevelopment
- 112 Zola: Building permit obtained (24,500 sq.m.), property being prepared for redevelopment



## MARKETING PROGRAMME

- Leases signed on 21,000 sq.m.
- €15.1m of additional rental income
- Average nominal rent of €704/sq.m. (offices)



## FINANCING

- Bond issue: €500m, 7 years, 1.50%
- €300m negotiable European commercial paper (NEU-CP) programme
- Bond buyback: €300m
- Average cost of debt: 1.5%



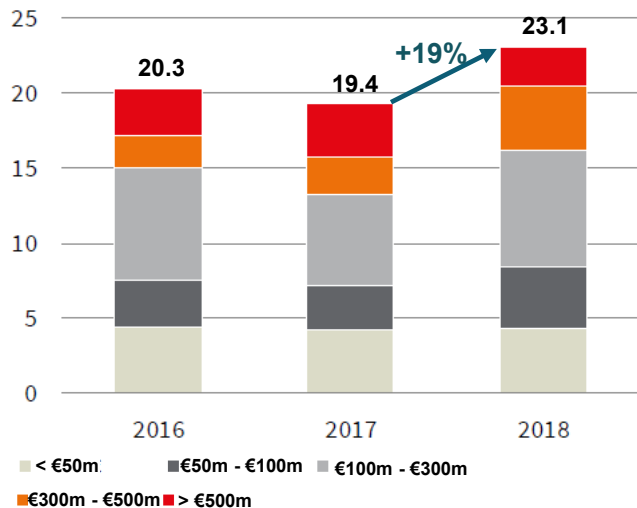
## OWNERSHIP STRUCTURE

- Colonial's stake increased to 81.7%

# 1 Paris Region Investment Market in 2018

## Historic performance by Paris region investment market

Investment volume by deal size (€bn)



- **Record** number of **transactions** and **record** investment volume in 2018: 366 transactions (vs long-term average of 253), **€23.1bn** investment volume (**up 70%** vs long-term average)
  - Including **€19bn invested in offices** (up 17% vs 2017), representing 83% of the total market
- A performance partly due to strong demand for **big ticket properties: 62 €100m-plus transactions** in 2018, representing 64% of the total market
- Market for €50m-€100m properties up 38%. Stable market for properties up to €50m
- Demand still very strong for **Paris properties (46%** of the Paris region market), with **€10.5bn of investment, including €6.5bn in the CBD**
- **Foreign investors accounted for 44%** of the market in 2018. **American and German** investors were the most active, **accounting for 10% and 9% respectively**
- Prime yields expected to **stay at their minimum level of 3%** at least until Q4 2019

## Examples of major transactions in 2018

Source: JLL

Capital 8  
Paris 8



44,000 sq.m.  
Approx. 3.6%  
€848.5m/€19,000 per sq.m.

Vendor: Unibaill  
Buyer: Invesco

114, Champs-Élysées  
Paris 8



5,500 sq.m.  
2.4%  
Approx. €600m

Vendor: EPI  
Buyer: BVK

Passage d'Avenir  
Paris 2



32,000 sq.m.  
3.25%  
€525m/€16,500 per sq.m.

Vendor: Altaréa  
Buyer: CNP

Window  
La Défense



41,000 sq.m.  
3.95%  
€510m/€12,600 per sq.m.

Vendor: Groupama  
Buyer: Oxford

Tour Ariane  
La Défense

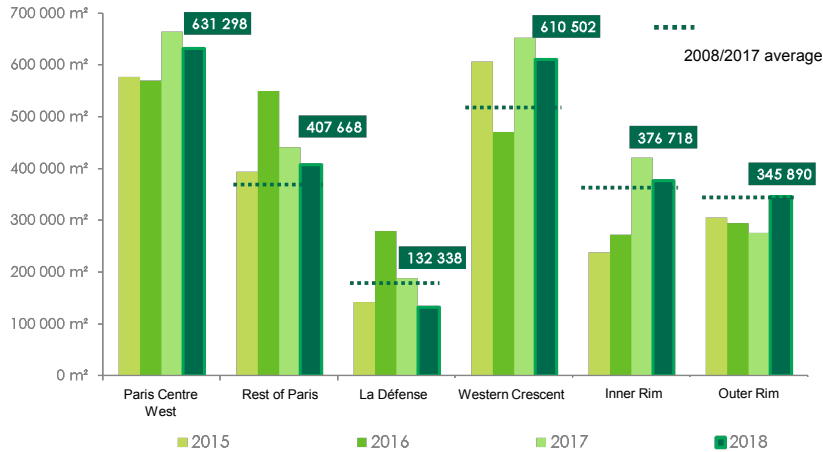


63,000 sq.m.  
Approx. 5.0%  
€500m/€8,000 per sq.m.

Vendor: Unibaill  
Buyer: GIC

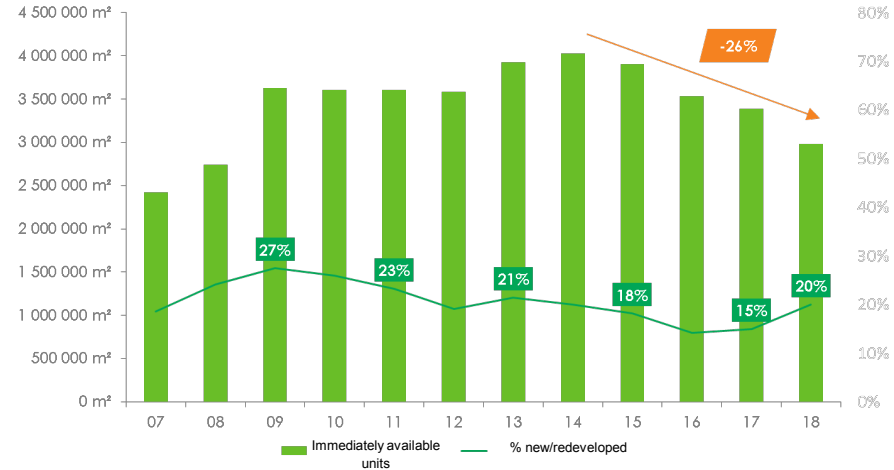
# 1 Paris Region Rental Market in 2018

## COMPLETED LETTINGS: A STRONG YEAR



- Dynamic rental market in 2018 after a record 2017, with **leases signed on 2.5 million sq.m.** (down 5% vs 2.64 million sq.m. in 2017), **10% above** ten-year average of 2.3 million sq.m.
- After an historic first half, the economic slowdown led to a sharp **drop in rental activity in Q3**, followed by a tentative recovery in Q4
- The number of **big ticket leases declined** significantly, with 81 leases signed on 5,000 sq.m.-plus units (vs 87 in 2017), a **13% fall** in volume year-on-year
  - Big ticket leases continue to account for around 40% of total Paris region rental volume
- Strong demand for **small and medium-sized units**, with **leases signed on 1.5 million sq.m.** (up 1% vs 2017), **11% more** than the ten-year average
- Leases signed on **over 450,000 sq.m. in Paris CBD**, despite shortage of available properties

## FEWER IMMEDIATELY AVAILABLE PROPERTIES AND LOWER VACANCY RATE: A TIGHT MARKET



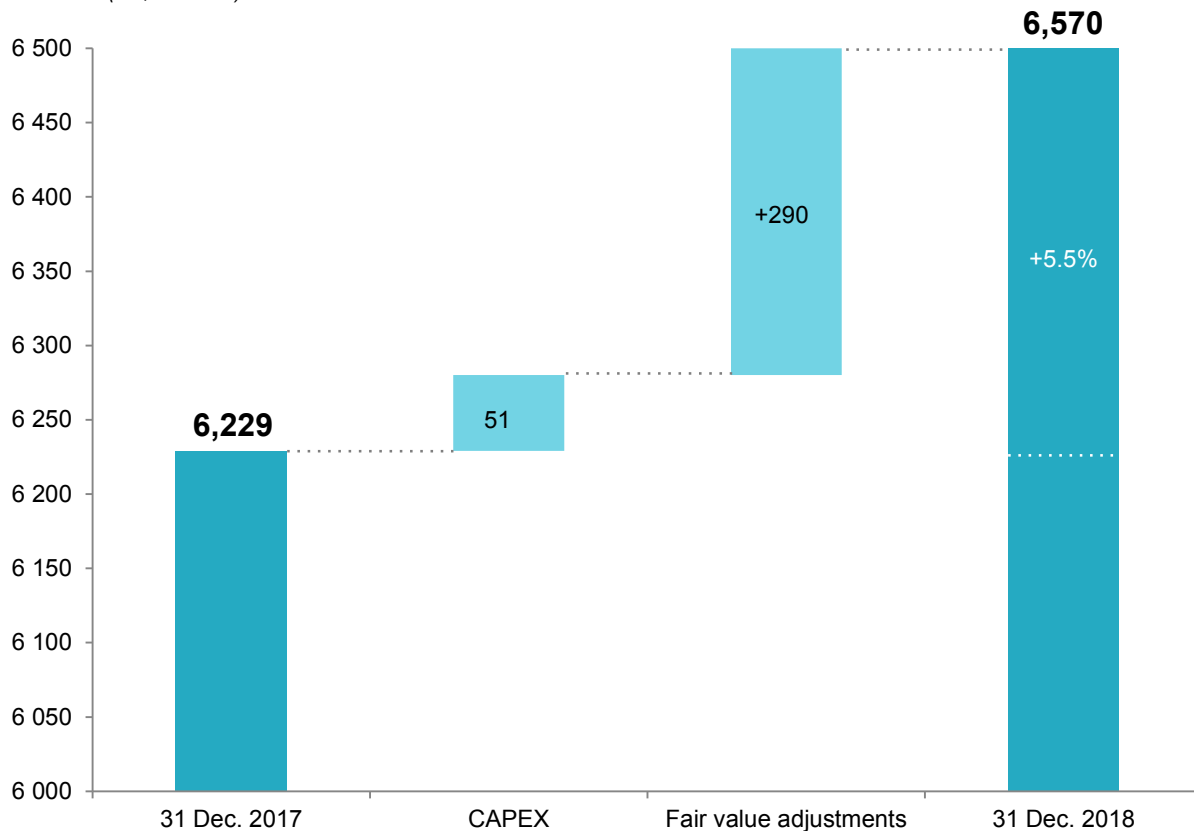
- The **vacancy rate** continued to fall rapidly: to **5.1%** in the Paris region and to **1.4% in the CBD** (vs 6.4% and 2.7% respectively at end-2017)
- Immediately available units in Paris region fell below symbolic 3 million sq.m. mark, with **2.9 million sq.m. available at end-2018** (down 15% vs 2017)
  - Decline accompanied by an increase in the proportion of new and redeveloped properties, to 20% (vs 15% in 2017), reversing the trend observed in prior years.
- Rental incentives contracted** slightly to **20.7%** in the Paris region, with a low of **16% in Paris itself**
- Prime rental values in Paris were **higher**, at **€810/sq.m.** vs €780/sq.m. in Q4 2017 (*source: JLL*)
- Despite an increase in the proportion of new and redeveloped properties, the rental pipeline is stable at approximately 1.9 million sq.m.
- Growing **shortage** of properties expected to drive up rental values, despite the less favourable economic environment in 2019



# 1 Analysis of Property Portfolio Value

**Consolidated portfolio value up 5.5% vs 2017:**  
**€6,570m excluding transfer costs - €7,005m including transfer costs**

Consolidated data (€m, excl. TC)




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**Average value per sq.m.: €17,519/sq.m.**  
**excl. transfer costs**

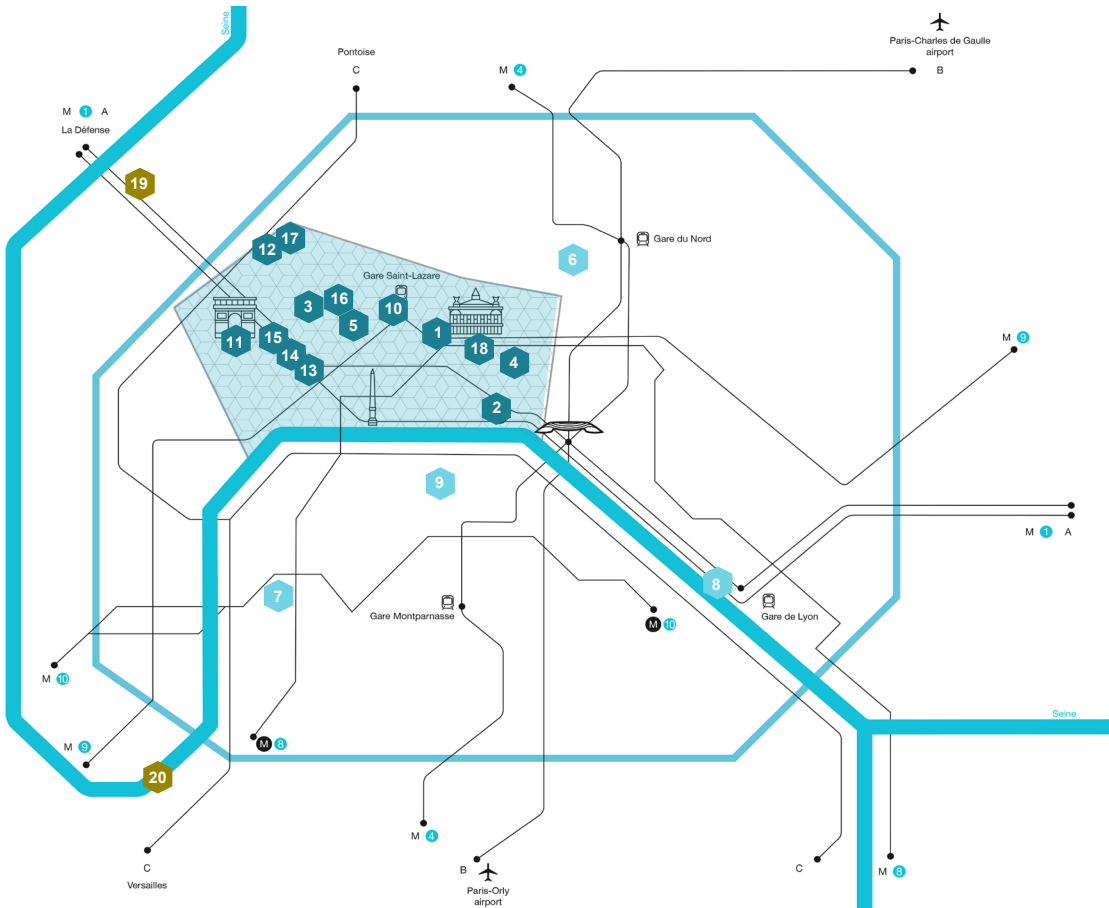
**EPRA topped-up NIY: 3.2%**  
 (3.2% at 31 December 2017)

- *Topped-up NIY Offices: 3.3%*
- *Topped-up NIY Retail: 2.8%*

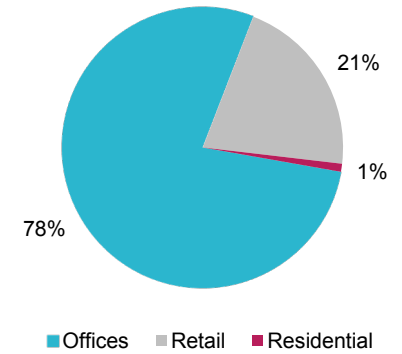
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# 1 The Benchmark in the Paris Prime Commercial Property Market

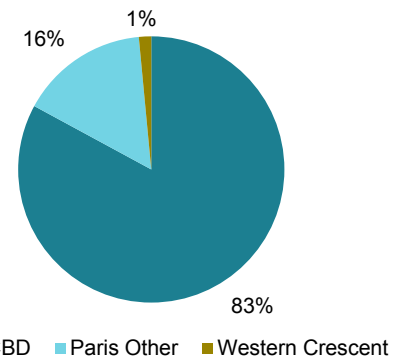
€6,570m portfolio, 98.5% located in Paris, as shown below:



Market focus (value)



Geographic focus (value)



# 1 Property Portfolio: 392,300 sq.m.

	Paris	Total surface area <sup>(1)</sup>
1	Edouard VII	54,100 sq.m.
2	Louvre Saint-Honoré	47,700 sq.m.
3	Washington Plaza	47,000 sq.m.
4	#cloud.paris	35,000 sq.m.
5	Cézanne Saint-Honoré	29,000 sq.m.
6	Condorcet	24,900 sq.m.
7	112 Zola	24,500 sq.m.*
8	Rives de Seine	22,700 sq.m.
9	103 Grenelle	18,900 sq.m.
10	Haussmann Saint-Augustin	13,400 sq.m.
11	96 Léna	9,600 sq.m.*
12	131 Wagram	9,200 sq.m.
13	90 Champs-Élysées	8,900 sq.m.
14	Galerie Champs-Élysées	8,700 sq.m.
15	92 Champs-Élysées	7,700 sq.m.
16	9 Percier	6,700 sq.m.
17	112 Wagram	6,000 sq.m.
18	6 Hanovre	4,600 sq.m.
	<b>TOTAL</b>	<b>378,600 sq.m.</b>

	Western Crescent	Total surface area <sup>(1)</sup>
19	176 Charles de Gaulle <i>Neuilly-sur-Seine</i>	7,400 sq.m.
20	Le Vaisseau <i>Issy-les-Moulineaux</i>	6,300 sq.m.
	<b>TOTAL</b>	<b>13,700 sq.m.</b>

- Paris CBD
- Paris Other
- Western Crescent

<sup>(1)</sup> Including infrastructure and excluding car parks

\* Planned surface area

# 1 SFL's CSR Policies

- 2018 EPRA Awards:



- SFL has earned **Green Star** ranking in each Global Real Estate Sustainability Benchmark (GRESB) survey since 2014
- **100%** of in-use properties are certified as meeting Breeam In-Use International (BIU) standards
- The recently delivered redevelopment projects all comply with the following three standards:
  - BREEAM® New Construction
  - LEED®
  - HQE®

## 5<sup>th</sup> SFL/Ifop Paris WorkPlace Survey



- 2,000 employees surveyed
- Paris Conference in June 2018
- 2018 topic: mobility



[www.parisworkplace.fr](http://www.parisworkplace.fr)



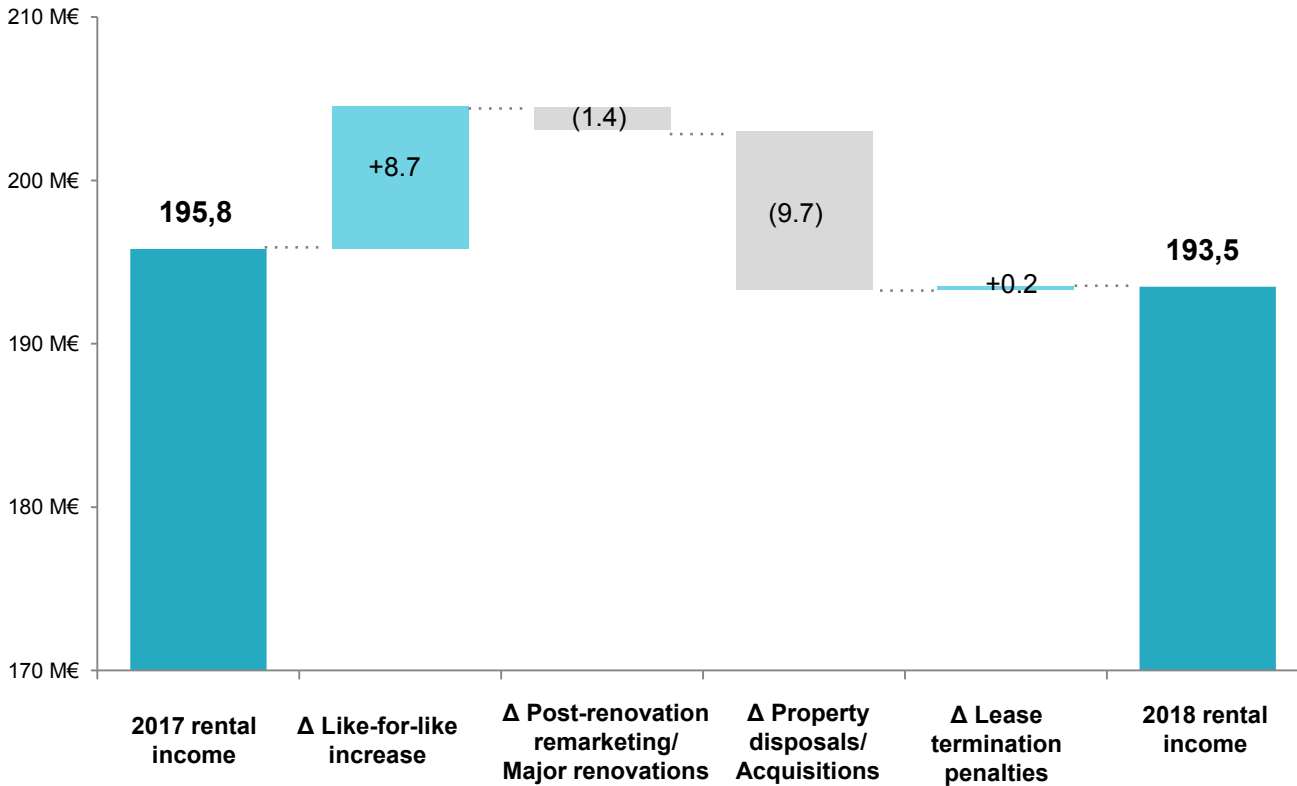
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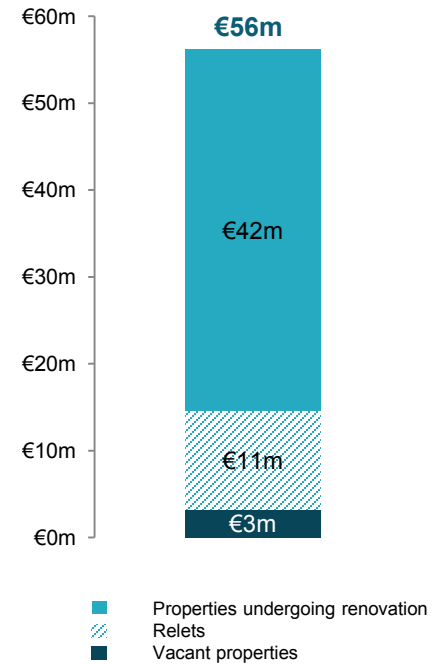
## Rental Activity 2018

# 2 Rental Income and Reversionary Potential

## Rental income growth in 2018: 5.0% on a like-for-like basis



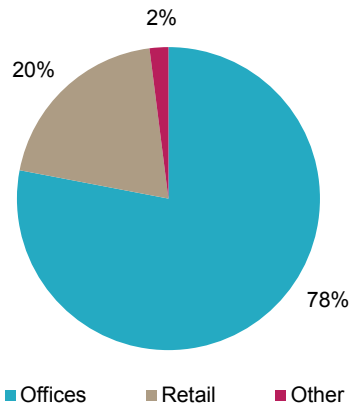
## Reversionary potential (Consolidated data, 100% basis)



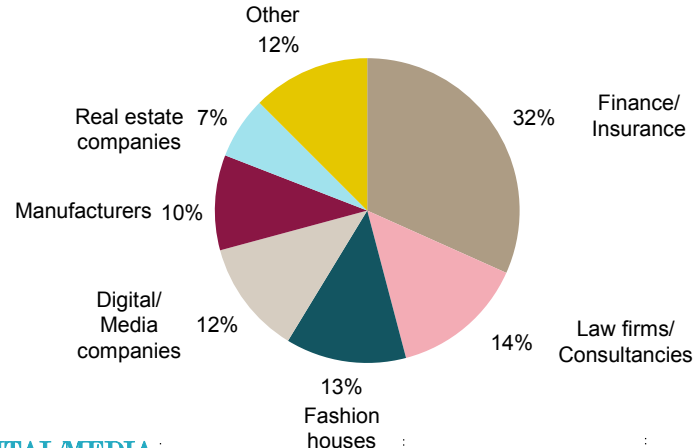
# 2 Rental Income Breakdown

## A diversified portfolio of very high value-added tenants

2018 rental income: €193.5m



Breakdown by tenant business at 31 December 2018



### FINANCE/INSURANCE



### LAW FIRMS/CONSULTANCIES



### FASHION HOUSES



### DIGITAL/MEDIA COMPANIES



### MANUFACTURERS



### REAL ESTATE COMPANIES



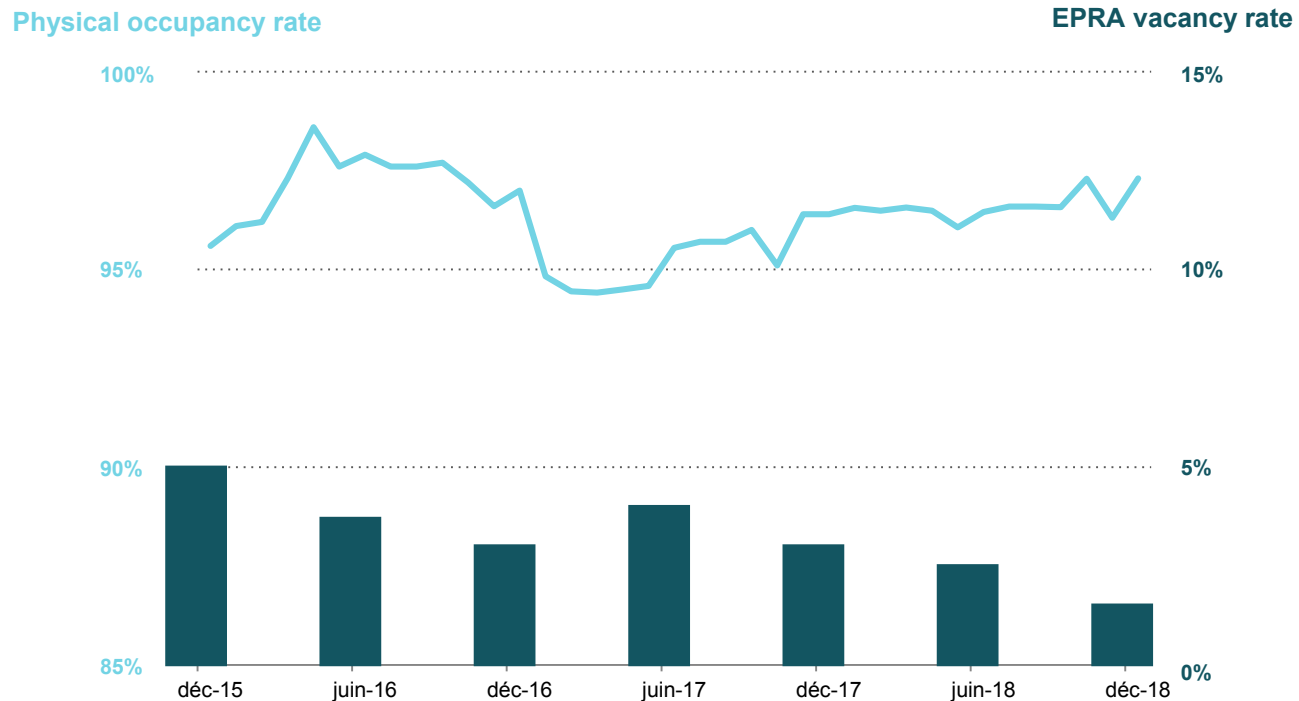
### OTHER



# 2 Occupancy rate at 31 December 2018

**Physical occupancy rate: 97.3%<sup>(1)</sup>**  
(vs 96.4% at 31 December 2017)

**EPRA vacancy rate: 1.6%<sup>(1)</sup>**  
(vs 3.1% at 31 December 2017)



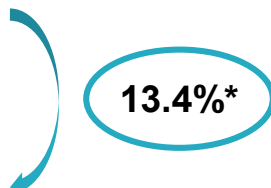
(1) Surface area attributable to SFL



## 2 Office Marketing Programmes

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- **16,000 sq.m.** Total surface area leased during the year
- **€11.9m** Total nominal rent
- **€704/sq.m.** Average nominal rent (excl. staff restaurant)
- **€610/sq.m.** Average effective rent (excl. staff restaurant)
- **6 years** Non-cancellable period



**13.4%\***


\* Incentive rate

# 2 Marketing Programmes and Occupancy Rates

## Main leases signed in 2018

**100% occupied\***

**Louvre Saint-Honoré – Offices**  
*Paris 1*



**Financial institution**

2,300 sq.m.  
Signed on 26 March and 15 May 2018  
6 years

**SwissLife**

1,000 sq.m.  
Signed on 8 March 2018  
7 years

**100% occupied\***

**Washington Plaza**  
*Paris 8*



**CANDRIAM**  
INVESTORS GROUP  
A NEW YORK LIFE COMPANY

3,300 sq.m.  
Signed on 26 July 2018  
7 years

**Liberty**  
Specialty Markets

2,000 sq.m.  
Signed on 2 July 2018  
7 years

**LCM**  
LOUIS CAPITAL MARKETS

1,000 sq.m.  
Signed on 11 January 2018  
6/9/10 years

**100% occupied\***

**Cézanne Saint-Honoré**  
*Paris 8*



**WELLS FARGO**

1,900 sq.m.  
Signed on 23 August 2018  
6/9/10 years

**LUXOTICA**


1,800 sq.m.  
Signed on 17 January 2018  
6/9/10 years

**100% occupied\***



**#Cloud.paris**  
*Paris 2*

**100% occupied\***



**103 Grenelle**  
*Paris 7*

**100% occupied\***



**92, Champs-Élysées**  
*Paris 8*

**100% occupied\***



**Condorcet**  
*Paris 9*

**98% occupied\***



**Edouard VII**  
*Paris 9*

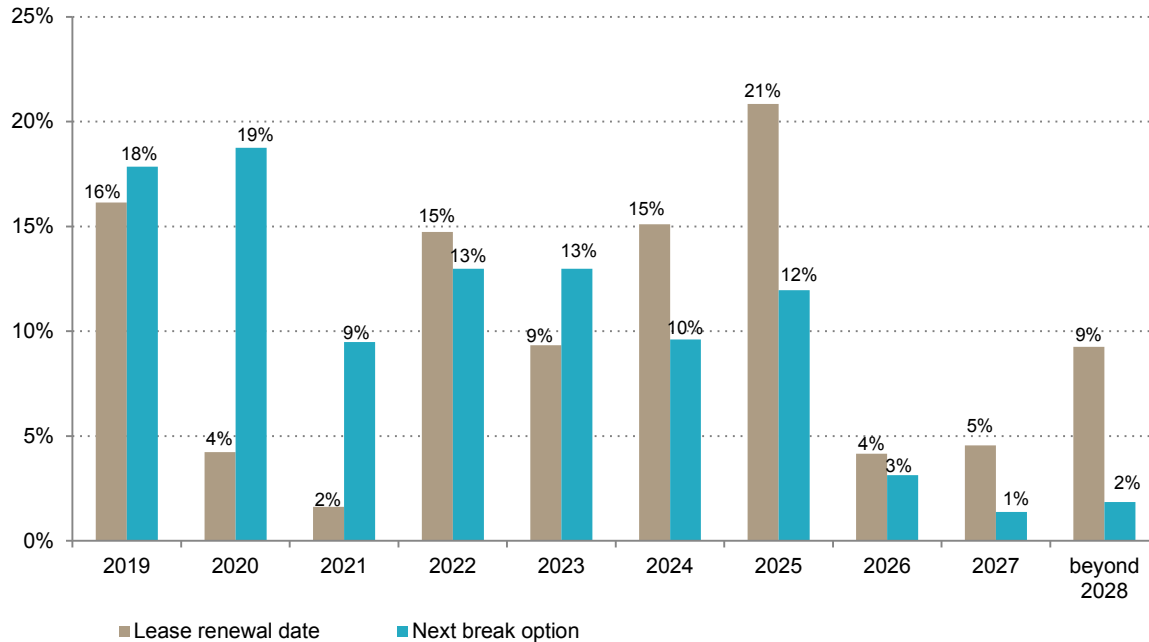
**100% occupied\***



**Rives de Seine**  
*Paris 12*

# 2 Lease Renewals

Commercial lease expiry dates



**Average SFL office rent at 31 December 2018:**

**€646/sq.m./year**  
(vs €629 at 31 December 2017)

**Average period<sup>(1)</sup> to lease expiry:**

**5.0 years**  
(vs 5.5 at 31 December 2017)

**Average period to next potential exit date<sup>(2)</sup>:**

**3.6 years**  
(vs 3.8 at 31 December 2017)

(1) Weighted average remaining term of commercial leases in progress at 31 December 2018

(2) Weighted average period to next potential exit date for commercial leases in progress at 31 December 2018



# 3



## Property Transactions



# 3 A Lesson in Value Creation: Washington Plaza



## Common areas redesigned

2014-2015

- New 250-sq.m. entrance hall, mezzanine and restaurant
- Planted areas, outside terraces and gardens
- New architectural identity
- Interior design

## Offices modernised

2016-2018

- Technical upgrades
- Divisible open floor space
- New design

## New user-dedicated services

2018-2019

- New offer: fitness centre, flexible meeting rooms, relaxation/well-being area, "42" lounge café
- User newsletter ("the 42")
- "Welcome at Work" concierge services

## USER EXPERIENCE AND WELL-BEING / IMPROVED WORKING ENVIRONMENT

Sharply higher rents

100% occupancy rate

Years	2012	2013	2015	2016	2018
Surface area	6,700 sq.m.	3,000 sq.m.	2,000 sq.m.	5,200 sq.m.	3,300 sq.m.
Rent	€633/sq.m.	€651/sq.m.	€655/sq.m.	€670/sq.m.	€745/sq.m.
Occupancy rate	88%	91%	88%	96%	100%

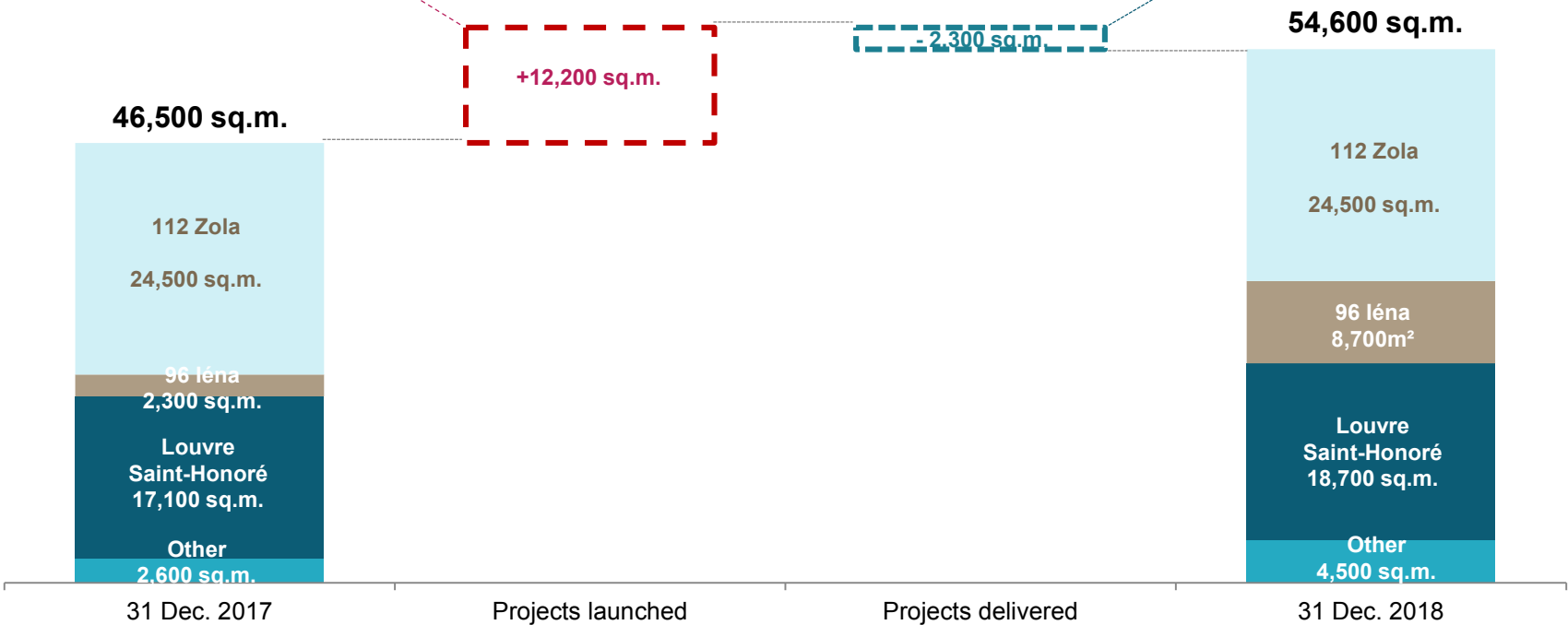
# 3 Current Redevelopment Projects\*

**Projects launched during the year**

96 léna:	6,400 sq.m.
Edouard VII:	2,500 sq.m.
Louvre Saint-Honoré:	1,600 sq.m.
9 Percier:	800 sq.m.
Other:	900 sq.m.

**Projects delivered during the year**

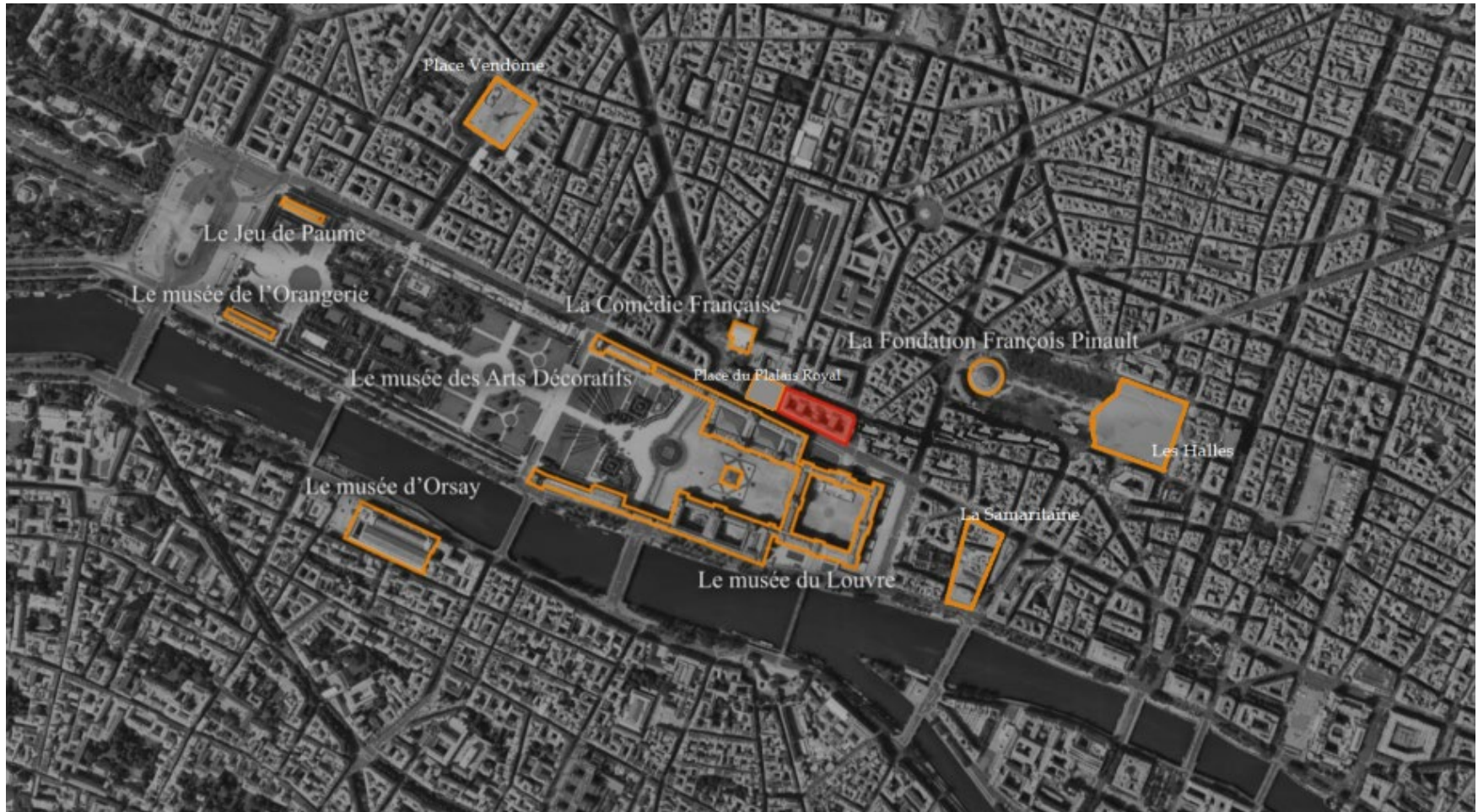
Cézanne Saint-Honoré:	1,800 sq.m.
Washington Plaza :	500 sq.m.



\* Attributable to SFL – Including infrastructure and excluding car parks

# 3 Louvre Saint-Honoré – Paris 1

A unique location in the capital's historic and cultural centre





# 3 Louvre Saint-Honoré – Paris 1



- ✓ Creation of 16,000 sq.m. of retail space at the foot of the building
- ✓ Architect: B-Architecture
- ✓ Three floors to be redeveloped (lower ground/ground/upper ground)
- ✓ Administrative permits have been applied for
- ✓ Work has begun (relocation of staff restaurant/technical facilities)



Studies

2017



Feasibility studies, site clearance

SFL

2018



Permit applications submitted/permits obtained, marketing & signature of new leases, units vacated

SFL 2018 RESULTS



Redevelopment work

2019 - 2023



Work phase

18/02/2019

New tenants



# 3 96 Iéna – Paris 16

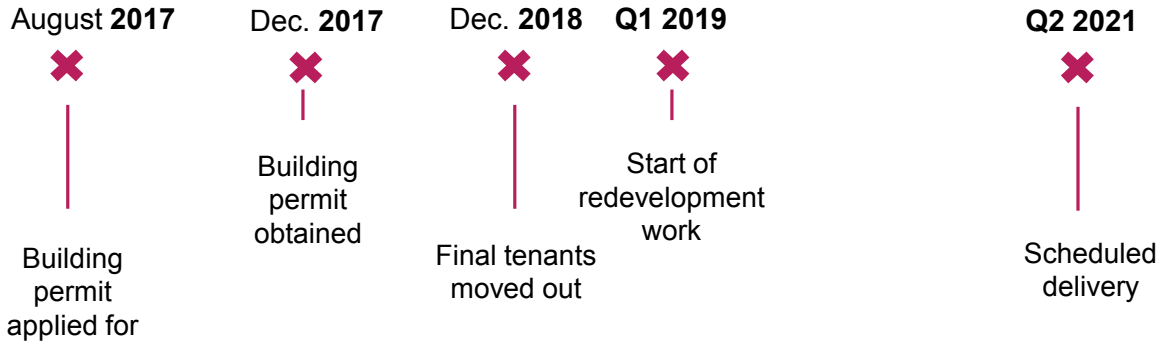
- IRR > 8%
- ROI ≈ 5%



 **Studies**

 **Redevelopment**

**New tenant**



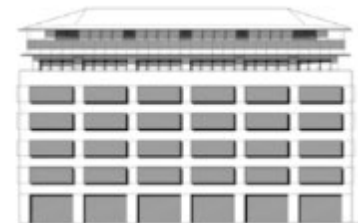
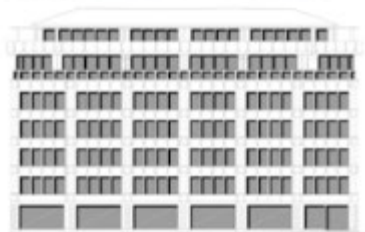
# 3 96 léna – Paris 16

An iconic modern building  
Architect: **Dominique Perrault**

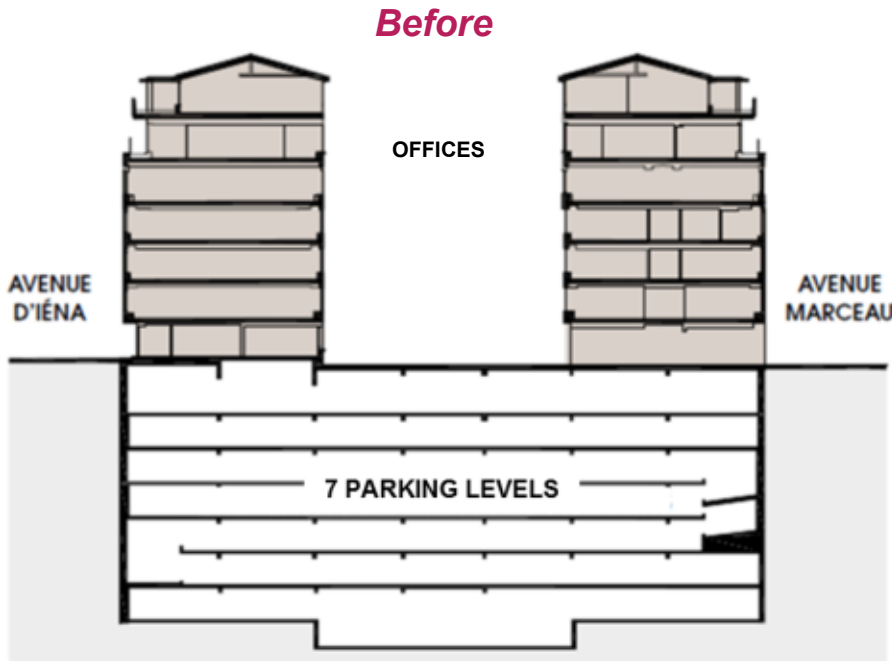
*Before*



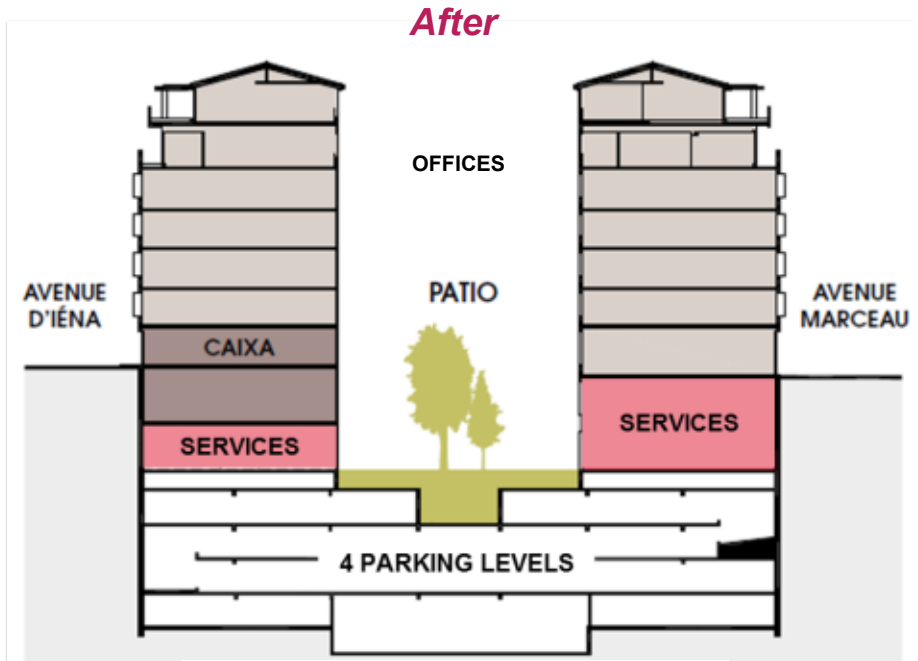
*After*



# 3 96 Iéna – Paris 16



8,900 sq.m.



9,600 sq.m.

- ◆ Highly flexible and efficient office floors, roughly 1,000 sq.m. each
- ◆ New dedicated service areas (cafeteria, ERP business centre, lounge, gardens)
- ◆ New central atrium opening onto a patio bathed in natural light
- ◆ Areas open to the public (200-seat auditorium, meeting rooms)
- ◆ New landscaped garden on the central patio
- ◆ Roof top/terrace area with direct views of the Arc de Triomphe
- ◆ Excellent environmental performance (triple certification)

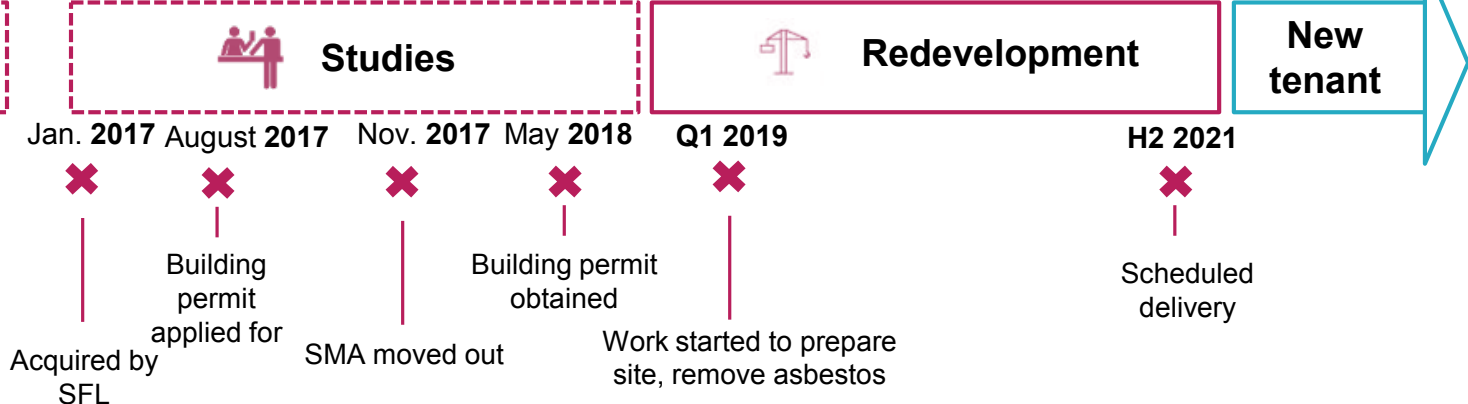
\* Offices and service areas



# 3 112 Zola – Paris 15



- IRR  $\approx$  8%
- ROI > 5%



# 3 112 Zola – Paris 15

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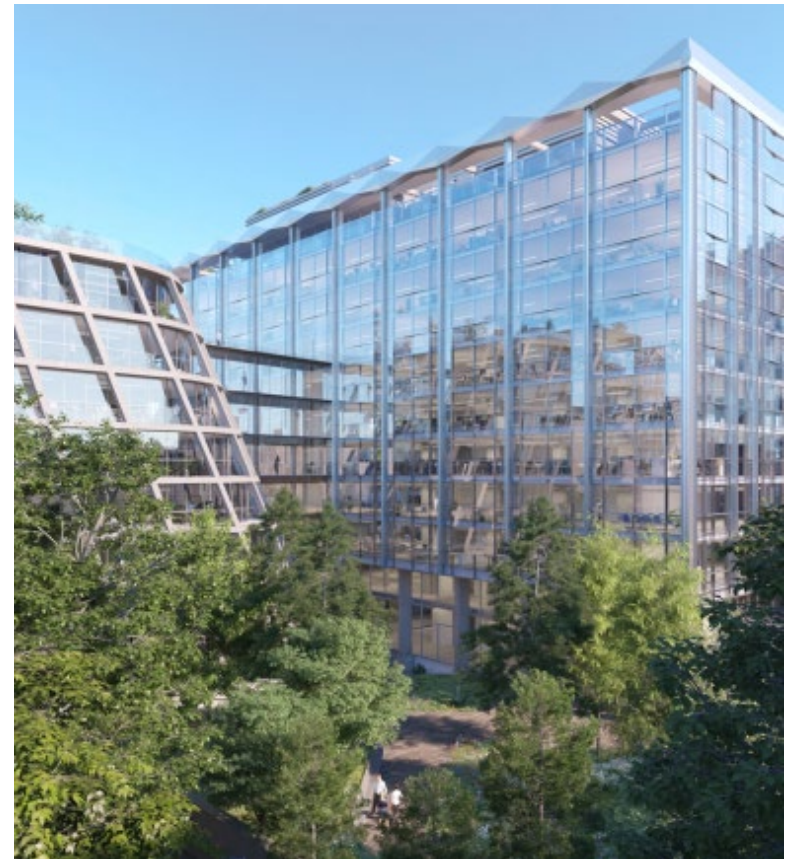
The first new generation business centre in Western Paris

Architect & Designer: **YMA and Jouin-Manku**

*Before*



*After*



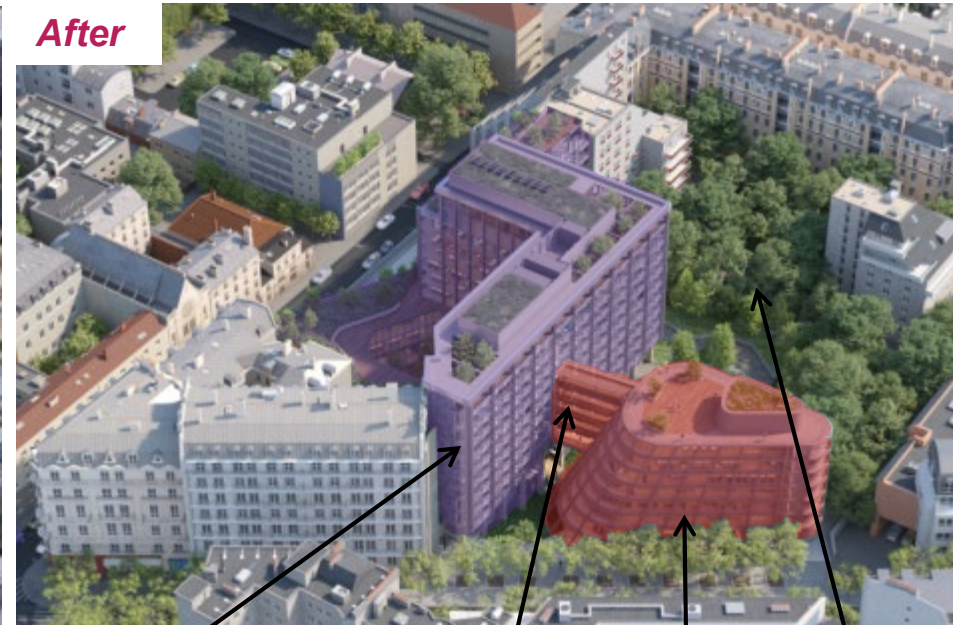


# 3 112 Zola – Paris 15

Before



After



A building that is obsolete, but:

- ◆ Ideally located in the 15th *arrondissement* (5 minutes from Beaugrenelle shopping centre)
- ◆ A large 6,300-sq.m. plot

- ◆ New architectural identity
- ◆ Very successful interior design
- ◆ Landscaped areas and terraces
- ◆ One of the first BBKA-certified buildings in Paris

21,000 sq.m.

+ 3,500 sq.m.

24,500 sq.m.

# 3 Redevelopment Pipeline

## PROPERTY

96 Iéna

112 Zola

Louvre Saint-Honoré

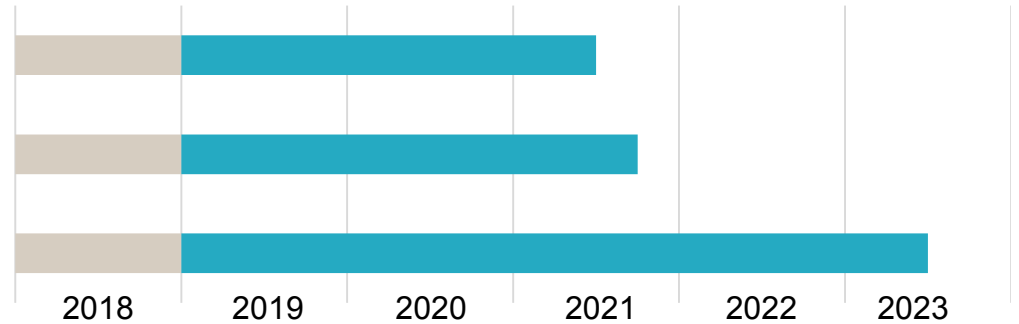
## PERMIT

Obtained

Obtained

Obtained

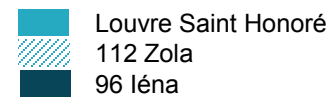
## STUDIES/REDEVELOPMENT



CAPEX



ERV





# 4



## Financial Statements & Results



# 4 2018 Results

€m	2018	2017	Change
Rental income	193.5	195.8	-1.2%
Property expenses, net of recoveries	(10.8)	(10.9)	
<b>Net rental income</b>	<b>182.7</b>	<b>184.9</b>	<b>-1.2%</b>
Service and other revenues	4.0	2.2	
Depreciation, amortisation and provision expense, net	(2.9)	0.3	
Employee benefits expense and other expenses	(21.8)	(23.3)	
<b>Operating profit before disposal gains and fair value adjustments</b>	<b>162.1</b>	<b>164.1</b>	<b>-1.2%</b>
Profit on asset disposals	-	80.3	
Fair value adjustments on investment property	289.0	635.1	
Finance costs and other financial income and expenses	(52.0)	(40.7)	
Income tax expense	(14.5)	(42.5)	
<b>Profit for the year</b>	<b>384.6</b>	<b>796.3</b>	
Non-controlling interests	(33.0)	(111.0)	
<b>Attributable net profit</b>	<b>351.6</b>	<b>685.3</b>	
<b>EPRA earnings</b>	<b>106.7</b>	<b>102.4</b>	<b>+4.1%</b>

# 4 EPRA earnings

€m	2018		2017		Change
	Recurring EPRA	Non recurring	Recurring EPRA	Non recurring	
Rental income	193.5	0	195.8	0	-1.2%
Property expenses, net of recoveries	(10.8)	0	(10.9)	0	
<b>Net property rentals</b>	<b>182.7</b>	<b>0</b>	<b>184.9</b>	<b>0</b>	-1.2%
Service and other revenues	4.0	0	2.2	0	
Depreciation, amortisation and provision expense, net	(2.9)	0	0.3	0	
Employee benefits expense and other expenses	(21.8)	0	(20.4)	(3.0)	
<b>Operating profit before disposal gains and fair value adjustments</b>	<b>162.1</b>	<b>0.0</b>	<b>167.0</b>	<b>(3.0)</b>	-2.9%
Profit on asset disposals	0	0	0	80.3	
Fair value adjustments on investment property	0	289.0	0	635.1	
Finance costs and other financial income and expenses	(30.6)	(21.4)	(41.2)	0.6	-25.9%
Income tax expense	(9.2)	(5.3)	(9.2)	(33.3)	-0.2%
<b>EPRA earnings before non-controlling interests</b>	<b>122.4</b>	<b>262.3</b>	<b>116.6</b>	<b>679.7</b>	
Non-controlling interests	(15.7)	(17.3)	(14.2)	(96.8)	
<b>EPRA earnings</b>	<b>106.7</b>	<b>245.0</b>	<b>102.4</b>	<b>582.9</b>	+4.1%
<b>EPRA earnings per share</b>	<b>€2.29</b>		<b>€2.20</b>		

# 4 Consolidated Statement of Financial Position

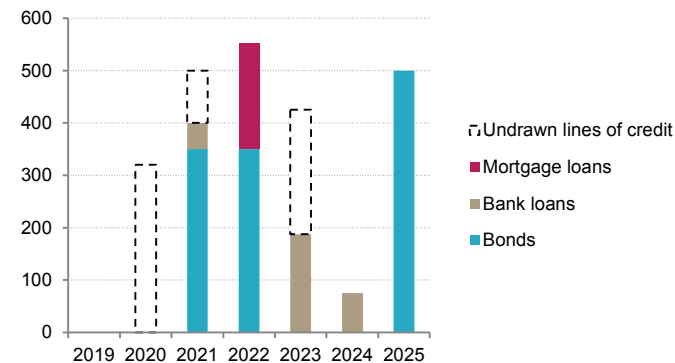
€m	31 Dec. 2018	31 Dec. 2017
<b>Assets</b>		
Investment property	6,458	6,119
Other non-current assets	23	25
<b>Total non-current assets</b>	<b>6,481</b>	<b>6,144</b>
Properties held for sale	0	0
Other current assets	108	104
<b>Total current assets</b>	<b>108</b>	<b>104</b>
<b>Total Assets</b>	<b>6,589</b>	<b>6,249</b>
<b>Equity &amp; Liabilities</b>		
Equity	4,010	3,763
Non-controlling interests	502	476
<b>Total equity</b>	<b>4,512</b>	<b>4,239</b>
Non-current liabilities	1,737	1,904
Current liabilities	340	106
<b>Total Equity and Liabilities</b>	<b>6,589</b>	<b>6,249</b>

# 4 Consolidated Loan-to-Value

€m	31 Dec. 2018	31 Dec. 2017	Change
Bonds	1,200	1,000	200
Bank loans	50	444	(394)
Mortgage loans	201	203	(2)
NEU CP	263	0	263
<b>Total debt</b>	<b>1,714</b>	<b>1,647</b>	<b>67</b>
Cash and cash equivalents	25	16	10
<b>Net debt</b>	<b>1,688</b>	<b>1,631</b>	<b>57</b>
Undrawn lines of credit	920	760	+160
Property portfolio incl. TC	7,005	6,619	+386

Loan-to-value	24.1%	24.6%	-0.5pt
Interest cover	5.1x	4.0x	+1.1x
Average maturity (years)	4.6	4.5	+0.1
Average spot cost of debt (after hedging)	1.5%	1.7%	-0.2pt

Maturities of debt at 31 December 2018 (€m)\*



\* After allocating NEU CP issuance to back-up lines of credit

## New €300m Negotiable European Commercial Paper programme

May 2018 bond issue:  
€500m, 7 years, 1.50%

S&P rating:  
BBB+/A2 with a stable outlook

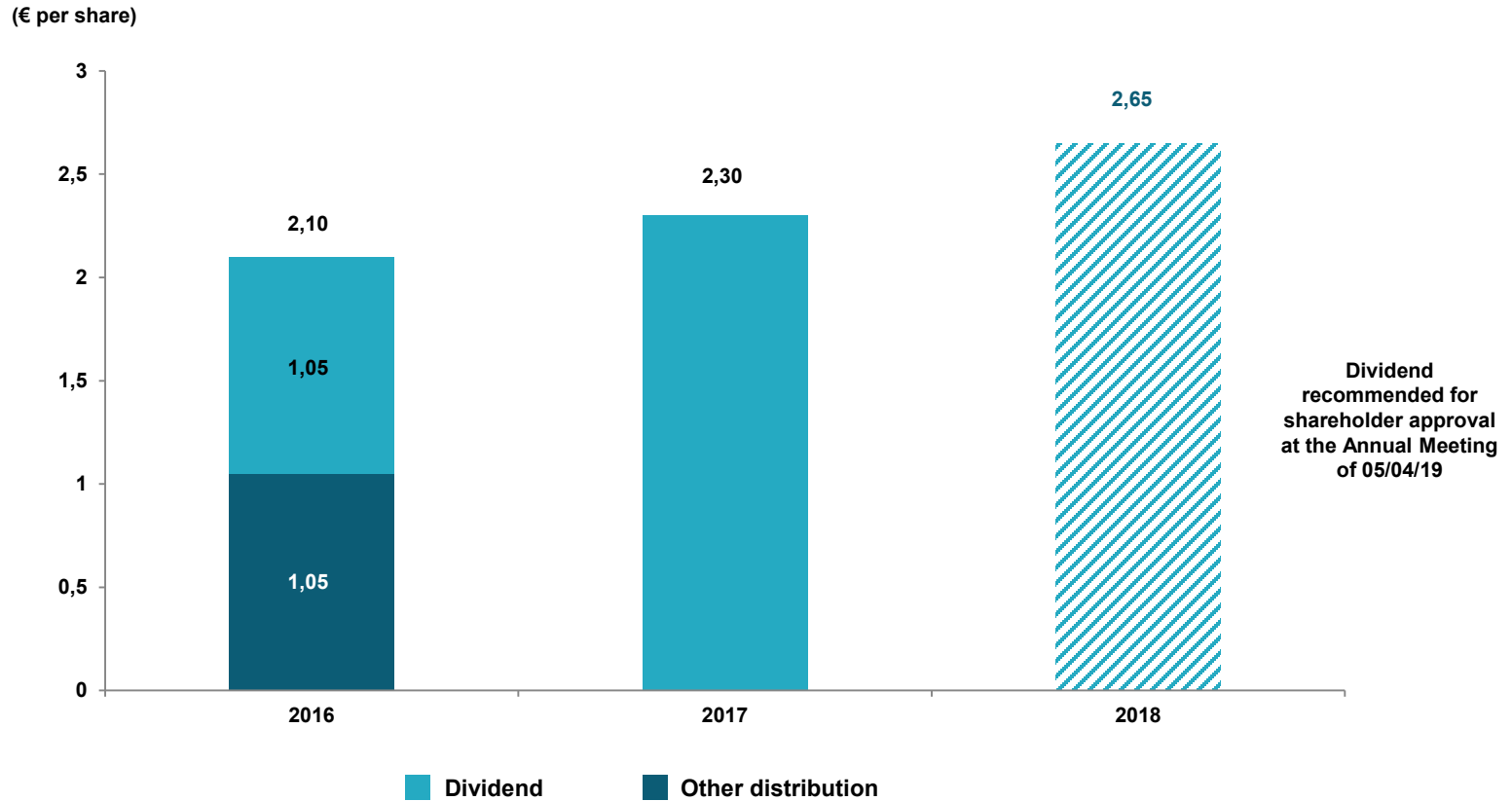
# 4 Net Asset Value

€m	31 Dec. 2018	31 Dec. 2017	Change
Equity	4,010	3,763	
Treasury shares and stock options	10	11	
Unrealised capital gains	19	17	
Elimination of financial instruments at fair value	0	(1)	
Elimination of deferred taxes	103	99	
<b>EPRA NAV</b>	<b>4,142</b>	<b>3,889</b>	<b>+6.5%</b>
<b>/share</b>	<b>€89.0</b>	<b>€83.6</b>	
Financial instruments at fair value	0	1	
Fixed-rate debt at fair value	(22)	(63)	
Deferred taxes	(103)	(99)	
<b>EPRA NNAV</b>	<b>4,017</b>	<b>3,729</b>	<b>+7.7%</b>
<b>/share</b>	<b>€86.3</b>	<b>€80.1</b>	
Number of shares (thousands)	46,529	46,529	

## Growth in EPRA NNAV (€m)

<b>NNNAV at 31 December 2017</b>	<b>3,729</b>
Change in fair value of attributable assets	+268
Profit on asset disposals	0
Change in fair value of debt and other financial instruments	+21
EPRA Earnings	+107
Dividends	(106)
Other	(2)
<b>NNNAV at 31 December 2018</b>	<b>4,017</b>

# 4 Dividende per share



# 4 Key Figures

	2018	2017	Change
Rental income	€193.5m	€195.8m	-1.2%
Operating profit before disposal gains and fair value adjustments	€162.1m	€164.1m	-1.2%
Profit on asset disposals and fair value adjustments on investment property	€289.0m	€715.4m	
<b>EPRA earnings</b>	<b>€106.7m</b>	<b>€102.4m</b>	<b>+4.1%</b>
<b>Attributable net profit</b>	<b>€351.6m</b>	<b>€685.3m</b>	

up 5% like-for-like

	31 Dec. 2018	31 Dec. 2017	Change
Equity	€4,010m	€3,763m	+6.6%
<b>Consolidated portfolio value (excluding TC)</b>	<b>€6,570m</b>	<b>€6,229m</b>	<b>+5.5%</b>
EPRA NNAV	€4,017m	€3,729m	+7.7%
/share	€86.3	€80.1	

# 4 Questions/Answers

www.fonciere-lyonnaise.com

The screenshot shows the SFL website homepage. At the top, the SFL logo is on the left, and navigation links for 'CONTACT', 'FR', and 'EN' are on the right. Below the logo is a horizontal menu with 'SOCIÉTÉ', 'EXPERTISE', 'PATRIMOINE', 'FINANCES', 'RSE', and 'PUBLICATIONS'. The main banner features a large image of a modern building interior with a wavy, white, sculptural structure. A white box with the text '#CLOUD.PARIS' is overlaid on the image. Below the banner is the tagline 'La foncière de référence de l'immobilier tertiaire prime parisien'. The page is divided into several sections: 'Actifs' with a map and a building image labeled '131 Wagram'; 'Études' with a graphic titled 'PARISWORKPLACE' and 'Demain tous mobiles?'; 'Agenda' with a calendar icon and 'Rendez-vous'; 'Communiqués' with two news items dated 02.01.2019 and 15.10.2018; 'Derniers Rapports' with two reports dated 26.07.2018 and 29.03.2018; and 'Cours de l'action' with a line graph and the current share price '63.4 € | +2.26 %'.





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# Appendices

# SFL in Brief

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- The benchmark in Paris prime commercial property



- Founded in 1879: 140 years of sustainable business development



- Managing a €6.6 billion, 392,300 sq.m. property portfolio



- 99% of assets in Paris, of which 83% in the CBD



- 78% offices and 21% retail units

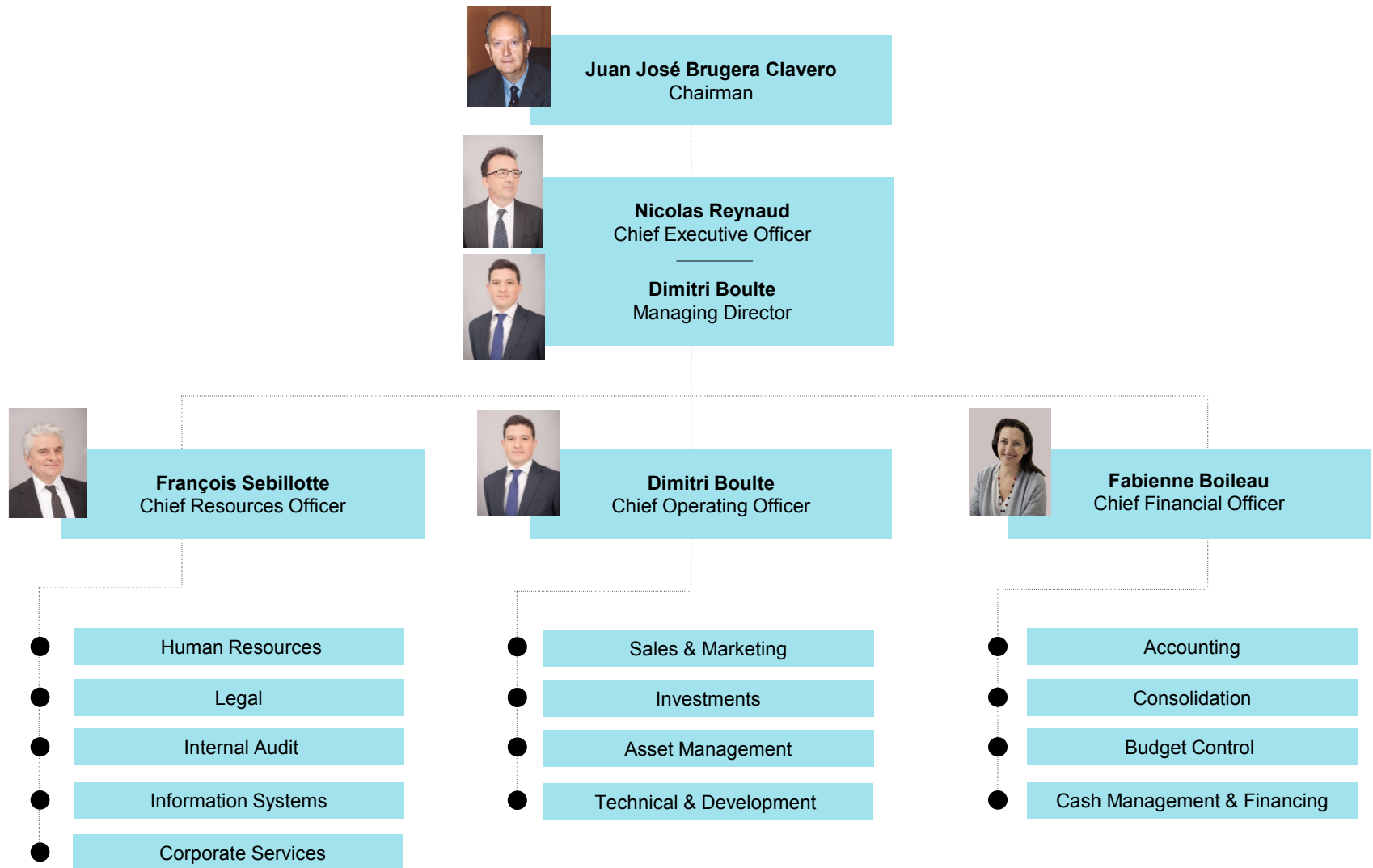


- 20 very large property complexes



- A very high value-added tenant portfolio

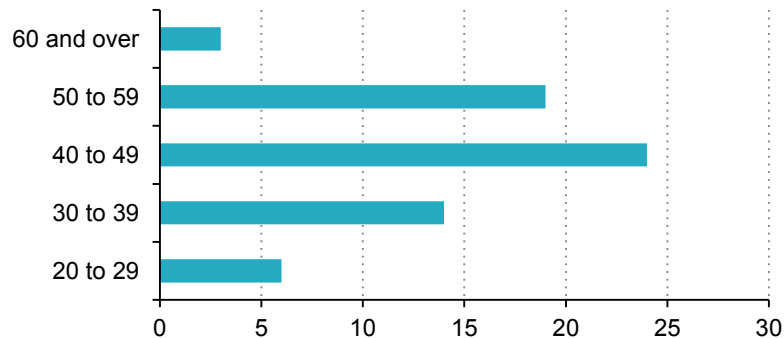
# Organisational Structure



# Human Resources

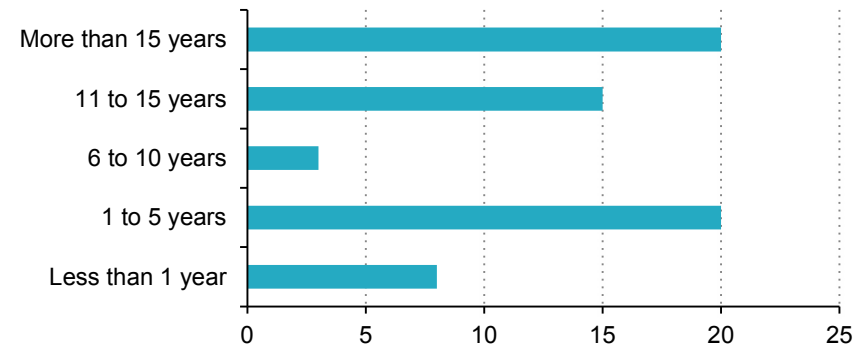
Number of employees	31 Dec. 2018	31 Dec. 2017
Administrative staff	1	4
Supervisors	12	11
Managers	53	56
<b>Total headquarters</b>	<b>66</b>	<b>71</b>
Building caretakers	2	2

**Employees<sup>(1)</sup> by age group**  
(on payroll at 31 December 2018)



Average age:  
44 years

**Employees<sup>(1)</sup> by years of service**  
(on payroll at 31 December 2018)

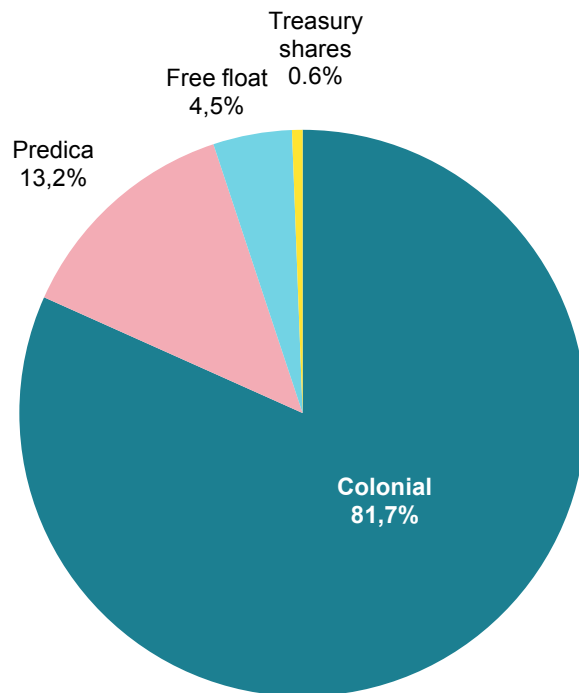


Average years of service:  
11 years

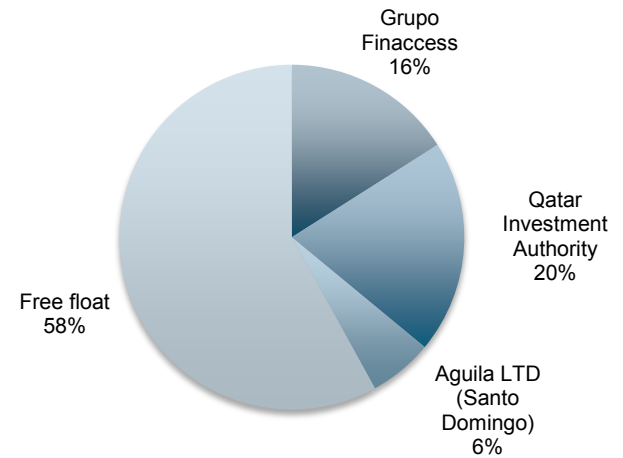
<sup>(1)</sup> Excluding building caretakers

# Ownership Structure at 31 December 2018

**SFL ownership structure**  
(46.5 million shares)



**Colonial ownership structure**  
at 28 January 2019



# Governance structure at 15 February 2019

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## Board of Directors

<b>Juan José Brugera Clavero</b>	Chairman of the Board of Directors (Colonial)
<b>Pere Viñolas Serra</b>	Vice-Chairman (Colonial)
<b>Angels Arderiu Ibars</b>	Director (Colonial)
<b>Ali Bin Jassim Al Thani</b>	Director
<b>Jean-Jacques Duchamp</b>	Director (Prédica)
<b>Chantal du Rivau</b>	Director (Prédica)
<b>Carlos Fernandez-Lerga Garralda</b>	Director (Colonial)
<b>Carmina Ganyet I Cirera</b>	Director (Colonial)
<b>Carlos Krohmer</b>	Director (Colonial)
<b>Arielle Malard de Rothschild</b>	Independent director
<b>Luis Maluquer Trepas</b>	Director (Colonial)
<b>Nuria Oferil Coll</b>	Director (Colonial)
<b>Alexandra Rocca</b>	Independent director
<b>Anthony Wyand</b>	Independent director

## Audit Committee

### **Carlos Fernandez-Lerga Garralda (Chairman)**

Jean-Jacques Duchamp  
Carmina Ganyet I Cirera  
Arielle Malard de Rothschild

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## Remuneration and Selection Committee

### **Anthony Wyand (Chairman)**

Pere Viñolas Serra  
Arielle Malard de Rothschild

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## Executive and Strategy Committee

### **Juan José Brugera Clavero (Chairman)**

Jean-Jacques Duchamps  
Carmina Ganyet I Cirera  
Pere Viñolas Serra

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## Committee of Independent Directors

Arielle Malard de Rothschild  
Alexandra Rocca  
Anthony Wyand



# Share Performance

## 2018 Share Performance<sup>(1)</sup>



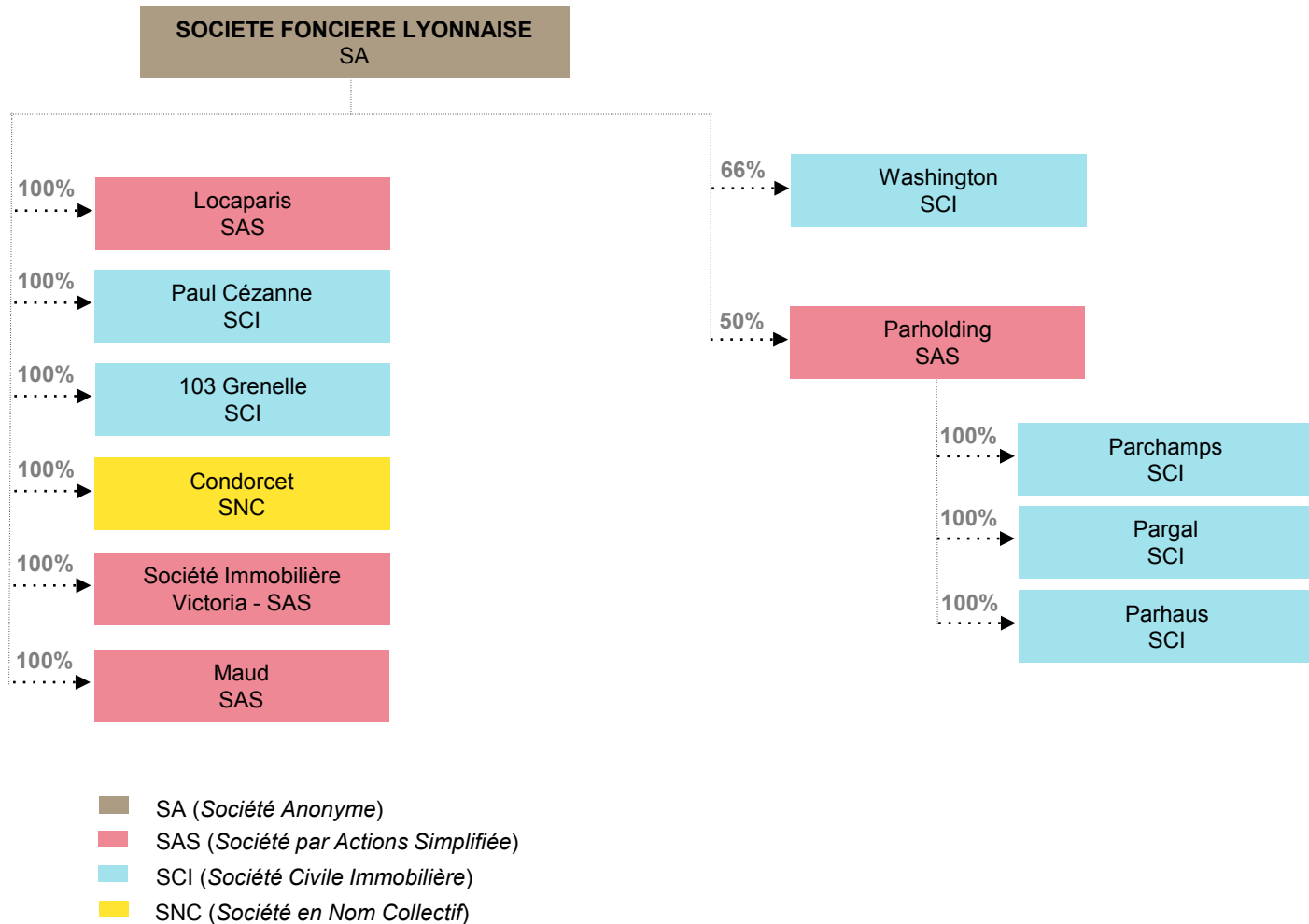
## 2018 Key Figures

Number of shares at 31 December 2018 (thousands)	<b>46,529</b>
Average daily trading volume (shares)	<b>2,142</b>
Average daily trading volume (euros)	<b>€129k</b>
Closing share price on 31 December 2017	<b>€54.61</b>
High for the year (9 November)	<b>€66.00</b>
Low for the year (2 January)	<b>€54.40</b>
Closing share price on 31 December 2018	<b>€60.80</b>

<sup>(1)</sup> Baseline 100: 31 December 2017; data up to 31 December 2018

Sources: Euronext/EPRA

# Legal Structure at 31 December 2018



# CAPEX<sup>(1)</sup>

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Expenditure (€m)	2018	2017
Major redevelopment projects	21.4 <sup>*</sup>	14.0
Other capitalised expenditure	21.6	18.8
<b>Total</b>	<b>43.0</b>	<b>32.8</b>

(1) Excluding capitalized borrowing costs and other expenses

\* Of which: 112 Zola: €10.2m; Louvre Saint-Honoré: €6.0m; 96 léna: €5.1m

