

Paris, 14 October 2019

SFL - Third-Quarter 2019 Financial Information

Rental income: €149.1m, up 3.5% like-for-like

Consolidated revenue by business segment (€000's)

	2019 (9 months)	2018 (9 months)
Rental income	149,070	143,790
<i>o/w Paris Central Business District</i>	121,877	119,038
<i>Paris Other</i>	25,786	22,479
<i>Western Crescent</i>	1,407	2,273
Other revenue	0	0
Total consolidated revenue	149,070	143,790

Consolidated rental income for the first nine months of 2019 amounted to €149.1 million, up €5.3 million or 3.7% from the €143.8 million reported for the same period of 2018.

- On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €4.8 million (3.5%) higher, attributable to new leases signed in 2018, mainly in the Cézanne Saint-Honoré, Washington Plaza, #cloud.paris and 103 Grenelle properties, and to index increases.
- Rental income from spaces being redeveloped declined by €2.4 million over the period, mainly reflecting the departure in 2018 of the last tenants from the 83 Marceau building, which is currently being renovated, and the refurbishment of several floors in the 176 Charles de Gaulle building in Neuilly that were vacated at the end of last year.
- Lastly, income from various penalties was up by €2.9 million, mainly due to the early termination of a lease at 103 Grenelle during the course of the third quarter.

During the first nine months of 2019, SFL signed leases for around 31,000 sq.m. on excellent terms, including nearly 7,000 sq.m. in the third quarter, mainly at 112 Wagram and 103 Grenelle in Paris, and 176 Charles de Gaulle in Neuilly. The new leases were signed at an average nominal rent of €752 per sq.m., corresponding to an effective rent of €654 per sq.m.

At 30 September 2019, the physical occupancy rate for revenue-generating properties remained very high at 97.4%, compared with 97.3% at 31 December 2018, while the EPRA vacancy rate came to 1.8%, versus 1.6% at year-end 2018.

No properties were purchased or sold during the first nine months of 2019.

SFL's consolidated net debt at 30 September 2019 amounted to €1,734 million, compared with €1,688 million at 31 December 2018, representing a loan-to-value ratio of 23.8% based on the portfolio's appraisal value at 30 June 2019. The average cost of debt after hedging was 1.4% and the average maturity was 4.0 years. At end-September 2019, the interest coverage ratio stood at 6.4x.

In addition, SFL had €990 million in undrawn lines of credit at 30 September 2019.

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 €6.8 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