

SFL

2005 RESULTS PRESENTATION

2 February 2006

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Key Figures

Audited

	2005 IFRS	2004 IFRS	% change
Rental revenues	€153.3m	€156.8m	- 2.2%
Disposal gains	€32.2m	€25.9m	+ 24.0%
Profit attributable to equity holders	€89.5m	€89.2m	+ 0.3%
Current Cash Flow excl. capital gains	€103.1m	€89.0m	+15.9%
Current Cash Flow per share, excl. capital gains ⁽¹⁾	€2.40	€2.40	unchanged
Portfolio value, excl. transfer costs, attributable to equity holders at 31 December	€2,615m	€2,406m	+ 8.7%
NNNAV per share, incl. transfer costs ⁽²⁾	€44.6	€40.1	+ 11.2%
(1) Average number of shares (thousands)	43,034	37,114	+ 16.0%
(2) Number of shares at 31 December (thousands)	43,064	42,987	+ 0.2%

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The French Property Market in 2005

Investment market (business property, Paris area)

Volume up 20% to €12.5 billion
Yields down by 75 to 100 bps
Small shift away from offices (80% of total investment) towards warehouses
Small shift away from Paris area (75% of total investment) towards the regions
Growth in speculative programmes

Office rental market (Paris area)

12% increase in completed lettings to 2.16 million sq.m., making 2005 the best year since 2000
Available supply down 3.3% to 2.77 million sq.m.
Rentals have levelled off
Decline in vacancy rate from 6.3% to 5.8%

Office rental market (Central Business District)

The Central Business District is the largest segment of the Paris area rental market, along with La Défense, accounting for 18.2% of the region's completed lettings with 400,000 sq.m., up 10% in volume
Upturn in nominal and actual rents at the end of the year
Vacancy rate down 5%, shift in available supply towards new properties

Retail rental market

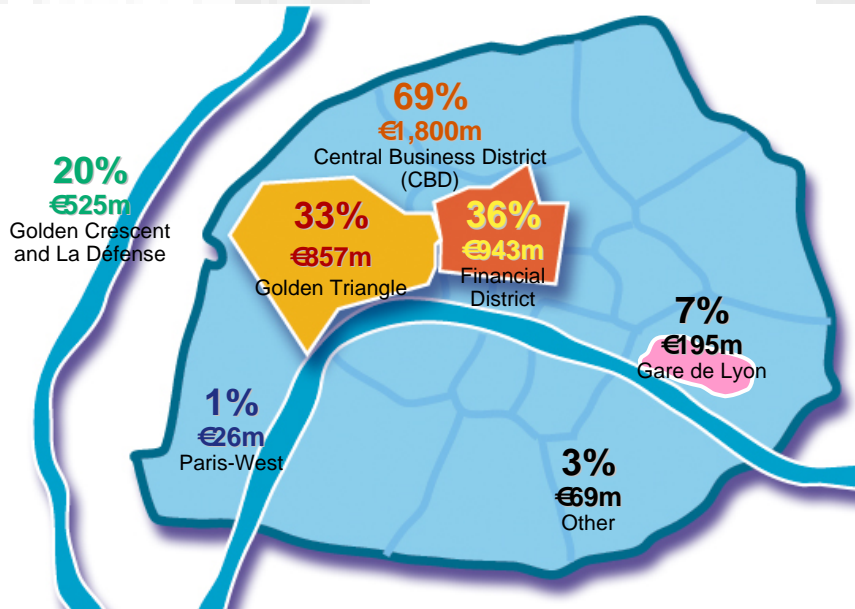
Supply: growth in high street retail and retail warehousing, shopping centres (renovations and extensions, town centres)
Demand: Consolidation, internationalisation, hard discount, format diversification

Portfolio

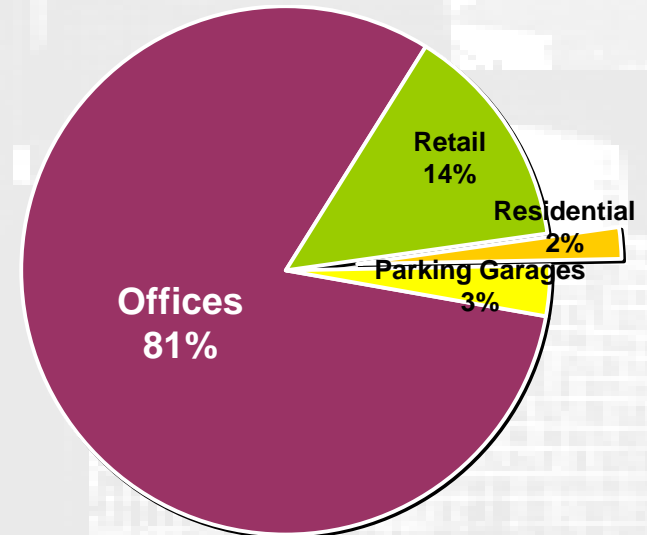
Efficiently focused

Appraisal value at 31 December 2005
€2,615 million excluding transfer costs
(up 12.6% on 30 June 2005; up 8.7% on 31 December 2004)

Geographic focus



Market focus



2005 Purchases: €159m

Properties	Date	Surface (sq.m.)	Price (€m, excl. transfer costs)	Annual rental revenue (€m)	Gross yield (%)	Comments
Purchases completed in 2005						
Tour Miroir – Building C La Défense	07 Sept.	20,500 sq.m. + 220 parking spaces	€137.3m	€9.5m	6.5%	Fully let Atos – lease expires in 7 years
5,rue Alfred de Vigny 75008 Paris	30 Sept.	2,700 sq.m. + 12 parking spaces	€19.3m	nc	nc	To be renovated
24th floor of Tour Areva La Défense	20 Dec.	1,940 sq.m. + 7 parking spaces	€9.8m (SFL share: €2.4m)	€0.7m	6.7%	Let under “3/6/9-year” lease

Properties under option at 31 December 2005

103, rue de Grenelle 75007 Paris	20/10/05	Purchase expected to be completed in mid-2006. Property to be extensively renovated, with delivery of around 14,500 sq.m. of offices and parking spaces at the end of 2008.				Subject to securing a no-recourse building permit
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Tour Miroir – Building C
La Défense



5,rue Alfred de Vigny
75008 Paris



Tour Areva
La Défense



103, rue de Grenelle
75007Paris

2005 Sales: €143.4m

Properties	Surface (sq.m.)	Date	Price (€m - excl. transfer costs and tax)
80, av. de la Grande Armée	2,200	16 Feb.	18.2
17, rue Saint Florentin	1,283	15 June	11.6
35/37/39 rue de Rome and 6/8 rue de Stockholm	6,785	15 June	26.9
Saint Augustin	12,666	15 June	55.0
132, Bd Haussmann	1,888	30 Sept.	12.6
39, rue de Rome (sale as a property trader)	109	15 June	0.5
Vauban (sale as a property trader)	2,688	-	17.6
Sales of shares			1.0
Total			143.4

Capital gains
€28.0m

Margin on sales as a property trader
€4.2m

5.5%
above appraisal value at 31 December 2004



Rome-Vienne
Paris 8



Saint Augustin
Paris 8



Saint Florentin
Paris 8



80 Grande Armée
Paris 17



132 Haussmann
Paris 8

2005 Disposal Gains

Disposal gains: €32.2 million

Margin on sales as a
property trader
€4.2m

Vauban: €4.2m

- Sale price, excl. tax: €17.6m
- 19 transactions representing 2,688 sq.m.
- €6,938/sq.m.
- Cumulative sales up to 31 December 2005: €124.2m incl. tax, representing 103.5% of projected turnover (€120m)

39, rue de Rome

- 109 sq.m. unit

Capital gains
€28.0m

Gains on sales of properties
€27.6m

- 80, av. de la Grande Armée
- 17, rue Saint Florentin
- 35/37/39 rue de Rome and 6/8 rue de Stockholm
- Saint Augustin
- 132, Bd Haussmann

Gains on sales of shares
€0.4m

- 25% of the capital of SAS Roosevelt (Teachers JV)
- SCI Tour Horizon, in liquidation

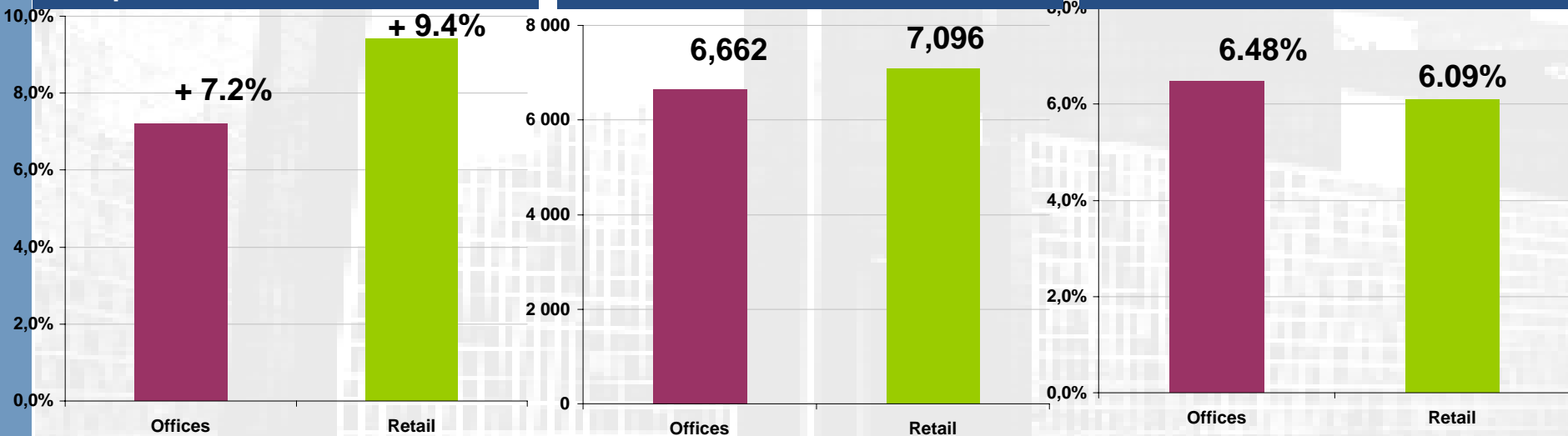
Appraisal Values at 31 December 2005

Appraisal values (Group share): €2,615m excl. transfer costs
€2,761m incl. transfer costs

Like-for-like
(excl. transfer costs)
up 7.9% on 31/12/2004

Average value per sq.m.
(excl. transfer costs)
€6,648/sq.m.

Spot yield⁽¹⁾
(excl. transfer costs)
6.38%



(1): = (passing rent + assumed rent)/appraisal value excluding transfer costs

Current Renovation Projects

Creating new growth drivers

Properties	District	Type	Renovated surface area	Forecast rentals (100% basis)	Delivery
104-110 Bd Haussmann	Golden Triangle	Offices	11,888 sq.m.	€8m	H1 2007
63, Bd Haussmann	Golden Triangle	Offices	2,580 sq.m.	€1.5m	Q1 2006
Galerie des Champs Elysées	Golden Triangle	Retail	6,239 sq.m.	€9.2m	In planning phase
5, rue Alfred de Vigny	Golden Triangle	Offices	2,478 sq.m.	€1.5m	H2 2006/H1 2007
92, av. des Champs Elysées	Golden Triangle	Offices	4,000 sq.m.	€12.0m	In planning phase
Total			27,185 sq.m.	€32.2m	



104-110 Bd Haussmann,
Paris 8ème



63 Bd Haussmann,
Paris 8



Galerie des Champs Elysées,
Paris 8ème



5, rue Alfred de Vigny,
Paris 8ème



92 av. des Champs Elysées,
Paris 8

Rental Revenues

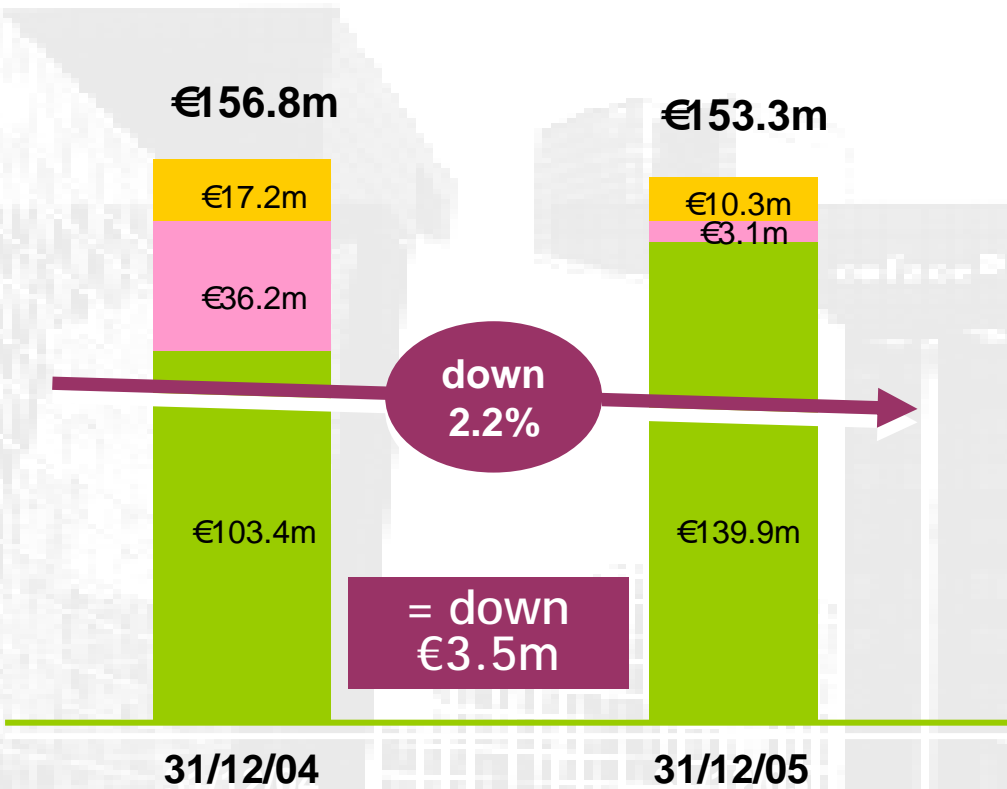
2005 versus 2004

In €m - 100% basis

2004 rental revenues (French GAAP)	154.8
IFRS adjustments	2.0
2004 rental revenues (IFRS)	156.8
Like-for-like growth	+5.9
Increase due to purchases and post-renovation remarketing	+3.5
Decrease due to major renovations	-0.7
Decrease due to sales	-12.2
2005 rental revenues (IFRS)	153.3
Of which IFRS adjustments	8.5

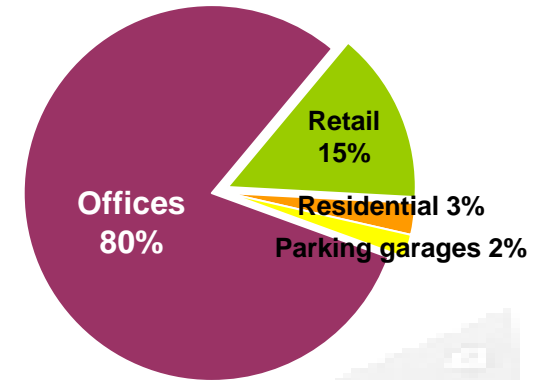
Rental Revenues

Reported change

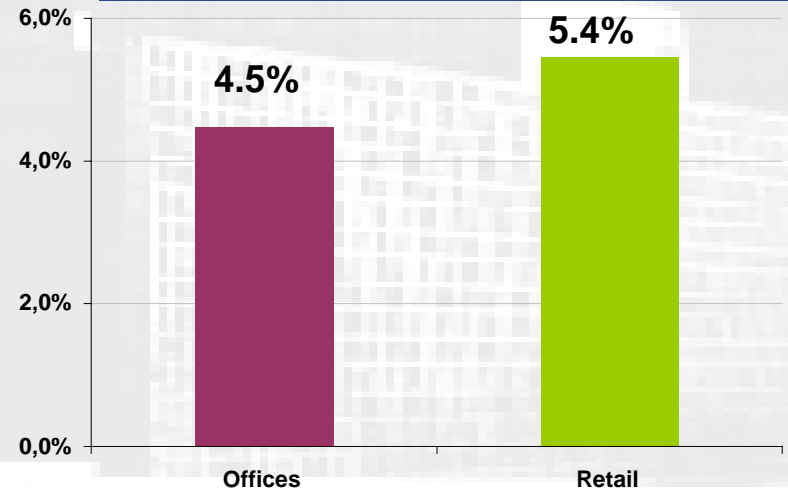


- Other (Disposals/Renovations)
- Properties purchased during the period
- Properties held throughout the period

By type of property



Like-for-like change: up 4.7%



New leases: 99,900 sq.m.

Offices

- 98,559 sq.m. (€465/sq.m./year)
- Average passing rent: €454/sq.m./year
- Total: €45.8m
- Group share: €23.5m

Retail

- 1,369 sq.m. (€669/sq.m./year)
- Average passing rent: €428/sq.m./year
- Total: €0.9m
- Group share: €0.8m

Average lease term: 6.3 years

No significant lease renewals before 2010

Main leases signed in 2005

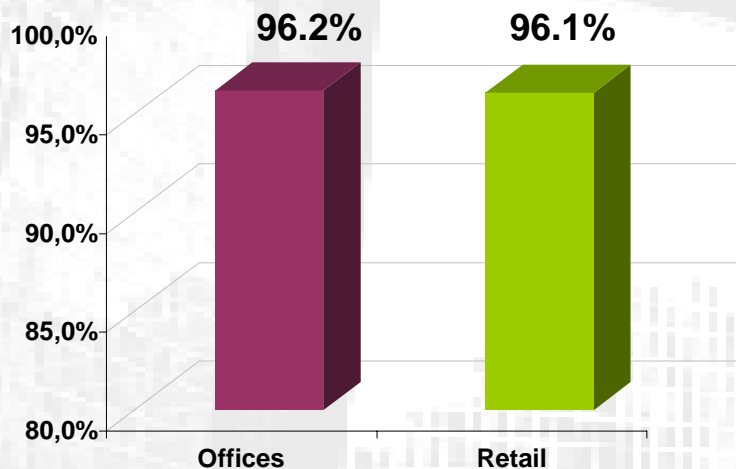
Property	Type	Surface (sq.m.)	Tenant
CALL-LDA	Offices	11,661	Unilocations
Prony Wagram	Offices	7,100	TV5
Edouard VII	Offices	4,137	Ashurst
Edouard VII	Offices	3,490	Lyonnaise des Eaux
Cézanne Saint Honoré	Offices	3,984	Citibank
176 av. C. de Gaulle	Offices	2,024	Hudson
Cézanne Saint Honoré	Offices	1,926	CCR
12 & 14 Grande Armée	Offices	1,735	Santarelli
Cézanne Saint Honoré	Offices	1,576	3I Gestion
Washington Plaza	Offices	1,102	Poweo
Washington Plaza	Offices	967	LaSalle Investment
Tour Areva (1)	Offices	47,590	Areva
69, av. F. Roosevelt (1)	Offices	1,851	Hogan & Hartson

(1) Accounted for by the equity method

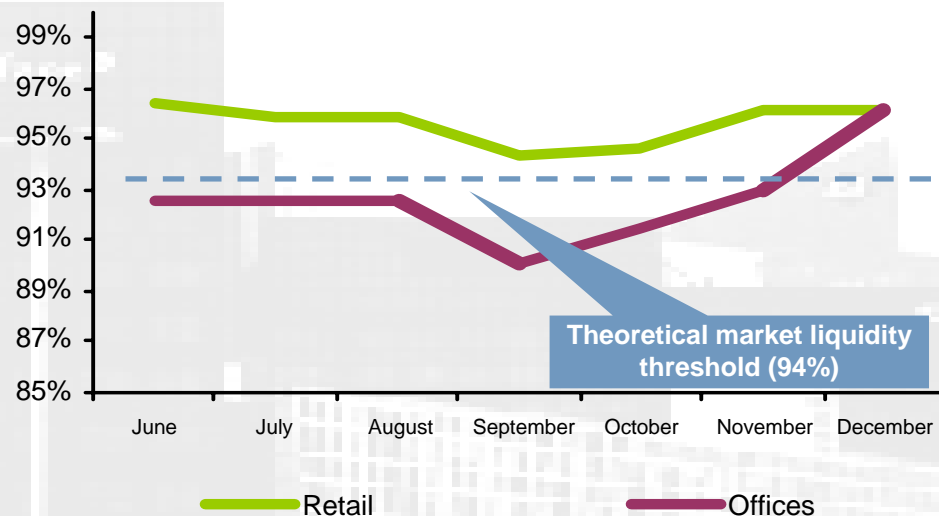
Occupancy Rates Still high

Occupancy rate⁽¹⁾ at 31 December 2005
96.1%

Occupancy Rate by Property Type



Occupancy Rates, June-December 2005 ⁽²⁾



Office Occupancy Rates at 31 December 2005

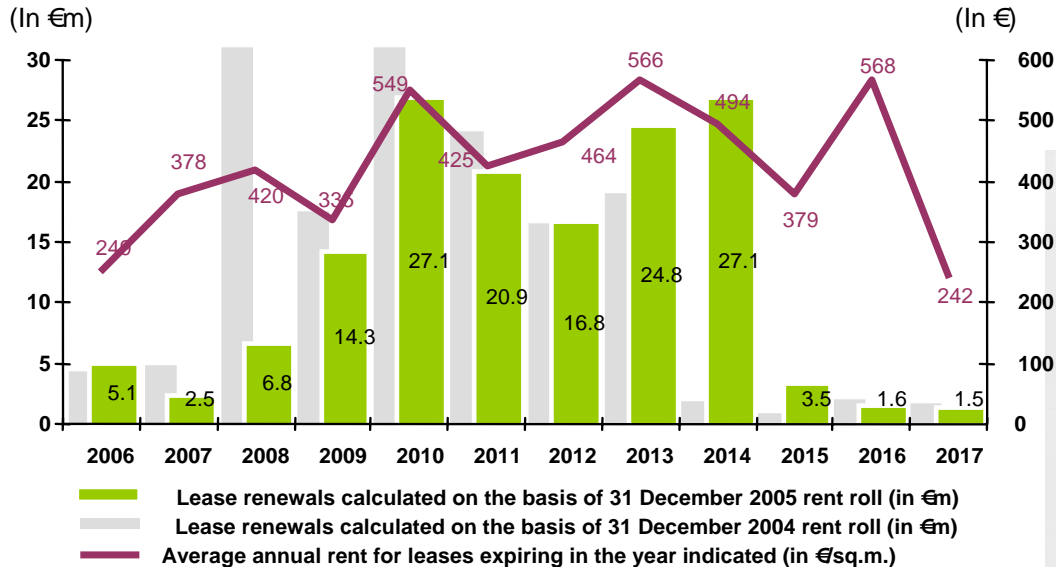
SFL:	96.2%
Central Business District:	95%
Paris region:	94.2%

(1): Excluding surface areas and properties under renovation (27,185 sq.m. at 31 December 2005)

(2): Month-end spot rates

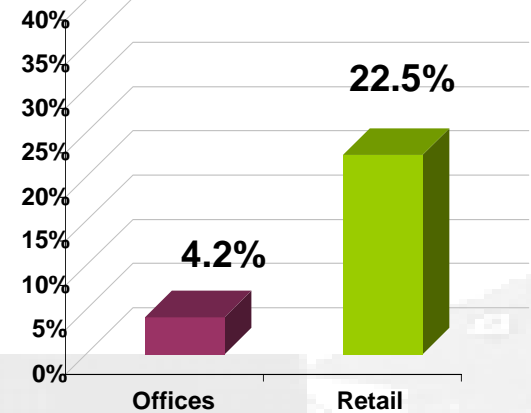
Lease Renewals and Reversionary Potential

Commercial Lease Expiry Dates⁽¹⁾



Average rent for SFL office properties at 31 December 2005: €454/sq.m./year

Reversionary Potential



Reversionary potential⁽²⁾ (Group share): 7.1%

(1) Calculations based on €152m commercial lease rent roll

(2) Based on CBRE Bourdais estimates of rents for lease renewals (8.3% if based on open market rentals)

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- Properties measured using the cost model
- Properties analysed based on their separate parts
- Each part depreciated over its estimated useful life
- Reconciliation of 2004 profit between French GAAP and IFRS

2004 Profit - French GAAP		98.4
IAS 40		8.2
Restatement of investment property	9.4	
Minority interests in restatement of investment property	(1.2)	
IAS 17		(2.1)
Leases: recognition of rent-free periods and step-ups over the life of the lease	(2.1)	
Other IASs/IFRSs		3.2
Employee benefits	0.5	
Discounting of deferred payments	3.2	
Neutralisation of consolidated loss on the sale of VVH derecognised at 31 December 2003 under IFRS	(0.5)	
Total IFRS adjustments		(9.3)
2004 Profit - IFRS		89.2

2005 Results

In €m - 100% basis	2005 IFRS	2004 IFRS	% change
Rental revenues	153.3	156.8	-2.2%
Property expenses, net of recoveries	(8.1)	(9.7)	-16.5%
Net property rentals	145.2	147.1	-1.3%
Service and other revenues	8.3	10.2	-18.3%
Depreciation, amortisation and provisions	(37.8)	(37.9)	-0.3%
Employee benefits expense and other expenses	(22.8)	(35.6)	-35.9%
Operating profit	93.0	83.9	+10.9%
Profit on asset disposals	32.2	25.9	+24.0%
Finance costs and other financial income and expense	(34.8)	(17.1)	+104.0%
Share of profit of associates	1.4	2.4	-41.5%
Profit before income tax	91.7	95.1	-3.6%
Income tax expense	3.0	(3.0)	-200.0%
Profit for the year	94.7	92.1	+2.7%
Minority interests	(5.2)	(3.0)	+74.8%
Attributable profit	89.5	89.2	+0.3%

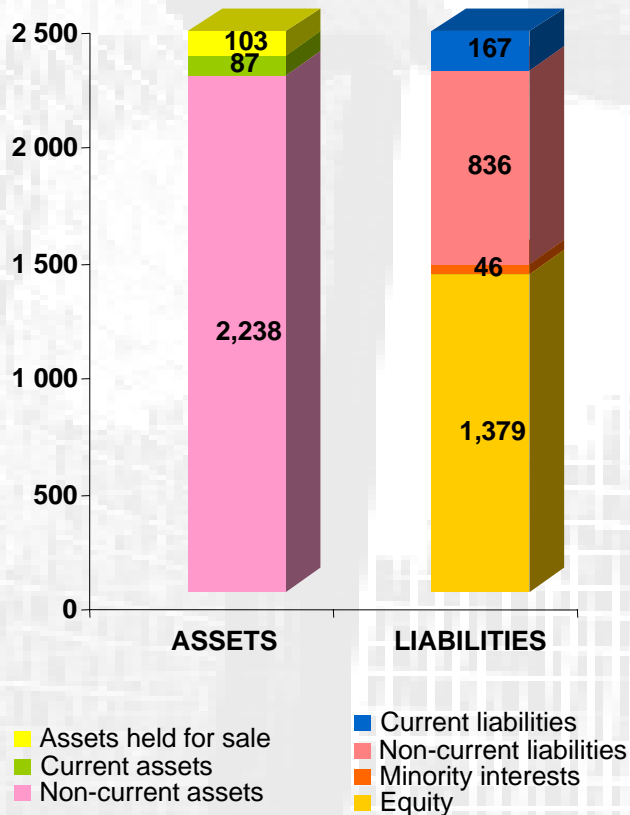
Current Cash Flow

In €m - 100% basis	2005 IFRS	2004 IFRS	% change
Operating profit	93.0	83.9	+ 10.9%
Finance costs net of interest income	(34.8)	(17.1)	+ 104.0%
Depreciation, amortisation and provision expense, net	41.6	16.2	+ 155.8%
IFRS adjustments	(0.8)	1.7	- 149.0%
Current Cash Flow before disposal gains and tax	99.0	84.7	+ 16.8%
Margin on sales as a property trader	4.1	4.3	- 2.2%
Current Cash Flow before disposal gains and tax, including margin on sales as a property trader	103.1	89.0	+ 15.9%
Number of shares at 31 December (thousands)	43,064	42,987	+ 0.2%
Average number of shares (thousands)	43,034	37,114	+ 16.0%
Current Cash Flow before disposal gains and tax, incl. margin on sales as a property trader/number of shares at 31 December	€2.39	€2.07	+ 15.7%
Current Cash Flow before disposal gains and tax, including margin on sales as a property trader/average number of shares	€2.40	€2.40	unchanged

Balance Sheet

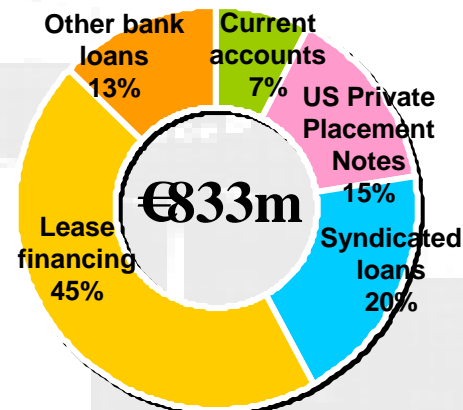
Significant investment capacity

IFRS Balance Sheet at 31 December 2005
(in €m)

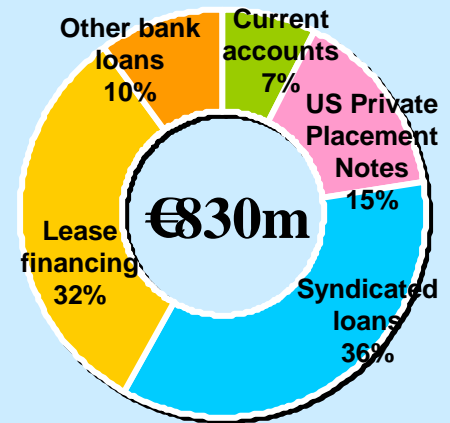


Debt structure and Current Accounts

At 31/12/04



At 31/12/05



Loan-to-Value Ratio

At 31/12/04

26.1%

At 31/12/05

25.8%

Change in Debt

(In €m - 100% basis)	31/12/04 IFRS	30/06/2005 IFRS	31/12/2005 IFRS
Convertible bonds	0.2	0	0
US Private Placement Notes	125.0	125.0	125.0
Syndicated loan	162.5	194.5	296.0
Lease financing	373.6	267.5	263.9
Other bank loans	109.3	106.7	83.8
Total debt	770.6	693.7	768.7
Current accounts	61.7	59.8	61.3
Accrued interest	0.4	0.4	0.5
Total debt and current accounts	832.7	753.9	830.5
Deferred debt issuance costs	0	(2.4)	(2.3)
Impact of applying IAS 32 and IAS 39	0	66.8	59.2
Total long and short-term debt	832.7	818.3	887.4
Average life (years)	4.9	6.2	6.0
Average spot cost (after hedging)	4.1%	4.4%	4.7%
Cash and cash equivalents	76.6	49.5	28.9
Net debt (debt – cash and cash equivalents)	693.8	644.2	739.8
Estimated value of assets (incl. transfer costs - 100% basis)	2,663.0	2,573.8	2,864.3
Loan-to-Value ratio	26.1%	25.0%	25.8%

NAV Per Share

Diluted NAV	Including transfer costs			Excluding transfer costs		
	31/12/05 IFRS	30/06/05 IFRS	31/12/04 IFRS	31/12/05 IFRS	30/06/05 IFRS	31/12/04 IFRS
NNNAV (after tax and MTM - in €m)	1,925	1,759	1,731	1,779	1,629	1,596
Shares and potential shares, including treasury stock (thousands)	43,104	43,104	43,109	43,104	43,104	43,109
NNNAV/share (in €)	44.6	40.8	40.1	41.3	37.8	37.0

NNNAV/share (including transfer costs):
 up 9.4% over six months
 up 11.2% over twelve months

Dividend to be recommended at the AGM

	2005	2004	% change
Interim dividend	€0.70	€0.70	-
Final dividend (2005: recommended)	€1.40	€1.35	+ 3.7%
Total dividend per share	€2.10	€2.05	+ 2.4%

Recommended dividend = 93.3% of current cash flow⁽¹⁾
(attributable to equity holders)
Annual General Meeting: 4 May 2006

(1) Current cash flow before disposal gains and tax, including margin on sales as a property trader

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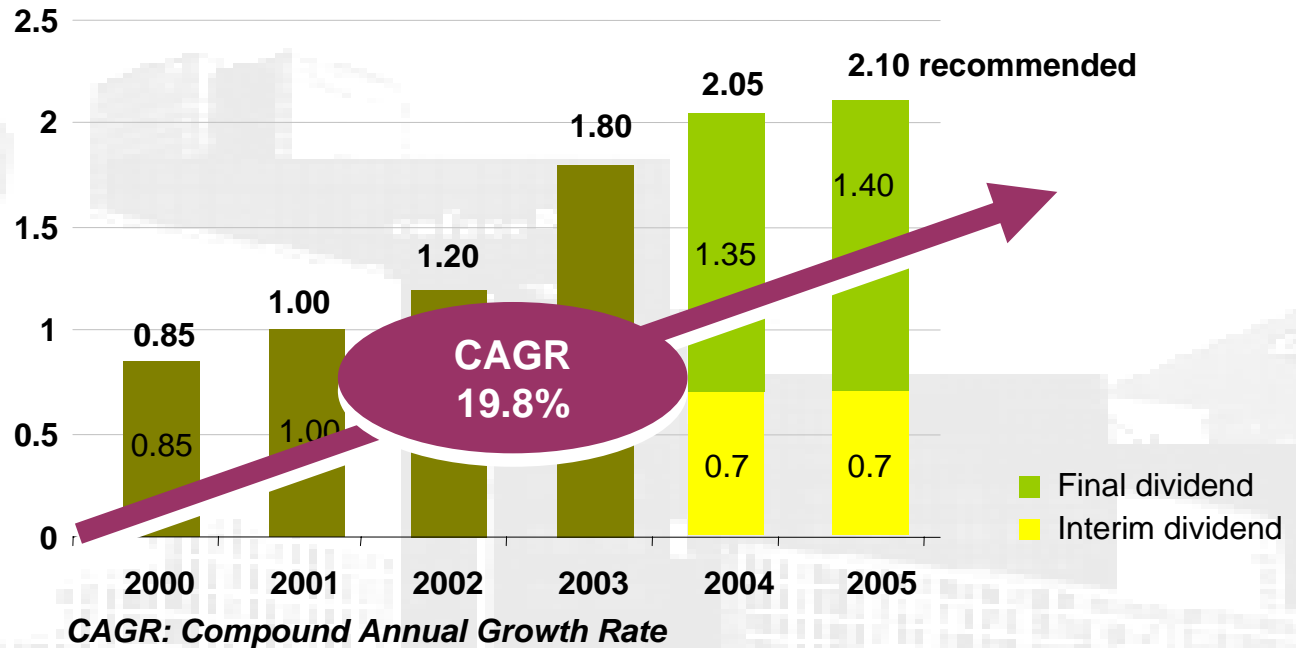
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SFL, A Yield Stock

Dividend per share (in €)




2005 dividend yield
4.8%

■ www.fonciere-lyonnaise.com



bienvenue sur le site internet de la Foncière Lyonnaise

Language 

ACTEUR DE RÉFÉRENCE SUR LE MARCHÉ DE
L'IMMOBILIER PARISIEN DE BUREAUX HAUT DE GAMME

ACTUALITÉS

19 décembre 2005 :
La Défense - Tour AREVA :
Horizon 2015

> en savoir plus

7 décembre 2005 :
Nouveau bail pour le 131, avenue
de Wagram

> en savoir plus



*« Avec un patrimoine évalué à 2,615
Milliards d'euros,
SFL poursuit sa stratégie de
développement centré
sur l'immobilier commercial
de grand standing
au coeur de Paris »*

AGENDA

2 février 2006 :
Réunion analystes à
17h30 : présentation des
résultats financiers 2005
Centre de conférences
EDOUARD VII
23, square Edouard VII
75009 PARIS

COURS DE BOURSE

19/01/2006 - 09:57:15

€ 65.94
ISIN: FR0000033409

 LA SOCIÉTÉ

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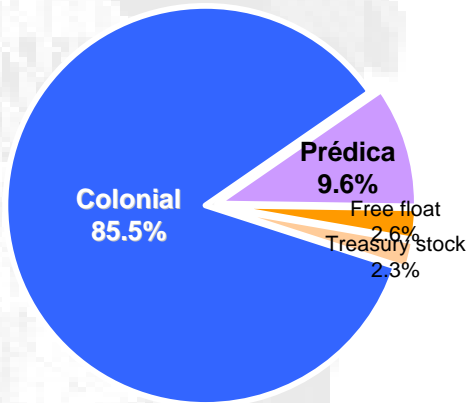
APPENDICES



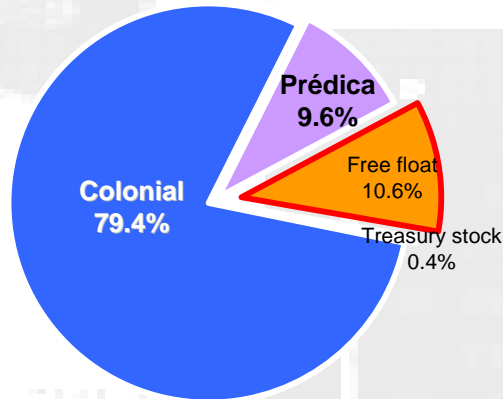
Ownership Structure

Increased free float

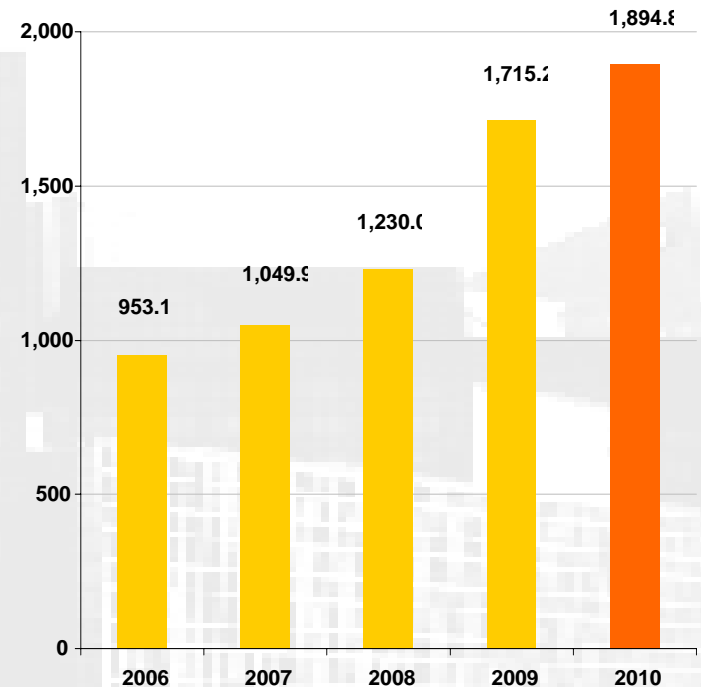
31/12/2004
(43.0 million shares)



31/12/2005
(43.1 million shares)



Growth in market capitalisation at
31 December
(in € millions)

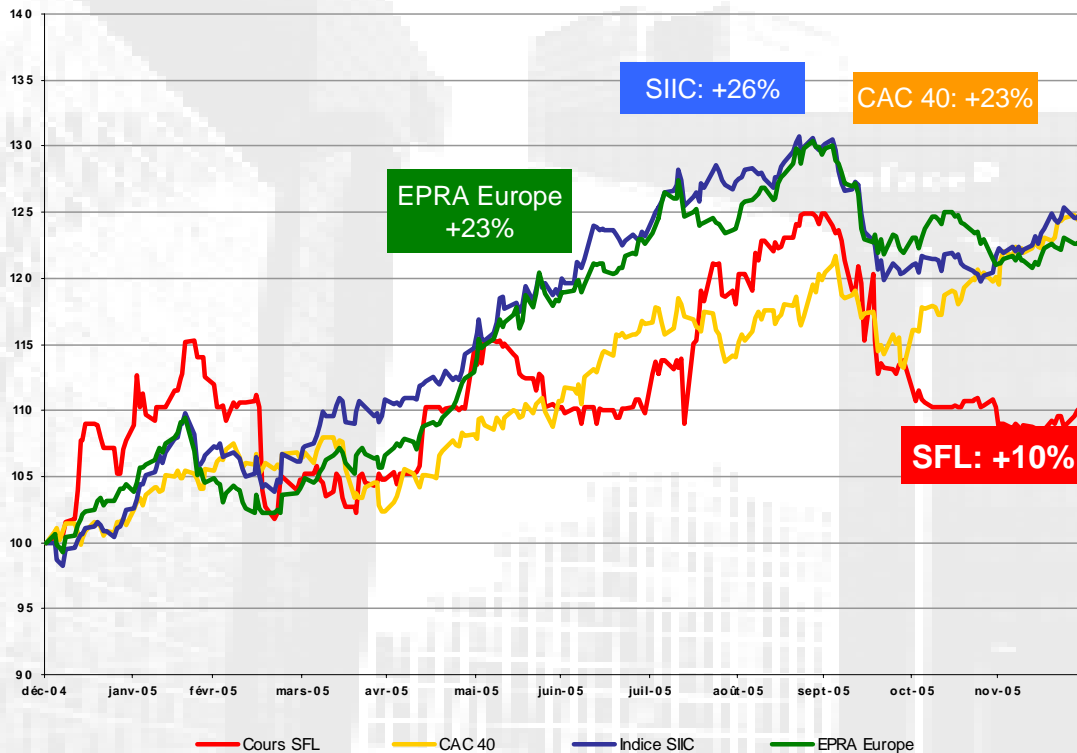


March 2005

- Private placement at a price of €40.5
- 2,579,505 shares sold by Colonial
 - 671,854 shares sold by SFL out of treasury

Share performance

2005 share performance⁽¹⁾



(1) Base 100: 31 December 2004; data up to 31 December 2005

Source: Euronext

2005 Key Figures

Number of shares at 31/12/05	43,063,788
Average daily trading volume (shares)	7,542
Average daily trading volume (amount)	€31,000
High (4 October)	€49.85
Low (3 January)	€40.06
Year-end closing price	€44.0

Property Valuation and NAV Calculation

Independent expert

CBRE Bourdais

Methodology

Capitalisation of net rental revenues or comparison with recent transactions

Frequency

Entire portfolio valued at 6-monthly intervals
(December and June)

NAV calculation

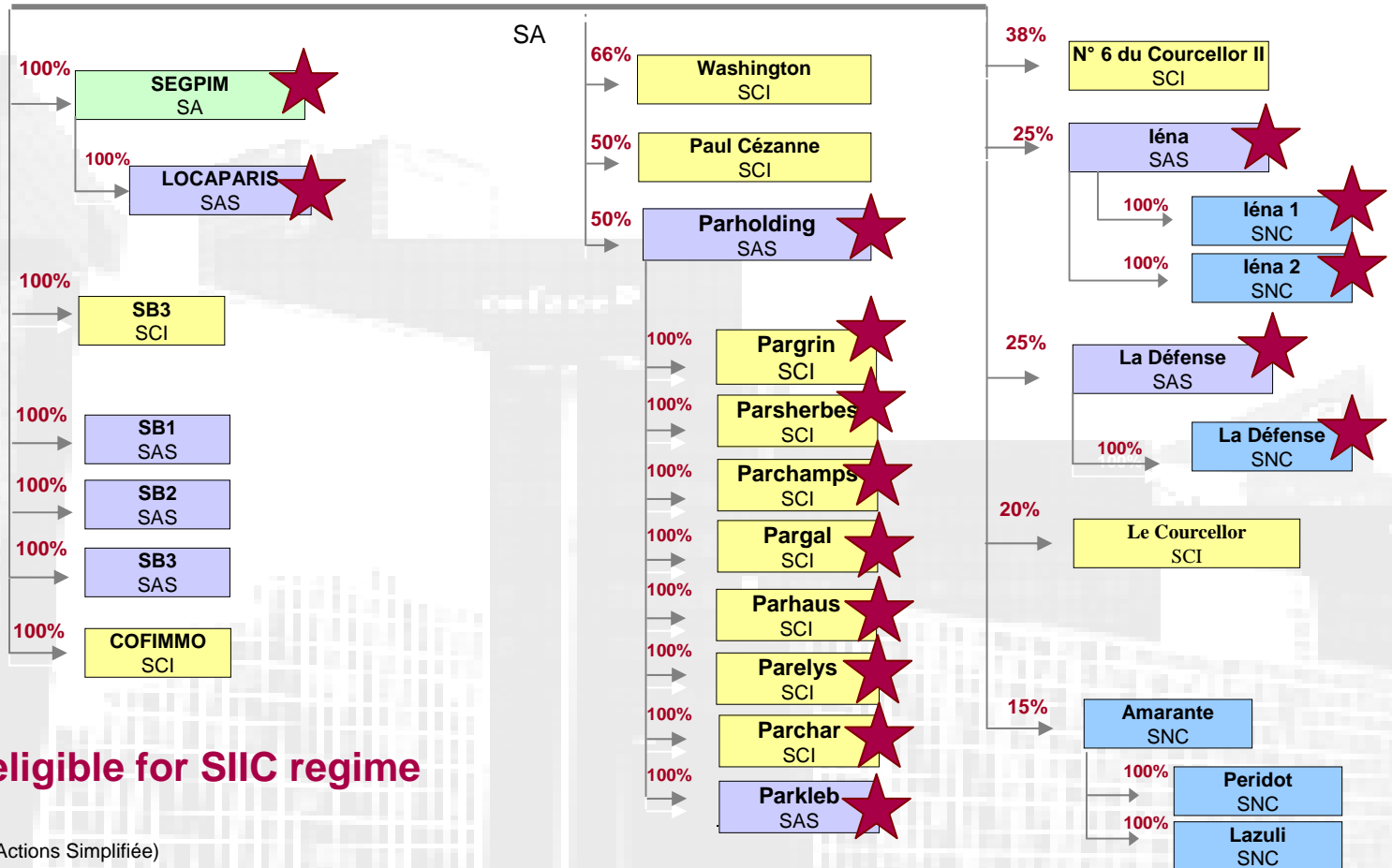
With and without transfer costs
Fully diluted
Net of exit tax, with financial instruments marked-to-market

Validation

NAV calculation is reviewed by the Auditors

Group Structure at 31 December 2005

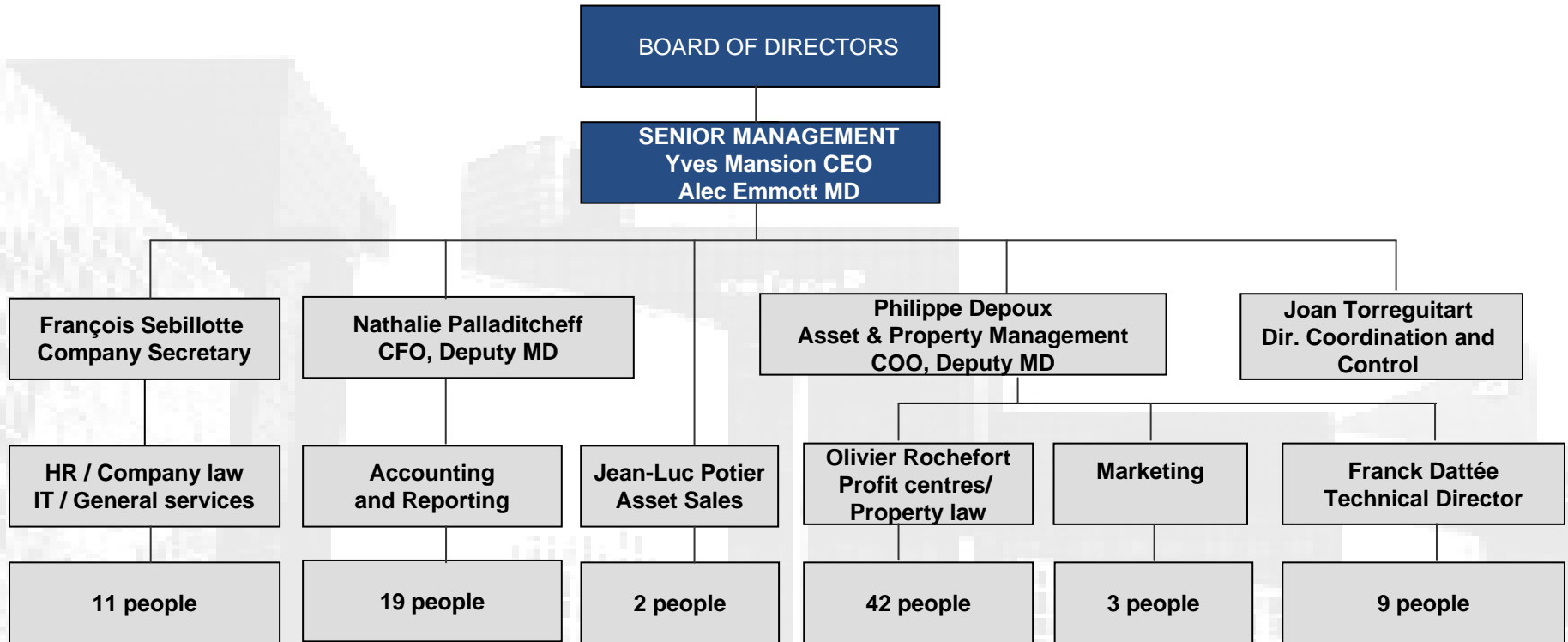
SOCIETE FONCIERE LYONNAISE



★ = Not eligible for SIIC regime

- SAS (Société par Actions Simplifiée)
- SNC (Société en Nom Collectif)
- SCI (Société Civile Immobilière)
- SA (Société Anonyme)

Organisation Structure



Number of employees*

Head office	97
Building staff and caretakers	11

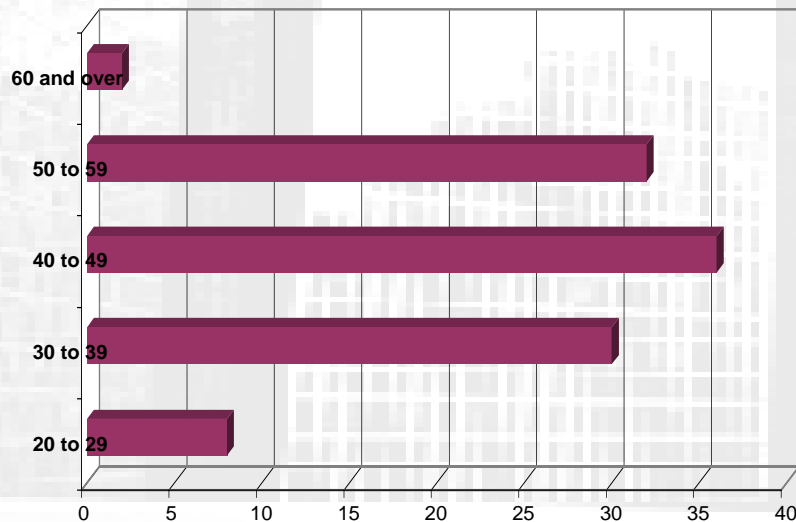
Total	108
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* employees with an employment contract

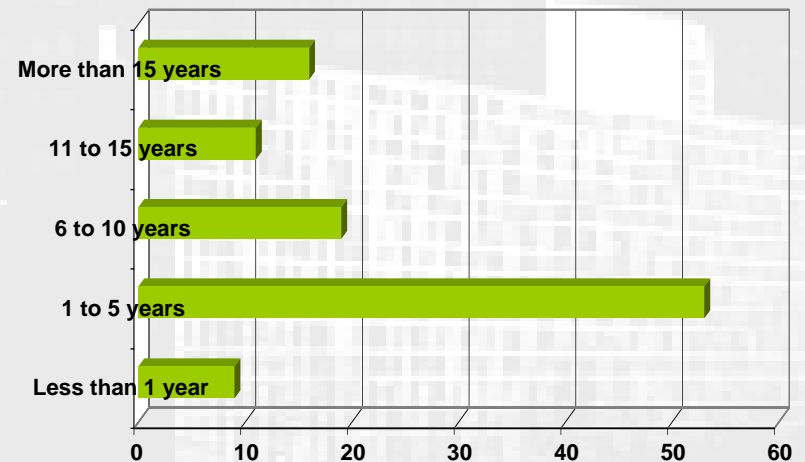
Human Resources

Number of employees	31/12/2004	31/12/2005
Building staff	18	11
Administrative staff	24	19
Supervisors	15	18
Managers	56	60
Total	113	108

Administrative staff by age group
(at 31/12/05)



Administrative staff by years of service
(at 31/12/05)



Refurbishment and Maintenance

Expenditures (in €m - 100% basis)	2005	2004	% change
Major renovation projects ⁽¹⁾ (capitalised)	23.7	14.4	+64.6%
Other capitalised expenditure	12.7	10.4	+22.1%
Maintenance and general upkeep ⁽²⁾	2.4	3.2	-25.0%
Total	38.8	28.0	+38.6%

1.3% of portfolio value (Group share)

- (1) Of which Cézanne St-Honoré (50%): €4.6m; 104-110 Haussmann (50%): €8.7m; Prony Wagram: €6.6m; 63 Haussmann: €2.0m; 92 Champs Elysées: €1.1m
- (2) Net of expenses recovered from tenants