

SFL - THIRD QUARTER 2010

Property rentals: €137.5 million for the first nine months of 2010

Consolidated revenue by business segment (€ 000's)

	2010 (9 months)	2009 (9 months)
Property rentals	137,511	139,455
<i>o/w Golden Triangle</i>	41,821	52,178
<i>Financial District</i>	47,977	49,324
<i>Golden Crescent –La Défense</i>	37,667	27,552
<i>Other</i>	10,047	10,402
Other revenue	276	182
Total revenue	137,787	139,637

Paris, 3 November 2010 - Consolidated property rentals for the nine months ended 30 September 2010 amounted to €137.5 million compared with €139.5 million for the same period of 2009, a decline of €1.9 million. On a comparable portfolio basis, property rentals were down €8.0 million or - 6.6%, reflecting the impact of rent renegotiations and the negative effect in 2010 of applying rent indexation clauses. In addition, the properties sold in 2009 and the Quai Le Gallo property, which is currently being renovated, represented lost revenues of €9.2 million in the first nine months of 2010 compared with the year-earlier period. On the other hand, third quarter property rentals included a lease termination penalty received from a tenant of the Les Miroirs property in La Défense, for a net impact of €16.9 million, whereas termination penalties received in 2009 came to €3.8 million. Lastly, property rentals from Galerie des Champs-Élysées and 103 Grenelle were €2.7 million higher.

In a rental market that was slightly less flat than in the first half, SFL signed leases on around 8,000 square meters in the third quarter, including 4,100 square meters in the 103 Grenelle building. This led to an improvement in the occupancy rate to 92.3% at 30 September from 91.0% at 30 June (excluding properties undergoing renovation), with the main vacant units located in 103 Grenelle and Washington Plaza.

No buildings were sold or acquired during the third quarter.

Net debt at 30 September amounted to €1,180 million, slightly below the 30 June level of €1,216 million, representing a loan-to-value ratio of 35.6% based on portfolio appraisal values at 30 June.

With an exceptional portfolio of properties valued at €3.3 billion including transfer costs, essentially located in the Paris Central Business District, SFL is a preferred vehicle for investors wishing to invest in the Paris office and retail property market. As the leading player in this market, the Group is firmly focused on pro-actively managing high-quality property assets. SFL has elected to be taxed as an SIIC since 2003.

STOCK MARKET:

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

