

# SFL AND PREDICA SIGN MEMORANDUM OF UNDERSTANDING

**The proposed transaction calls for the sale of Prédica's 50% stake in CEZANNE ST HONORE to SFL in exchange for shares and an increase in SFL's free float.**

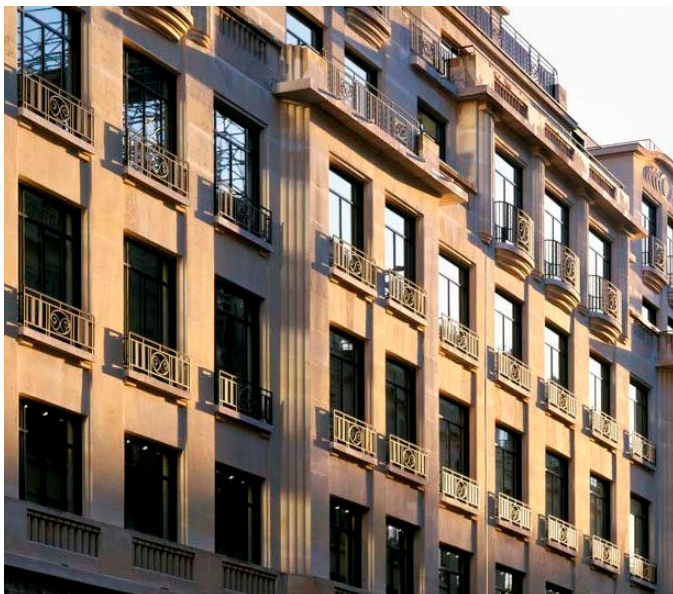
Paris – 9 February 2007 – Under the terms of a memorandum of understanding signed yesterday, Prédica will sell its 50% stake in SCI Paul Cézanne to SFL, which already holds a 50% interest in the company, and sell the shares issued by SFL in exchange for the stake to a group of investors selected by Grupo Inmocaral and SFL.

The stake is valued at €198 million, or 50% of SCI Paul Cézanne's revalued net assets, including the partners' current accounts at 31 December 2006. The final sale price will also be adjusted to take into account Prédica's share of SCI's 2007 profit until the date of the sale.

SFL shares issued to pay for the acquisition will be priced at €58 per share. They will be issued under the sixth resolution approved by shareholders at the 21 April 2005 Annual Meeting giving full powers to the Board of Directors to increase capital through the issue of new shares, provided that the number of shares issued does not exceed 10% of the Company's share capital.

Expected to take place before 31 March 2007, the transaction is contingent upon the designated Grupo Inmocaral and SFL investors' following through on their commitment to purchase the shares issued by SFL in exchange for the stake.

Prédica has stated its intention to retain at least 5% of SFL's capital and voting rights in accordance with the provisions of the shareholder pact concluded with Inmobiliaria Colonial on 24 November 2004.



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With an exceptional portfolio of properties valued at more than €3.3 billion net of 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 :

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

