

## SFL 2009 RESULTS

**Property rentals up 0.8% to €183 million**  
**Underlying net profit up 11.9% to €108.3 million**  
**Net loss of €252.2 million (vs. €393.0 million)**  
**Current cash flow up 10.1% to €110.1 million**  
**Property portfolio down 11% to €3,094 million excluding transfer costs**  
**NAV per share, including transfer costs, down 15.5% to €43.3**  
**Dividend set at €2.10 per share**

**Paris, 12 February 2010** - The financial statements for the year ended 31 December 2009 were approved by the Board of Directors of Société Foncière Lyonnaise on 12 February 2010, at its meeting chaired by Yves Mansion. 2009 saw a further improvement in operating indicators thanks to firm rental revenues and reductions in both operating expenses and finance costs. Although stable in the second half of 2009, appraisal values were down 7.8% like-for-like for the full year, reflecting sharp declines in the first half. The financial statements have been audited and the auditor's report is being prepared.

### Consolidated data (€ millions)

|  | 2009    | 2008    |
|--|---------|---------|
| Property rentals   | 183.0   | 181.5   |
| Operating profit before disposals and fair value adjustments | 158.1   | 152.3   |
| Attributable net profit (loss):                              | (252.2) | (393.0) |
| <i>of which attributable underlying profit</i>               | 108.3   | 96.8    |
| Attributable current cash flow                               | 110.1   | 100.0   |

|  | 31 Dec.<br>2009 | 31 Dec.<br>2008 |
|--|-----------------|-----------------|
| Attributable equity                        | 1,816           | 2,161           |
| Portfolio value excluding transfer costs   | 3,094           | 3,477           |
| Portfolio value including transfer costs   | 3,266           | 3,672           |
| Diluted NAV/share excluding transfer costs | €39.6           | €47.1           |
| Diluted NAV/share including transfer costs | €43.3           | €51.3           |

### Results

- Property rentals for the year amounted to €183.0 million compared with €181.5 million in 2008, representing an increase of €1.5 million. On a comparable portfolio basis, property rentals were up €5.0 million or 2.9%, mainly due to the positive effect in 2009 of applying rent indexation clauses. The impact on rents of the decline in the latest indices will not be felt until 2010. Sales of properties out of the portfolio had the effect of reducing property rentals for the year by €3.7 million.

- Operating profit before disposals and fair value adjustments stood at €158.1 million, up €5.8 million or 3.8% over the previous year's €152.3 million. The improvement was primarily due to rent increases (see above) and a €2.5 million reduction in overheads during the year.

#### Company

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With an exceptional portfolio of properties valued at nearly €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



- Net finance costs amounted to €40.9 million in 2009, down €12.2 million on the previous year's €53.1 million, due mainly to lower reference interest rates.

- Properties sold during the year generated a loss of €14.0 million compared to their appraisal value at 31 December 2008, representing an average discount of 9.3%.

- Appraisal values stabilised in the second half after falling in the first six months, ending the year down 7.8% from their 31 December 2008 level. The net loss for the year included €385.5 million in negative fair value adjustments, representing an improvement compared with €546.5 million (including impairment losses) in 2008.

- After taking into account these items, the Company reported a €252.2-million attributable loss under IFRS, compared with a €393.0-million loss in 2008. Excluding the impact of disposals and fair value adjustments to properties and financial instruments, together with the related tax effects, which distort year-on-year comparisons, the Company ended the year with an underlying profit of €108.3 million, versus €96.8 million in 2008, an increase of 11.9%.

- Attributable current cash flow amounted to €110.1 million, up 10.1% from €100.0 million the previous year. Current cash flow per share – based on the average number of shares outstanding during the year – stood at €2.37 versus €2.15 in 2008.

## Business Review

At 31 December 2009, the occupancy rate (excluding properties undergoing renovation) stood at 93.9%, compared with 98.3% at 31 December 2008. The decline reflects the March 2009 delivery of the fully renovated building at 103 rue de Grenelle which, in a flat rental market, has only been very partially let to date. Nonetheless, around 12,000 sq.m. of offices and retail units were let during the year on good terms, particularly in the Louvre building.

In an investment market shaped by a persistently limited deal flow, five buildings were sold in 2009 for a total of €117 million. The sales prices represented an average yield of 6.3%. SFL also withdrew from the T8 development project on the Paris Rive Gauche site during the year.

Capitalised work carried out in 2009 amounted to €96.6 million, including renovation and remodelling work on 247 rue Saint-Honoré, home to the future Paris Mandarin Hotel, and on the Galerie des Champs-Élysées shopping arcade. These are the Company's main renovation projects currently in progress and are proceeding satisfactorily. In addition, the necessary permits for the renovation of 92 avenue des Champs-Élysées have now been obtained, which means that work will soon be able to commence. The building at Quai Le Gallo in Boulogne has now been added to the list of properties to be renovated, following the departure of the building's main tenant.

## Financing

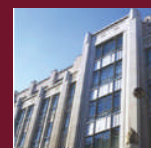
In 2009, SFL set up a €300-million 5-year corporate bullet loan, as well as a €172-million 3-year no-recourse mortgage loan for its subsidiary Parholding, which is jointly owned by Predica.

With interest rates at record lows, SFL also set up new interest rate swaps on a notional amount of €350 million.

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## NAV

The property portfolio's appraisal value excluding transfer costs at 31 December 2009 was €3,094 million, down 11.0% from €3,477 million a year earlier. The estimated replacement value (including transfer costs) was €3,266 million. On a comparable portfolio basis, the decline over the year was 7.8%.

The composition of the portfolio was unchanged, with prime office properties in Paris's Central Business District accounting for 79% of the total and retail units on the capital's best shopping streets representing 20%.

Rental yield stood at 6.3% at end-2009, compared with 5.8% a year earlier.

Net debt at 31 December 2009 amounted to €1,117 million, versus €1,159 million at 31 December 2008 representing a loan-to-value ratio of 34.2%. The average cost of debt at 31 December 2009 was 4.6% and the average maturity was 3.2 years.

At 31 December 2009, fully-diluted NAV per share stood at €43.3 including transfer costs – down 15.5% from €51.3 at 31 December 2008 – and €39.6 excluding transfer costs.

## Dividend per share

In light of the Company's attributable current cash flow per share of €2.37 in 2009, the Board of Directors has decided to recommend to the Shareholders' Meeting that the dividend should be set at €2.10 per share.

## Board of Directors

At the end of its meeting, the Board accepted Yves Defline's resignation from the Board and decided to appoint Aref Lahham, legal manager of Orion Capital to fill the vacant seat. The Board also decided to invite Yves Defline to continue participating in the Board's activities in the capacity of non-voting director.

For more information, go to [www.fonciere-lyonnaise.com](http://www.fonciere-lyonnaise.com).

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