

## SFL: FIRST QUARTET 2007

**2006 Property rentals: €41.2 million, up 4.4% over Q1 2006**  
**Portfolio: €3,684 million, up 11% over 31 December 2006**

### Consolidated revenue by business segment (€ 000's)

	Q1 2007	Q1 2006
Property rentals	41,166	39,430
o/w <i>Golden Triangle</i>	13,078	12,573
<i>Financial District</i>	15,716	14,783
<i>Golden Crescent – La Défense</i>	8,367	7,456
<i>Other</i>	4,005	4,619
Other revenue	244	1,156
<b>Total revenue</b>	<b>41,409</b>	<b>40,586</b>

Paris, 14 May 2007 – Consolidated property rentals for the first quarter of 2007 amounted to €41.2 million, an increase of 4.4% compared with €39.4 million in the year-earlier period. The like-for-like increase was 5.2%.

This revenue growth attests to the excellent quality of the Company's portfolio, as reflected in the very high 97.4% occupancy rate at 31 March 2007, as well as to the current buoyant conditions in the Paris office rental market.

Starting this year, the Company obtains quarterly independent valuations of the portfolio. The valuation at 31 March 2007 puts the portfolio's market value at €3,684 million excluding transfer costs (Group share), up 5% like-for-like and 11% on a reported basis from €3,320 million at 31 December 2006.

During the quarter, SFL completed the acquisition of Prédica's 50% stake in SCI Paul Cézanne. The transaction has raised the Company's interest in the Cézanne Saint-Honoré property to 100% and will generate some €8 million in incremental rental revenue per year. The purchase price of €198.7 million was settled in shares, leading to a corresponding increase in equity (see the SFL press releases dated 9 February and 30 March 2007).

As previously announced, the Company redeemed in advance the \$125 million US Private Placement Notes issue – the effects of which were recognised in the financial statements at 31 December 2006 – and obtained the withdrawal of its Standard & Poor's rating. At the same time, a new €50 million 5-year bank line of credit was arranged.

At 31 March 2007, the Company's loan-to-value ratio stood at 22.2% compared with 24.5% at 31 December 2006.

With an exceptional portfolio of properties valued at some €3.7 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 Compartment A –  
 Euronext Paris ISIN  
 FR0000033409 – Bloomberg:  
 FLY FP – Reuters: FLYP PA

