

## SFL: THIRD QUARTER 2008

**Property rentals: €135.2 million, up 7.7% over the year-earlier period  
NAV per share including transfer costs: €53.9**

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

	30 September 2008	30 September 2007
<b>Property rentals</b>	<b>135,172</b>	<b>125,452</b>
<i>o/w Golden Triangle</i>	51,876	41,132
<i>Financial District</i>	44,831	47,719
<i>Golden Crescent – La Défense</i>	26,676	25,416
<i>Other</i>	11,789	11,185
Other revenue	204	1,376
<b>Total revenue</b>	<b>135,376</b>	<b>126,828</b>

**Paris, 21 October 2008** - Consolidated property rentals for the nine months ended 30 September 2008 amounted to €135.2 million compared with €125.5 million for the same period of 2007, an increase of €9.7 million or 7.7%.

- On a comparable portfolio basis, property rentals were up 3.4% for the period. Excluding the Louvre des Entreprises – Louvre des Antiquaires (LDE-LDA) complex, part of which has been undergoing renovation since the beginning of the year, the increase on a comparable portfolio basis was 8.7%.
- Rents from properties acquired in 2007 (50% of Cézanne Saint-Honoré and Iéna) as well as from the complex at 104-110 Haussmann that was delivered in July 2007, added €8.6 million to property rentals for the first nine months of the year.
- Conversely, the loss of revenue from properties sold (46 Kléber) or being renovated (92 Champs Elysées) during the period reduced property rentals by €2.8 million.
- The decline in property rentals in the financial district was attributable to the ongoing renovation of part of the LDE-LDA complex.

At 30 September 2008, the occupancy rate (excluding properties undergoing renovation) stood at 98.5%, unchanged from 30 June.

Leases on nearly 38,000 sq.m. of offices and retail units were signed or renewed during the first nine months of the year. In particular, during the third quarter, the lease on the Rives de Seine building, which was to expire at the end of 2010, was renegotiated at current market rents for a six-year period, with an option to renew for another three years.

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With an exceptional portfolio of properties valued at nearly €3,8 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



Based on independent valuations, the market value of the property portfolio (Group share) at 30 September 2008 was €3,564 million excluding transfer costs and €3,767 million including transfer costs, down 4.0% on 30 June 2008 and 8.8% on 31 December 2007. By segment, the decline was 10% for office properties and 3.8% for retail units.

Based on these valuations, the average yield on the portfolio stood at 5.7% at 30 September, versus 5.4% at 30 June 2008 and 4.9% at 31 December 2007.

The composition of the portfolio was unchanged, with prime office properties in Paris's Central Business District accounting for 80% of the total, retail units on the capital's best shopping streets 16%, parking garages 3% and residential properties 1%.

Net debt at 30 September 2008 was stable compared with 30 June, amounting to €1,136 million and representing a loan-to-value ratio of 30.4%.

On this basis, at 30 September 2008 fully-diluted NAV per share stood at €53.9 including transfer costs, down 6.3% from €57.5 at 30 June, and at €49.5 excluding transfer costs.

### Senior Management

On a motion by Yves Mansion, Chairman and Chief Executive Officer, the Board of Directors appointed Nicolas Reynaud as Managing Director on 25 September 2008 to replace Philippe Depoux, who will leave the Group at the end of October. Mr Reynaud will also continue to serve as Chief Financial Officer and Secretary of the Board of Directors.

Nicolas Reynaud, 47, has spent his entire career in finance, working in the property sector. In particular, from 1988 to 2005, he served as Deputy Managing Director and Chief Financial Officer of Sophia. He joined SFL in May 2006 as Chief Financial Officer and Secretary of the Board of Directors, and was appointed Deputy Managing Director in May 2007.

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