

SFL - FIRST QUARTER 2010

**Property rentals: €41.1 million,
down 6.2% on a comparable portfolio basis**

Consolidated revenue by business segment (€ 000's)

	First quarter 2010	First quarter 2009
Property rentals	41,111	50,990
<i>o/w Golden Triangle</i>	14,234	21,868
<i>Financial District</i>	16,374	16,149
<i>Golden Crescent – La Défense</i>	7,164	9,434
<i>Other</i>	3,340	3,540
Other revenue	66	62
Total revenue	41,177	51,052

Paris, 29 April 2010 - Consolidated property rentals for the first quarter of 2010 amounted to €41.1 million, down €9.9 million from the €51.0 million reported in the year-earlier period. On a comparable portfolio basis, property rentals declined €2.6 million, or 6.2%, mainly due to falls in the indices used to calculate rent adjustments and lease renegotiations. These results also reflect a high basis of comparison in first-quarter 2009, when lease termination penalties paid by tenants were recognized in an amount of €3.8 million, versus none in first-quarter 2010. Lastly, building sales in 2009 and the loss of rental revenues from the quai Le Gallo property in Boulogne which is currently being renovated had a negative impact of €3.7 million compared with the first quarter of last year.

At 31 March 2010, the portfolio's occupancy rate (excluding properties undergoing renovation) stood at 91.8% versus 93.9% at 31 December 2009. The main vacant units were in the buildings at 103 rue de Grenelle and Washington Plaza, where roughly 13,000 square metres and 11,000 square metres were yet to be let, respectively.

Prospective tenants maintained a wait-and-see attitude in the first quarter of 2010, with rental volumes stagnating at low 2009 levels. In this environment, the most significant event of the period was the delivery of the shell for the future H&M outlet in the Galerie des Champs-Élysées and the simultaneous initiation of the lease.

No properties were sold or acquired during the period, leaving the composition of the portfolio unchanged at 31 March 2010 versus 31 December 2009.

Net debt remained stable at €1,121 million as of 31 March 2010, versus €1,117 million at 31 December 2009, representing a loan-to-value ratio of 34.2% based on the portfolio's appraisal value at the end of the last year.

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

