

SFL signs an agreement to sell the Mandarin Oriental building

Paris, 29 November 2012

Société Foncière Lyonnaise has signed an agreement with the Mandarin Oriental Hotel Group (Paris) for the sale of the building at 251 rue Saint-Honoré (Paris 1) that is occupied by the Mandarin Oriental Paris hotel and two luxury boutiques, Ports 1961 and Dsquared2.

The sale, which is subject to approval by the buyer's shareholders and to the Paris City's waiver of its preemption right, should be completed no later than 15 February. The net sale proceeds will amount to €290 million, representing a significant capital gain for SFL.

This exceptional transaction in the heart of Paris is a further demonstration of SFL's unique skill in creating value by enhancing its properties.

Full details of the transaction will be published as soon as the sale is confirmed.

Bertrand Julien-Laferrière, Chief Executive Officer of Société Foncière Lyonnaise, expressed his satisfaction with the agreement, stating that the Mandarin Oriental Group was the buyer best able to guarantee the enduring success of this luxury hotel and contribute to developing the French capital's appeal as a business centre and tourist destination.

The proceeds from this sale and from the recent €500 million bond issue provide SFL with significant resources to finance its growth and consolidate its position as the leading player in Paris's prime commercial property market.



With an exceptional portfolio of properties valued at €3.4 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

S&P RATING: BBB- /A-3 Stable
outlook

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