

SFL

2009 RESULTS

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Key Figures

	2009	2008	% change
Property rentals (IFRS)	€183.0m	€181.5m	+0.8%
Operating profit before fair value adjustments and disposals	€158.1m	€152.3m	+3.8%
Profit on disposal of investment properties and fair value adjustments to investment properties	(€399.5m)	(€546.5m)	
Net profit (loss)	(€252.2m)	(€393.0m)	
o/w Underlying profit	€108.3m	€96.8m	+11.9%
Current cash flow attributable to equity holders	€110.1m	€100.0m	+10.1%
Current cash flow per share attributable to equity holders	€2.37	€2.15	+10.1%
Portfolio value excluding transfer costs at 31 December (attributable)	€3,094m	€3,477m	-11.0%
NAV per share including transfer costs	€43.3	€51.3	-15.5%
Loan to value	34.2%	31.5%	

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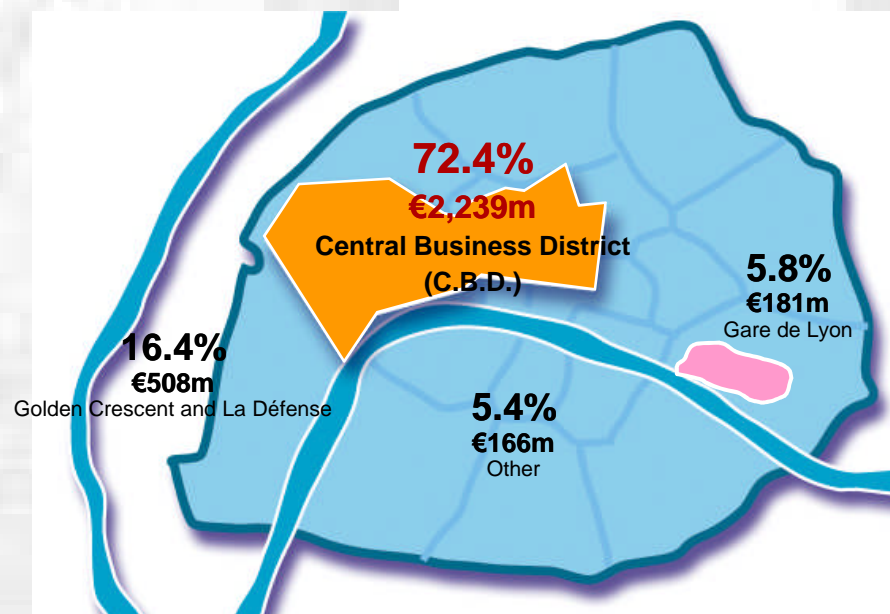
2009 Financial Statements & Results

Appendices

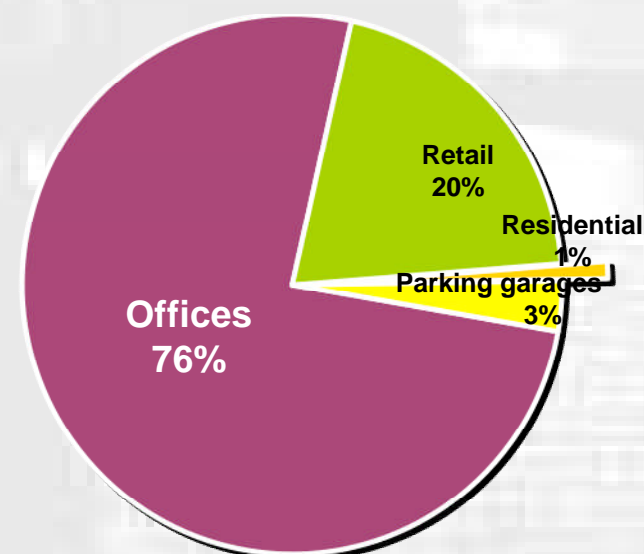
2009 Property Portfolio

Appraisal value at 31 December 2009
€3,094m excluding transfer costs
€3,266m including transfer costs
(down 7.8% like-for-like on 31 December 2008)

Geographic focus



Market focus

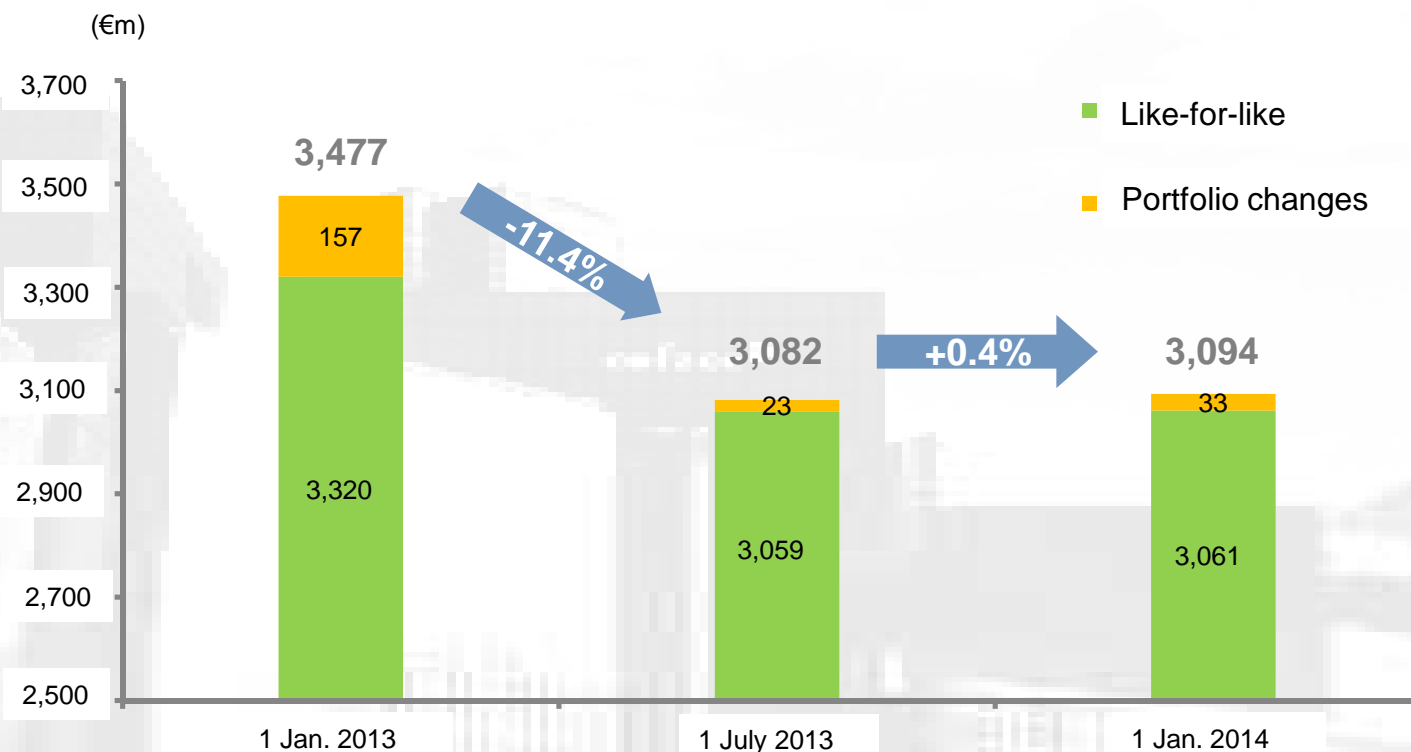


2009 Property Portfolio

415,000 sq.m. / 23 buildings



Appraisal Values (excluding transfer costs)



Spot yield (1)

5.8%

6.2%

6.3%

(1) (Passing rent + Market rent on vacant properties)/(Appraisal value including transfer costs + discounted capex)

Property portfolio down 11.0%
over 12 months

Like-for-like portfolio down 7.8%
over 12 months

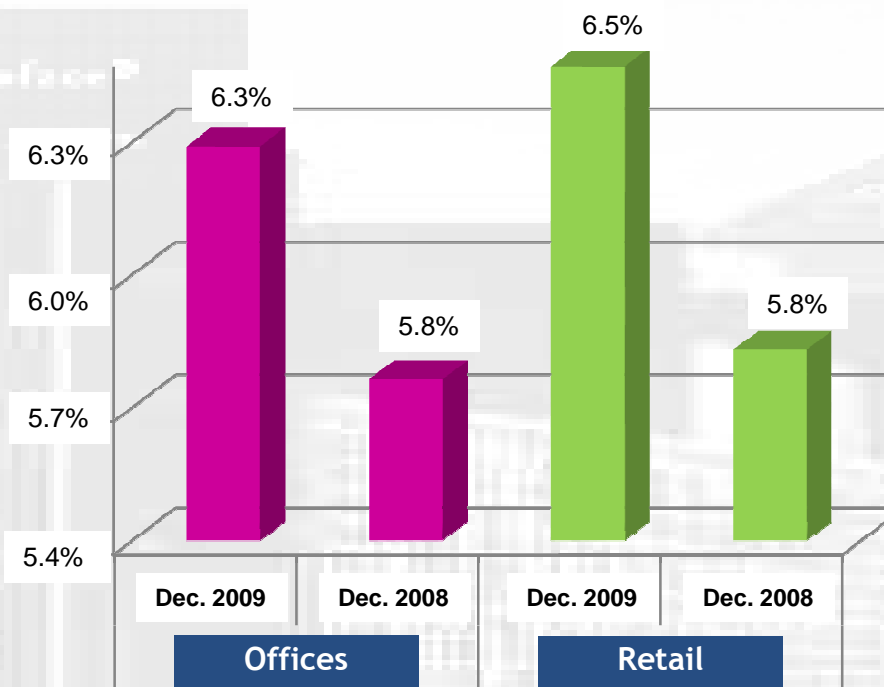
Appraisal Values at 31 December 2009

**Appraisal value (attributable): €3,094m, excluding transfer costs
(down 11% on 31 Dec. 2008)**
€3,266m including transfer costs

**Like-for-like portfolio
(excl. transfer costs)
down 7.8 % vs. 2008
(2008 vs. 2007: down 11.5%)**

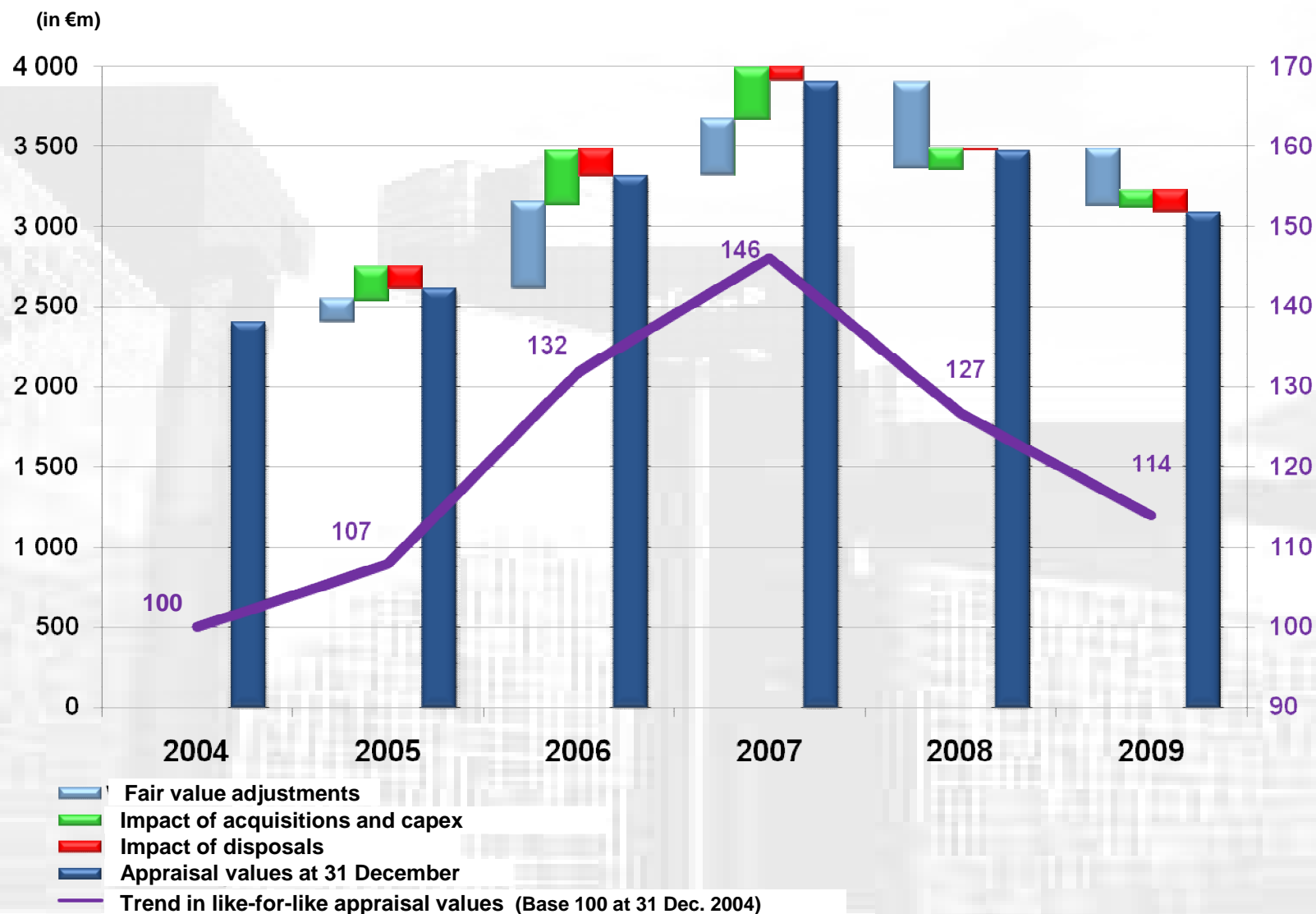
**Average value per sq.m.
(excl. transfer costs)
€7,497
(€8,184 at 31 Dec. 2008)**

**Spot yield ⁽¹⁾
6.3%
(5.8 % at 31 Dec. 2008)**



⁽¹⁾ (Passing rent + Market rent on vacant properties)/(Appraisal value including transfer costs + discounted capex)

Appraisal Values (attributable) excluding transfer costs



Slow Recovery of Paris Region Office Investment Market

FRANCE & PARIS REGION

- Total deal flow in **France** in 2009: **€8.4 bn** (down 44% on 2008)
Offices 63% (64% in 2008), retail 19% (8% in 2008), warehouses 5% (7% in 2008), services 11% (16% in 2008) → Significant increase in retail
- **Paris region market: €5.2bn (down 39% on 2008)**
- Much lower average transaction amounts
- Office yields stable in Paris region and up slightly in other regions (10 to 50 bps)

PARIS CENTRE WEST & CBD

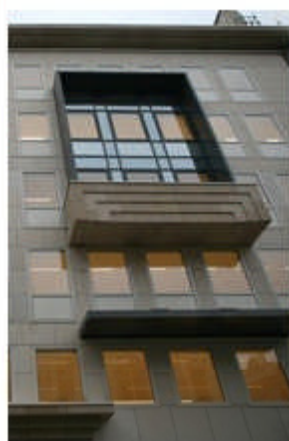
- Total deal flow: **€2.0bn**, 39% of Paris region market. Increased share of investment flow, to the detriment of the Western Crescent (16% of the total)
- **CBD yields remained flat, with yields on prime CBD assets starting to decline**
- Asset values continued to trend downwards, while risk premiums increased for non-prime buildings presenting a tenant risk

TREND

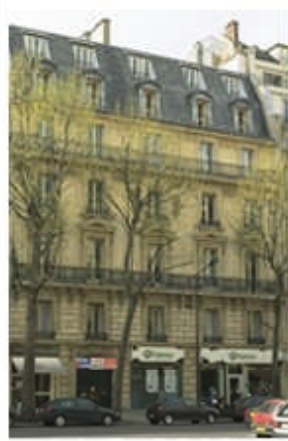
- After a very slow first half, investor demand for commercial property picked up in the second half of 2009 with an increase in the number of large transactions, sometimes at lower yields than the analysts had predicted. The upturn was due to the credit market recovery and the Paris property market's renewed appeal after the increase in risk premiums.

Property Sales

Total surface area of properties sold: 12,300 sq.m.



5, rue Alfred de Vigny
Paris 8th



63, boulevard Haussmann
Paris 8th



11, rue de Prony
Paris 17th



62, rue Beaubourg
Paris 3rd



6, avenue Vélasquez
Paris 8th

Gross spot yield: 6.31%

2009 sales: €117m (excl. transfer costs and tax)

Property	Price
5, rue Alfred de Vigny	€27.8m excl. tax
63, boulevard Haussmann	€27.0m excl. transfer costs
11, rue de Prony	€27.0m excl. transfer costs
62, rue de Beaubourg	€22.3m excl. transfer costs
6, avenue Vélasquez	€12.5m excl. transfer costs

Current Renovation Projects

Property	District	Type	Renovated surface area	Forecast rentals (100%)	Delivery
Galerie des Champs Elysées (100%)	CBD	Retail	6,239 sq.m.	€9m	H2 2010
247-251, rue Saint Honoré	CBD	Hotel/Retail	16,422 sq.m.	€10.8m	H1 2011
92, av. des Champs Elysées	CBD	Offices/Retail	7,078 sq.m.	€9m	H1 2012
Quai Le Gallo - Boulogne	Golden Crescent	Offices	26,800 sq.m.	-	H2 2012
Total			56,539 sq.m.		



Galerie des Champs-Élysées
Paris 8th



247-251, rue Saint Honoré
Paris 1st



92, av. des Champs-Élysées
Paris 8th



46, Quai Le Gallo
92100 Boulogne-Billancourt

Acquisitions and Projects

Acquisition



Acquisition via Parholding (owned 50/50 by SFL and Predica) of co-owned units at 82/90 Avenue des Champs Elysées, Paris 8th

Surface area: around 2,500 sq.m. of office space (100%)

Acquisition price: €16.6m excl. transfer costs (100%)

Prony Wagram Project



Off-plan purchase of 108-112 Avenue Wagram, Paris 17th (December 2008)

Developer: Emergie / Architect: B&B Architectes

Surface area: 5,500 sq.m. of which 920 sq.m. let to La Poste

€56.2m incl. transfer costs, scheduled for delivery in Q4 2010

T8 Project

Withdrawal by SFL from the T8 project, Paris 13th
Building permit transferred to SEMAPA

Deterioration of Paris Region Office Rental Market

PARIS REGION

- **Total rental volume in 2009:** 1.8m sq.m., down 24% on 2008
- **Immediately available stock:** 3.6m sq.m. at 31 Dec. 2009, up 32% on end-2008
- → Vacancy rate higher at 7.4% (5.6% at 31 Dec. 2008)
- **Average rent in 2009:** €311/sq.m./year, down 2% over 2008. Nevertheless, deal sweeteners have increased and marketing periods are longer.

PARIS CENTRE WEST & CBD

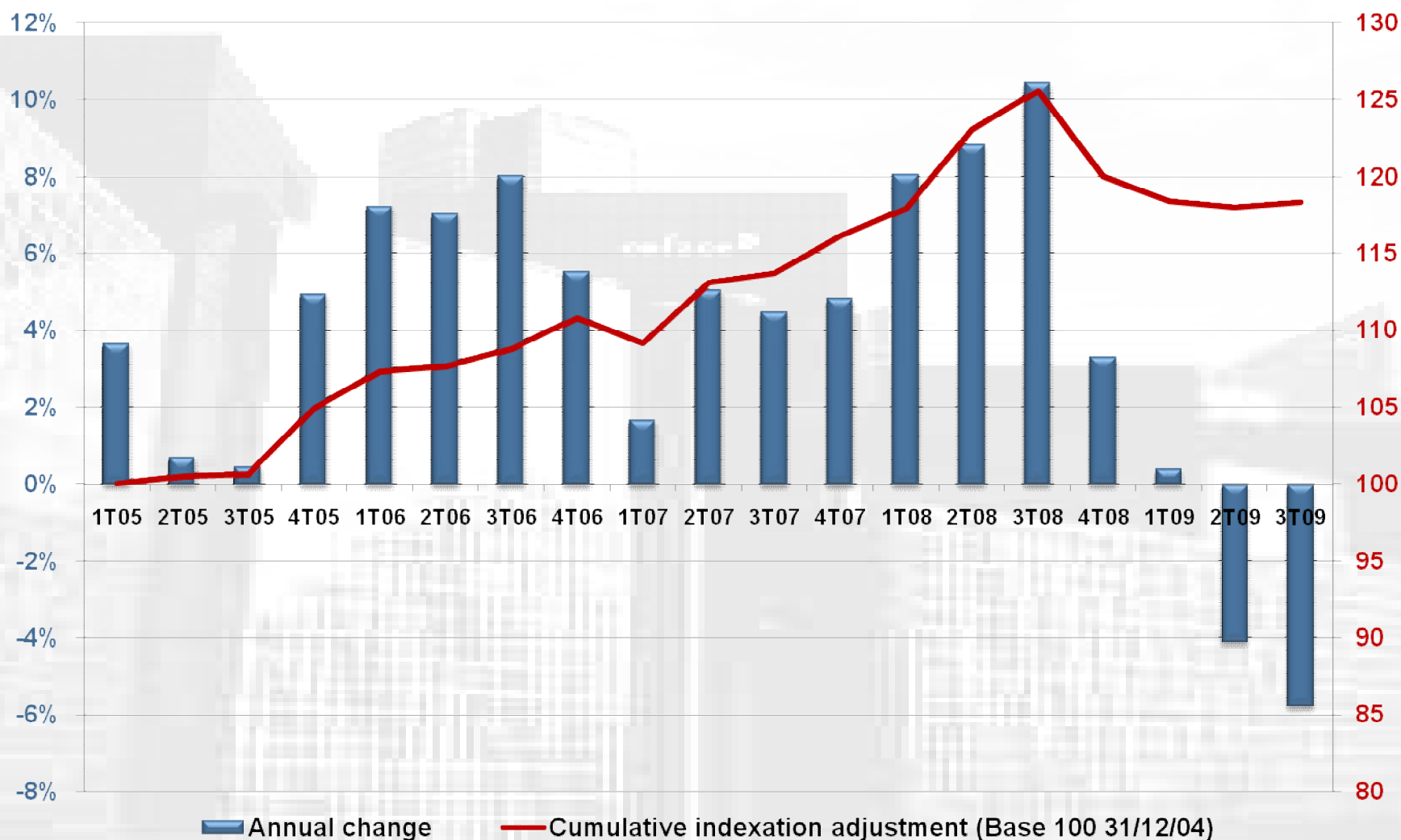
- **Total rental volume in 2009:** 343,105 sq.m. (19% of Paris region market, down 6% vs. 2008)
- **Immediately available stock** up 54% → Vacancy rate up 5.6%.
- **Prime rents at end-2009:** €600/sq.m./year
- **Average rent:**
 - ✓ **CBD:** €495/sq.m./year, down 6% on 2008
 - ✓ **Paris Centre West:** €369/sq.m./year, down 10% on 2008

TREND

- Marketing volumes fell significantly in 2009 and should continue to decline in 2010. At the same time, immediately available stock is increasing
→ Negative net absorption of 100,000 sq.m. in 2009
- Deal sweeteners are increasing
- Users jittery, lower market rental values
- A number of construction projects in the Paris region have been put on hold

Construction Cost Index 2005-2009

(Base 100 at 31 Dec. 2004)



Rental Revenues

In €m

2008 Rental revenues

181,5

Like-for-like growth

+5,0

Increase due to acquisitions and post renovation remarketing

+0,5

Decrease due to sales and major renovations

-4,0

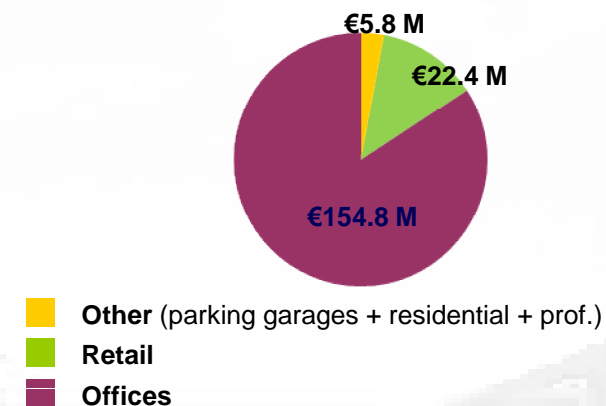
2009 Rental revenues

183,0

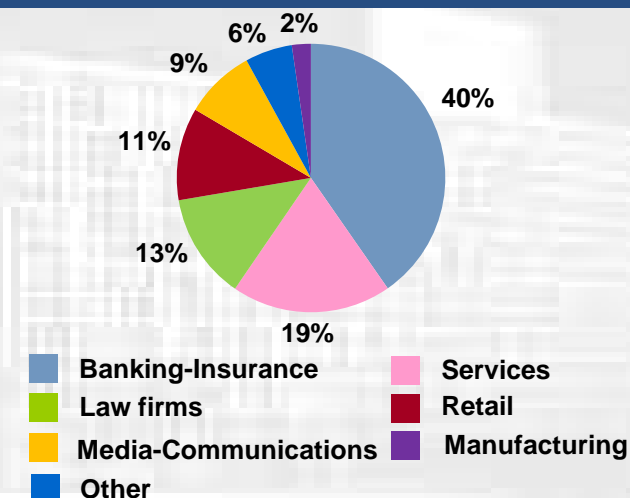
**Reported increase
0.8%**

**Like-for-like increase
2.9%**

2009 Rental Revenues: €183m



Breakdown by tenant business, 31 Dec. 2009



Marketing Programme

New leases: 12,307 sq.m.

Offices

- 10,365 sq.m. newly let or relet
- Total rent: €6,327k, or €610/sq.m./year
- Attributable to SFL: €6,327k

Retail

- 1,267 sq.m. newly let
- Total rent: €3,849k, or €3,038/sq.m./year
- Attributable to SFL: €2,225k

**Rents on new leases
up 3.5% ⁽¹⁾**

**Rents on renegotiated leases
down 12%**

⁽¹⁾ Growth in rents for leases signed in 2009 (new leases renegotiations).



96 Avenue d'IÉNA
Compagnie Générale de Santé



LDE-LDA
IEDOM



103 GRENELLE
Barilla (Harry's)

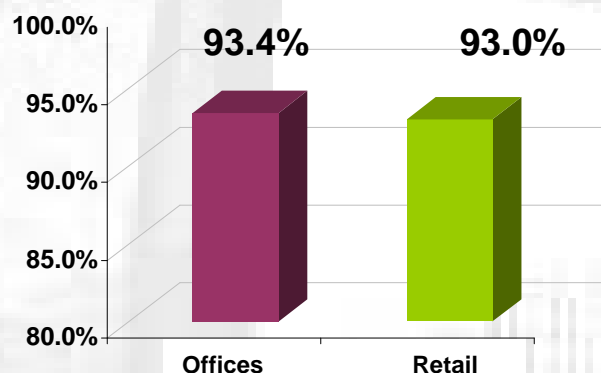
Main leases signed in 2009

Immeuble	Usage	Surface (m²)	Client
96 avenue d'Iéna	Offices	3,567	Compagnie Générale de Santé
LDE-LDA	Offices	2,160	IEDOM
103 Grenelle	Offices	1,606	Barilla (Harry's)
LDE-LDA	Offices	1,245	Royal International Insurance Holding
LDE-LDA	Offices	1,074	B.M.S. Exploitation
Edouard VII	Offices	420	NEO Sécurité

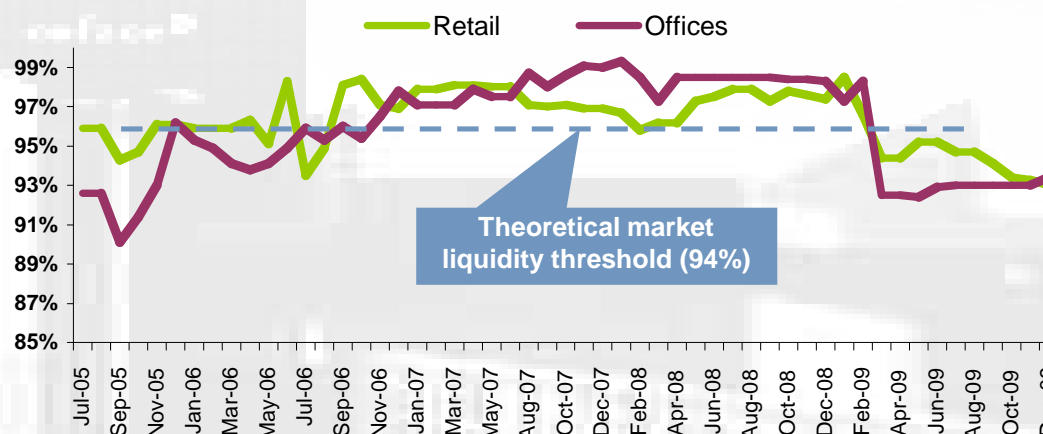
Occupancy Rates

**Occupancy rate⁽¹⁾ at 31 December 2009: 93.9% / (91.9%)⁽²⁾
(98.3% at 31 December 2008)**

Occupancy rate by property type



Occupancy rates July 2005-Dec. 2009⁽³⁾



Office occupancy rates at 31 December 2009

SFL:	93.9%
CBD ⁽⁴⁾ :	93.5%
La Défense ⁽⁴⁾ :	95.4%
Paris region ⁽⁴⁾ :	92.6%

Occupancy rate

Annual average⁽⁵⁾

94.4%

Economic⁽⁶⁾

Q4 2009: 90.7%

⁽¹⁾ Surface area attributable to SFL, excluding surface areas and buildings undergoing refurbishment or renovation.

⁽²⁾ Including the Monceau building in the Washington Plaza complex, which is scheduled for delivery very soon.

⁽³⁾ End-of-month spot rate, based on surface area attributable to SFL.

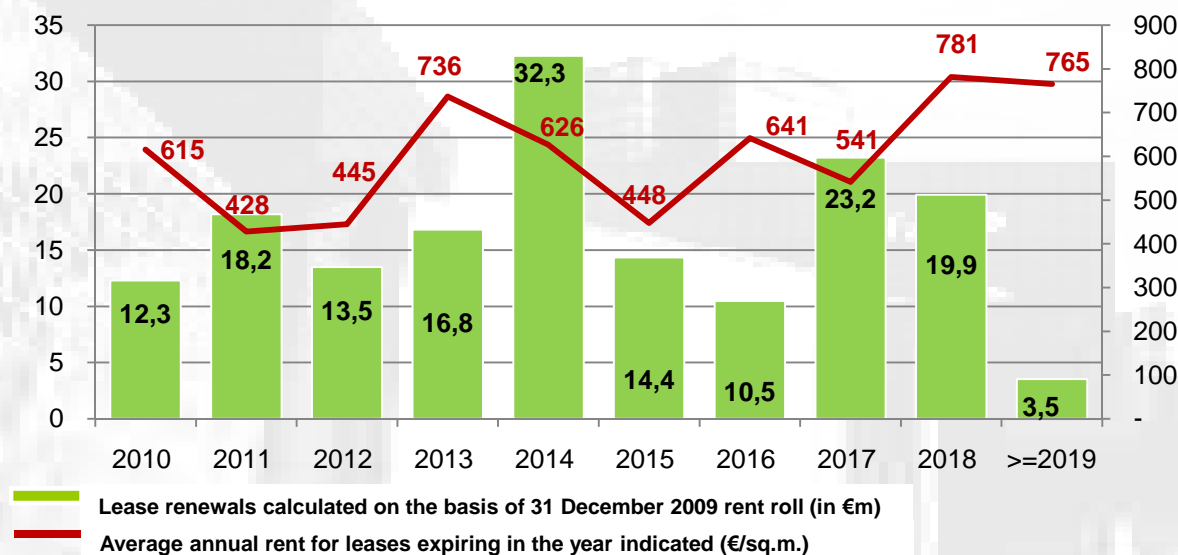
⁽⁴⁾ Source BNP Paribas Real Estate, At a Glance Bureaux Ile de France January 2010.

⁽⁵⁾ Average end-of-month spot rate, based on surface area attributable to SFL, excluding surface areas and buildings undergoing refurbishment or renovation.

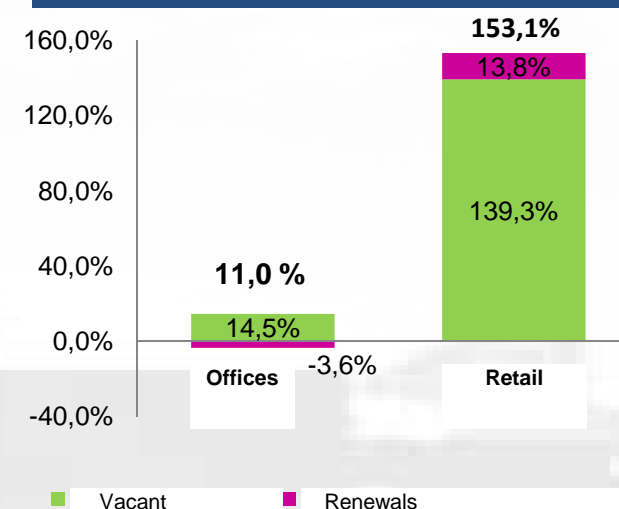
⁽⁶⁾ Surface areas attributable to SFL, excluding surface areas and buildings undergoing refurbishment or renovation (Passing rent/(Passing rent + assumed rent)).

Lease Renewals and Reversionary Potential

Commercial lease expiry dates



Potential supplementary rental income⁽³⁾



Average rent, SFL office properties, 31 Dec. 2009:

€549/sq.m./year
(down 1.8% vs. €559 at 31 Dec. 2008)

Legal lease term⁽¹⁾

4.6 years

Remaining lease term⁽²⁾

2.8 years

Reversionary potential⁽³⁾

26.9%

⁽¹⁾ Weighted average period remaining for leases in progress as of 31 December 2009, up to lease expiry date.

⁽²⁾ Weighted average period remaining for leases in progress as of 31 December 2009, up to next potential exit date.

⁽³⁾ Percentage of current rent.

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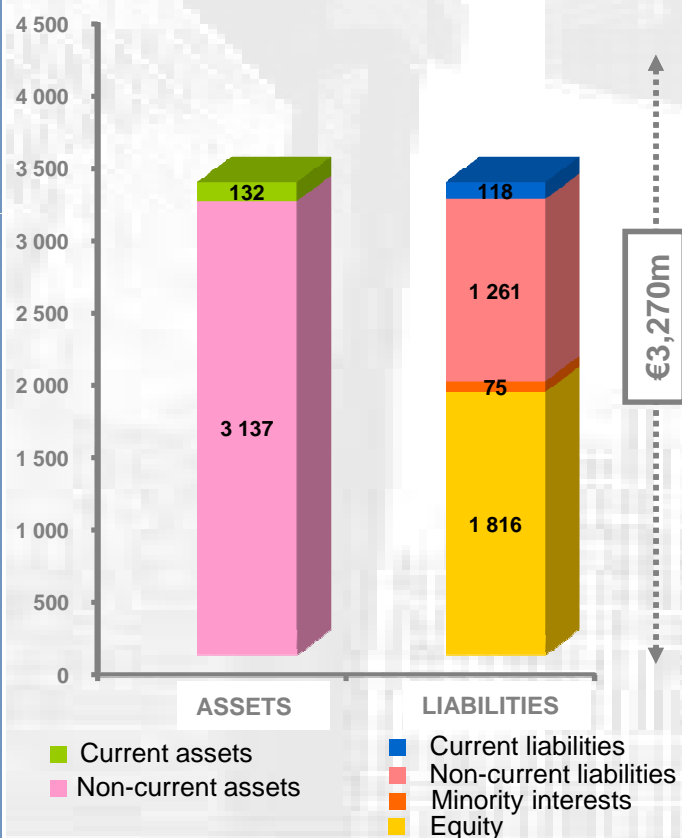
In €m	2009	2008	% change
Property rentals	183.0	181.5	0.8%
Property expenses, net of recoveries	(10.3)	(10.3)	stable
Net property rentals	172.7	171.2	0.9%
Service and other revenues	6.2	4.8	
Depreciation, amortisation and provision expense, net	(1.1)	(1.5)	
Employee benefits expense and other expenses	(19.7)	(22.2)	
Operating profit before disposals and fair value adjustments	158.1	152.3	3.8%
Profit on asset disposals	(14.0)	-	
Fair value adjustments to investment properties	(385.5)	(546.5)	
Finance costs and other financial income and expense	(40.9)	(53.1)	
Income tax expense	15.4	31.6	
Profit (loss) for the year	(266.9)	(415.7)	
Minority interests	14.7	22.7	
Attributable profit (loss)	(252.2)	(393.0)	
Underlying profit	108.3	96.8	11.9%

Current Cash Flow

In €m	2009	2008	% change
Property rentals, net	172.7	171.2	} 1.1%
IFRS adjustments - Property rentals	2.2	1.8	
Other income	6.2	4.8	
Employee benefits expense and overheads	(18.9)	(21.5)	
Finance costs, net	(43.9)	(49.5)	
Current Cash Flow	118.2	106.8	10.7%
Attributable Current Cash Flow	110.1	100.0	10.1%
Average number of shares (thousands)	46,503	46,502	-
Current Cash Flow per share	€2.37	€2.15	10.1%

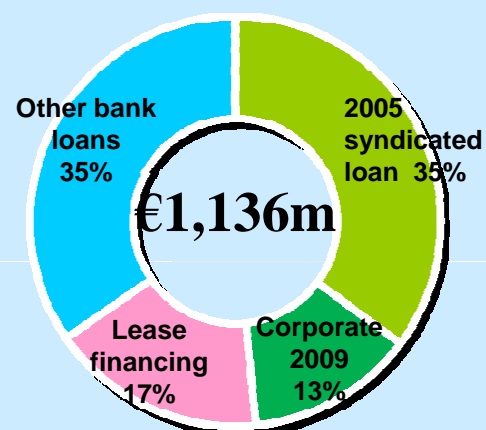
Balance Sheet

Balance sheet at 31 December 2009 (in €m)

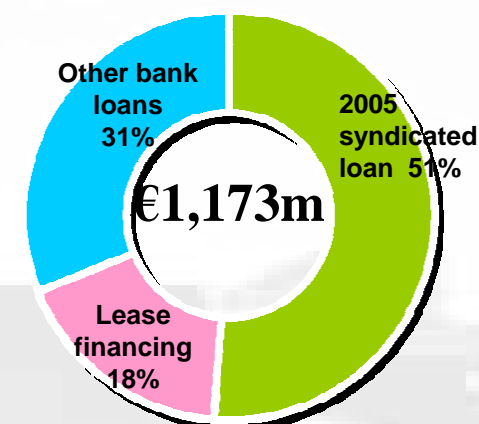


Debt Structure

At 31 Dec. 2009



At 31 Dec. 2008



Loan-to-Value Ratio

At 31 Dec. 2009

34.2%

At 31 Dec. 2008

31.5%

Loan-To-Value

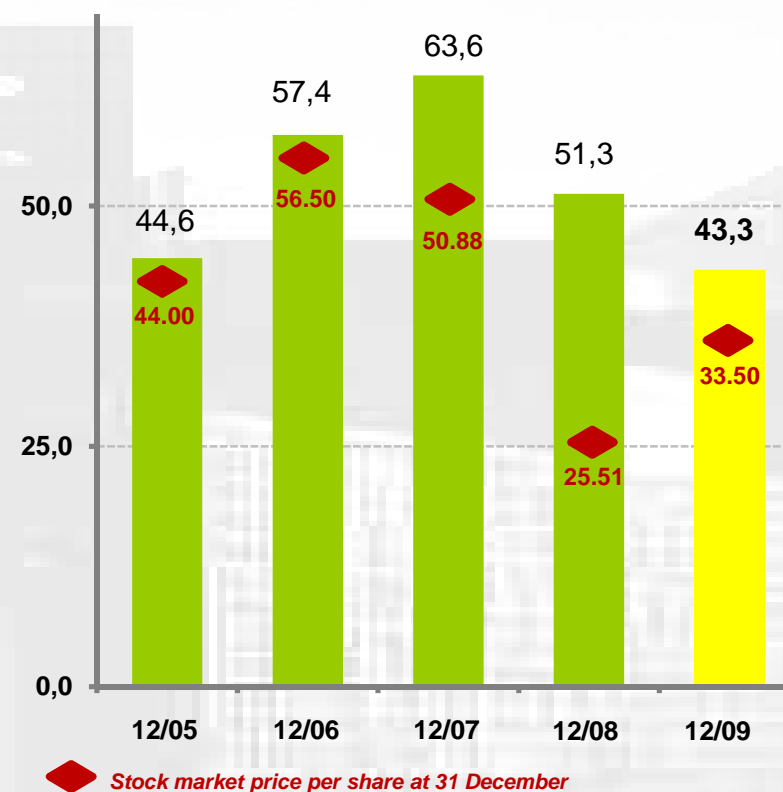
(in €m)	31 Dec. 2009	31 Dec. 2008	Change
Syndicated loan 2005	400.0	600.0	-200.0
2009 corporate loan ⁽¹⁾	150.0	-	+150.0
Lease financing	192.6	208.2	-15.6
Other bank loans	393.8	364.6	+29.2
Total debt	1,136.3	1,172.8	-36.4
Average life (years)	3.2	2.6	+0.6
Average spot cost (after hedging)	4.6%	4.4%	+0.2 pt
Cash and cash equivalents	19.6	14.2	+5.4
Net debt (debt – cash and cash equivalents)	1,116.7	1,158.6	-41.9
Estimated value of assets (incl. transfer costs)	3,266.3	3,672.0	-405.7
Loan-to-Value ratio	34.2%	31.5%	+2.7 pts

⁽¹⁾ Corresponding to €150.0m drawn down on a €300m facility

NAV Per Share

NAV calculation (in €m)	31 Dec. 2009	31 Dec. 2008	% change
Equity	1,816	2,161	
Unrealised capital gains	11	17	
Dilution gain	16	14	
NAV excl. transfer costs	1,843	2,191	-15.9%
Transfer costs on property portfolio	172	195	
NAV incl. transfer costs	2,015	2,386	-15.5%
Shares and potential shares (thousands)	46,529	46,529	
NAV/share excl. transfer costs	€39.6	€47.1	-15.9%
NAV/share incl. transfer costs	€43.3	€51.3	-15.5%

Growth in NAV per share incl. transfer costs (€)



Current Cash Flow & Dividend Per Share



⁽¹⁾ : Dividend to be recommended at the AGM

2009 Results

■ www.fonciere-lyonnaise.com



SFL
SOCIÉTÉ FONCIÈRE LYONNAISE

bienvenue sur le site internet de la Foncière Lyonnaise

Language 

ACTEUR DE RÉFÉRENCE DU MARCHÉ
DE L'IMMOBILIER TERTIAIRE PARISIEN

ACTUALITÉS

9 novembre 2009 :
SFL - 3ème trimestre 2009
> en savoir plus

20 juillet 2009 :
SFL - 1er Semestre 2009
> en savoir plus

COURS DE BOURSE
11/02/2010 - 17:35:00

€ 35.42
ISIN: FR0000033409

AGENDA

15 février 2010 :
Date prévisionnelle -
Présentation des résultats
annuels 2009 à 11h30
Centre de conférences
Edouard VII
23, square Edouard VII -
75009 PARIS

LA SOCIÉTÉ

LE PATRIMOINE

LES FINANCES

LES ENGAGEMENTS DURABLES

CARNET DE L'ACTIONNAIRE

Language 

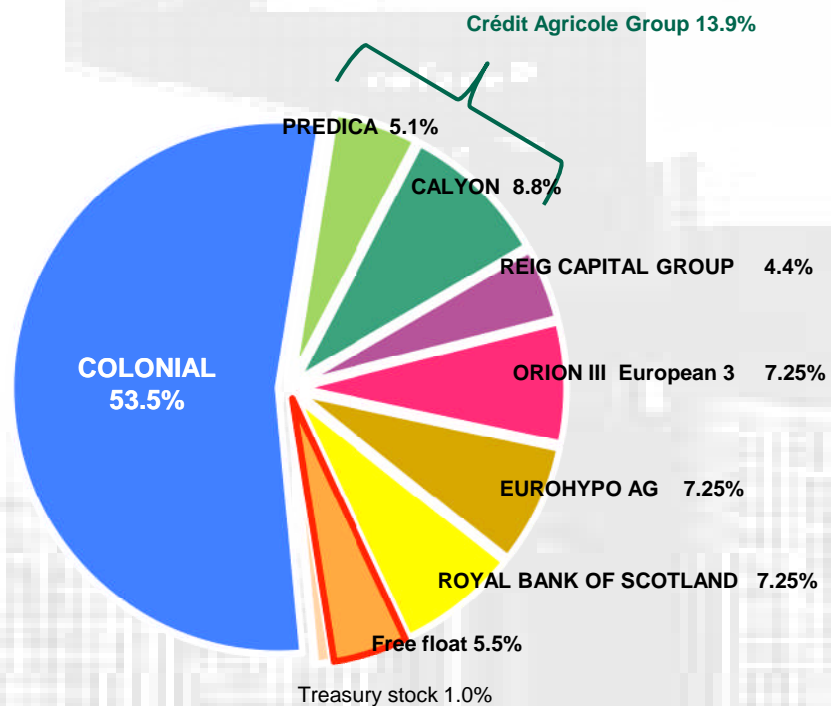
crédits | plan du site | contact | recherche/aide | avertissement | mentions légales

Appendices



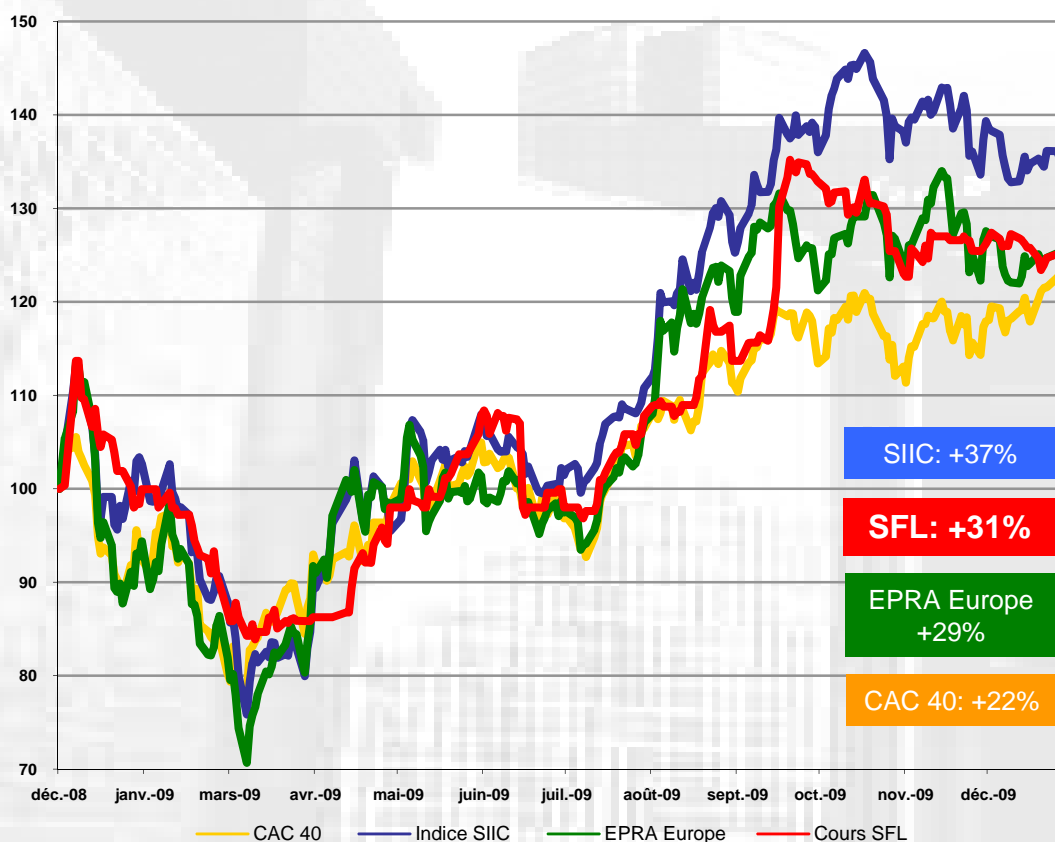
Ownership Structure

31 December 2009
(46.5 million shares)



Share Performance

2009 share performance ⁽¹⁾



(1) Base 100: 31 December 2008; data up to 31 December 2009

Sources: Euronext, Epra

2009 key figures

Number of shares at year-end	46,505,676
Average daily trading volume (shares)	3,292
Average daily trading volume (amount)	€91,000
High (22 September)	€35.00
Low (10 March)	€20.70
Year-end closing price	€33.5

**SFL share price at
11 Feb. 2010: €36.42**

Property Valuation and NAV Calculation

Independent experts

Jones Lang LaSalle, CBRE, BNP PARIBAS REAL ESTATE

Methodology

Discounted cash-flow or capitalisation of net rental revenues or comparison with recent transactions

Frequency

Entire portfolio valued at least every 6 months

NAV calculation

With and without transfer costs
Fully diluted
Financial instruments marked-to-market

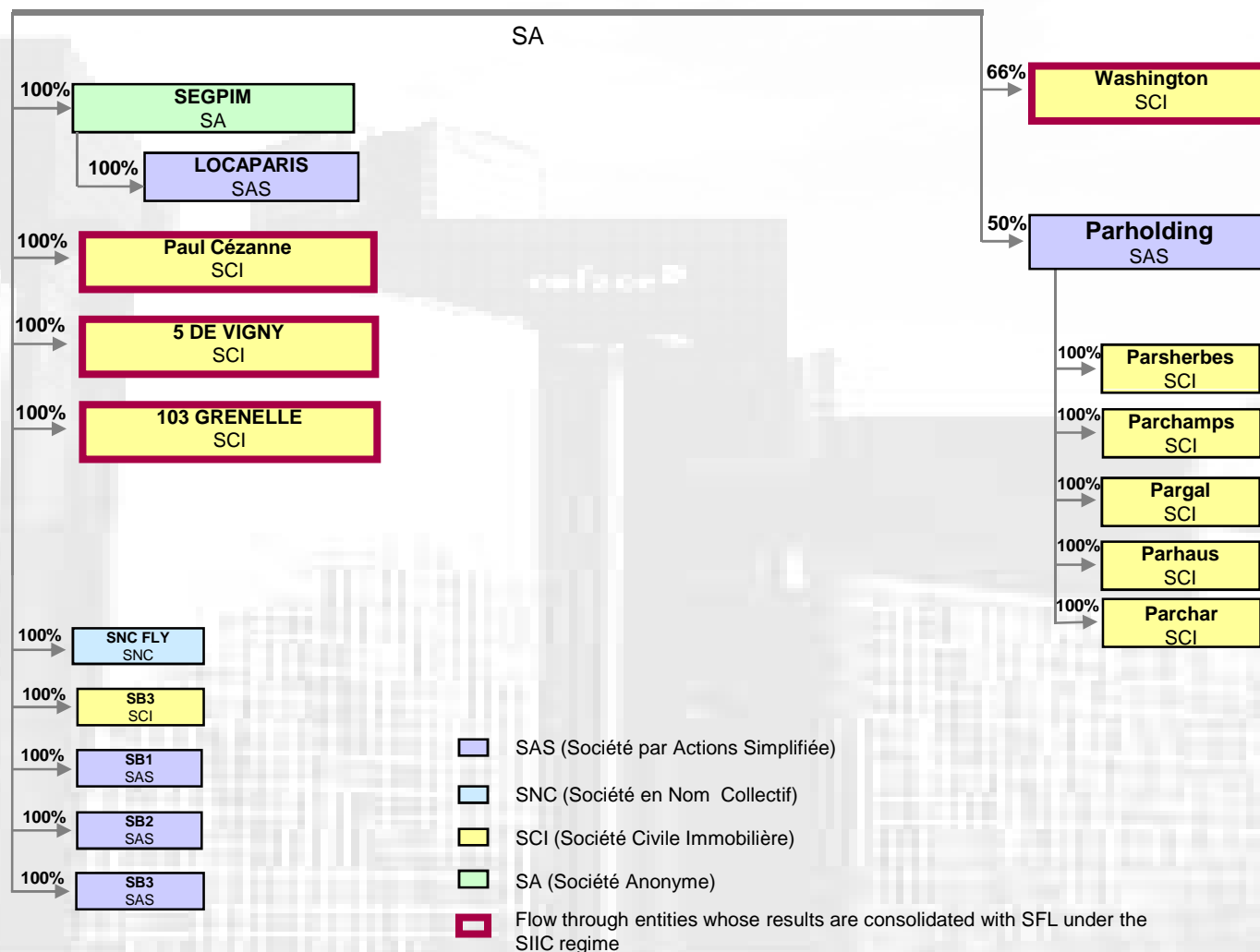
Validation

Appraisal values and NAV calculations reviewed by the Auditors

Group Structure at 31 December 2009



SOCIÉTÉ FONCIÈRE LYONNAISE



Organisation Structure



Yves MANSION
Chairman &
Chief Executive Officer

Number of employees

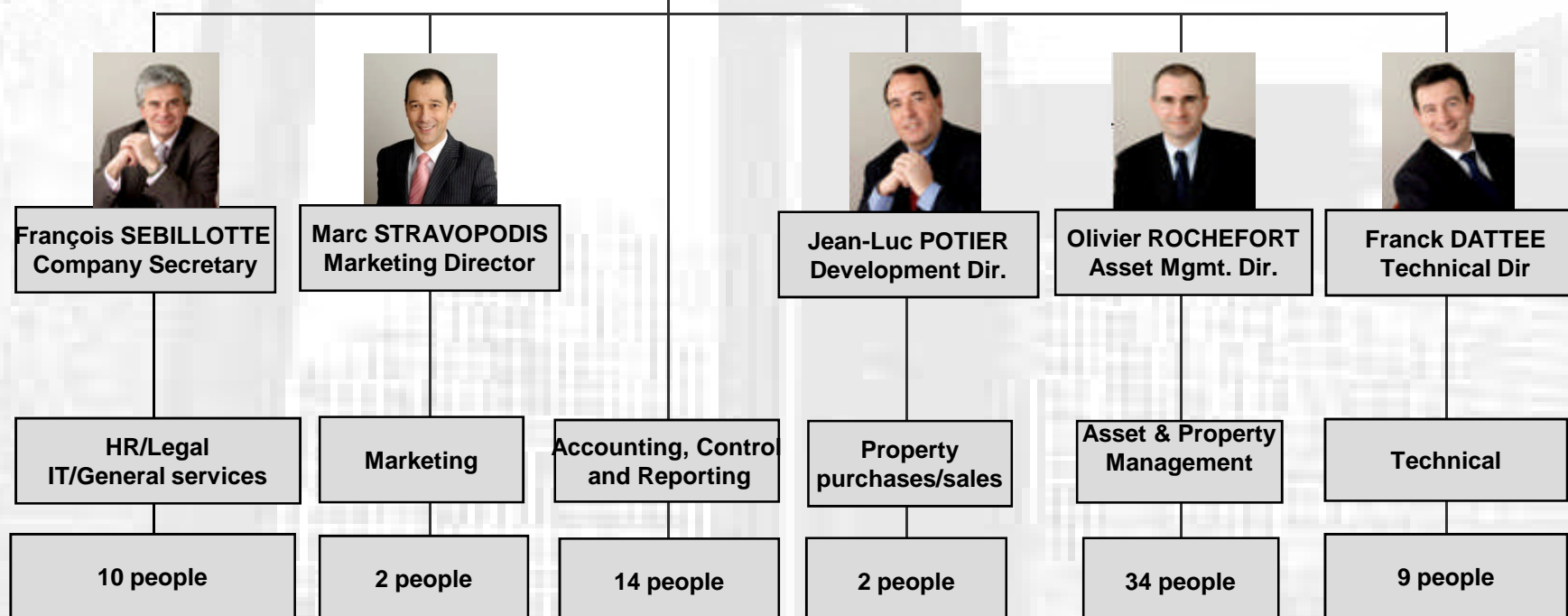
Head office	81
Building staff and caretakers	3

Total	84
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Nicolas REYNAUD
Chief Operating Officer
Chief Financial Officer

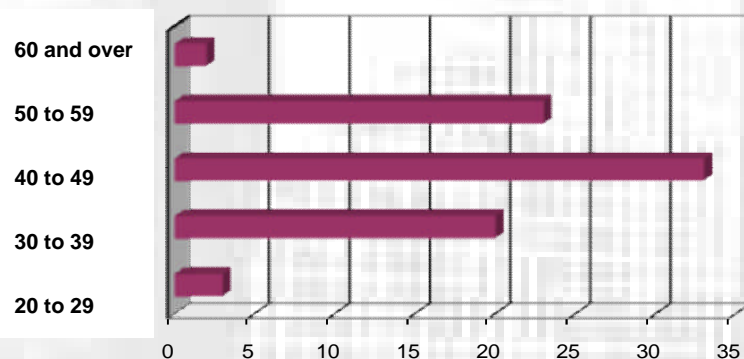
Internal Audit



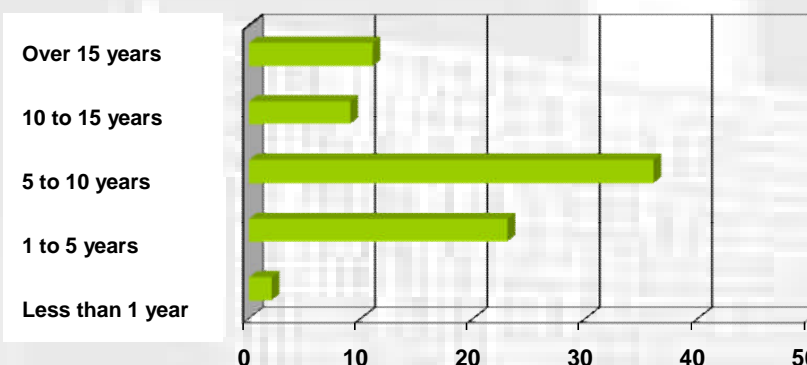
Human Resources

Number of employees	31 December 2009	31 December 2008
Building staff	3	3
Administrative staff	14	15
Supervisors	16	18
Managers	51	53
Total	84	89

**Number of employees⁽¹⁾
by age group**
(at 31 December 2009)



**Number of employees⁽¹⁾
by years of service**
(at 31 December 2009)



(1) Excluding building staff and caretakers

Expenditures (In €m)	2009	2008	% change
Major renovation projects	59.7 ⁽¹⁾	59.5	+0.3%
Other capitalised expenditure	36.9 ⁽²⁾	30.6	+20.3%
Total	96.6	90.1	+7.1%

⁽¹⁾ Of which: 247 St-Honoré: €41.0m; 103 Grenelle: €4.6m; 92 Champs Elysées: €4.6m; Galerie des Champs Elysées: €9.5m.

⁽²⁾ Of which: LDE-LDA: €18.6m; Washington Plaza: €9.2m.