

SFL

2010 RESULTS



I. Strategy & Key figures



II. 2010 Property Portfolio



III. 2010 Business Review



IV. Property Purchases & Sales for the Year



V. 2010 Financial Statements & Results



Appendices



A pure player

An investment strategy focused exclusively on prime commercial property in Paris

Properties marketed to first-class covenants (leading companies)

2010/2011: attractive rental opportunities in the CBD

Groundwork laid for an ambitious new growth dynamic

	2010	2009	2008
Property rentals (IFRS)	€174.9m	€183.0m	€181.5m
Operating profit before fair value adjustments and disposals	€146.6m	€158.1m	€152.3m
Profit (loss) on disposal of investment properties and fair value adjustments to investment properties	€73.2m	(€399.5m)	(€546.5m)
Attributable net profit (loss)	€164.6m	(€252.2m)	(€393.0m)
Underlying attributable net profit (loss)	€96.7m	€108.3m	(€96.8m)
Underlying attributable earnings per share	€2.08	€2.33	€2.08
Attributable current cash flow	€104.1m	€110.1m	€100.0m
Attributable current cash flow per share	€2.24	€2.37	€2.15
Portfolio value excl. transfer costs at 31 Dec. (attributable)	€2,960m	€3,094m	€3,477m
NAV per share including transfer costs	€44.1	€43.3	€51.3
Loan to value	35.6%	34.2%	31.5%



The diagram consists of three vertically stacked grey boxes with red text, each with a large grey arrow pointing to the right. The first box is labeled 'PARIS REGION', the second 'PARIS & CBD', and the third 'TREND'. To the right of each box is a list of bullet points. On the left side of the slide, there are four small images of office buildings connected by a white line.

PARIS REGION

- 2010 rental volume: 2.2 million sq.m., up 15% vs. 2009
 - ✓ Immediately available stock: 3.6 million sq.m., stable vs. 2009
 - ✓ Vacancy rate down to 6.8% (from 7.4% at end-2009)
- Average Q4 2010 rent: €308/sq.m./year.

PARIS & CBD

- 2010 rental volume: 423,611 sq.m. (20% of Paris Region volume), up 59% vs. 2009
 - ✓ Immediately available stock: 0.4 million sq.m., down 9% vs. end-June 2010
 - ✓ Vacancy rate down to 5.5%
- Prime headline rent at end-2010: €750/sq.m./year (€600/sq.m./year at end-2009)
- Average CBD rent: €503/sq.m./year, up 5% vs. end-June 2010

TREND

- CBD rents trending upwards
- Higher transaction volumes
- Declining stocks
- Market held back until stock is renewed

Sources: Immostat, JLL and BNP Paribas Real Estate



France & Paris Region

- France: €12 billion invested in 2010 (up 42% vs. 2009).
- Paris region: €8.3 billion invested in 2010 (up 57% vs. 2009).
 - ✓ Investors are looking for high quality properties representing a safe investment. However, this type of property is in short supply.
 - ✓ Rental yields for office and retail properties have declined by 75 to 100 bps for the best assets.



PARIS & CBD

- €1.8 billion invested in 2010 (22% of Paris Region investment), down 6% vs. 2009.
- Prime CBD yields down 100 bps vs. end-June 2010 at around 4.75% to 5.25% at year-end.
- Fierce investor competition to acquire scarce “core prime” properties is driving a further decline in yields.



TREND

- Investors are still looking to invest in the Prime segment
- Prime yields are continuing to fall
- Shortage of properties available immediately or within one year in this specific segment



I. Strategy & Key figures



II. 2010 Property Portfolio



III. 2010 Business Review



IV. Property Purchases & Sales for the Year



V. 2010 Financial Statements & Results



Appendices

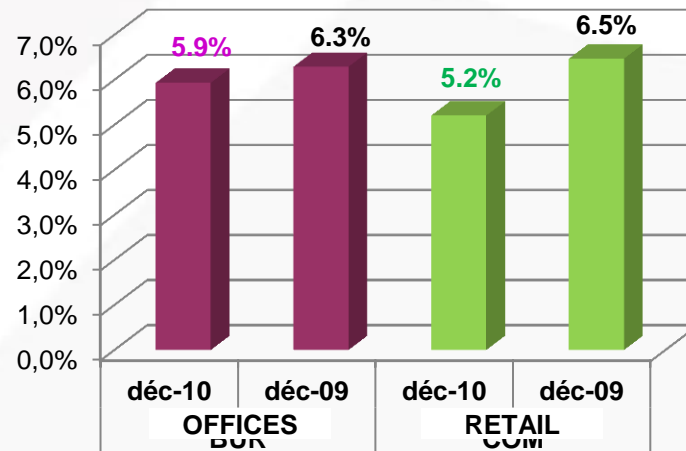
Appraisal Values at 31 December 2010

Portfolio value (attributable to SFL): €2,960m excl. transfer costs
 (down 4.3% vs. 31 December 2009)
 €3,120m incl. transfer costs

Like-for-like (excl. transfer costs)
 up 7.1% vs. 2009
 (2009 vs. 2008: down 7.8%)

Average value per sq.m.
 €8,360 (excl. transfer costs)
 (€7,497 excl. transfer costs in 2009)

Yield ⁽¹⁾
 5.8%
 (6.3% in 2009)

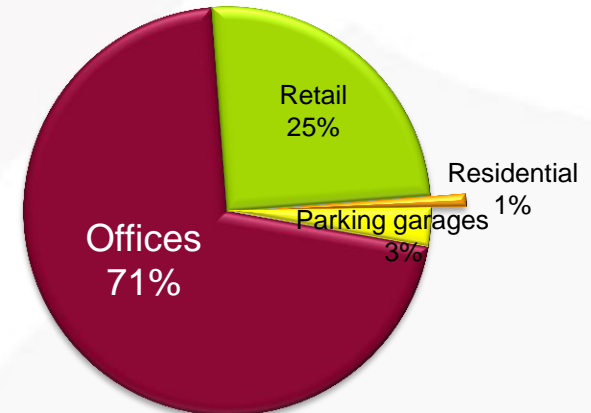
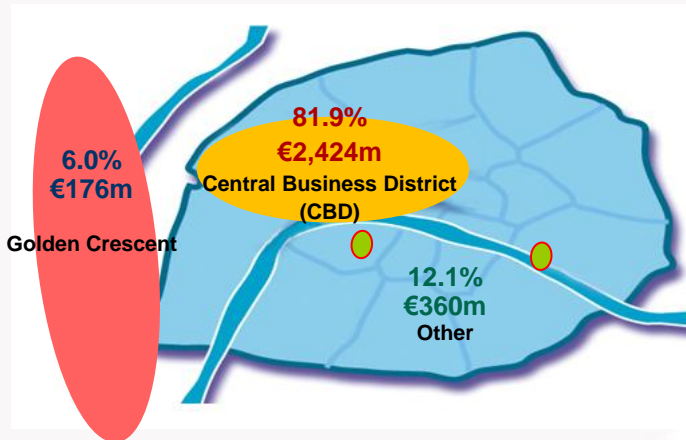


In 2010, appraisal values returned to pre-2009 levels

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

Geographic focus (value)

Market focus (value)



Central Business District	Total surface area (attributable to SFL)
Edouard VII	54,800 sq.m.
Le Louvre des Entreprises- Le Louvre des Antiquaires	47,800 sq.m.
Îlot Richelieu	38,200 sq.m.
Washington Plaza (66%)	31,000 sq.m.
Cézanne Saint-Honoré	29,000 sq.m.
247, rue Saint-Honoré	22,000 sq.m.
131, avenue de Wagram	9,200 sq.m.
96, avenue d'Iéna	8,800 sq.m.
92, avenue des Champs-Élysées	7,600 sq.m.
Haussmann Saint-Augustin (50%)	6,700 sq.m.
112 Wagram	5,900 sq.m.
6, rue de Hanovre	4,800 sq.m.
90, avenue des Champs-Élysées (50%)	4,300 sq.m.
Galerie des Champs-Élysées (50%)	2,800 sq.m.
12, boulevard des Capucines	2,200 sq.m.
Total	275,100 sq.m.

Golden Crescent	Total surface area (attributable to SFL)
46, quai Le Gallo	33,800 sq.m.
176, avenue Charles de Gaulle Neuilly-sur-Seine	7,400 sq.m.
Le Vaisseau - 39-51, rue Pierre Poli Issy-Les-Moulineaux	6,300 sq.m.
Total	47,500 sq.m.

Other	Total surface area (attributable to SFL)
Rives de Seine - Quai de la Rapée	22,700 sq.m.
103 Grenelle	17,300 sq.m.
Total	40,000 sq.m.



I. Strategy & Key figures



II. 2010 Property Portfolio



III. 2010 Business Review



IV. Property Purchases & Sales for the Year



V. 2010 Financial Statements & Results



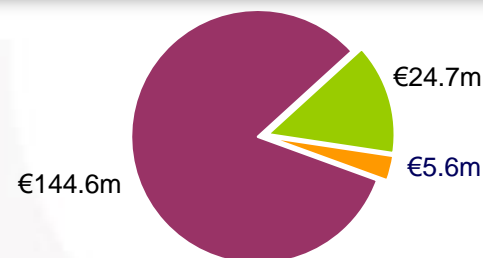
Appendices

Rental Revenues

In €m

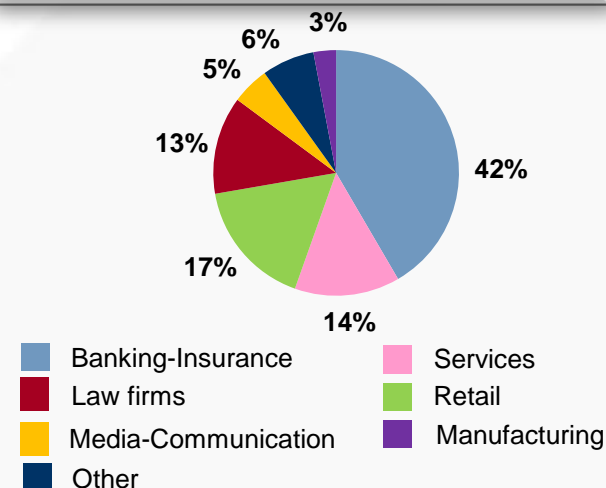
2009 Rental revenues	183.0
Δ Like-for-like growth	(9.0)
Δ Increase due to acquisitions and post renovation remarketing	1.5
Δ Decrease due to sales and major renovations	(13.7)
Δ Lease termination penalties	13.1
2010 Rental revenues	174.9

2010 Rental revenues: €174.9m



- Other (parking garages + residential + prof)
- Retail
- Offices

Breakdown by tenant business 31 December 2010



Impact of rent adjustments
down 4.4%

Change in rental revenues on a comparable portfolio basis
down 6.5%

New leases: 50,400 sq.m.

Offices

- Leases signed on 42,892 sq.m. (56% marketed, 44% remarketed)
- Total rent: €25,283k, or €589/sq.m./year
- Rent attributable to SFL: €18,633k



103 Grenelle
Paris 7^{ème}



Washington Plaza
Paris 8^{ème}



Galerie des Champs-Elysées
Paris 8^{ème}

Retail

- 6,755 sq.m. remarketed
- Total rent: €9,516k, or €1,409/sq.m./year
- Rent attributable to SFL: €4,345k

Main leases signed in 2010

Property	Use	Surface (sq.m.)	Tenant
Galerie des Champs-Elysées	Retail	3,300	H&M
103 Grenelle	Offices	3,100	ESMA
103 Grenelle	Offices	2,700	S.A. Valtech
LDE-LDA	Offices	2,100	Louis Vuitton Malletier
Washington Plaza	Offices	1,800	VTG France
103 Grenelle	Offices	1,400	Regus Sophia

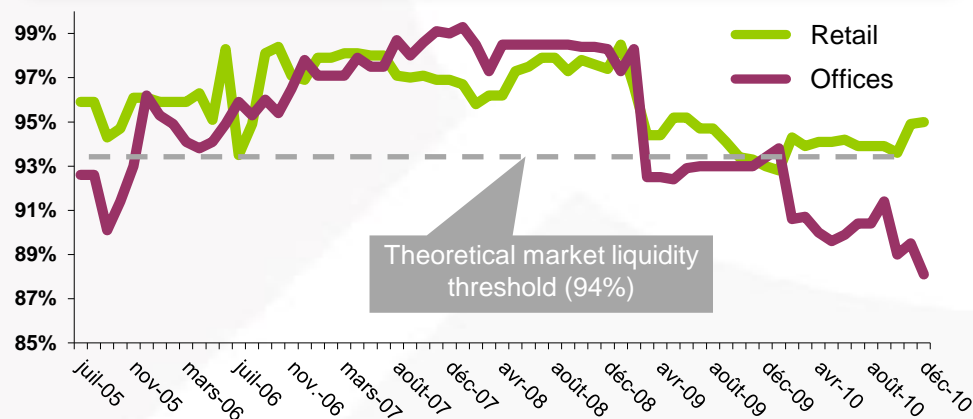
Occupancy Rates

Occupancy rate⁽¹⁾ at 31 December 2010: 90%
(94% at 31 December 2009)

Occupancy rate by property type (excluding properties under renovation)



Occupancy rates July 2005 – Dec. 2010 ⁽²⁾



Lowest occupancy rates

At 31 December 2010 (attributable to SFL)

Property	Vacant sq.m.	% vacant ⁽⁵⁾
103 Grenelle	9,500	3.8%
Washington Plaza (66%)	6,700	2.7%
112 Wagram	4,200	1.7%

Occupancy rate

Annual average ⁽³⁾	Economic ⁽⁴⁾
91.4%	Q4 2010: 87.4%

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

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

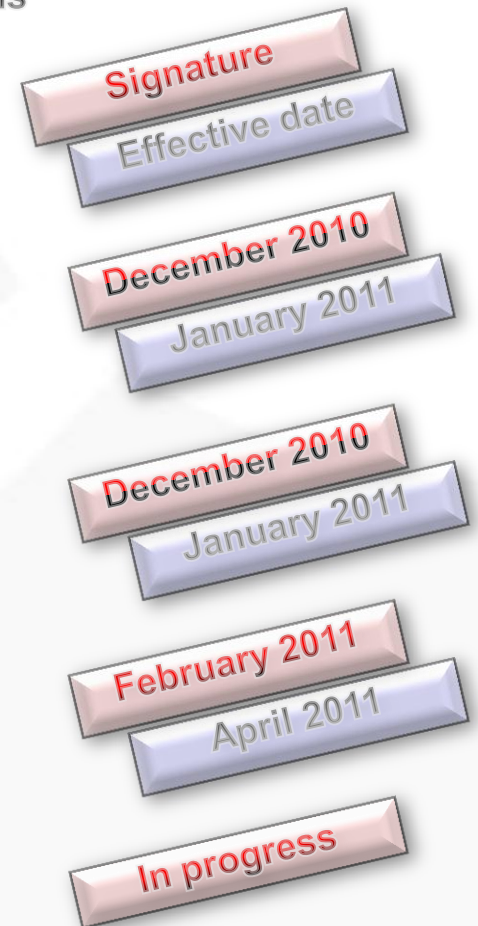
(3): Average end-of-month spot rate, surface area attributable to SFL, excluding surface areas and buildings undergoing refurbishment or renovation

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

(5): As a % of total portfolio excluding properties under renovation, attributable to SFL

Strong 2010/2011 Marketing Dynamic

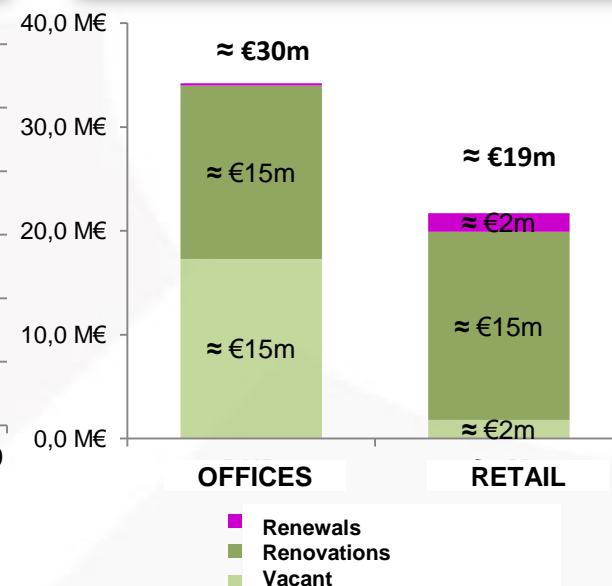
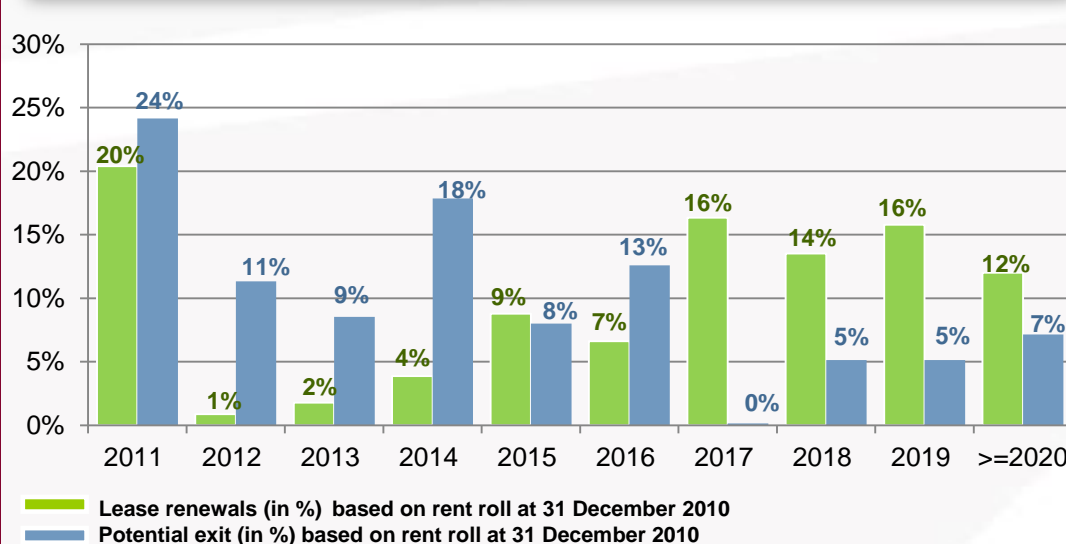
SFL's marketing dynamic has paid off, with leases on several prestigious properties signed or secured in the last two months



Lease Renewals and Reversionary Potential

Commercial lease expiry dates

Reversionary potential



**Average rent,
SFL office properties,
31 Dec. 2010:**

€544/sq.m./year
(down 1% vs.€549 at 31 Dec 2009)

Legal lease term¹⁾

5.3 years

**Remaining lease
term⁽²⁾**

3.3 years

**Reversionary
potential**

≈ €50m

(1) Weighted average period remaining for leases in progress as of 31 December 2010, up to lease expiry date.

(2) Weighted average period remaining for leases in progress as of 31 December 2010, up to next potential exit date.



I. Strategy & Key figures



II. 2010 Property Portfolio



III. 2010 Business Review



IV. Property Purchases & Sales for the Year



V. 2010 Financial Statements & Results



Appendices

Current Renovation Projects

Property	District	Type	Renovated surface area	Delivery
247-251, rue Saint Honoré	CBD	Hotel/ Retail	16,400 sq.m.	H1 2011
92, av. des Champs Elysées	CBD	Offices/ Retail	7,100 sq.m.	H2 2012
Quai Le Gallo - Boulogne	Golden Crescent	Offices	31,500 sq.m.	H2 2012
Other	-	-	5,700 sq.m.	-
Total			60,700 sq.m.	



247-251, rue Saint Honoré
Paris 1^{er}



92, av. des Champs-Elysées
Paris 8^{ème}



46, Quai Le Gallo
92100 Boulogne-Billancourt

**Sale of
Pavillon Henri IV**

Sale to the tenant of a hotel property at 21/23 rue Thiers,
Saint Germain en Laye (78100)



▶ Useable surface area: 4,596 sq.m.

▶ Sale price: €6.5 million excluding transfer costs

**SIIC DE PARIS
transaction**

Transfer of two properties to SIIC de Paris



▶ Tour Coface – La Défense

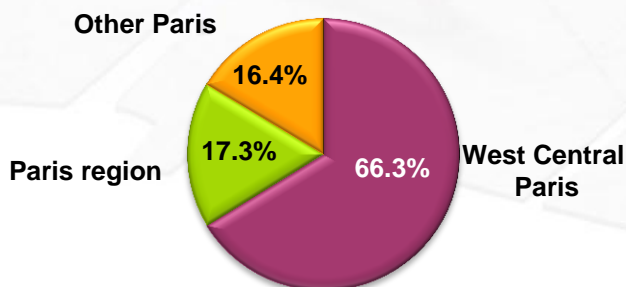


▶ Tour Les Miroirs (Building C) – La Défense

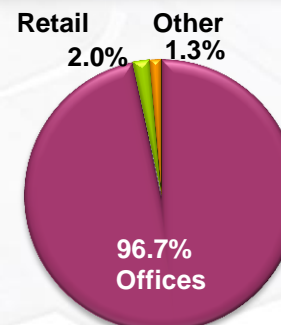
Key figures

- ▶ Portfolio value (including transfer costs) at 30 June 2010: €1,214 million
- ▶ 37 properties representing a total of 142,000 sq.m.
- ▶ 2010 rental revenues: €62.6 million
- ▶ NAV (excluding transfer costs) at 30 June 2010: €560 million

By location (value) at 30 June 2010



By type of property (value) at 30 June 2010



- ▶ **A high quality office portfolio focused on Paris (83%) and the western suburbs**

Two properties in La Défense transferred by SFL

- ▶ Tour Coface : 28,400 sq.m. (useable)
 - ▶ Les Miroirs (Building C): 19,900 sq.m. (useable)
- ▶ Valuation: €286 million excluding transfer costs

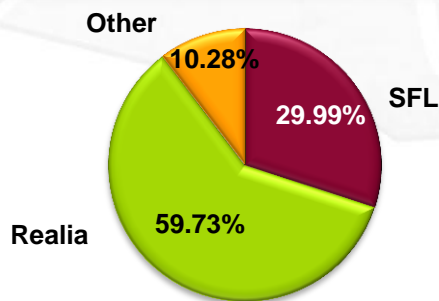
New SIIC de Paris shares received in return

- ▶ 15,476,190 shares at €18.48/share
- ▶ Representing 36.36% of SIIC de Paris's capital

Sale by SFL of 6.36% of SIIC de Paris's capital to Realia

- ▶ 2,706,652 shares at €18.48/share for a total of €50 million

SIIC de Paris's post-transaction ownership structure At 27 December 2010



Significant minority stake in SIIC de Paris

- ▶ A portfolio fully aligned with that of SFL (prime Paris commercial properties)

Impact on SFL's business

- ▶ Reduction in debt through €50 million proceeds from sale of 6.36% to Realia
- ▶ Disposal of two non-strategic assets in La Défense with tenants moving out in 2010 (Les Miroirs) and 2012 (Coface)

New shares ranked *pari passu* with existing shares

- ▶ With rights to the 2010 dividend

Shareholders' pact, with SFL and Realia not qualified as acting in concert

- ▶ SFL will hold 3 of the 10 seats on the SIIC de Paris Board
- ▶ Strategic decisions to be made by an 8/10ths qualified majority
- ▶ Pre-emptive right to acquire SIIC de Paris shares
- ▶ Joint put option



I. Strategy & Key figures



II. 2010 Property Portfolio



III. 2010 Business Review



IV. Property Purchases & Sales for the Year



V. 2010 Financial Statements & Results



Appendices

In €m	2010	2009	% change
Property rentals	174.9	183.0	-4.4%
Property expenses, net of recoveries	(13.1)	(10.3)	26.9%
Net property rentals	161.8	172.7	-6.3%
Service and other revenues	5.2	6.2	
Depreciation, amortisation and provision expense, net	(1.1)	(1.1)	
Employee benefits expense and other expenses	(19.3)	(19.7)	
Operating profit before disposals and fair value adjustments	146.6	158.1	-7.2%
Net disposal losses	(33.9)	(14.0)	
Fair value adjustments to investment properties	107.0	(385.5)	
Share of profit of associates	13.3	0	
Finance costs and other financial income and expense	(47.9)	(40.9)	
Income tax expense	(10.2)	15.4	
Profit (loss) for the year	175.0	(266.9)	
Minority interests	(10.4)	14.7	
Attributable profit (loss)	164.6	(252.2)	
<i>Underlying attributable profit</i>	<i>96.7</i>	<i>108.3</i>	<i>-10.7%</i>

Current Cash Flow⁽¹⁾

In €m	2010	2009	% change
Property rentals, net	161.8	172.7	} -4.8%
IFRS adjustments – Property rentals and key money	4.7	2.2	
Other income	5.2	6.2	
Employee benefits expense and overheads	(18.6)	(18.9)	
Finance costs, net	(44.5)	(43.9)	
Current Cash Flow	108.6	118.2	-8.2%
<i>Attributable Current Cash Flow</i>	<i>104.1</i>	<i>110.1</i>	<i>-5.4%</i>
Average number of shares (thousands)	46,525	46,503	
<i>Current Cash Flow per share</i>	<i>€2.24</i>	<i>€2.37</i>	<i>-5.4%</i>

⁽¹⁾ Hors cessions

(In €m)	31 Dec. 2010	31 Dec. 2009	Change
Syndicated loan	180.0	400.0	-220.0
2009 corporate loan ⁽¹⁾	265.0	150.0	+115.0
2010 corporate loan ⁽²⁾	200.0	0.0	+200.0
Lease financing	175.6	192.6	-17.0
Other bank loans	394.7	393.8	+0.9
Total debt	1,215.3	1,136.3	+79.0
Average life (years)	3.4	3.2	+0.2
Average spot cost (after hedging)	4.1%	4.6%	-0.5pt
Cash and cash equivalents	13.6	19.6	-6.0
Net debt (debt – cash and cash equivalents)	1,201.7	1,116.7	+85.0
Estimated value of assets (incl. transfer costs)	3,119.7	3,266.3	-146.6
SIIC de Paris shares	252.1	-	+252.1
Loan-to-value ratio	35.6%	34.2%	+1.4pts

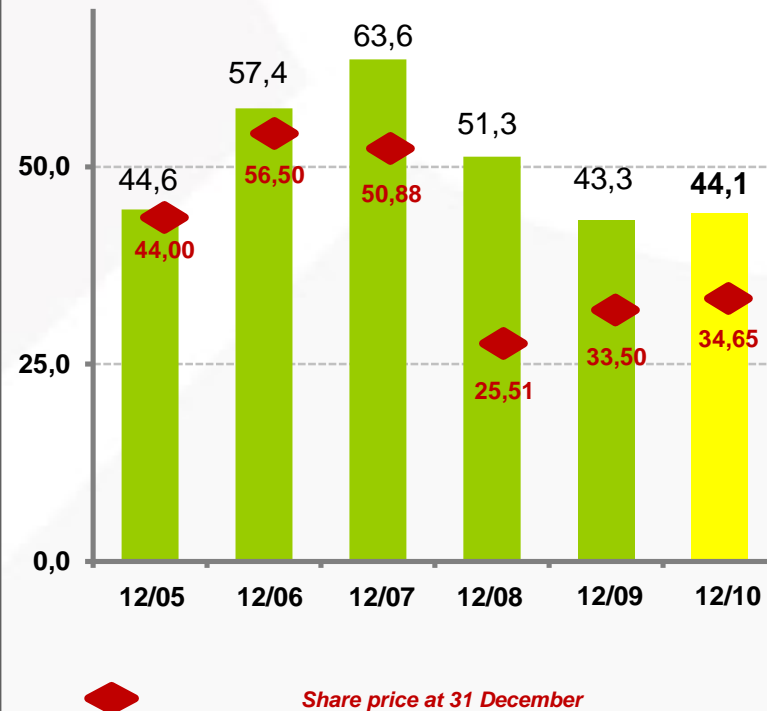
(1) Corresponding to €265m drawn down on a €300m facility

(2) Corresponding to €200m drawn down on a €350m facility

NAV per share

NAV calculation (in €m)	31 Dec. 2010	31 Dec. 2009	% change
Equity	1,865	1,816	
Unrealised capital gains	9	11	
Dilution gain	16	16	
NAV excl. transfer costs	1,890	1,843	+2.5%
Transfer costs on property portfolio	160	172	
NAV incl. transfer costs	2,050	2,015	+1.7%
Shares and potential shares (in thousands)	46,529	46,529	
NAV/share excl. transfer costs	€40.6	€39.6	+2.5%
NAV/share incl. transfer costs	€44.1	€43.3	+1.7%

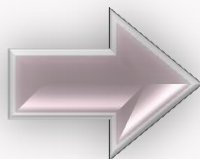
Growth in NAV per share incl. transfer costs
(€)





(¹) Recommended dividend

- www.fonciere-lyonnaise.com





bienvenue sur le site internet de la Foncière Lyonnaise
Language 

ACTEUR DE RÉFÉRENCE DU MARCHÉ DE L'IMMOBILIER TERTIAIRE PARISIEN

ACTUALITÉS

3 novembre 2010 :
SFL - 3ème trimestre 2010
> en savoir plus

22 juillet 2010 :
SFL - 1er Semestre 2010
> en savoir plus

COURS DE BOURSE
09/02/2011 - 12:25:36

€ 36.04
ISIN: FR0000033409

« Avec un patrimoine exceptionnel de 3,3 milliards d'euros centré sur le Quartier Central des Affaires (QCA) de Paris, SFL constitue le vecteur privilégié d'accès au marché immobilier de bureaux et de commerces de la capitale. »

AGENDA

11 février 2011 :
Présentation des résultats annuels 2010 à 09h00
Centre de conférences Edouard VII
23 square Edouard VII - 75009 PARIS

[LA SOCIÉTÉ](#)
[LE PATRIMOINE](#)

[LES FINANCES](#)
[LES ENGAGEMENTS DURABLES](#)


 GESTION ET COMMERCIALISATION DE NOTRE PATRIMOINE IMMOBILIER
[CARNET DE L'ACTIONNAIRE](#)

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



I. Strategy & Key figures



II. 2010 Property Portfolio



III. 2010 Business Review



IV. Property Purchases & Sales for the Year

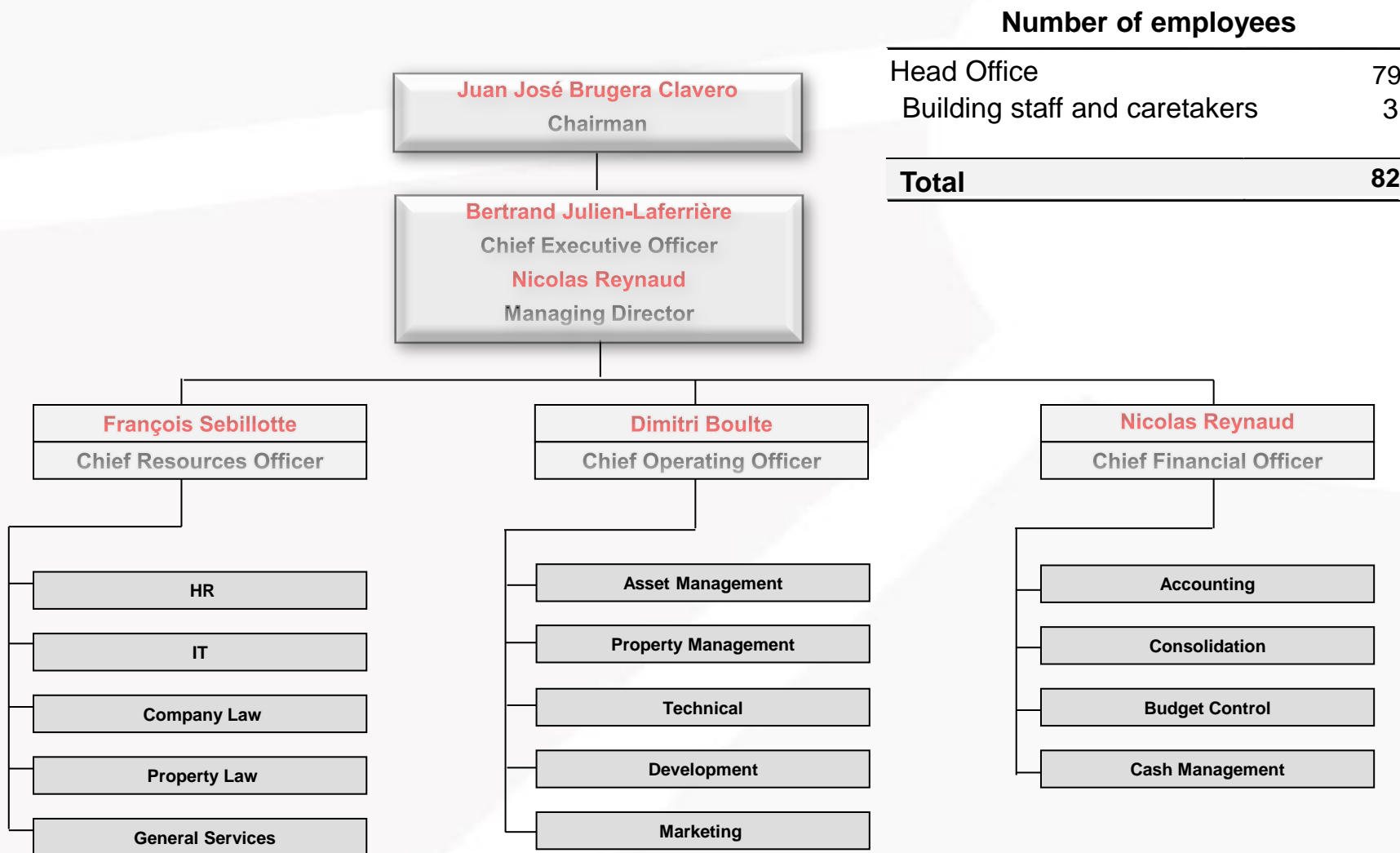


V. 2010 Financial Statements & Results



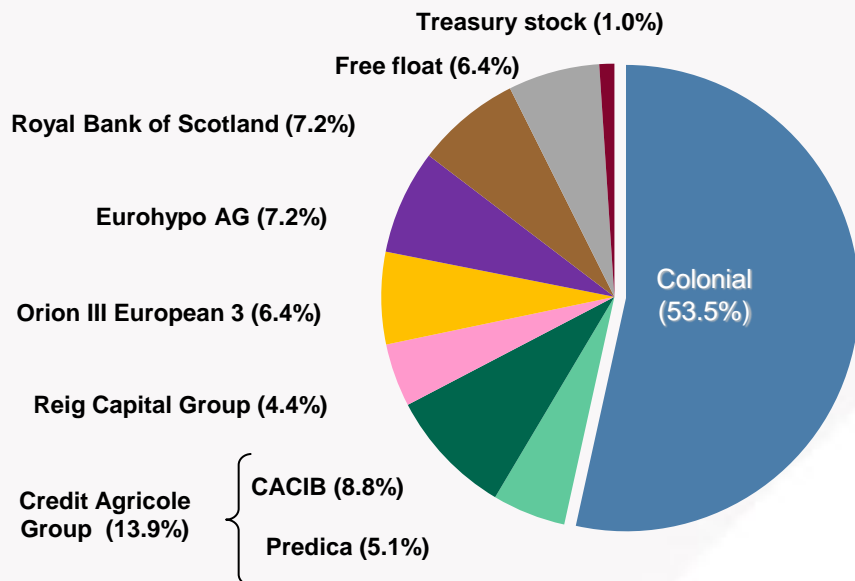
Appendices

Organisation Structure

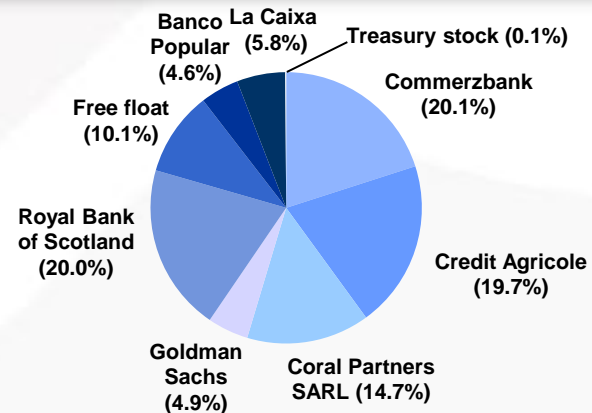


Number of employees	
Head Office	79
Building staff and caretakers	3
Total	82

SFL Ownership Structure (46.5 million shares)



Colonial Ownership Structure



Board of Directors

Juan José Brugera Clavero	(Chairman & CEO, Colonial)
Jean Arvis	(Independent director)
Jacques Calvet	(Independent director)
Anne-Marie de Chalambert	(Director, Colonial)
Jean-Jacques Duchamp	(Director, Prédica)
Carlos Fernandez-Lerga Garralda	(Director, Colonial)
Carmina Gañet Cirera	(Director, Colonial)
Aref H. Lahham	(Director, Orion)
Bertrand Letamendia	(Director, Colonial)
Carlos Losada Marrodan	(Director, Colonial)
Luis Maluquer Trepas	(Director, Colonial)
Pere Viñolas Serra	(Director, Colonial)
Tony Wyand	(Independent director)
Reig Capital Group Luxembourg SARL	(Director represented by Alejandro Hernandez-Puertolas)

Representing Colonial

Other

Executive & Strategy Committee

Juan José Brugera Clavero (Chairman)

Jean-Jacques Duchamp
Carmina Gañet Cirera
Aref H. Lahham
Pere Viñolas Serra

Audit Committee

Carlos Fernandez-Lerga Garralda (Chairman)

Jean Arvis
Jacques Calvet
Jean-Jacques Duchamp

Remuneration & Selection Committee

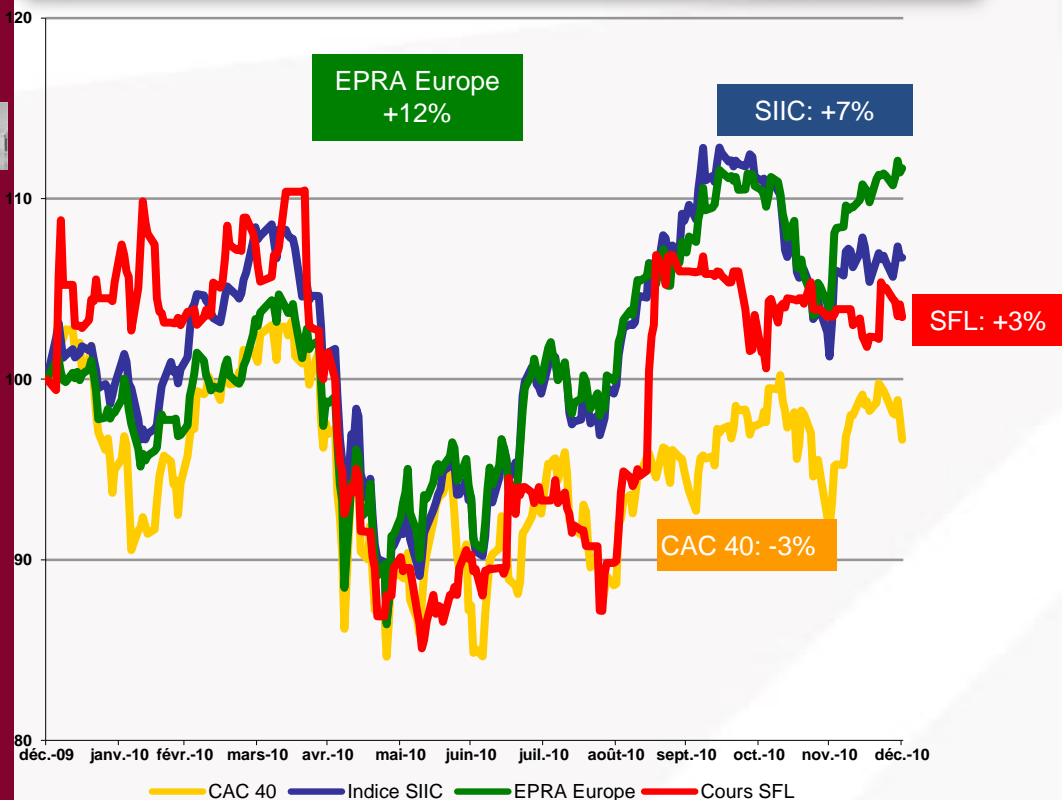
Pere Viñolas Serra (Chairman)

Jean Arvis
Juan José Brugera Clavero
Tony Wyand

Independent Directors Committee

Jean Arvis
Jacques Calvet
Tony Wyand

2010 share performance (1)



2010 key figures

Number of shares at year-end (in thousands)	46,529
Average daily trading volume (shares)	2,651
Average daily trading volume (amount)	€89,000
High (6 January)	€37.98
Low (25 May)	€27.65
Year-end closing price	€34.65

(1) Base 100: 31 December 2009; data up to 31 December 2010

Sources: Euronext/Epra



Independent experts

Jones Lang LaSalle, CBRE, BNP Paribas Real Estate



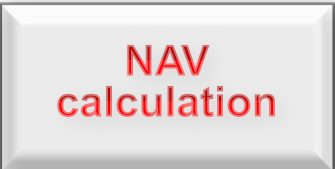
Methodology

Discounted cash-flow method or revenue capitalisation method or comparison with recent transactions



Frequency

Entire portfolio valued at least every 6 months



NAV calculation

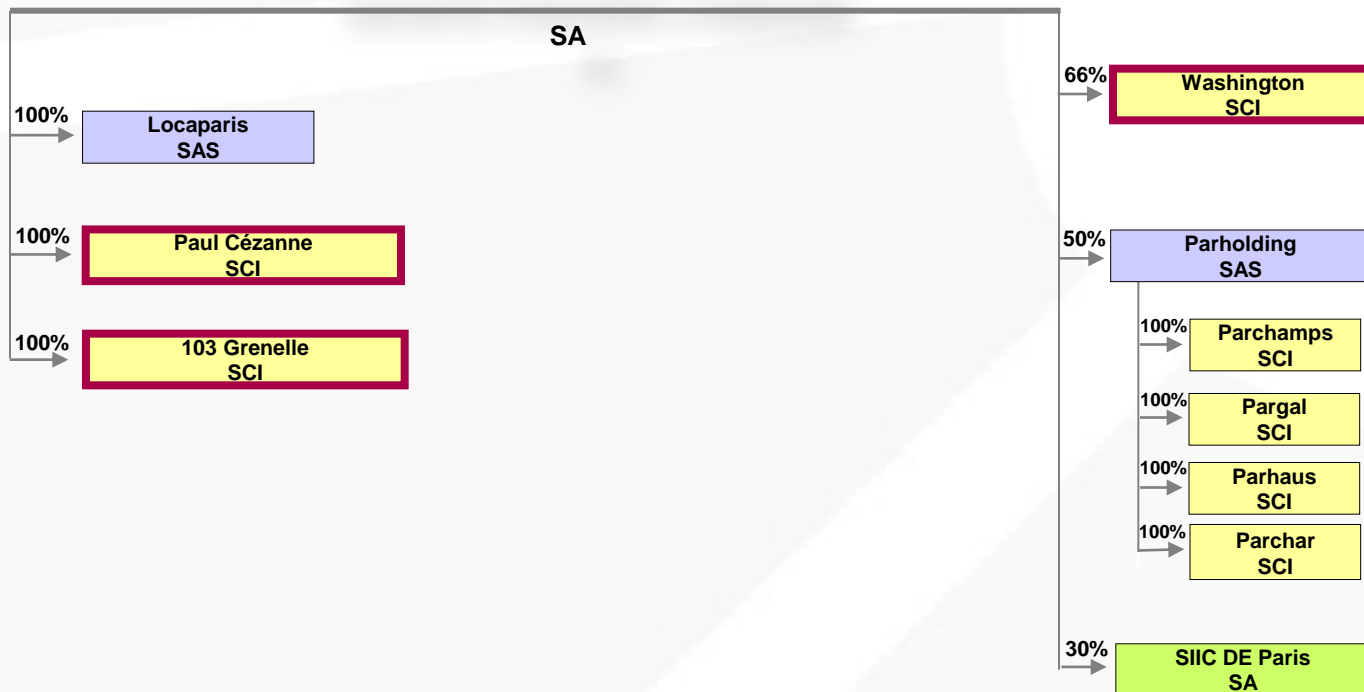
**With and without transfer costs
Fully diluted
Financial instruments marked-to-market**



Validation

Valuations and NAV calculations reviewed by the Auditors

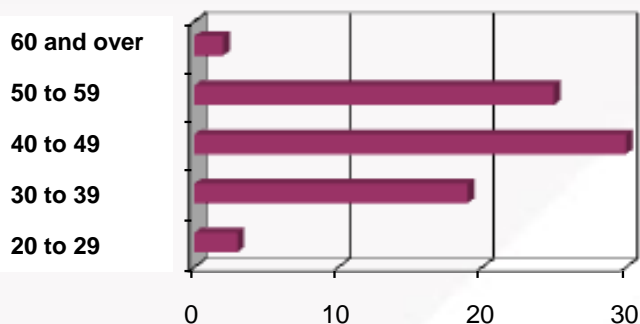
SOCIETE FONCIERE LYONNAISE



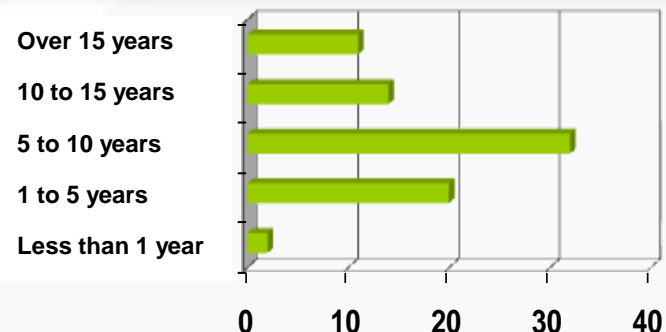
- SA (Société Anonyme)
- SAS (Société par Actions Simplifiée)
- SCI (Société Civile Immobilière)
- Flow through entities whose results are consolidated with SFL under the SIIC regime

Employees	31 December 2010	31 December 2009
Building caretakers	3	3
Administrative staff	14	14
Supervisors	15	16
Managers	50	51
Total	82	84

Employees⁽¹⁾ by age group
(at 31 December 2010)



Employees⁽¹⁾ by years of service
(at 31 December 2010)



⁽¹⁾ Excluding building staff and caretakers

Expenditures (€m)	2010	2009	% change
Major renovation projects ⁽¹⁾	42.2	59.7	
Other capitalised expenditure	14.0	36.9	
Total	56.2	96.6	-41.8%

⁽¹⁾ Of which: 247 St-Honoré ⇒ €20.4m ; 92 Champs Elysées ⇒ €8.5m; Galerie des Champs Elysées ⇒ €7.7m ; Quai Le Gallo ⇒ €5.6m

Underlying Profit

In €m	2010		2009		2010 vs 2009 Recurring
	<i>Recurring</i>	<i>Non Recurring</i>	<i>Recurring</i>	<i>Non Recurring</i>	
Property rentals	174.9	-	183.0	-	-4.4%
Property expenses, net of recoveries	(13.1)	-	(10.3)	-	26.9%
Net property rentals	161.8	-	172.7	-	-6.3%
Service and other revenues	5.2	-	6.2	-	
Depreciation, amortisation and provision expense, net	(1.1)	-	(1.1)	-	
Employee benefits expense and other expenses	(19.3)	-	(19.7)	-	
Operating profit before disposals and fair value adjustments	146.6	0	158.1	0	-7.2%
Net disposal losses	-	(33.9)	-	(14.0)	
Fair value adjustments to investment properties	-	107.0	-	(385.5)	
Share of profit of associates	0	13.3	0	0	
Finance costs and other financial income and expense	(43.5)	(4.4)	(40.1)	(0.8)	
Income tax expense	(1.6)	(8.5)	(1.8)	17.2	
Profit (loss) for the year	101.5	73.6	116.2	(383.1)	-12.7%
Minority interests	(4.8)	(5.6)	(7.9)	22.6	
Attributable profit (loss)	96.7	68.0	108.3	(360.5)	-10.7%
Average number of shares (thousands)	46,525		46,503		
Underlying attributable earnings per share	€2.08		€2.33		-€0.25