

SFL

2007 RESULTS

15 February 2008

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Key Figures

	2007	2006	% change
Property rentals (IFRS)	€170.4m	€161.5m	+5.5%
Operating profit before fair value adjustments	€147.3m	€134.8m	+9.3%
Fair value adjustments to investment properties	€365.1m	€533.8m	
Profit on disposal of investment properties	€3.3m	€49.5m	
Net profit	€416.5m	€606.6m	-31.3%
Current cash flow⁽¹⁾ attributable to equity holders	€97.2m	€79.2m	+22.8%
Current cash flow⁽¹⁾ per share attributable to equity holders	€2.13	€1.84	+15.8%
Portfolio value excluding transfer costs at 31 December (attributable)	€3,909m	€3,320m	+17.7%
NAV per share including transfer costs	€63.6	€57.4	+10.7%

(1) Excluding disposals

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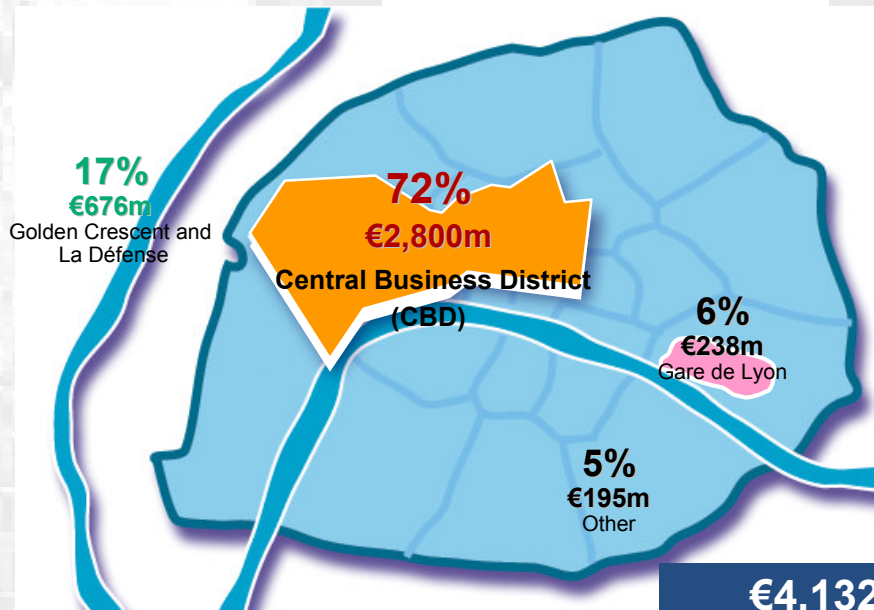
2007 Property Portfolio

Appraisal value at 31 December 2007

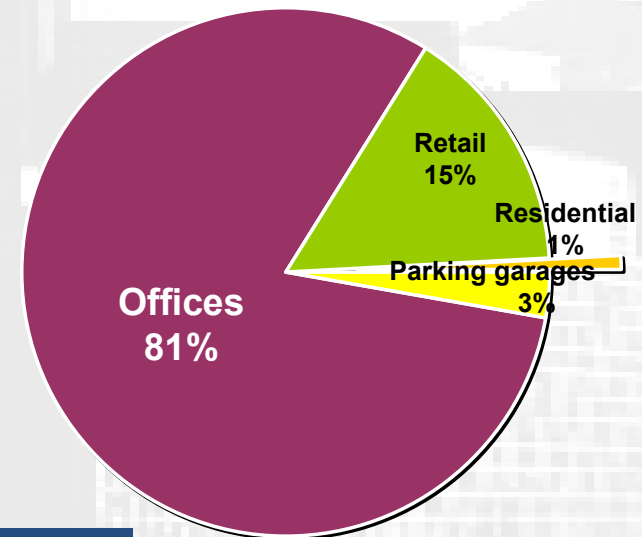
€3,909m excluding transfer costs

(up 2.1% on 30 June / up 17.7% on 31 Dec. 2006 / up 12.0% on 31 Dec. 2006 like-for-like)

Geographic focus



Market focus



€4,132m including transfer costs



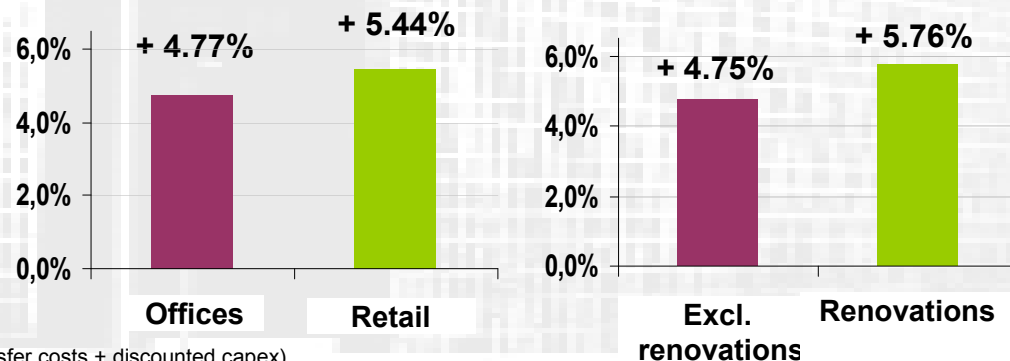
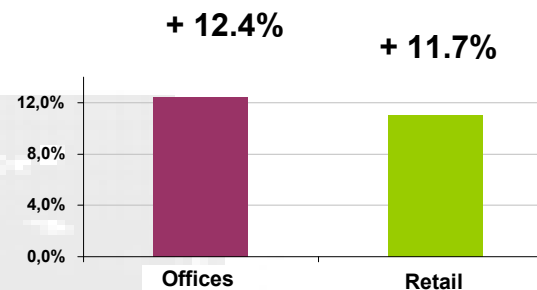
Appraisal Values at 31 December 2007

Appraisal value (attributable): €3,909m, excluding transfer costs
(up 17.7% on 31 Dec. 2006)
€4,132m including transfer costs

Like-for-like portfolio
(excl. transfer costs)
Up 12.0% on 31 Dec. 2006
(up 22.4% on 31 Dec. 2005)

Average value per sq.m.
(excl. transfer costs)
€9,062
(€7,884 at 31 Dec. 2006)

Spot yield⁽¹⁾
4.90%
(5.23% at 31 Dec. 2006)



(1) $(\text{Passing rent} + \text{Market rent on vacant properties}) / (\text{Appraisal value including transfer costs} + \text{discounted capex})$

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Paris Region Office Rental Market in 2007



PARIS REGION

- Total rental volume: 2.7m sq.m., down 5% year-on-year, down 14% in Q4 vs. Q3
- Immediately available stock: 2.4m sq.m., down 3% on end-2006.
New properties: down 12% → Vacancy rate stable at 4.9%
- Future offer: 4.2m sq.m. (3.9m at end-2006). Of which 1.7m sq.m. certain (stable) and 2.5m sq.m. projected (up on 2006) → Risk of projects being abandoned?
- Average rent at end-2007: €327/sq.m./year, up 7% on end-2006, up 1% on Q3. Deal sweeteners continuing. Narrower differential between new and remarketed properties

PARIS CENTRE WEST & CBD

- Total rental volume: 613,000 sq.m. (23% of Paris region market, up vs. end- 2006)
- Immediately available stock down 40% → Vacancy rate down to 3.2%
- New and renovated properties: 31% of total (Paris region average: 20%)
- Prime rents at end-2007: €750/sq.m./year (up 7.5% on end-2006, down 5% on Oct. 2007)
- Average rent: €542/sq.m./year, up 7% on end-2006

2008 OUTLOOK

- Market remains solid but longer marketing periods for surfaces >1.000 sq.m.
- Users jittery, limited rent increases
- Rental volume expected to decline to 2.3m-2.4m sq.m., increase in large transactions
- A number of construction projects in Paris suburbs likely to be put on hold
- Immediately available stock will level off at 2.5m sq.m. and future offer will stabilise

Sources: Immostat, CBRE, CWHB and AtisReal

2007 Paris Region Office Investment Market

FRANCE & PARIS REGION

- Total deal flow in **France: €27bn** (up 17% on 2006). Slowdown at year-end. Offices 74% (84% in 2006), retail 14% (8% in 2006), warehouses 12% (8% in 2006)
→ Diversification confirmed
- Paris region market: **€20bn (up 6% on 2006)**. Offices 86%, slightly down on 2006
- Lower sales of property portfolios, increase in large transactions (25 deals > €200m)
- Lower sales by investors, increase in developer sales and sale & leaseback transactions
- Decline in yields from Q1 to Q3; upturn in Q4, reflecting better defined risk premiums

PARIS CENTRE WEST & CBD

- Total deal flow in 2007: €4.5bn, 23% of Paris region market. France's largest investment market. Increased share of Paris region market.
- Prime CBD yields declined to 3.8% in mid-2007, before recovering to 4% at end-2007.
- No shortage of buyers for properties generating long-term cash flow

2008 OUTLOOK

- The credit crunch has not triggered a property crisis... yet
- The market needs to adapt to the new environment. Risk of the deal flow drying up.
- The market's maturity and fluidity should act as a buffer. The French market's strengths remain intact
- More coherent yields, with high quality, safe investments commanding a premium
- Adjustment of market values → Decline in invested amounts (€20bn ?)

2007 European Comparison

Commercial Property Investment Market



Main markets	Deal Flow			2007 Deal Flow by Sector			Prime Yield (net)		
	2007 (in €bn)	2006 (in €bn)	% change	Offices	Retail	Others ⁽¹⁾	Dec. 2007	Dec. 2006	% change
Central London	26.7	25.1	+6.4%	72%	14%	14%	4.75	3.75	+26.7%
Paris & Paris region	20.4	19.8	+ 3.2%	85%	5%	10%	4.00	4.30	- 7%
Munich	6.7	4.9	+ 36.7%	69%	0%	31%	4.45	4.75	-6.3%
Frankfurt	7.9	4.3	+ 83.7%	64%	5%	31%	4.55	4.85	-6.2%
Berlin	6.9	4.2	+ 64.3%	27%	14%	59%	4.55	4.75	-4.2%
Madrid	2.3	3.6	- 36%	74%	9%	17%	4.50	3.90	+15.4%
Brussels	2.2	1.8	+22%	96%	0%	4%	5.50	5.85	- 6%
TOTAL	73.1	63.7	+ 14,7%						

(1) Other: warehouses, hotels, medical facilities, leisure facilities, etc.

Source : AtisReal

Deal flows continued to grow in 2007, but with a sharp correction in Q4, led by London and, to a lesser extent, Paris. This was partly offset by strong gains in Germany, especially Frankfurt and Berlin.

Offices remain the flagship product, but there are signs of a shift in the market towards other types of property, mainly warehouses and service sector properties, led by Germany.

Yields: here again, 2007 saw a correction, with yields bottoming out at the end of Q2 or Q3, before recovering in all markets at the end of the year (rising 10% on average in Q4).

2007 European Comparison

Office Rental Market



Main markets	Take-up			Vacancy rate			Prime rent			Avg. rent CBD Q4 2007 & y-on-y change (€/sq.m./year)
	2007 (thousands of sq.m.)	2006 (thousands of sq.m.)	% change	Q4 2007	Q4 2006	% change	Q4 2007 (€/sq.m./year)	Q4 2006 (€/sq.m./year)	% change	
Paris & Paris region	2,713	2,860	- 5%	4.9%	5.6%	- 13%	750	698	+7.5%	542 (+7%)
Central London	1,029	1,153	- 11%	4.8%	6.2%	- 23%	1,851	1,518	+22%	714 (+6%)
Madrid	968	800	+ 21%	7.1%	7.4%	- 4%	480	372	+29%	335 (+31%)
Munich	834	671	+ 24%	9.6%	8.8%	+ 9%	372	354	+5%	212 (+13%)
Frankfurt	629	621	+ 1%	13.3%	14.5%	- 8%	450	420	+ 7%	289 (+6%)
Brussels	516	627	- 18%	9.7%	10.2%	- 5%	295	295	0%	193 (-3%)
Berlin	500	586	- 15%	8.2%	8.3%	- 1%	264	246	+7%	191 (+12%)
TOTAL	7,189	7,318	- 2%							

Source : AtisReal

Completed lettings: steady increase over the first nine months, followed by a broad based downturn in Q4 (down 8%). Demand nevertheless remained strong, except in London where it fell sharply.

Overall decline in vacancy rates vs. 2006, attesting to robust demand; however, Q4 vacancy rates above the Q3 level in London, Madrid and Munich. No major risk of a sharp drop in rents in the short term.

Prime rents continued to climb, despite marking time in Q3. Trend expected to level off in London and Madrid. Increase accompanied by systematic deal sweeteners.

Average CBD rents followed the upward trend. Premium for prime properties in mature markets (London, Paris, Brussels), but decline in prime rents in Germany.

Property Purchase - March 2007

Cézanne St-Honoré



Cézanne saint-Honoré, Paris

Photo : Luc Boegly

Purchase of Prédica's 50% stake in SCI Paul Cézanne

SFL has owned the entire capital of the property holding company (SCI) since 30 March 2007

€198.7 million investment

Financed by issuing 3.5 million new shares

End of SFL - TIAA CREF Partnership

SFL-TIAA CREF Partnership dissolved on 1 October 2007 (asset swap)

Acquisition by SFL of 100% of 96 avenue léna, Paris 16 (8,857 sq.m.)

Purchase of TIAA CREF's 75% stake in the
96 avenue léna building:

- Property value (100%): €100.5m
- Rental revenues (100%): €4.3m



96, avenue léna
Paris 16ème

Sale by SFL of its stake in Tour Areva, La Défense (60,000 sq.m.)

Sale of SFL's 16.6% stake in Tour Areva:

- Property value (100%): €435.0m
- Rental revenues (100%): €17.4m



Tour Areva
La Défense

Property Sale - October 2007

46 avenue Kléber



46, avenue Kléber
Paris 16ème

On 26 October 2007, SFL and IDF sold their respective 50% interests in Parkleb, owner of 46 avenue Kléber

3,400 sq.m. of office space in the central business district

Main tenant: Givaudan (75% of the building)
Average rent: €660/sq.m.

Property value: €41.3m (€12,150/sq.m.), excl. transfer costs

Sold at a price in excess of the 30 June 2007 valuation

T8 Project - Delivery 2012

Agreement signed on 26 October 2007 concerning T8 construction rights
(part of the Paris Rive Gauche development program)

Investor: SFL

Developer: Nexity

Architect: Rudy Ricciotti

Space allocation (net floor area):

- 21,850 sq.m of offices
- 7,830 m² sq.m of shops
- 1,550 m² sq.m of retail booths
- 5,256 m² sq.m of housing
- 200 parking spaces (under concession)

Forecast timeline:

- 3Q 2010: Completion of cover by SEMAPA
- 3Q 2010: Signature of construction rights acquisition contract & start of construction
- 4Q 2012: Delivery of the building by Nexity

Cost: around €260 million, excluding interest charges (€7,126/sq.m of net floor area)



Current Renovation Projects

Creating New Growth Drivers

Property	District	Type	Renovated surface area	Forecast rentals (100% basis)	Delivery
103, rue de Grenelle	Paris 7 ^{ème}	Offices	17,630 sq.m.	€11.3m	H2 2008
92, av. des Champs Elysées	CBD	Offices/ Retail	7,135 sq.m.	€8.8m	H1 2010
Galerie des Champs Elysées (100%)	CBD	Retail	6,239 sq.m.	€9.2m	H2 2010
247-251, rue Saint Honoré	CBD	Hotel/Retail	16,203 sq.m.	€10.5m - €12.7m	H2 2010
Total			47,207 sq.m.		



103, rue de Grenelle
Paris 7ème



92 av. des Champs Elysées,
Paris 8ème



Galerie des Champs Elysées,
Paris 8ème



247-251, rue Saint Honoré
Paris 1er

Rental Revenues

2007 versus 2006

In €m

2006 Rental revenues	161.5
Like-for-like growth	+5.3
Increase due to purchases and post-renovation remarketing	+11.6
Decrease due to sales and major renovations	(8.0)
2007 Rental revenues	170.4

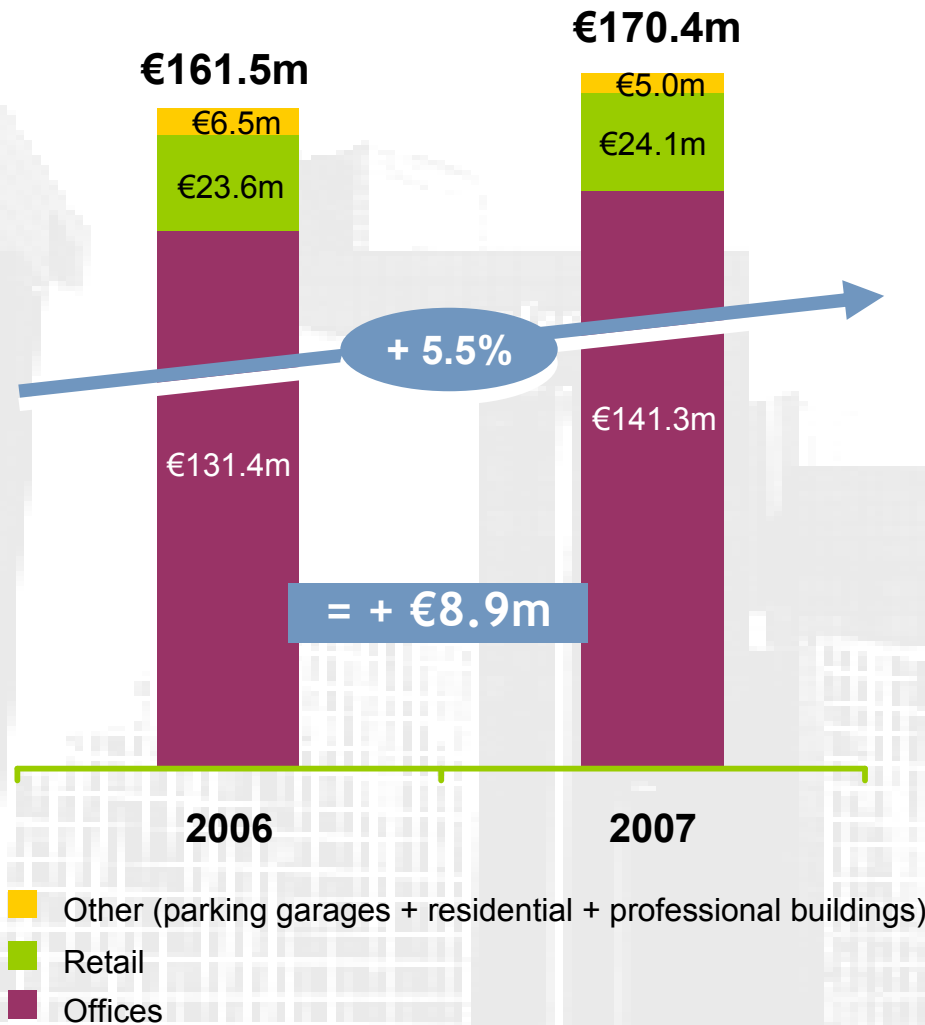


Reported increase
5.5%



Like-for-like increase
3.6%

Rental Revenues



Marketing Programme

New leases: 42,050 sq.m.

Offices

- 39,789 sq.m., or €625/sq.m./year
- Total rent: €24,873k
- Attributable to SFL: €18,520k

Retail

- 1,200 sq.m., or €523/sq.m./year
- Total rent: €627k
- Attributable to SFL: €583k

**Rents on new leases:
up 9% ⁽¹⁾**

**Average rent for renovated
properties: €719/sq.m. ⁽²⁾**



Cézanne Saint Honoré
Tenant: FIPAM & Athema



104/110 Haussmann (HSA)
Tenant: La Mondiale

Top leases signed in 2007

Property	Type	Surface (sq.m.)	Tenant
104/110 HAUSSMANN	OFFICES	12,001	LA MONDIALE
EDOUARD 7 COMM.	OFFICES	6,522	ALLEN ET OVERY
WASHINGTON	OFFICES	3,993	DEXIA ASSET MANAGEMENT
WASHINGTON	OFFICES	2,736	HAMMERSON
5 ALFRED DE VIGNY	OFFICES	2,618	AUDIT ARTOIS
QUAI LE GALLO	OFFICES	2,068	THOMSON EUROPE SALES
CEZANNE ST HONORE	OFFICES	1,940	FIPAM
CEZANNE ST HONORE	OFFICES	1,787	ATHEMA
6 VELASQUEZ	OFFICES	1,323	CURTIS
WASHINGTON	OFFICES	824	POWEO

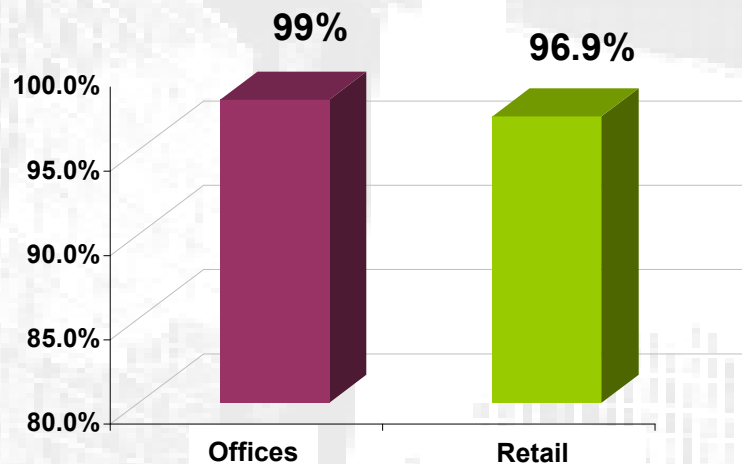
(1) Growth in rents for leases signed in 2007 (new leases and renegotiations, excluding Tour Areva et 46 Kléber).

(2) Average rent for new leases signed in 2007 for renovated properties delivered in 2007

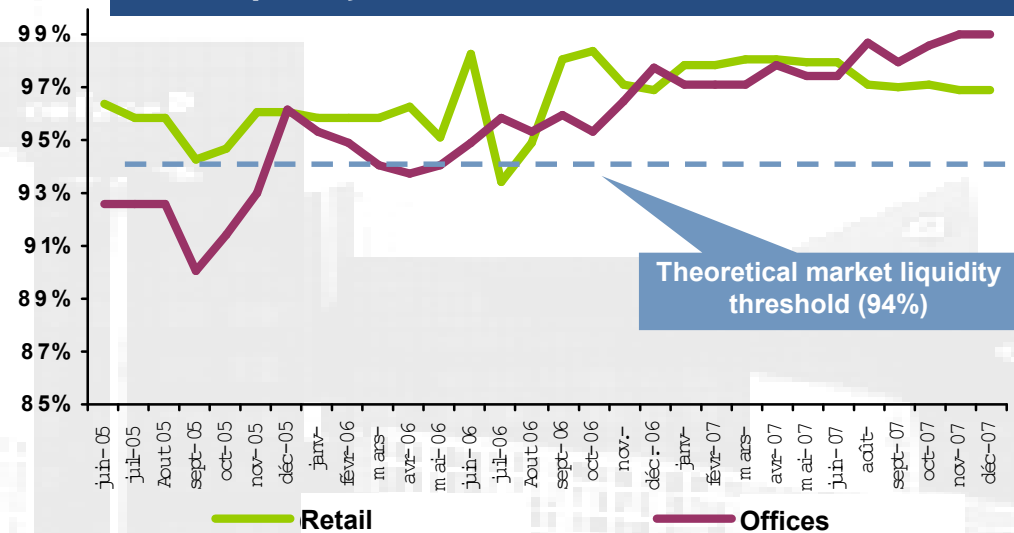
Occupancy Rates

Occupancy rate⁽¹⁾ at 31 December 2007: 98.9%
(97.8% at 31 December 2006)

Occupancy rate by property type



Occupancy rates June 2005-Dec. 2007⁽²⁾



Office occupancy rates at 31 December 2007

SFL:	99%
CBD ⁽³⁾ :	96.6%
Paris region ⁽³⁾ :	95%
La Défense ⁽³⁾ :	95.5%

Occupancy rates

Annual average ⁽⁴⁾	Financial ⁽⁵⁾
2007: 98.1% (2006: 95.5%)	2007: 97.3% (2006: 96.2%)

(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

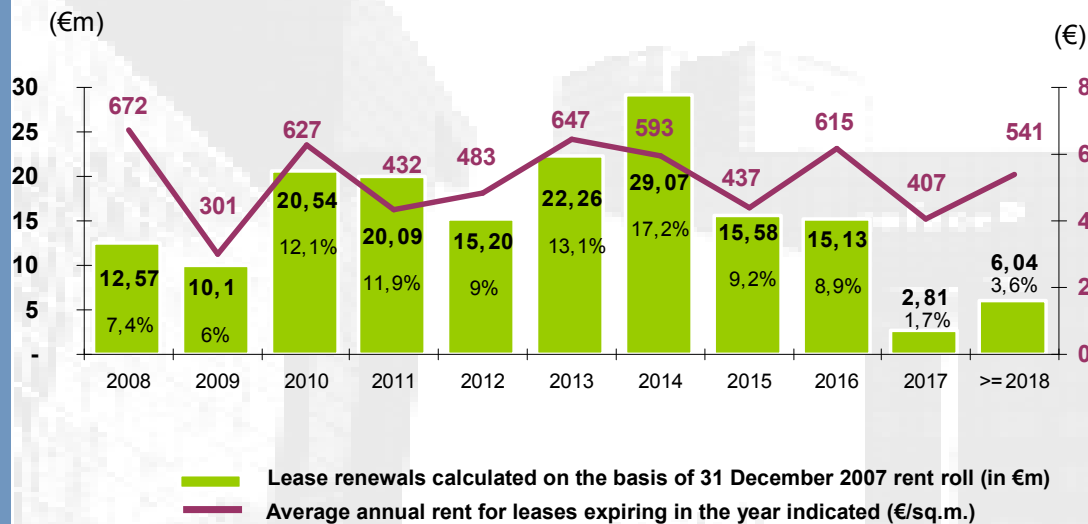
(3) : Source: AtisReal 31 December 2007

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

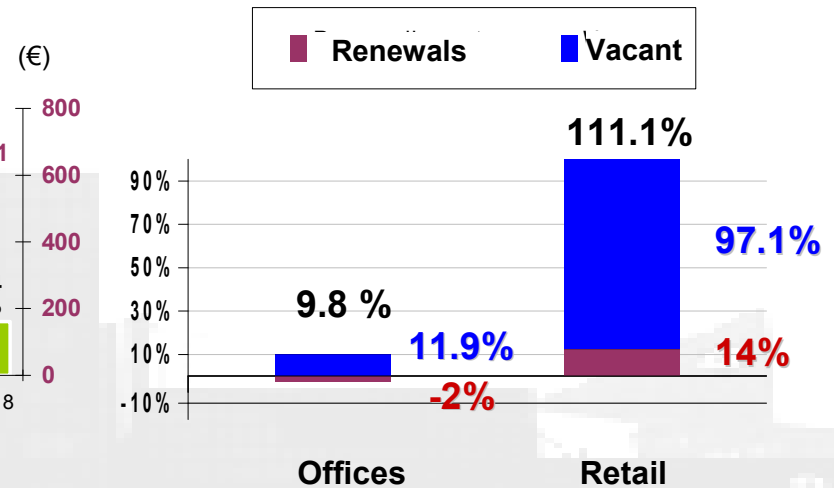
(5) : Surface areas attributable to SFL, excluding surface areas and buildings undergoing refurbishment or renovation, (Assumed rent for vacant units/Passing rent + assumed rent)

Lease Renewals and Reversionary Potential

Commercial lease expiry dates



Reversionary potential ⁽³⁾



Average rent, SFL office properties, 31 Dec. 2007

€543/sq.m./year
(up 13% from €477 in 2006)

Legal lease term⁽¹⁾
5.1 years

Remaining lease term⁽²⁾
3.5 years

Reversionary potential⁽³⁾
21.7%

- (1) Weighted average period remaining for leases in progress as of 31 December 2007 up to lease expiry date.
- (2) Weighted average period remaining for leases in progress as of 31 December 2007 up to next potential exit date.
- (3) Percentage of current rent.

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2007 Results

In €m	2007	2006	% change
Property rentals	170.4	161.5	5.5%
Property expenses, net of recoveries	(8.1)	(8.2)	-1.2%
Net property rentals	162.3	153.3	5.8%
Service and other revenues	7.2	4.5	
Depreciation, amortisation and provision expense, net	(1.5)	1.5	
Employee benefits expense and other expenses	(20.6)	(24.5)	
Operating profit before fair value adjustments	147.3	134.8	9.3%
Fair value adjustments to investment property	365.1	533.8	
Operating profit	512.4	668.6	-23.4%
Profit on asset disposals	3.3	49.5	
Finance costs and other financial income and expense	(43.4)	(54.6)	
Share of profit of associates	15.5	6.0	
Profit before income tax	487.8	669.4	-27.1%
Income tax expense	(36.4)	(32.8)	
Profit for the year	451.4	636.6	-29.1%
Minority interests	(34.9)	(30.0)	
Attributable profit	416.5	606.6	-31.3%

Property Expenses

In €m	2007	2006	% change
Property expenses	39.1	37.3	4.9%
Expense recoveries	31.0	29.0	6.6%
Property expenses, net of recoveries	8.1	8.2	-1.2%
Recovery rate	79.2%	77.9%	+1.3 pts
Cost ratio (property expenses/property rentals)	22.9%	23.1%	-0.2 pts

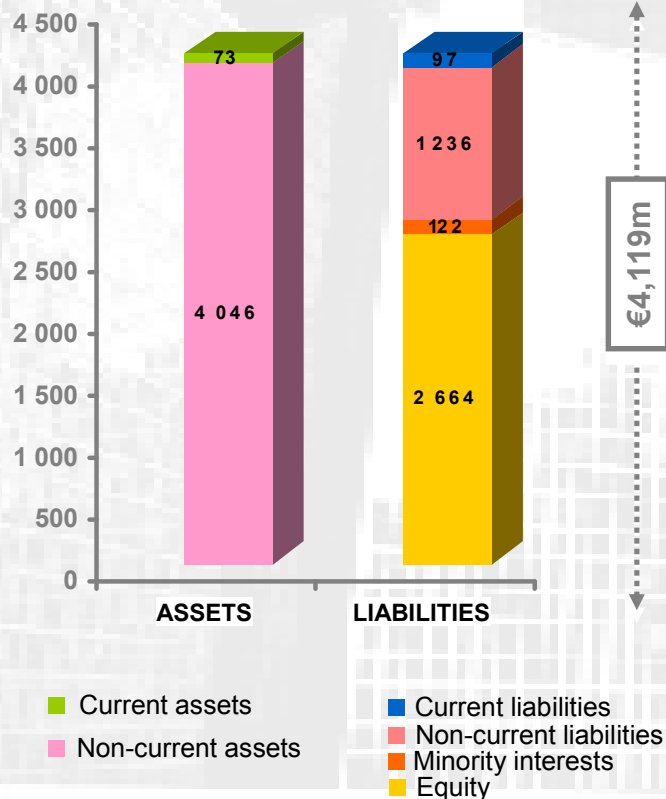
Current Cash Flow⁽¹⁾

In €m	2007	2006	% change
Property rentals, net	162.3	153.3	} 10.3%
IFRS adjustments - Property rentals	(1.6)	(7.6)	
Other income	7.2	4.5	
Employee benefits expense and overheads	(21.1)	(24.5)	
Finance costs, net	(43.3)	(41.2)	
Current Cash Flow	103.5	84.5	22.5%
Attributable Current Cash Flow	97.2	79.2	22.8%
Average number of shares (thousands)	45,646	43,069	6.0%
Current Cash Flow per share	€2.27	€1.96	15.6%
Attributable Current Cash Flow per share	€2.13	€1.84	15.8%

(1) Excluding disposals

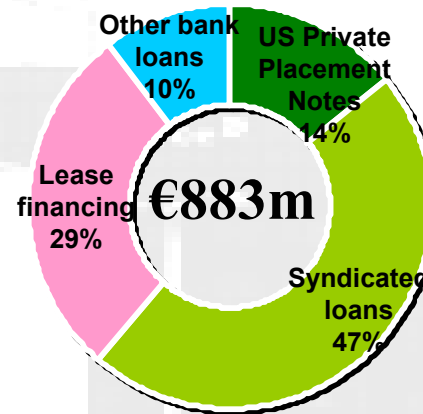
Balance Sheet

**Balance sheet at
31 December 2007
(in €m)**

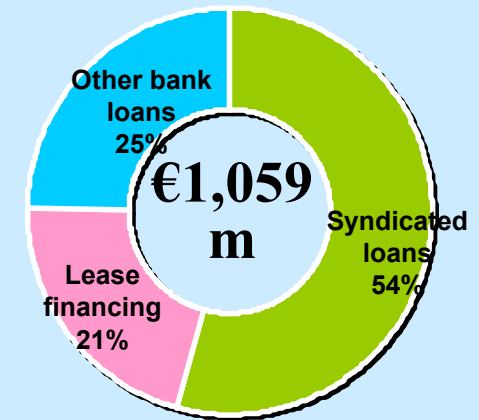


Debt Structure

at 31 Dec. 2006



at 31 Dec. 2007



Loan-to-Value Ratio

at 31 Dec. 2006

24.5%

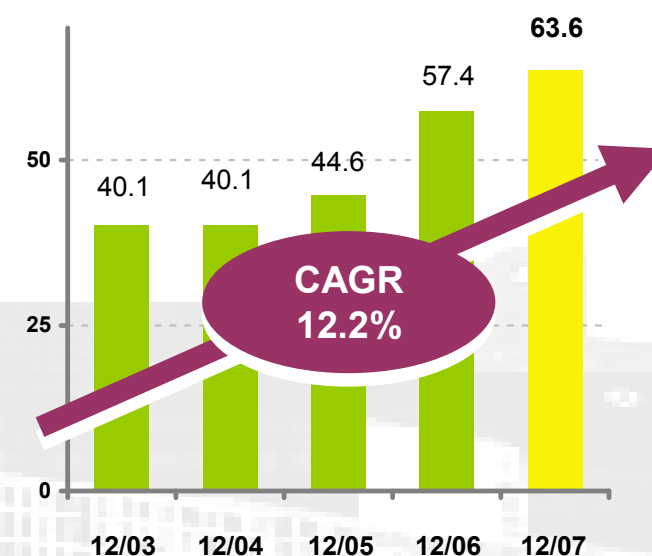
at 31 Dec. 2007

25.2%

NAV Per Share

NAV calculation (in €m)	31 Dec. 2007	31 Dec. 2006	% change
Equity	2,664	2,237	
Unrealised capital gains	45	40	
Dilution gain	26	6	
NNNAV excl. transfer costs	2,734	2,283	19.8%
Transfer costs on property portfolio	223	191	
NNNAV incl. transfer costs	2,958	2,474	19.5%
Shares and potential shares (thousands)	46,529	43,104	
NNNAV/share excl. transfer costs	€58.8	€53.0	10.9%
NNNAV/share incl. transfer costs	€63.6	€57.4	10.7%

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



CAGR: Compound average growth rate

**NAV/share (incl. transfer costs):
up 10.7% since 31 Dec. 2006**

2007 Results

- www.fonciere-lyonnaise.com




SOCIÉTÉ FONCIÈRE LYONNAISE

bienvenue sur le site internet de la Foncière Lyonnaise Language 

ACTEUR DE RÉFÉRENCE DU MARCHÉ
DE L'IMMOBILIER TERTIAIRE PARISIEN

ACTUALITÉS

15 novembre 2007 :
Versement d'un acompte sur dividende
> en savoir plus

8 novembre 2007 :
SFL - 3^{ème} trimestre 2007
> en savoir plus

COURS DE BOURSE
12/02/2008 - 17:35

€ 53.00
ISIN: FR0000033409

AGENDA

15 février 2008 :
Présentation des résultats annuels 2007 à 15h30
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
Locaparis

CARNET DE L'ACTIONNAIRE

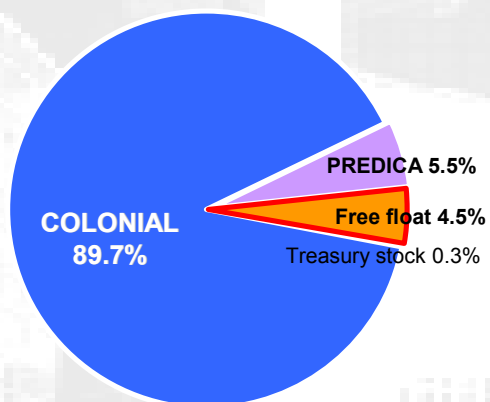
Language  crédits | plan du site | contact | recherche/aide | avertissement | mentions légales

Appendices

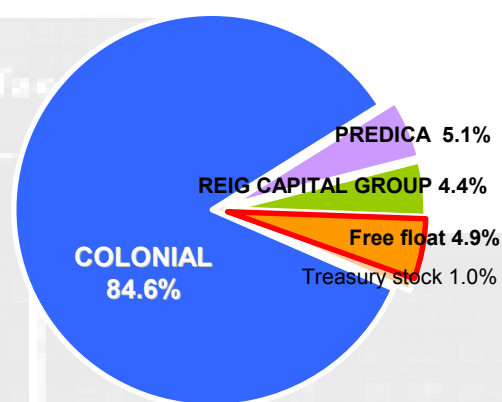


Ownership Structure

31 December 2006
(43.1 million shares)



31 December 2007
(46.5 million shares)



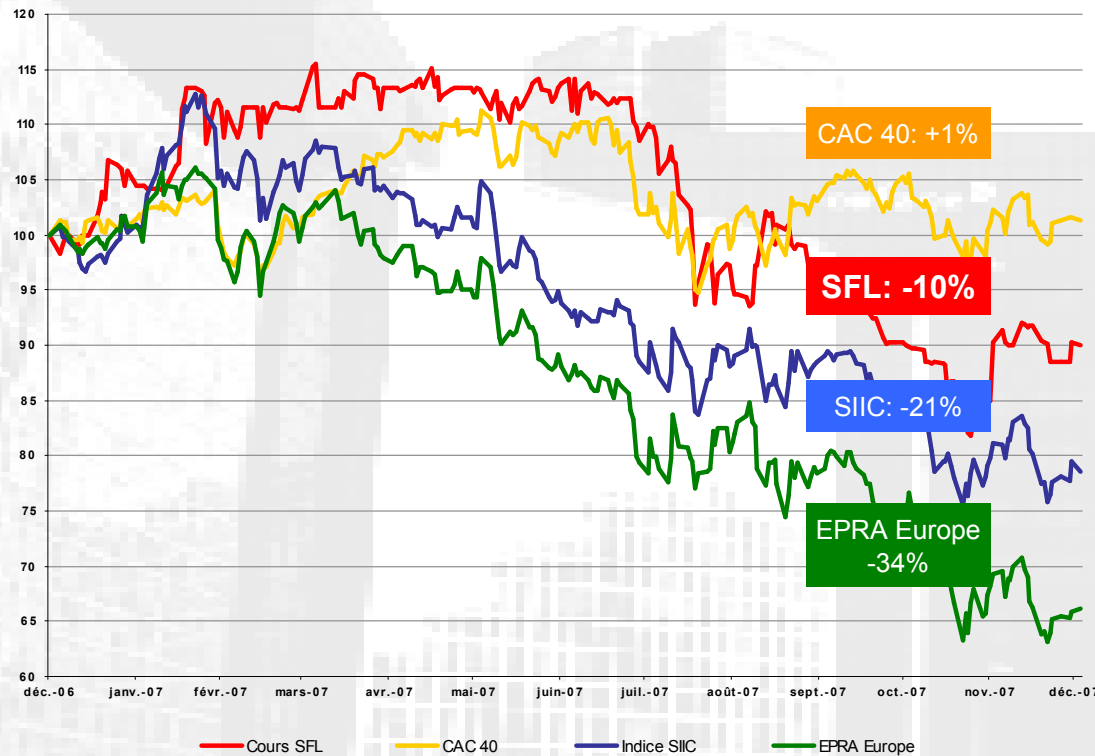
April 2007

Issue of some 3.5 million new shares => payment for assets acquired from Prédica

Acquisition of 4.4% of SFL by Reig Capital Group

Share Performance

2007 share performance (1)



(1) Base 100: 31 December 2006; data up to 31 December 2007

Source: Euronext, Reuters

2007 key figures

Number of shares at year-end	46,502,01
Average daily trading volume (shares)	3,448
Average daily trading volume (amount)	€199,000
High (3 April)	€66.60
Low (21 November)	€45.10
Year-end closing price	€50.88

**SFL 12 February 2008 share price
53.00€**

Loan To Value

(in €m)	31 Dec. 2006	31 Dec. 2007	Change
Syndicated loan	416.0	574.0	+158.0
Lease financing	250.9	222.2	-28.7
Other bank loans	216.2	262.6	+46.4
Total Debt	883.1	1,058.8	+175.7
Average life (years)	4.2	4.1	-0.1
Average spot cost (after hedging)	5.4%	5.3%	-0.1pt
Cash and cash equivalents	23.6	15.9	-7.7
Net debt (debt – cash and cash equivalents)	859.6	1,042.9	+183.3
Estimated value of assets (incl. transfer costs)	3,511.0	4,132.2	+621.2
Loan-to-Value ratio	24.5%	25.2%	+0.7pt

Property Valuation and NAV Calculation

Independent experts

Jones Lang LaSalle, CBRE, AtisReal

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

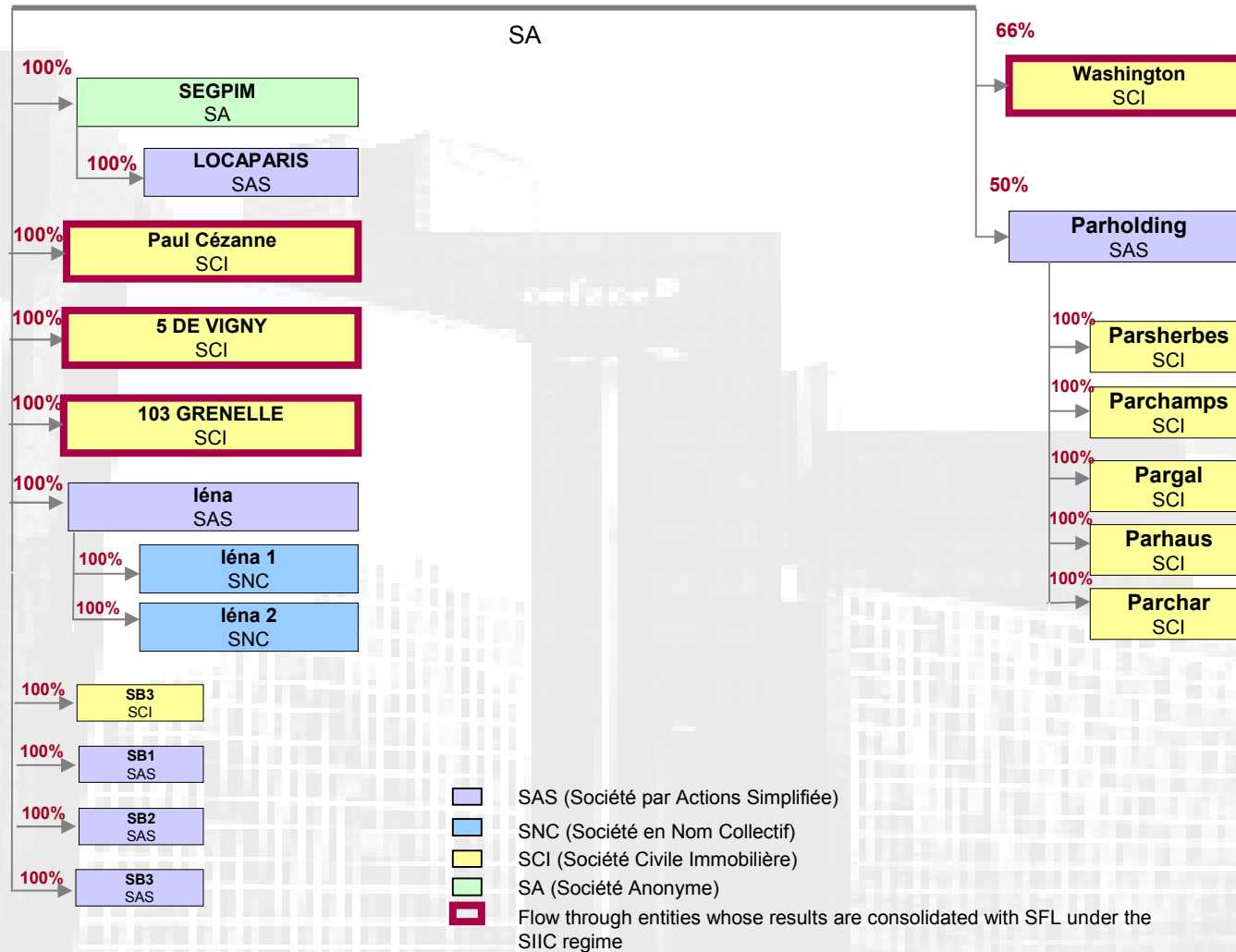
With and without transfer costs
Fully diluted
Financial instruments marked-to-market

Validation

NAV calculation is reviewed by the Auditors

Group Structure at 31 December 2007

SOCIETE FONCIERE LYONNAISE



Organisation Structure



Alec EMMOTT
Advisor



Yves MANSION
CEO

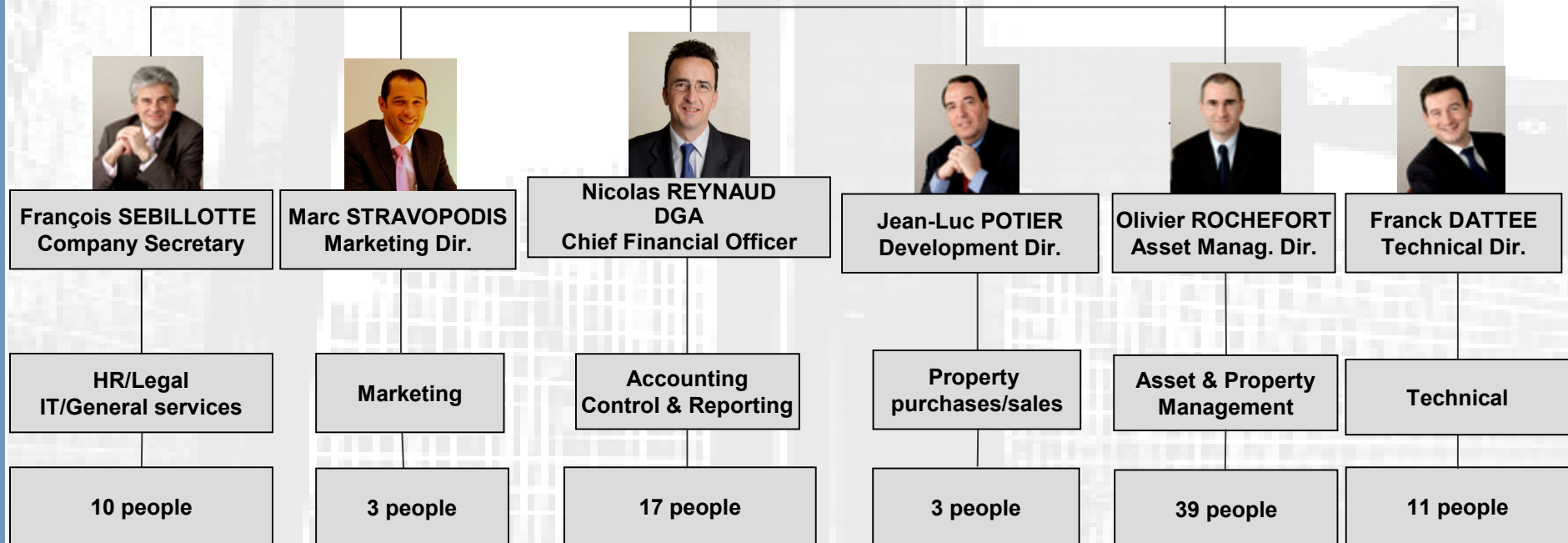


Philippe DEPOUX
COO

Number of employees

Head office	93
Building staff and caretakers	4

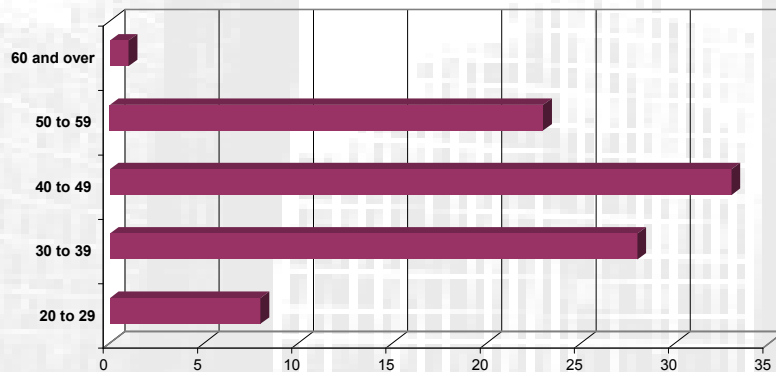
Total	97
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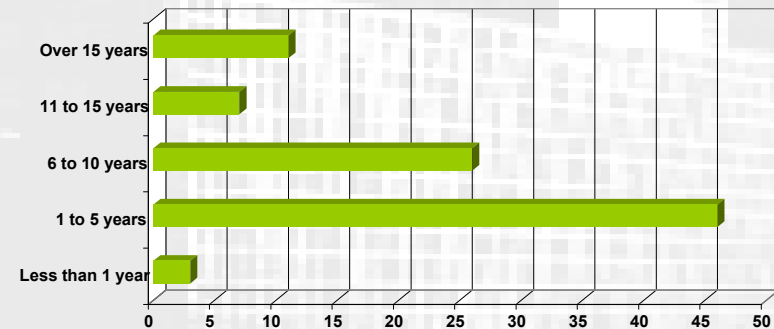
Human Resources

Number of employees	31 Dec. 2006	31 Dec. 2007
Building staff	4	4
Administrative staff	18	17
Supervisors	18	20
Managers	58	56
Total	98	97

**Administrative staff
by age group**
(at 31 December 2007)



**Administrative staff
by years of service**
(at 31 December 2007)



Expenditures (in €m - 100% basis)	2007	2006	% change
Major renovation projects ⁽¹⁾ (capitalised)	32.9	51.9	-36.6%
Other capitalised expenditure	15.5	18.0	-13.9%
Total	48.4	69.9	-30.8%

(1) Of which: 103 Grenelle : €10.4m; 247 St-Honoré: €8.0m; T8 Project: €7.5m; Haussmann 104-110 (50%): €5.4m