



2015 Annual Results Presentation



15 February 2016



Overview

- 1 Introduction & Property Portfolio at 31 December 2015**
- 2 Rental Activity**
- 3 Property Transactions**
- 4 Financial Statements & Results**
- Appendices**



1

Introduction & Property Portfolio at 31 December 2015

1 2015 Highlights



MARKETING PROGRAMME

- Leases signed on 85,000 sq.m.
- In/Out building fully let
- Pre-marketing of #cloud.paris (90%) and Le Vaisseau (100%)
- New tenants: BlaBlaCar, Exane, OECD, Revolution 9, SwissLife...



INVESTMENTS

- Acquisition of 9 Avenue Percier (Paris 8)
- 6,700 sq.m. building
- €68m investment



DEVELOPMENT

- €118m capex
- Deliveries:
 - 90 Champs-Élysées (31 March 2015)
 - #cloud.paris (2 November 2015)
 - Le Vaisseau (4 January 2016)

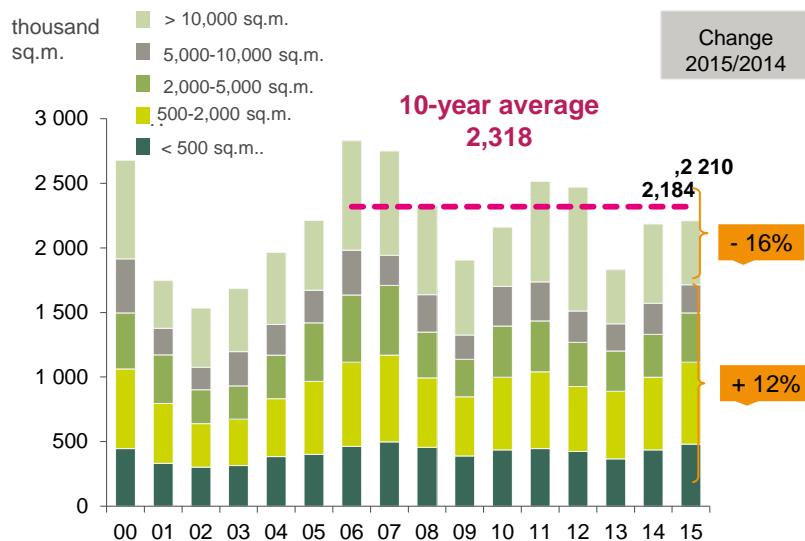


FINANCING

- Rating upgrade: BBB/A2 with a stable outlook (2 July 2015)
- €958m of renegotiated bank facilities
- Bond issue: €500m, 7 years, 2.25%
- Bond retirements: €244m

1 Office Rental Market in 2015

Paris region transactions 12 months



Source: BNP Paribas Real Estate, Immostat

Paris Region Office Rental Market in 2015

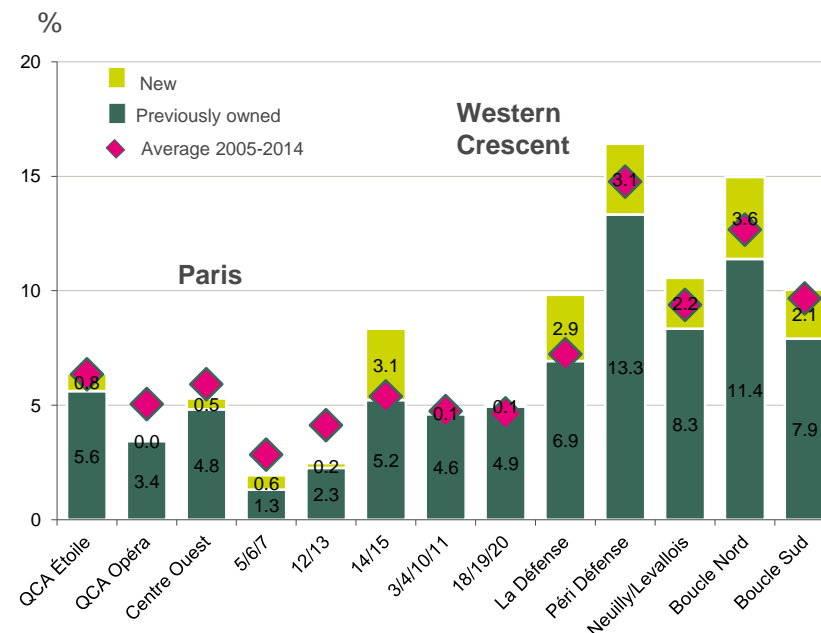
Slight improvement in the take-up rate: **2.21 million sq. m.** (up 1% vs. 2014)

- Decrease in the number of large transactions in Paris region (down 16%)
- Increase in transactions involving less than 5,000 sq.m. units (up 12%)

Vacancy rate at 7.4% in Q4 2015 vs 7.7% in Q4 2014

4.85 million sq.m. coming on the market in the next twelve months, down 2.3% compared with end-2014. New properties represent 19% of total offer, down slightly from 23% a year ago

Vacancy rate



Office Rental Market - Paris CBD 2015

Higher take-up: **447,000 sq.m.** (up 18% vs. 2014)

→ **Excellent performance for prime office space in the CBD**

Opera: 23% increase in take-up

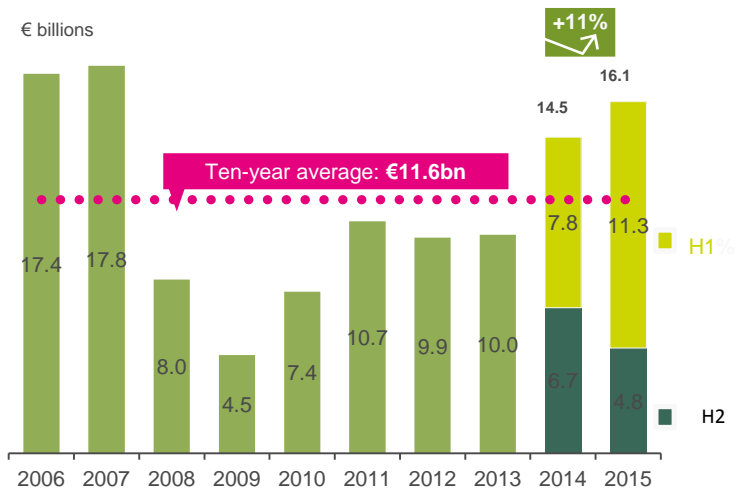
Etoile: 15% increase in take-up

Few large transactions (**4 transactions in excess of 5,000 sq.m.**)

Immediately available space in Paris CBD coming on the market in next 12 months **down 21%**: around 460,000 sq.m. (o/w 65,000 sq.m. new or remodelled) with vacancy rate at **5%**

1 Paris Region Commercial Property Investment Market in 2015

Paris Region Office Properties: Change in Investment Amounts



Source: BNP Paribas Real Estate, Immostat

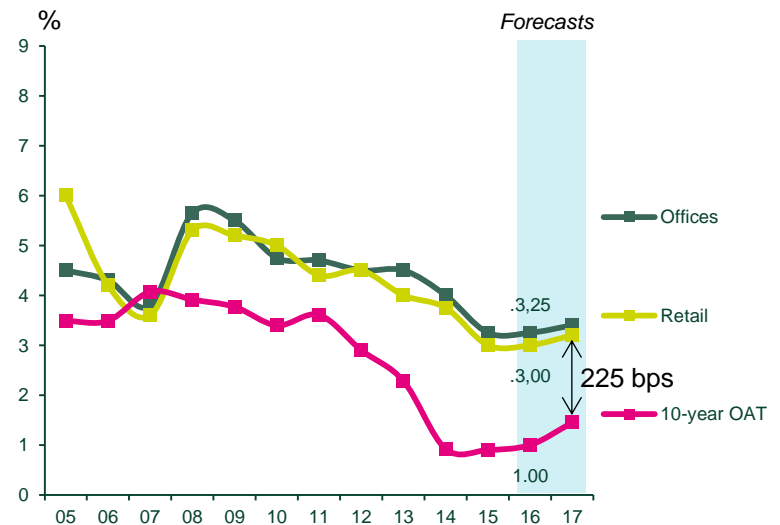
Paris region office property investment market in 2015

€16.1bn invested in office properties in the Paris region in 2015

- H2 up sharply vs. a fairly weak H1
- Annual investment volume considerably higher than the ten-year average thanks to this rebound
- Investment amounts: **68% of transactions are for more than €100m and 32% are for more than €200m**
- **Significant geographic difference:** sharp rises in Paris excluding the CBD (up 32%) and in the Western Crescent (up 77%), steep falls in Paris CBD (down 33%) and La Défense (down 34%)

Very dynamic off-plan market (€2.4bn in 2015 vs. €2.2bn in 2014 and €1.4bn in 2013)

Prime yield vs. 10-year OAT rate



Central Business District – Prime assets

Limited transaction volumes in CBD due to **scarce** market supply:
€2.4bn invested in 2015 (vs. €3.6bn in 2014), representing 15% of total investment in the Paris region office market

The demand-driven market and significant inflows of foreign capital are continuing to depress yields, but the market still offers an **historically high spread of 225 bps between the prime office yield and the 10-year OAT rate**

This **prime office yield** is now **3.25%** for the lowest risk assets

1 Appraisal Value at 31 December 2015

Consolidated portfolio value:

€5,242m excluding transfer costs⁽¹⁾ – €5,519m including transfer costs

(up 17.4% vs. 31 December 2014)

(up 15.7% vs. 31 December 2014 on a comparable portfolio basis)

Average value per sq.m.: €12,922/sq.m. excl. TC

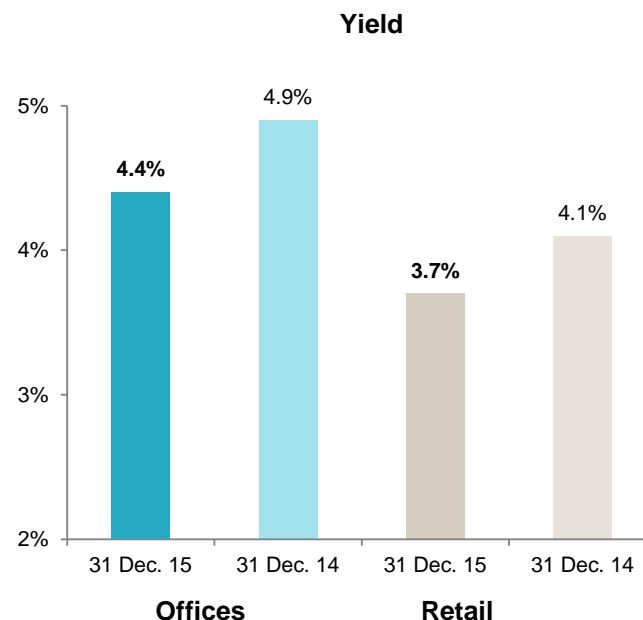
(€11,327/sq.m. excl. TC at 31 Dec. 2014)

Yield⁽²⁾: 4.2%

(4.8% at 31 Dec. 2014)

EPRA "topped-up" NIY: 3.8%

(3.9% at 31 Dec. 2014)

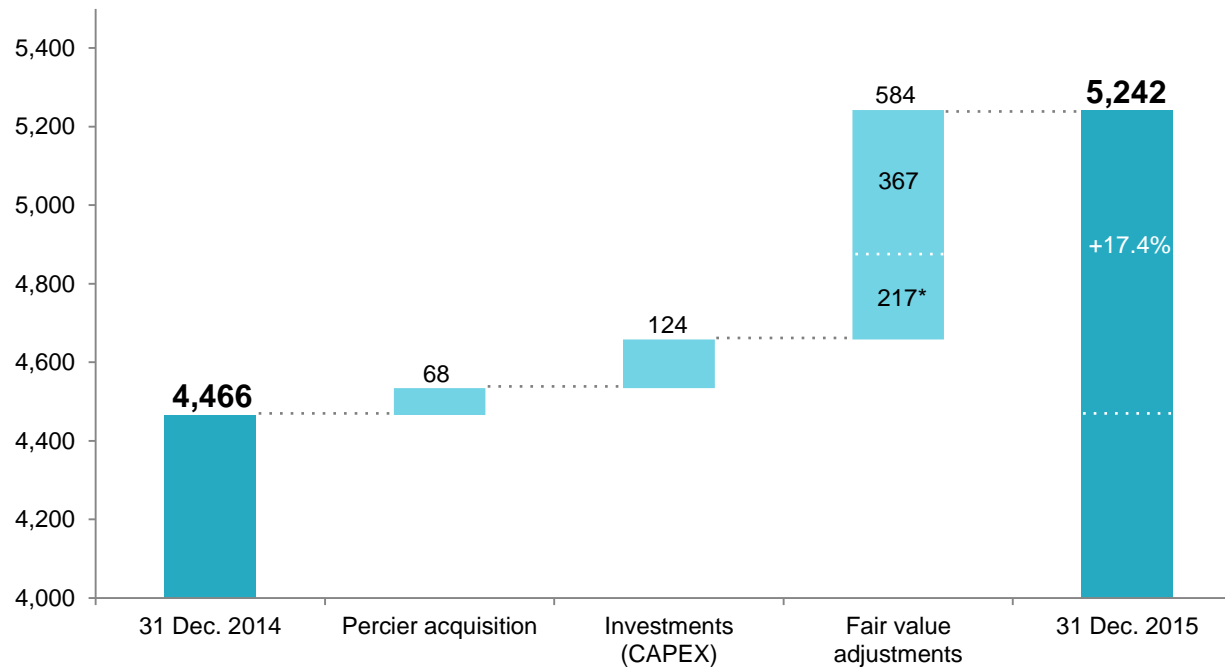


(1) Excluding impact of the increase in the transfer tax rate in Paris and the additional tax levied as from 1 January 2016 (€49m)

(2) (Passing rent + market rent on vacant properties)/(Appraisal value including transfer costs + discounted capex).

1 Analysis of Property Portfolio Value

Consolidated data (€m, excl. transfer costs)



* Recent development projects: In/Out, 90 Champs-Élysées, #cloud.paris, Le Vaisseau.

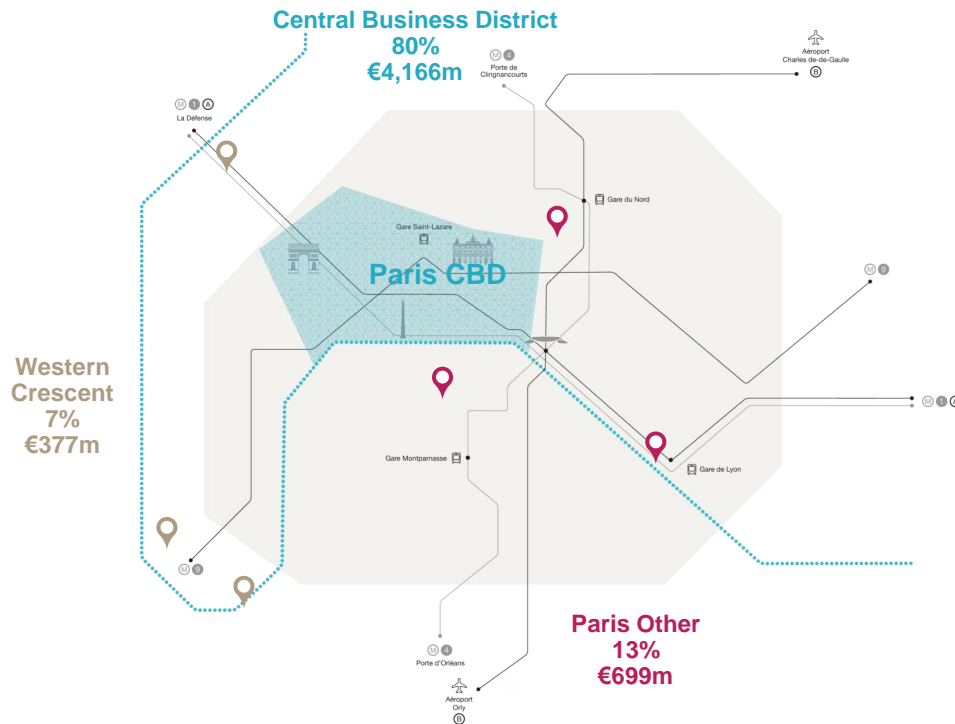
1 Property Portfolio at 31 December 2015

Consolidated portfolio value:

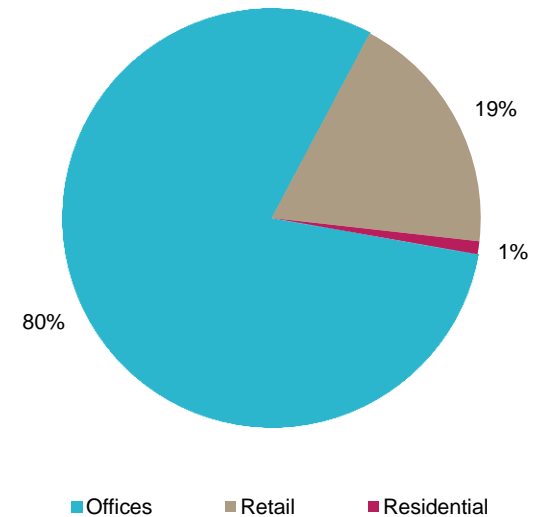
€5,242m excluding transfer costs⁽¹⁾ – €5,519m including transfer costs

(up 17.4% vs. 31 December 2014)

**Geographic focus
(value)**

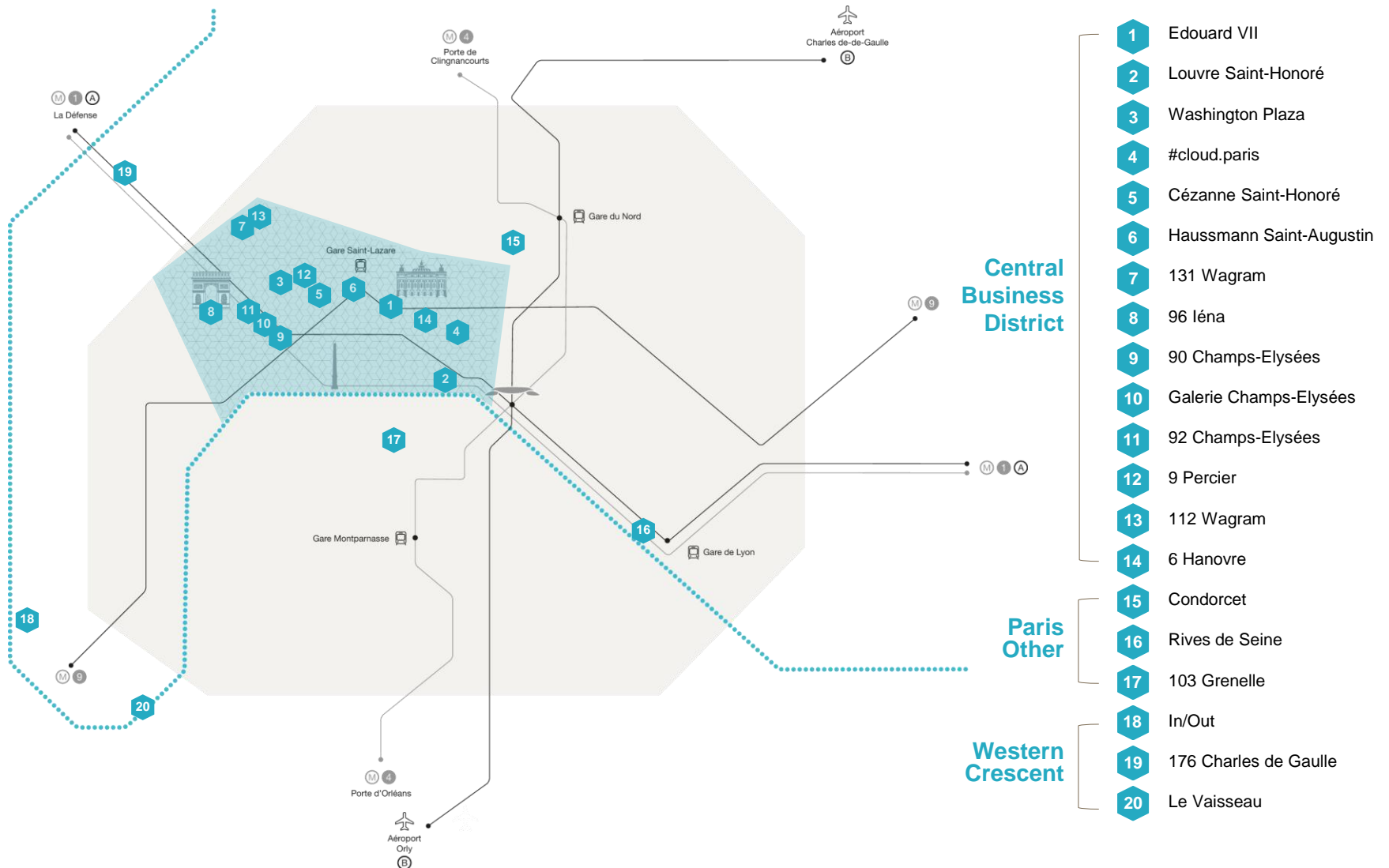


**Market focus
(value)**



(1) Excluding impact of the increase in the transfer tax rate in Paris and the additional tax levied as from 1 January 2016 (€49m)

1 The Benchmark in the Paris Prime Commercial Property Market



1 Property Portfolio: 404,500 sq.m./20 properties

PARIS Central Business District	Total surface area*
Edouard VII	54,100 sq.m.
Louvre Saint-Honoré	47,700 sq.m.
Washington Plaza	47,000 sq.m.
#cloud.paris	35,000 sq.m.
Cézanne Saint-Honoré	29,000 sq.m.
Hausmann Saint-Augustin	13,400 sq.m.
131, Wagram	9,200 sq.m.
96 Iéna	8,900 sq.m.
Galerie Champs-Élysées	8,900 sq.m.
90, Champs-Élysées	8,700 sq.m.
92, Champs-Élysées	7,700 sq.m.
9 Percier	6,700 sq.m.
112, Wagram	6,000 sq.m.
6, Hanovre	4,600 sq.m.
TOTAL	286,900 sq.m.

PARIS Other	Total surface area*
Condorcet <i>Paris 9</i>	24,900 sq.m.
Rives de Seine <i>Paris 12</i>	22,700 sq.m.
103 Grenelle <i>Paris 7</i>	19,700 sq.m.
TOTAL	67,300 sq.m.

Western Crescent	Total surface area*
In/Out <i>Boulogne-Billancourt</i>	36,600 sq.m.
176 Charles de Gaulle <i>Neuilly-sur-Seine</i>	7,400 sq.m.
Le Vaisseau <i>(Issy-les-Moulineaux)</i>	6,300 sq.m.
TOTAL	50,300 sq.m.

* Including infrastructure, excluding car parks

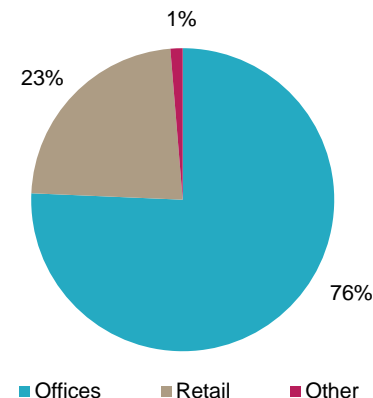


2

Rental Activity

2 Rental Income

2015 rental income: €168.8m



In €m

2014 rental income	151.5
Δ Like-for-like increase	+7.8
Δ Post-renovation remarketing/major renovations	+1.9
Δ Property disposals - acquisitions	+9.1
Δ Lease termination penalties	-1.5
2015 rental income	168.8

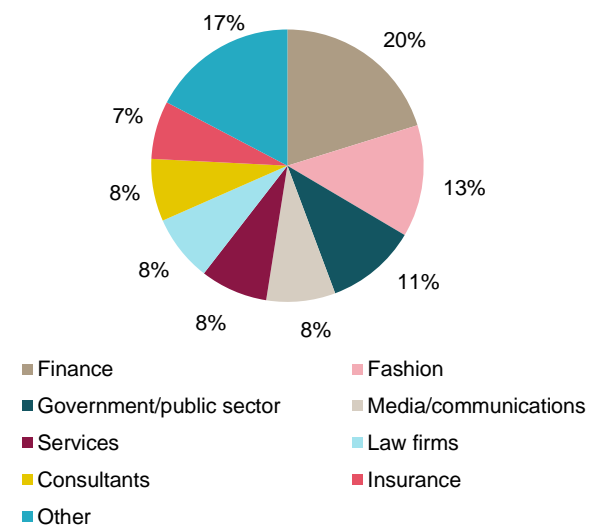
Change as reported



Change on a comparable portfolio basis



Breakdown by tenant business 31 December 2015



2 A Portfolio of Very High Value-Added Tenants (1/2)

LAW FIRMS

ashurst

Bird & Bird

 Freshfields

KING & WOOD
MALLESONS

CONSULTANTS

Hudson

 L.E.K.

 MISYS

SIMON • KUCHER & PARTNERS
Strategy & Marketing Consultants

valtech.

FASHION

BOSS
HUGO BOSS


FAST RETAILING

H&M

 MORGAN

promod

ZARA

REAL ESTATE

Aberdeen
Asset management

CBRE
GLOBAL
INVESTORS

FRG
IMMOBILIER


KLEPIERRE

 **LaSALLE**
INVESTMENT MANAGEMENT

ORION **ORION**
CAPITAL
MANAGERS

 (N)
SwissLife
Asset Managers

(N) New tenants in 2015

2 A Portfolio of Very High Value-Added Tenants (2/2)

MEDIA/ COMMUNICATIONS

facebook

Lagardère

NBCUniversal

Pretty
Simple



REVOLUTION 9

sacem^(N)

TV5MONDE

FINANCE

Apax
PARTNERS

CANDRIAM
INVESTORS GROUP
A NEW YORK LIFE COMPANY

Cinven

COMGEST

EXANE^(N)

NATIXIS

Proparco
GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT

INSURANCE



AG2R LA MONDIALE

RSA

ZURICH

OTHER

Bla BlaCar^(N)

Constellium

esma

Générale
de santé

GrDF
GAZ RÉSEAU
DISTRIBUTION FRANCE

MoneyGram

OCDE^(N)
DES POLITIQUES MEILLEURES
POUR UNE VIE MEILLEURE

(N) New tenants in 2015

2 Marketing Programmes

New leases: 85,000 sq.m.



In/Out

Boulogne-Billancourt

35,000 sq.m.
12 years
Effective 1 September 2015



#cloud.paris

Paris 2

BlaBlacar: 9,700 sq.m.
4/6/9 years
Effective 1 December 2015

Exane: 10,800 sq.m.
9 years
Effective 15 November 2015



131 Wagram

Paris 17

7,500 sq.m.
12 years
Effective 1 January 2015



Le Vaisseau

Issy-les-Moulineaux

6,300 sq.m.
6/9 years
Effective 4 January 2016



Louvre Saint-Honoré

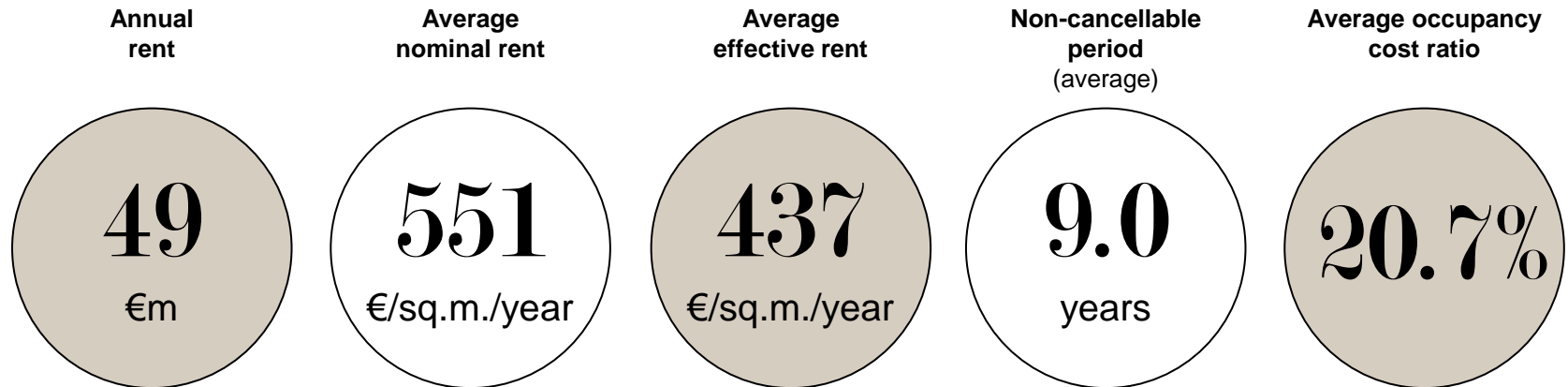
Paris 1

Proparco: 4,000 sq.m.
4/6/9 years
Effective 15 April 2015

SwissLife: 1,900 sq.m.
9 years
Effective 22 December 2015

2 Office Marketing Programmes

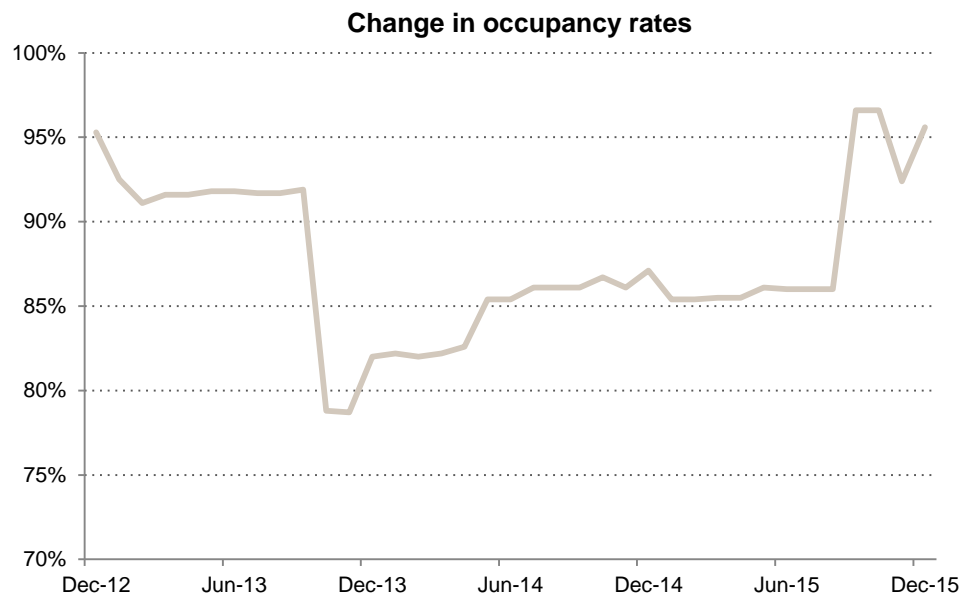
New leases and remarketed units: 82,600 sq.m.



2 Occupancy Rates

95.6% physical occupancy rate⁽¹⁾ at 31 December 2015

(87.1% at 31 December 2014)



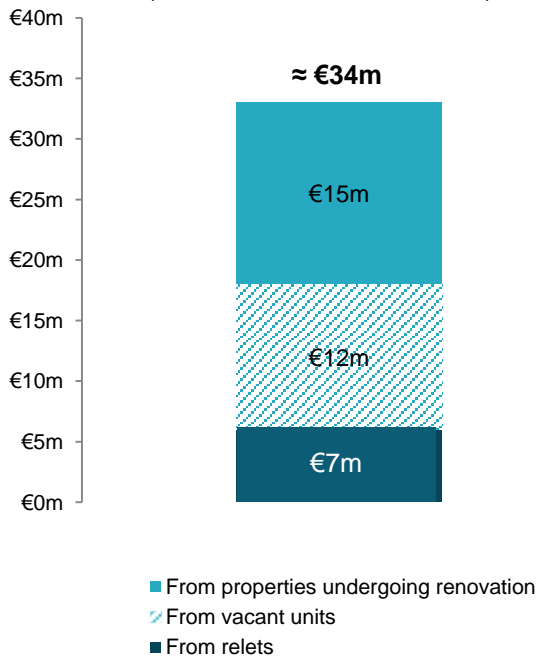
EPRA vacancy rate: 5,1%⁽¹⁾

(1) Surface area attributable to SFL

2 Lease Renewals and Reversionary Potential

Reversionary potential

(Consolidated data, 100% basis)



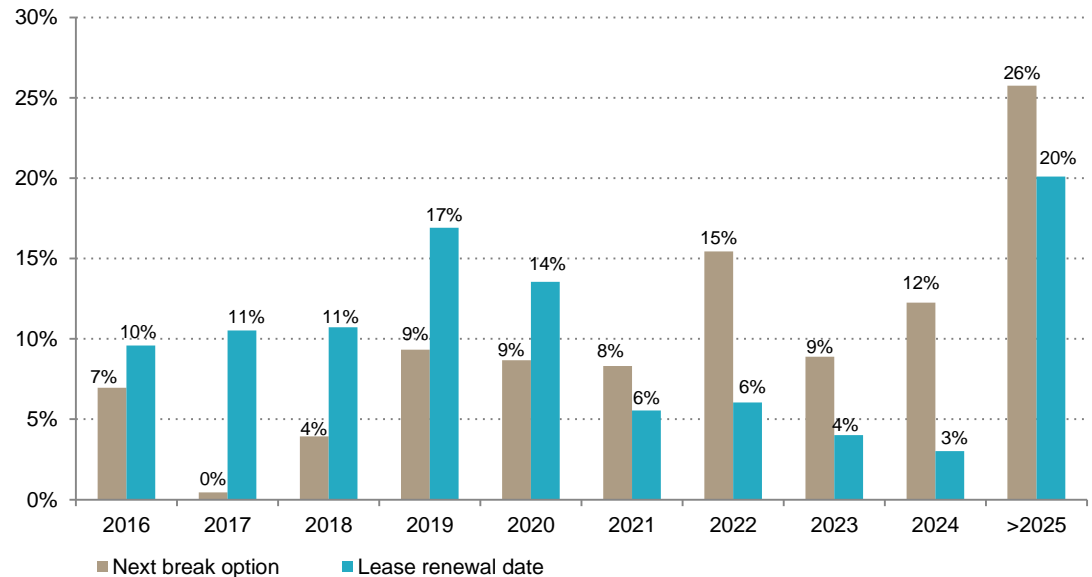
Reversionary potential:
€30m (attributable to SFL)

Average SFL office rent at 31 December 2015:
€591/sq.m./year
(vs. €602/sq.m./year in 2014)

Average period⁽¹⁾ to lease expiry
6.7 years
(vs. 6.5 years in 2014)

Average period to next potential exit date⁽²⁾:
5.1 years
(vs. 4.6 years in 2014)

Commercial lease expiry dates



(1) Weighted average remaining life of commercial leases in progress at 31 December 2015.

(2) Weighted average period to next potential exit date for commercial leases in progress at 31 December 2015.



3

Property Transactions

3 Acquisition



9, avenue Percier - Paris 8



Acquisition of an office building in the heart of the CBD



€68 million investment including transfer costs



Total surface area: 6,700 sq.m.
Floors: approximately 900 sq.m.



Multiple tenants including Fondation EDF (31%), with potential to add value by increasing the occupancy rate (vacant floors)



Potential yield: 5.30%

3 Current Development Projects

At 31 December 2014	52,400 sq.m.
Delivered during the year	-42,400 sq.m.
#cloud.paris	-33,200 sq.m.
90, Champs-Élysées	-3,300 sq.m.
Washington Plaza	-2,900 sq.m.
Louvre Saint-Honoré	-1,950 sq.m.
Cézanne Saint-Honoré	-1,050 sq.m.
Projects launched during the year	11,700 sq.m.
Le Vaisseau	6,300 sq.m.
9 Percier	2,000 sq.m.
Other	3,400 sq.m.

At 31 December 2015	21,700 sq.m.	Delivery	Pre-let
Le Vaisseau	6,300 sq.m.	4 January 2016	100%
Louvre Saint-Honoré	10,000 sq.m.		
Other	5,400 sq.m.		

Potential rental income ≈ €14m (attributable to SFL)



3 Deliveries: #cloud.paris

#cloud.paris

6, rue Ménars – Paris 2

10 bis, rue du 4 septembre – Paris 2



35,000 sq.m.
Delivered in November 2015



Project awarded "HQE Exceptionnel" exceptionally high environmental quality certification for the planning and design phase



Structural work launched in June 2013



Architect: PCA



90% pre-let:
- Exane (10,800 sq.m.)
- Net economy leader (3,600 sq.m.)
- BlaBlacar (9,700 sq.m.)

ROI: 6,1%

Gross margin: 54%

3 Deliveries

90 Champs-Élysées Paris 8



6,600 sq.m. of new offices
Delivered in March 2015



Architect: HBA
Designer: Agent M



Project awarded BREEAM
Good rating



Pre-let to an
international
consulting firm

ROI: 5,2%

Gross margin: 38%

Le Vaisseau Issy-Les-Moulineaux



6,300 sq.m.
Delivered in January 2016



Architect: Agence
Petraccone et Vodar
Landscaping: Verte
ligne jardins



Pre-let to Révolution 9

ROI: 7,7%

Gross margin: 38%

3 Development Projects: Louvre Saint-Honoré

Louvre Saint-Honoré



-
- Redevelopment of retail areas:
Lower ground/Ground/Upper
ground floors



- CDAC development permit:
15,000 sq.m. in December
2014

- Personal safety equipment



- Building permit obtained:
September 2015

- Objections to project currently
being heard



Architect: FS Braun



4

Financial Statements & Results

4 2015 Results

In €m	2015	2014	Change
Rental income	168.8	151.5	+11.4%
Property expenses, net of recoveries	(14.3)	(11.9)	
Net rental income	154.5	139.6	
Service and other revenues	2.4	1.9	
Depreciation, amortisation and provision expense, net	(1.4)	(0.8)	
Employee benefits expense and other expenses	(20.2)	(19.2)	
Operating profit before disposals and fair value adjustments	135.3	121.5	+11.3%
Profit/(loss) on asset disposals	0.0	8.5	
Fair value adjustments to investment properties	513.7 *	227.5	
Share of profits and losses of associates	0.0	(2.2)	
Finance costs and other financial income and expenses	(69.6)	(87.0)	
Income tax expense	(34.2)	(28.1)	
Profit for the year	545.1	240.2	
Non-controlling interests	(52.3)	(42.5)	
Attributable net profit	492.9	197.7	
EPRA earnings	65.8	52.5	+25.3%

(*) Net impact of the increase in the transfer tax rate in Paris and the additional tax levied as from 1 January 2016 (€49m)

4 EPRA Earnings

In €m	2015		2014	
	Recurring EPRA	Non recurring	Recurring EPRA	Non recurring
Rental income	168.8	0	151.5	0
Property expenses, net of recoveries	(14.3)	0	(11.9)	0
Net rentals income	154.5	0	139.6	0
Service and other revenues	2.4	0	1.9	0
Depreciation, amortisation and provision expense, net	(1.3)	0	(0.8)	0
Employee benefits expense and other expenses	(20.2)	0	(19.2)	0
Operating profit before disposals and fair value adjustments	135.3	0	121.5	0
Profit/(loss) on asset disposals	0	0	0	8.5
Fair value adjustments to investment properties	0	513.7 *	0	227.5
Share of profits and losses of associates	0	0.0	4.3	(6.5)
Finance costs and other financial income and expenses	(47.3)	(22.3)	(54.6)	(32.4)
Income tax expense	(8.9)	(25.3)	(6.8)	(21.4)
Profit for the year	79.1	466.1	64.5	175.8
Non-controlling interests	(13.3)	(39.0)	(12.0)	(30.5)
EPRA earnings	65.8	427.1	52.5	145.2
EPRA earnings per share	€1.41		€1.13	

(*) Net impact of the increase in the transfer tax rate in Paris and the additional tax levied as from 1 January 2016 (€49m)

4 Consolidated Statement of Financial Position

In €m	31 December 2015	31 December 2014
Assets		
Investment properties	5,098	4,393
Other non-current assets	26	32
Total non-current assets	5,124	4,425
Properties held for sale	0	0
Other current assets	94	86
Total current assets	94	86
Total Assets	5,219	4,511
Equity & Liabilities		
Equity	2,713	2,325
Non-controlling interests	318	269
Total equity	3,031	2,593
Non-current liabilities	1,913	1,771
Current liabilities	274	147
Total Equity and Liabilities	5,219	4,511

4 Financing

SFL rating

- SFL's rating upgraded by S&P from BBB-/A3 to **BBB/A2, with a stable outlook**

Liability management

- New €500m bond issue, with a coupon of 2.25% (due in November 2022)
- Bond buyback:
 - Nominal amount: €144.2m worth of 4.625% bonds due May 2016
 - Nominal amount: €99.3m worth of 3.500% bonds due November 2017
- Buyback price: €253.0m

Bank loans

- New €50m five-year revolving credit facility
- Renegotiation of:
 - €700m of revolving credit facilities
 - €208m of mortgage loans

Improved debt structure

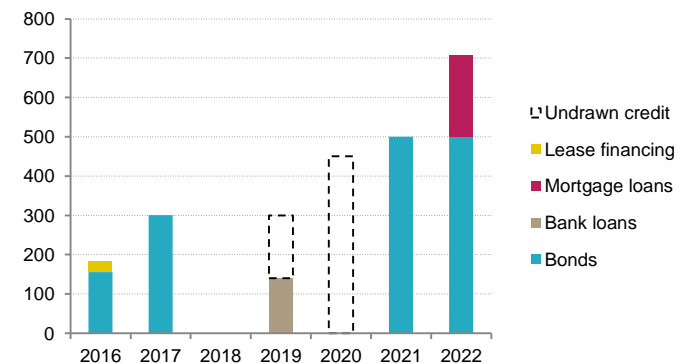
Lower cost of debt and extended average maturity

4 Consolidated Loan-to-Value

€m	31 December 2015	31 December 2014	Change
Bonds	1,456	1,200	+256
Syndicated revolving facilities	0	0	0
Other bank loans	370	359	+11
Lease financing	27	30	-3
Total debt	1,853	1,589	+264
Cash and cash equivalents	12	17	-5
Net debt	1,841	1,572	+269
Undrawn lines of credit	610	600	+10
Property portfolio incl. transfer costs	5,519	4,703	+816

Loan-to-value	33.4%	33.4%	0%
Average maturity (years)	4.9	4.0	+0.9
Average spot cost of debt (after hedging)	2.4%	2.9%	-0.5%

Debt maturities at 31 December 2015 (in €m)



S&P rating:
BBB/A2 stable outlook

4 Net Asset Value

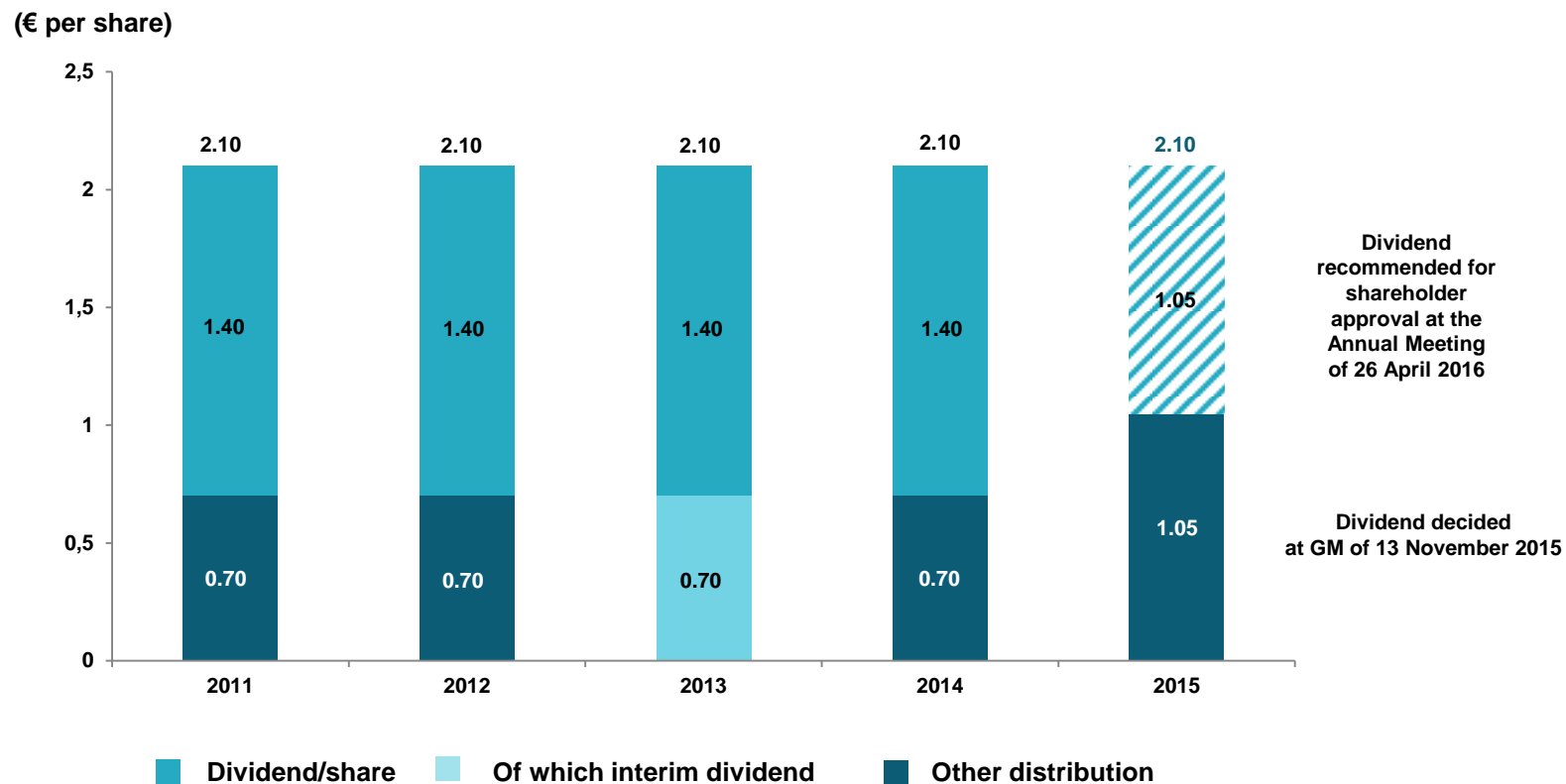
€m	31 December 2015	31 December 2014
Equity	2,713	2,325
Treasury shares and stock options	17	14
Unrealised capital gains	14	9
Elimination of financial instruments at fair value	0	2
Elimination of deferred taxes	102	83
EPRA NAV	2,845	2,432
EPRA NAV per share	€61.2	€52.3
Financial instruments at fair value	0	(2)
Fixed-rate debt at fair value	(23)	(51)
Deferred taxes	(102)	(83)
EPRA NNNAV	2,721	2,297
EPRA NNNAV per share	€58.5	€49.4
Transfer costs	266	205
EPRA NNNAV including transfer costs	3,112	2,637
EPRA NNNAV per share including transfer costs	€66.9	€56.7
Number of shares (thousands)	46,529	46,529

Growth in EPRA NNNAV (€m)

NNNAV at 31 December 2014	2,296.7
Change in fair value of attributable assets	+452.1*
Change in fair value of debt and other financial instruments	+20.9
EPRA earnings	+65.8
Dividends	-113.1
Other	-1.4
NNNAV at 31 December 2015	2,721.0

(*) Net impact of the increase in the transfer tax rate in Paris and the additional tax levied as from 1 January 2016 (€49m)

4 Dividend per Share



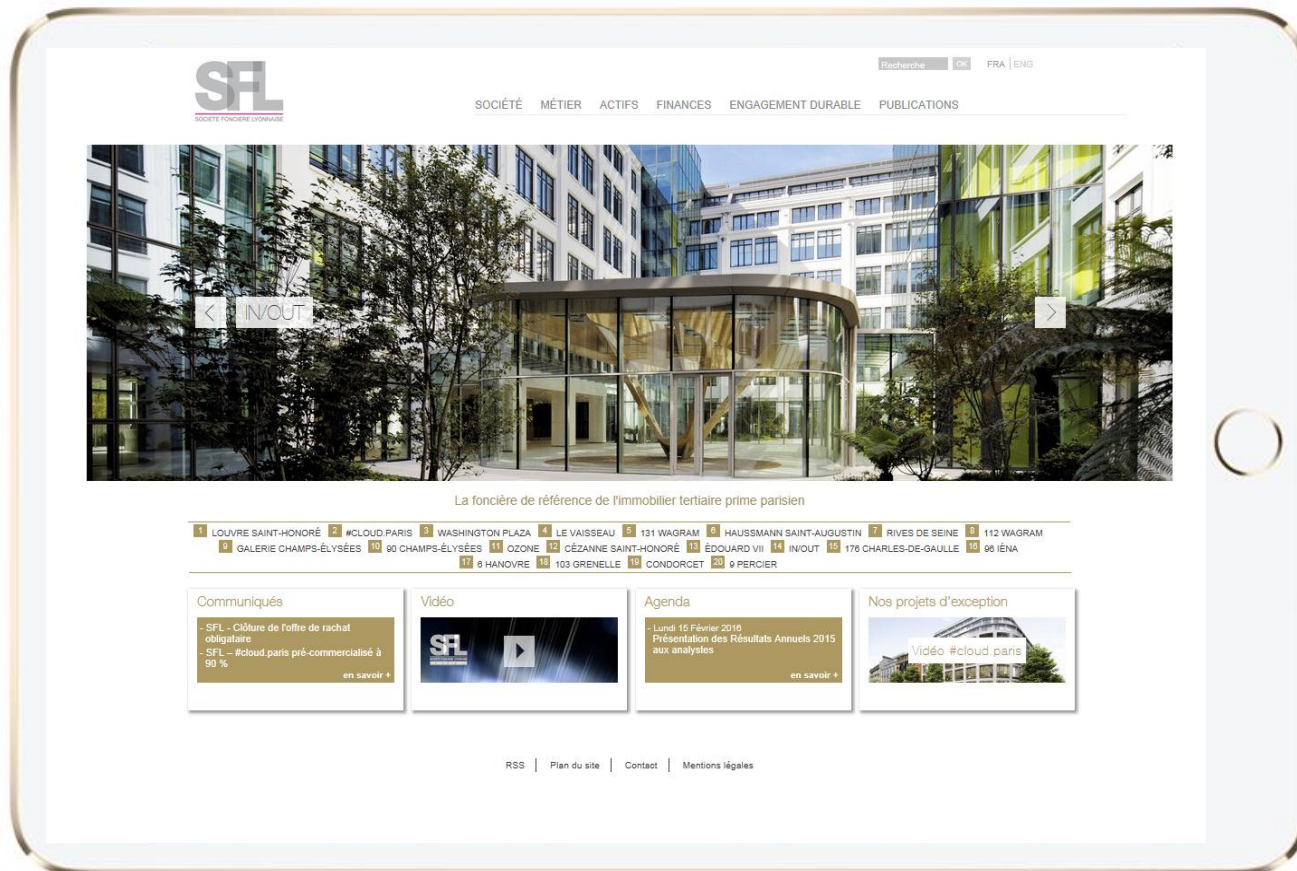
4 Key Figures

	2015	2014	Change
Rental income (IFRS)	€168.8m	€151.5m	+11.4%
Operating profit before disposals and fair value adjustments	€135.3m	€121.5m	+11.3%
Profit on asset disposals and fair value adjustments to investment properties	€513.7m	€236.0m	n.m.
Attributable net profit	€492.9m	€197.7m	n.m.
EPRA earnings	€65.8m	€52.5m	+25.3%

	2015	2014	Change
Equity	€2,713m	€2,325m	+16.7%
Consolidated portfolio value (excluding transfer costs)	€5,242m	€4,466m	+17.4%
EPRA NAV per share	€61.2	€52.3	+17.0%
EPRA NNAV per share	€58.5	€49.4	+18.5%

4 Questions/Answers

www.fonciere-lyonnaise.com





Appendices

SFL in Brief



- The benchmark in Paris prime commercial property



- Founded in 1879: 137 years of sustainable business development



- Managing a €5.5 billion, 404,500 sq.m. property portfolio



- 80% of assets located in the Central Business District of Paris



- 80% offices and 19% retail



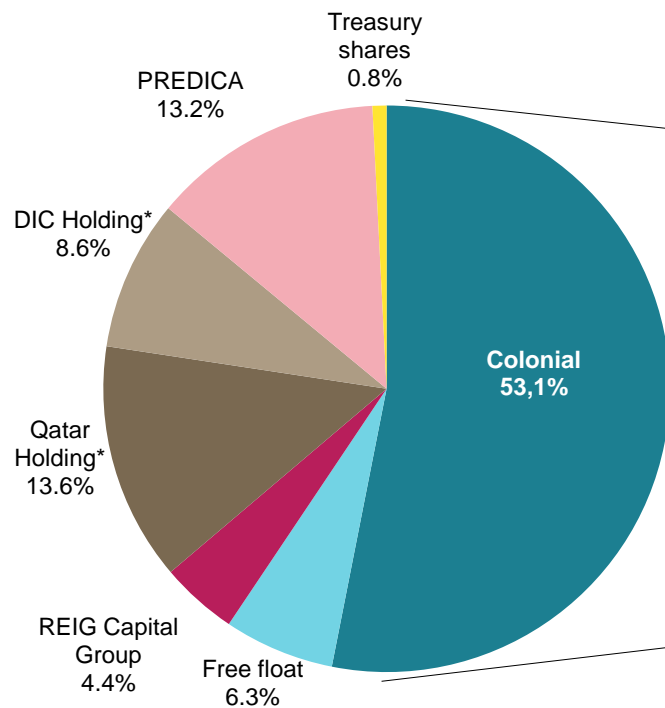
- 20 very large property complexes



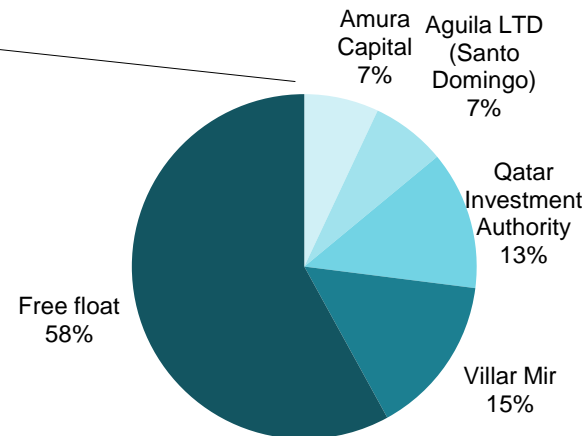
- A very high value-added tenant portfolio
(between €150k and €300k/employee/year)

Ownership Structure

SFL ownership structure
(46.5 million shares)

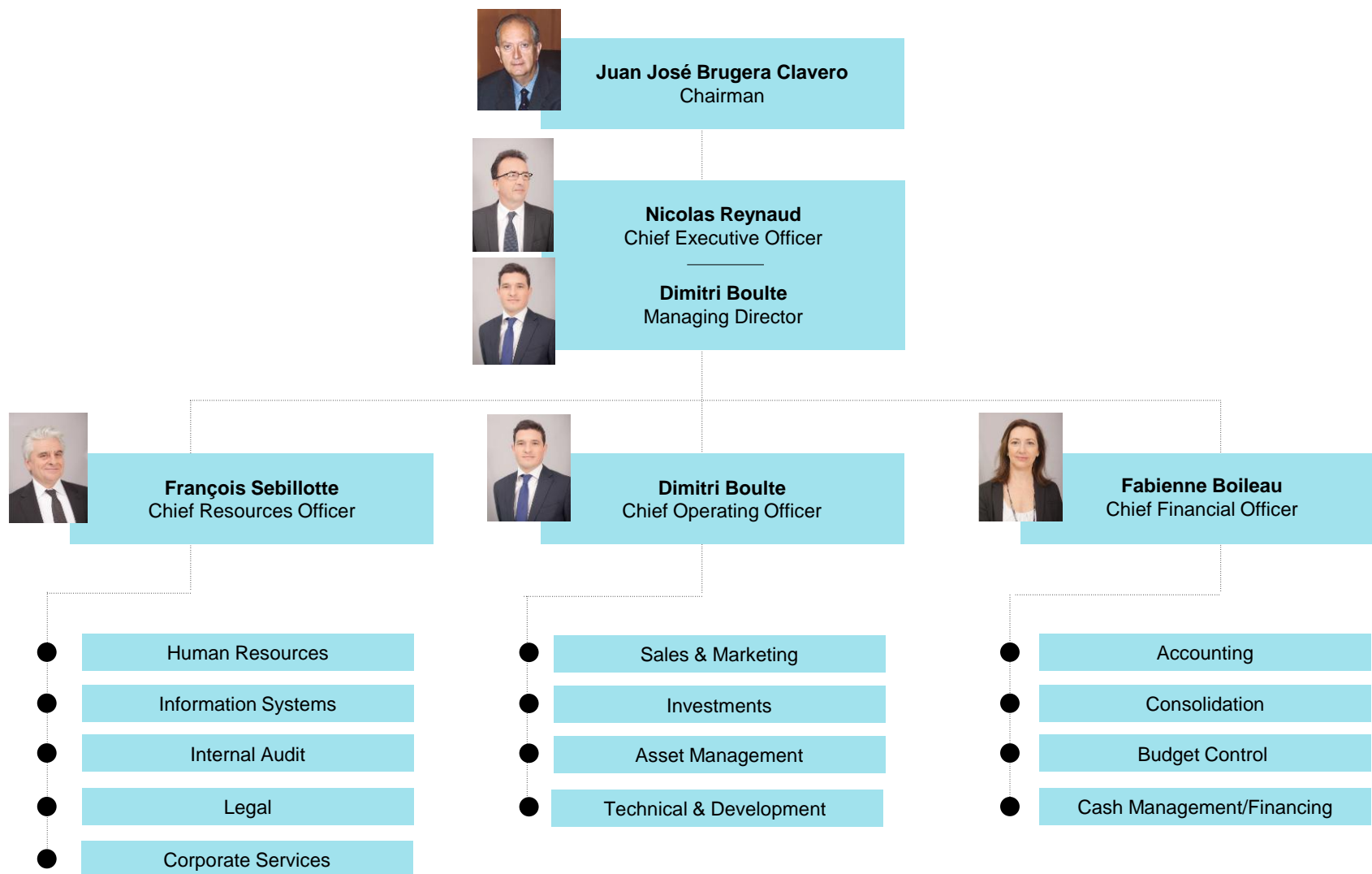


Colonial ownership structure



* Shareholders acting in concert

Organisation Structure



Governance

Board of Directors

Juan José Brugera Clavero	Chairman of the Board of Directors (Colonial)
Pere Viñolas Serra	Vice-Chairman (Colonial)
Angels Arderiu Ibars	Director (Colonial)
Ali Bin Jassim Al Thani	Director (QIA)
Jacques Calvet	Independent director
Anne-Marie de Chalambert	Independent director
Jean-Jacques Duchamp	Director (Prédica)
Chantal Du Rivau	Director (Prédica)
Carlos Fernandez-Lerga Garralda	Director (Colonial)
Carmina Gañet Cirera	Director (Colonial)
Carlos Krohmer	Director (Colonial)
Luis Maluquer Trepas	Director Colonial)
Adnane Mousannif	Director (QIA)
Nuria Oferil Coll	Director (Colonial)
Anthony Wyand	Independent director
Reig Capital Group Luxembourg SARL	Director (represented by Carlos Enseñat Reig)

Executive and Strategy Committee

Juan José Brugera Clavero (Chairman)

Jean-Jacques Duchamp
Carmina Gañet Cirera
Pere Viñolas Serra

Audit Committee

Carlos Fernandez-Lerga Garralda (Chairman)

Jacques Calvet
Jean-Jacques Duchamp

Remuneration and Selection Committee

Anthony Wyand (Chairman)

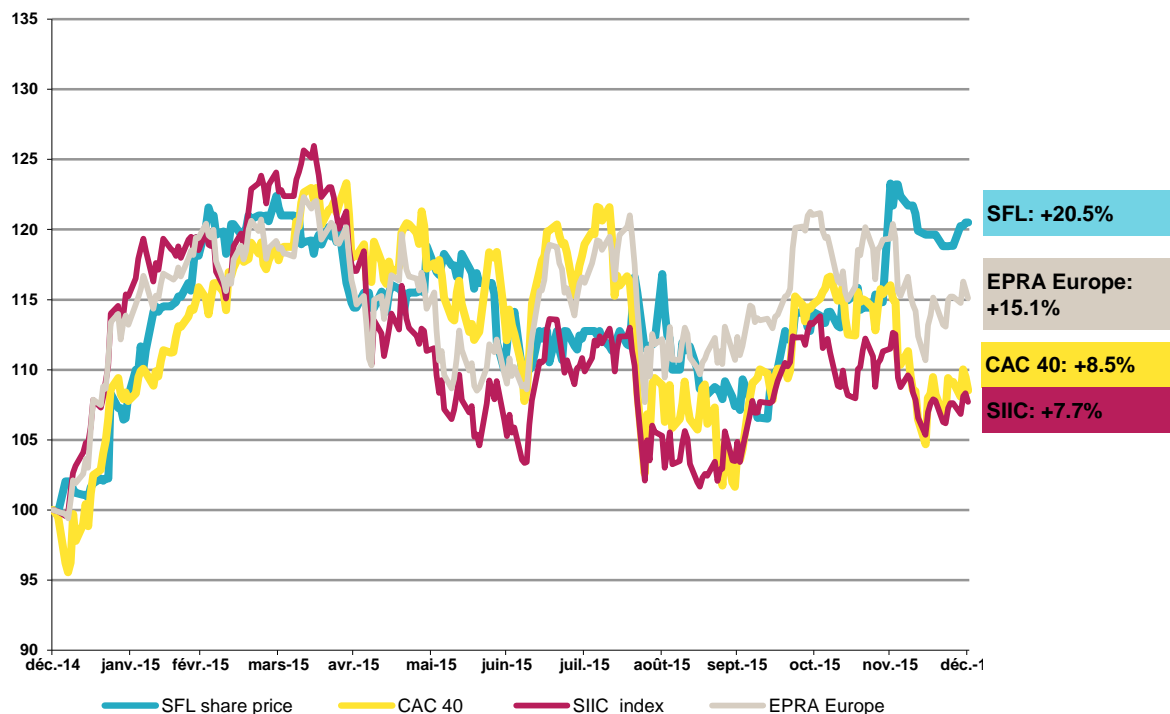
Anne-Marie de Chalambert
Pere Viñolas Serra

Committee of Independent Directors

Jacques Calvet
Anne-Marie de Chalambert
Anthony Wyand

Share Performance

2015 Share Performance⁽¹⁾



⁽¹⁾ Base 100: 31 December 2014; data up to 31 December 2015.

Sources: Euronext/Epra

2015 Key Figures⁽¹⁾

Number of shares outstanding at 31 December 2015 (thousands)	46,529
Average daily trading volume (shares)	2,644
Average daily trading volume (euros)	€109k
Closing share price on 31 December 2014	€36.36
High for the year (1 April)	€45.29
Low for the year (2 January)	€36.30
Closing share price on 31 December 2015	€43.81

Property Valuation and NAV Calculation

Independent experts

Jones Lang LaSalle Expertises/CBRE Valuation/BNP Paribas Real Estate Expertise

Methodology

Discounted cash-flow/Revenue capitalisation/Comparison with recent transactions

Frequency

Entire portfolio valued every six months

NAV calculation

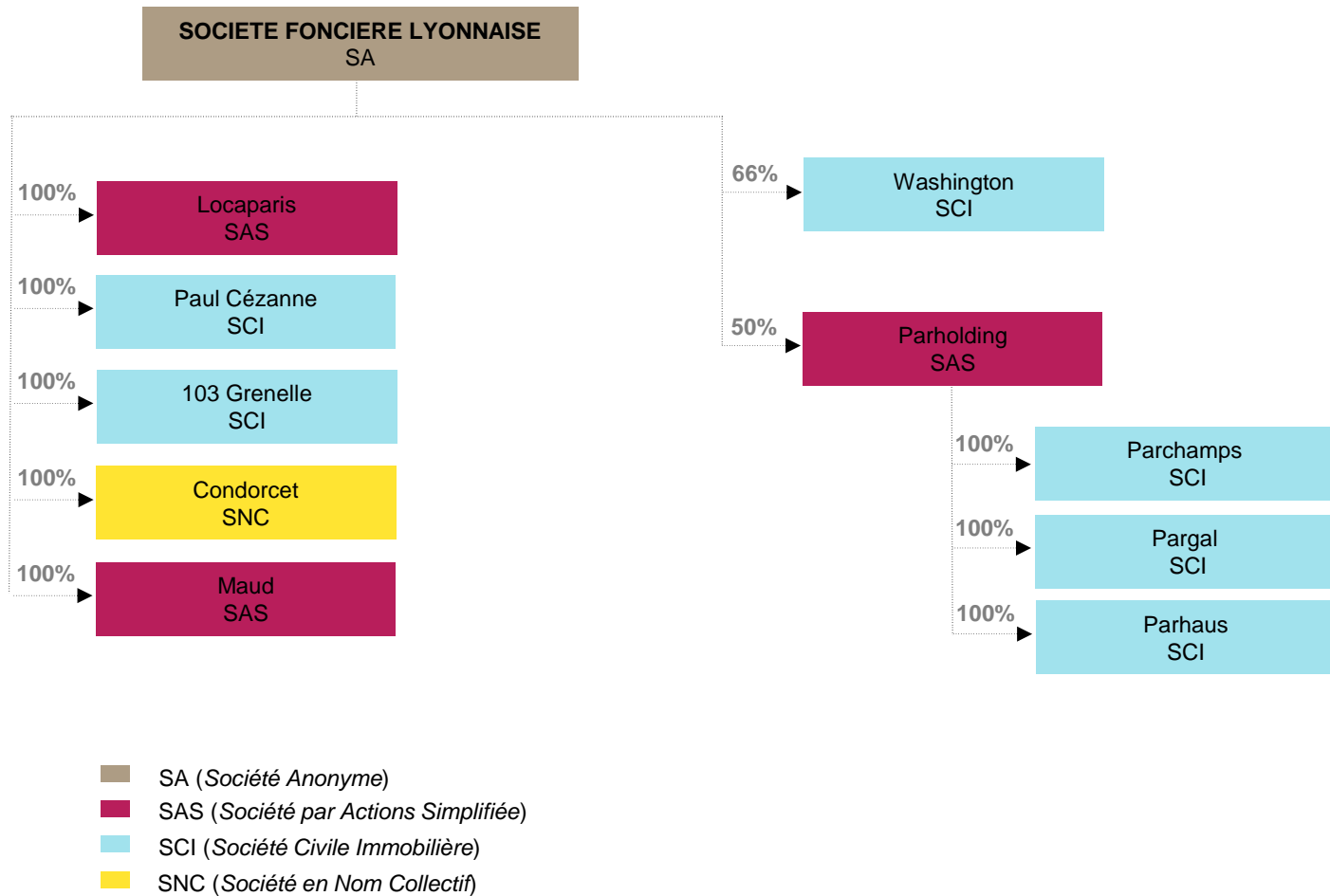
EPRA NAV

EPRA NNNNAV

Validation

Valuations and NAV calculations are reviewed by the Auditors

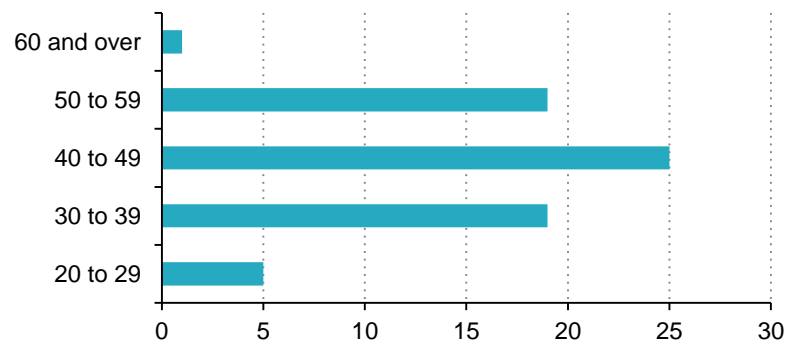
Legal Structure



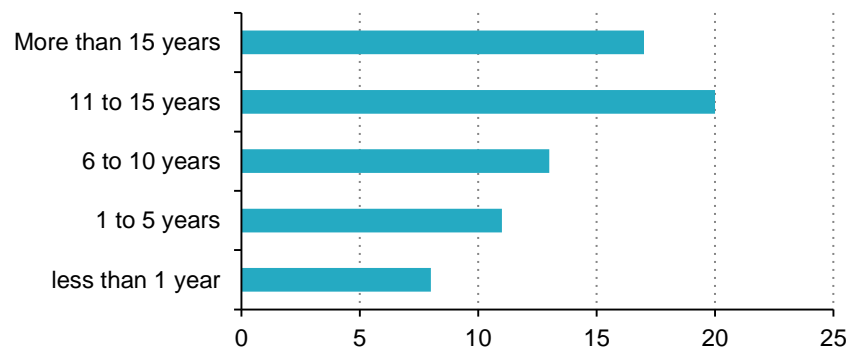
Human Resources

Number of employees	31 December 2015	31 December 2014
Administrative staff	5	8
Supervisors	12	11
Managers	52	53
Total headquarters	69	72
Building caretakers	2	2

Employees⁽¹⁾ by age group
(on payroll at 31 December 2015)



Employees⁽¹⁾ by years of service
(on payroll at 31 December 2015)



⁽¹⁾ Excluding building caretakers

CAPEX

Expenditure (€m)	2015	2014
Major renovation projects	102.7 ⁽¹⁾	110.5
Other capitalised expenditure	14.8	7.6
Total	117.5	118.1

⁽¹⁾ Of which: #Cloud.paris: €59.2m; Louvre Saint-Honoré: €18.7m; 90 Champs-Élysées: €6.7m; Washington Plaza: €6.4m; Le Vaisseau: €6.0m; 9 Percier: €5.7m

