



2015 INTERIM RESULTS PRESENTATION

I Introduction & Property Portfolio at 30 June 2015

II First-Half 2015 Rental Activity

III Property Transactions

IV First-Half 2015 Financial Statements & Results

Appendices

I Introduction & Property Portfolio at 30 June 2015



FIRST-HALF 2015 HIGHLIGHTS



LETTINGS PROGRAMME

- ▶ Leases signed on over 66,000 sq.m.
- ▶ Entire IN/OUT building let
- ▶ Pre-letting of #Cloud.paris (10,800 sq.m.) and Le Vaisseau
- ▶ New tenants: OECD, Exane, Revolution 9, etc.



INVESTMENTS

- ▶ Acquisition of an asset located 9 Avenue Percier (Paris 8th)
6,700 sq.m. property
€68m acquisition cost



DEVELOPMENT

- ▶ €71m capex spent
- ▶ #Cloud.paris, Louvre Saint-Honoré, 90 Champs-Élysées, Washington Plaza
- ▶ Delivery: 90 Champs-Élysées (31 March 2015)

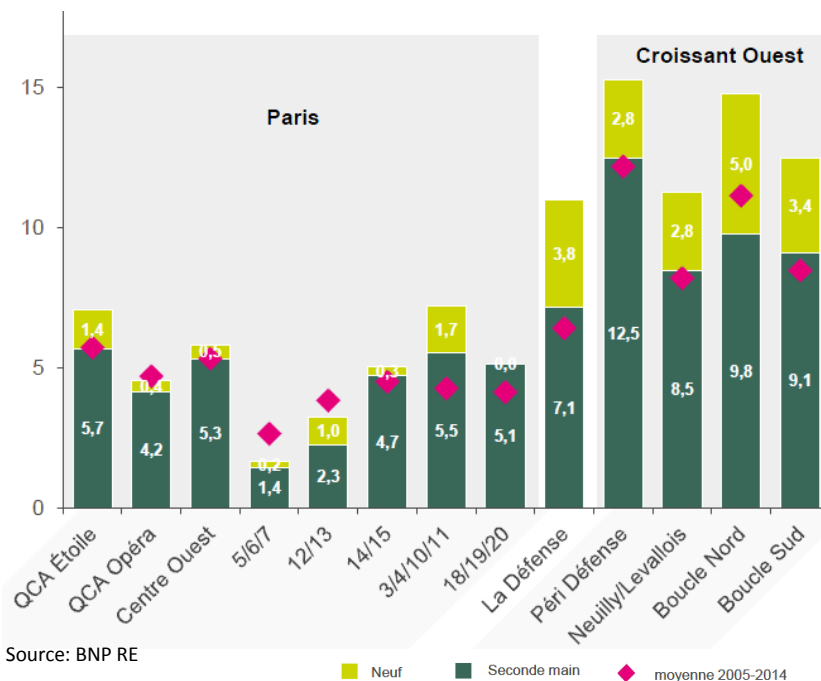


FINANCING

- ▶ Banco Sabadell revolving facility (€50m)
- ▶ Renegotiation of €400m syndicated and €208m Parholding facilities (signed in July 2015)
- ▶ Rating upgrade: BBB/A2 with a stable outlook (2 July 2015)

OFFICE RENTAL MARKET IN FIRST-HALF 2015

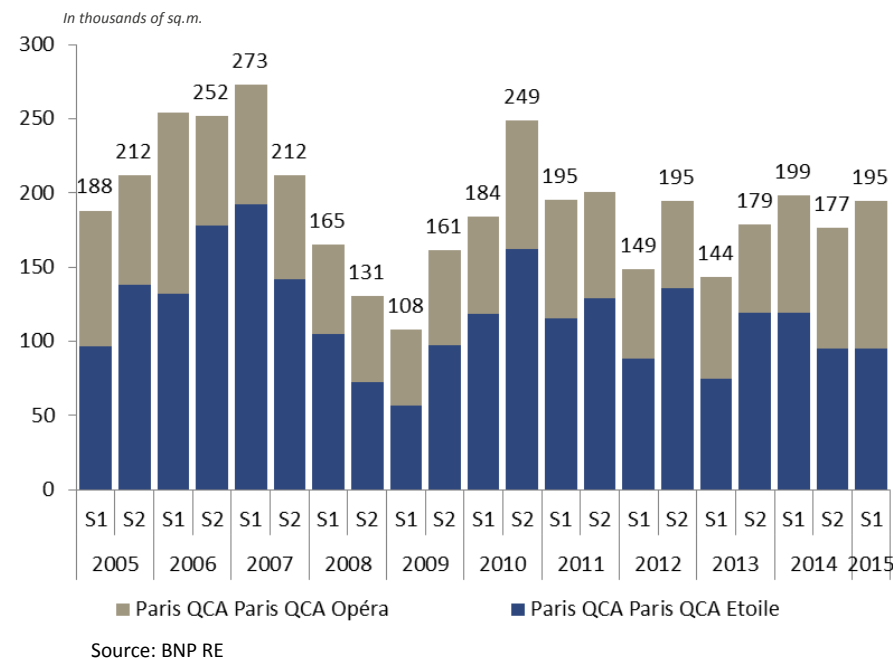
Vacancy rate in Paris region (Paris & Western Crescent)



Paris Region Office Rental Market in H1 2015

- ▶ Lettings in H1 2015: **915,000 sq.m.** (down 22% vs H1 2014)
 - **fewer major transactions** in Paris region (down 60% vs H1 2014)
 - **lacklustre performances in the Western Crescent** (down 76% in Neuilly Levallois; down 49% in La Défense)
- ▶ Increase in area available supply: 4,000,000 sq.m.
- ▶ Average vacancy rate: **7.6%**

Changes in take-up rates in Paris CBD

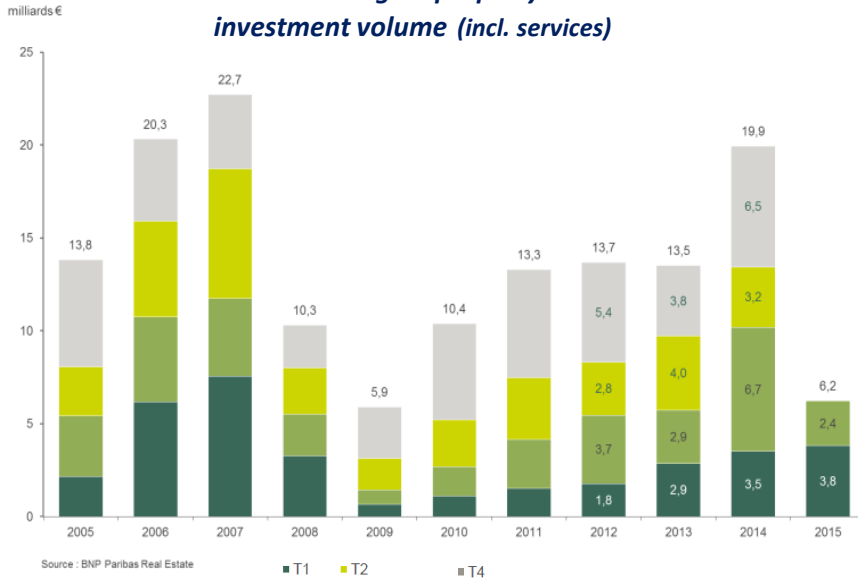


Paris CBD Office Rental Market in H1 2015

- ▶ Lettings in H1 2015: **194,568 sq.m.** (down 2% vs H1 2014)
 - Few major transactions (**3 signatures >5,000 sq.m.**)
 - Strong performance on smaller units (<1,000 sq.m.): **up 27%**
- ▶ Excellent performance in the Opéra CBD sector:
 - Average rent for new office space of **€624/sq.m.** (vs €606/sq.m. in Etoile CBD)
 - **99,200 sq.m.** taken up in H1 2015 (vs 95,300 sq.m. in Etoile CBD)
- ▶ CBD available supply (<one year) **down 12%** to around 360,000 sq.m. (o/w 48,000 sq.m. new or renovated) for a vacancy rate of **5.3%**

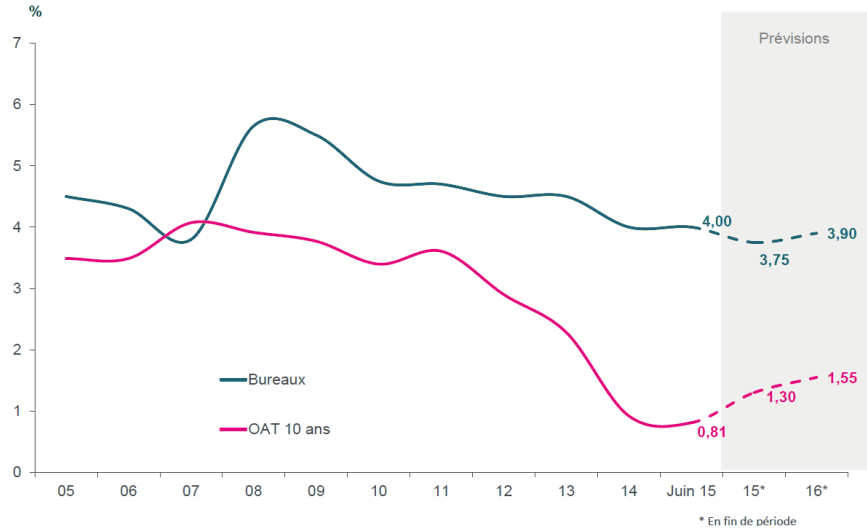
PARIS REGION COMMERCIAL PROPERTY INVESTMENT MARKET IN H1 2015

Paris region property investment volume (incl. services)



Source: BNP RE

10-yr gov. bond yield/Prime market yield (CBD)



Source: BNP RE

Paris region commercial property investment market in H1 2015

- ▶ **€5.4bn** invested in Paris region commercial property in H1 2015
 - **Significantly lower** than the high comparison basis in H1 2014 (down 38%)
 - **Stable** as compared to the average investment volumes over the last 5 years, however
 - **17 transactions >€100m** (vs 19 in H1 2014)
- ▶ Scarce supply and abundant capital – especially from abroad – squeezing rates
 - Sharp narrowing in spreads between central Paris and its outskirts
- ▶ **Buoyant off-plan investment market (€826m in H1 2015)**

Central Business District – Prime assets

- ▶ Sluggish transaction volumes in CBD due to **scarce** market supply: **€726m invested in H1 2015** (13% of total Paris region) (vs €1.6bn in 2014)
- ▶ 3 transactions >€100m
- ▶ Prime yields decreasing, **well below 4.00%**

APPRAISAL VALUES AT 30 JUNE 2015

Consolidated portfolio value

€4,833m excl. transfer costs – €5,088m incl. transfer costs

(up 8.2% vs 31 Dec. 2014)

(up 6.8% vs 31 Dec. 2014 on a comparable portfolio basis)

▶ **Average value per sq.m. €11,925/sq.m. excl. TC**

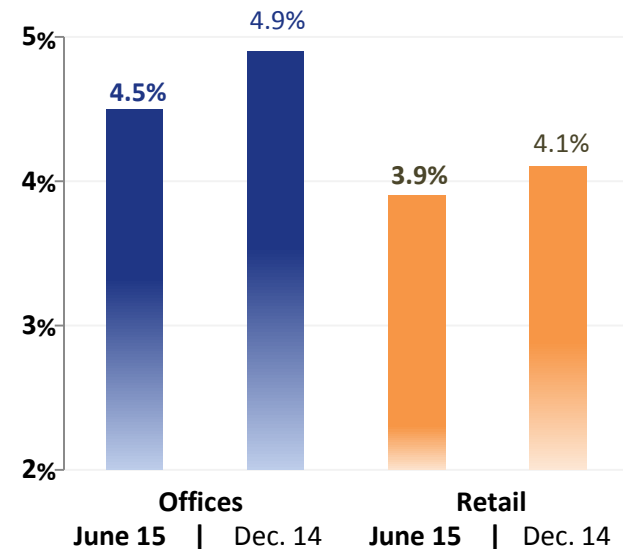
(€11,327/sq.m. excl. TC at 31 Dec. 2014)

▶ **Yield⁽¹⁾: 4.4%**

(4.8% at 31 Dec. 2014)

▶ **EPRA "topped-up" NIY: 3.5%**

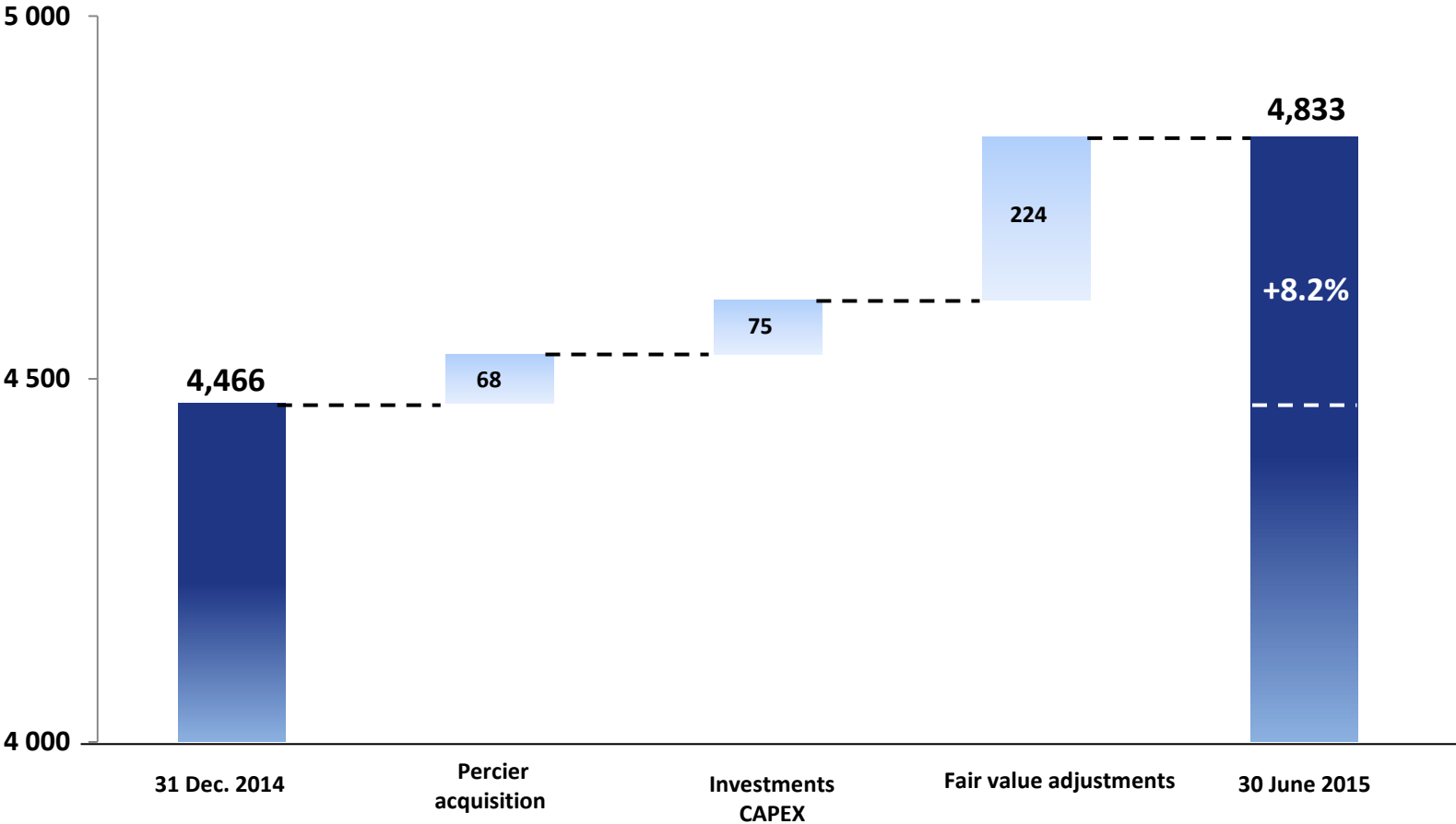
(3.9% at 31 Dec. 2014)



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

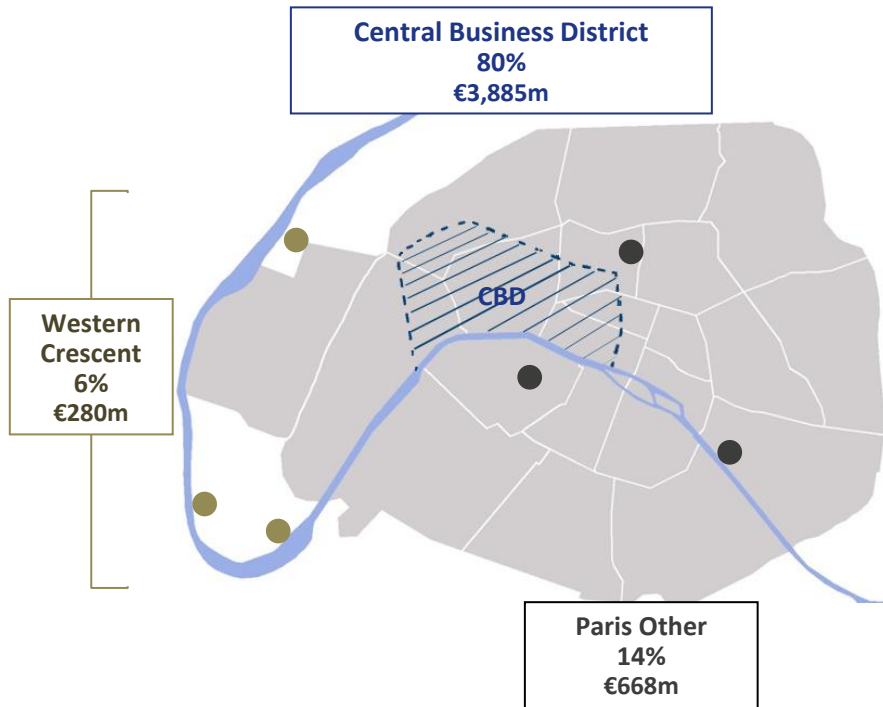
ANALYSIS OF PORTFOLIO APPRAISAL VALUE

Consolidated data (€m, excl. transfer costs)

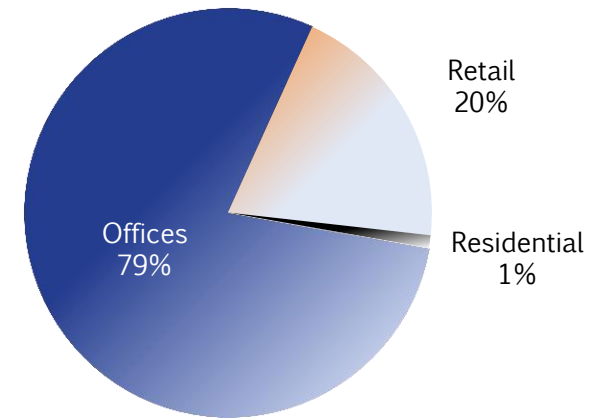


PROPERTY PORTFOLIO AT 30 JUNE 2015

Geographic focus (value)

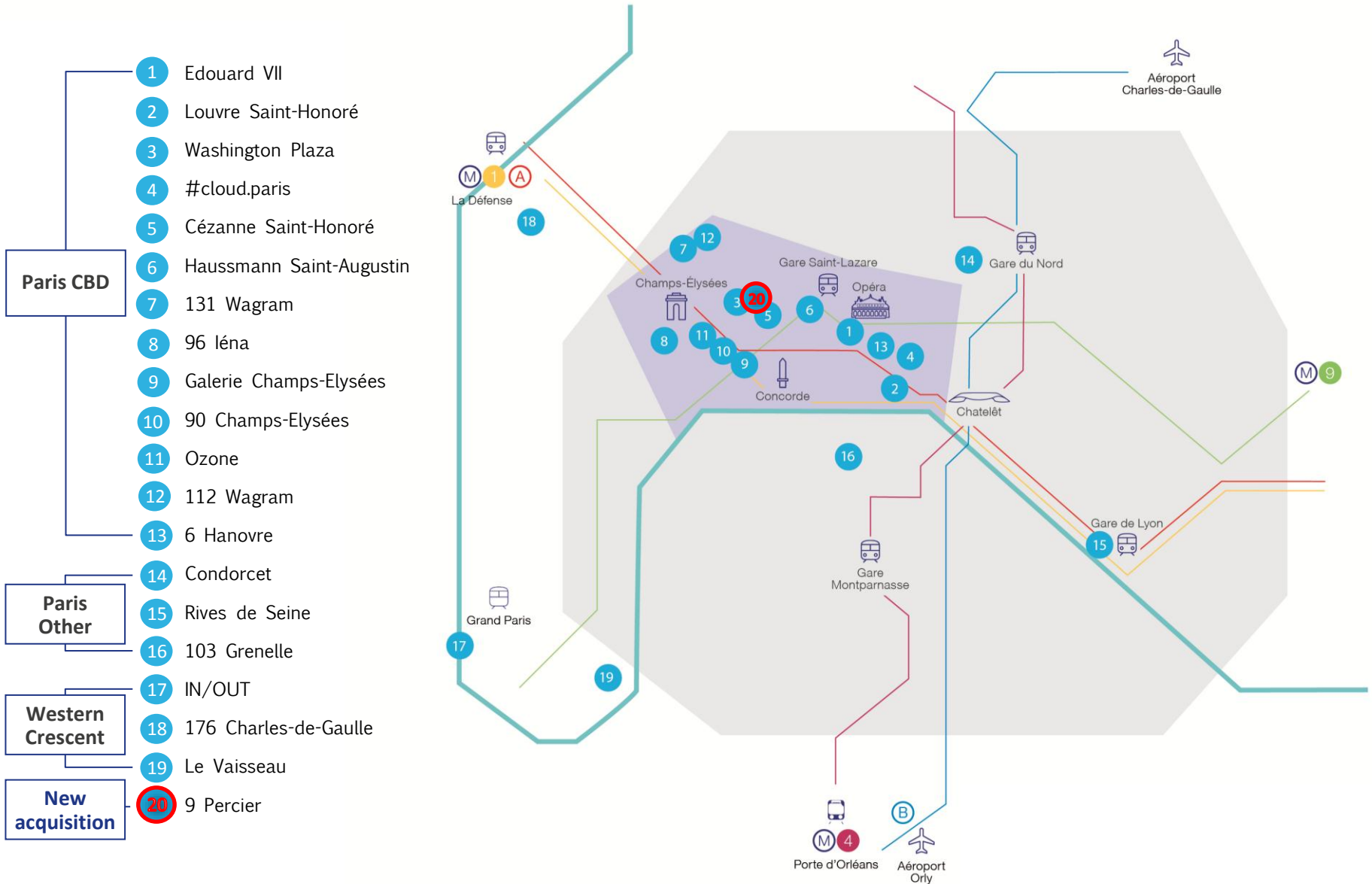


Market focus (value)



Consolidated portfolio value: €4,833m excl. transfer costs (up 8.2% vs 31 Dec. 2014)
€5,088m incl. transfer costs

THE BENCHMARK IN PARIS PRIME COMMERCIAL PROPERTY



- 1 Edouard VII
- 2 Louvre Saint-Honoré
- 3 Washington Plaza
- 4 #cloud.paris
- 5 Cézanne Saint-Honoré
- 6 Haussmann Saint-Augustin
- 7 131 Wagram
- 8 96 léna
- 9 Galerie Champs-Elysées
- 10 90 Champs-Elysées
- 11 Ozone
- 12 112 Wagram
- 13 6 Hanovre
- 14 Condorcet
- 15 Rives de Seine
- 16 103 Grenelle
- 17 IN/OUT
- 18 176 Charles-de-Gaulle
- 19 Le Vaisseau
- 20 9 Percier

Paris CBD

Paris Other

Western Crescent

New acquisition

CONSOLIDATED PROPERTY PORTFOLIO: 401,200 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	47,100 sq.m.
#Cloud.paris	33,200 sq.m.
Cézanne Saint-Honoré	29,000 sq.m.
Hausmann Saint-Augustin	13,400 sq.m.
131 Wagram	9,200 sq.m.
96 Léna	8,900 sq.m.
90 Champs-Élysées	8,900 sq.m.
Galerie Champs-Élysées	8,700 sq.m.
Ozone	7,700 sq.m.
9 Percier	6,700 sq.m.
112 Wagram	6,000 sq.m.
6 Hanovre	4,600 sq.m.
Total	285,200 sq.m.

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

WESTERN CRESCENT	Total surface area
IN/OUT <i>Boulogne-Billancourt</i>	35,000 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	48,700 sq.m.



First-Half 2015 Rental Activity



RENTAL REVENUES

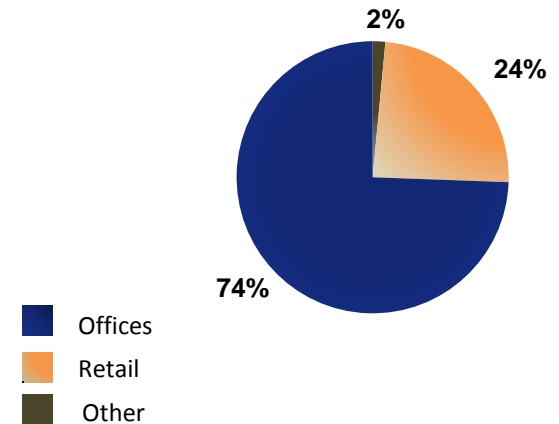
€m

H1 2014 rental revenues	73.8
Δ Like-for-like increase	+3.8
Δ Post-renovation remarketing/major renovations	-0.7
Δ Property acquisition	+4.4
H1 2015 rental revenues	81.4

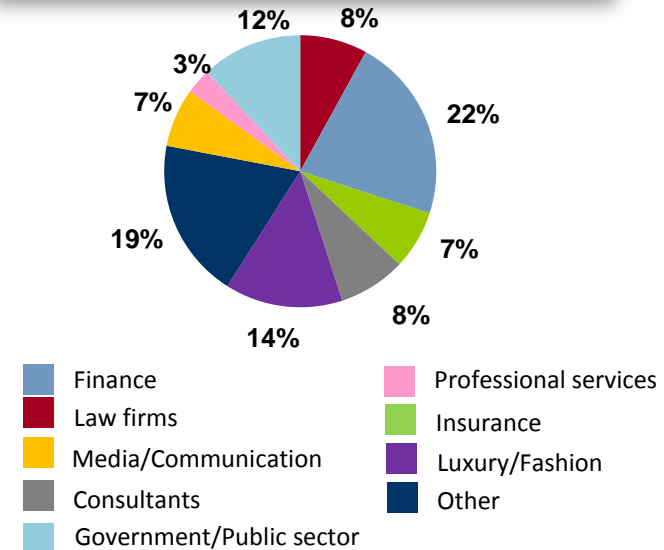
Change as reported
up 10.2%

**Change on a comparable
portfolio basis**
up 5.7%

H1 2015 rental revenues: €81.4m



Breakdown by business sector at 30 June 2015































A PORTFOLIO OF VERY HIGH VALUE-ADDED TENANTS (1/2)

 LAW FIRMS	 CONSULTANTS	 LUXURY/FASHION	 REAL ESTATE
   	   	  (N)    	     

(N) New tenants 2014-2015

A PORTFOLIO OF VERY HIGH VALUE-ADDED TENANTS (2/2)

 MEDIA/COMMUNICATION	 FINANCE	 INSURANCE	 OTHER
     (N) REVOLUTION 9  (N) sacem  TV5MONDE	 (N) Apax PARTNERS  CANDRIAM INVESTORS GROUP A NEW YORK LIFE COMPANY  CCR Asset Management  Cinven  COMGEST  (N) EXANE  NATIXIS	 AG2R LA MONDIALE  RSA  ZURICH®	 Constellium  esma  GE Energy  Générale de santé  (N) GrDF GAZ RÉSEAU DISTRIBUTION FRANCE  MoneyGram®  (N) OCDE DES POLITIQUES MEILLEURES POUR UNE VIE MEILLEURE

(N) New tenants 2014-2015

MARKETING PROGRAMMES

New leases: 66,400 sq.m.



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



IN/OUT
Boulogne-Billancourt



10,800 sq.m.
9 years
Effective 15 Nov. 2015



#Cloud.paris
Paris 2nd



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



131 Wagram
Paris 17th



6,300 sq.m.
6/9 years
Effective 1 Feb. 2016



Le Vaisseau
Issy-les-Moulineaux



4,000 sq.m.
4/6/9 years
Effective 1 April 2015



Louvre Saint-Honoré
Paris 1st

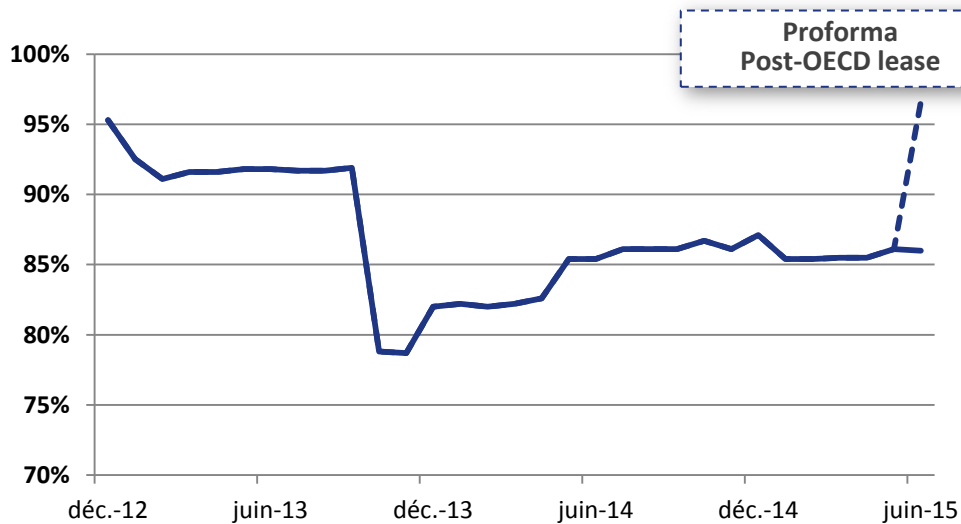
Office space letting and re-letting: 64,600 sq.m.

- ▶ **Annual rent: €34.1m**
- ▶ **Average nominal rent: €511/sq.m./year**
- ▶ **Average effective rent: €395/sq.m./year**
- ▶ **Average fixed-term: 10.2 years**
- ▶ **Incentive ratio: 22.8%**

OCCUPANCY RATES

Physical occupancy rate⁽¹⁾ at 30 June 2015: 86.0%/96.6%^(*)
(vs 87.1% at 31 December 2014)

Change in occupancy rate⁽²⁾



EPRA vacancy rate:
12.6%/3.5%^(*)

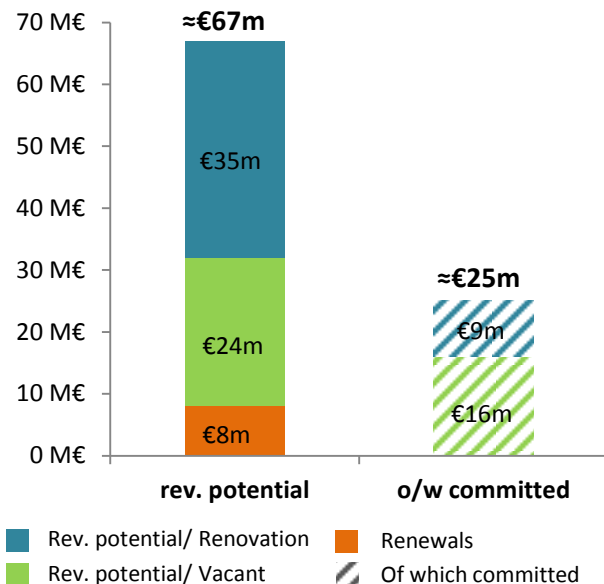
(*) Proforma post-OECD lease (1 Sept. 2015)

(1) Surface area attributable to SFL, excluding units and properties undergoing renovation

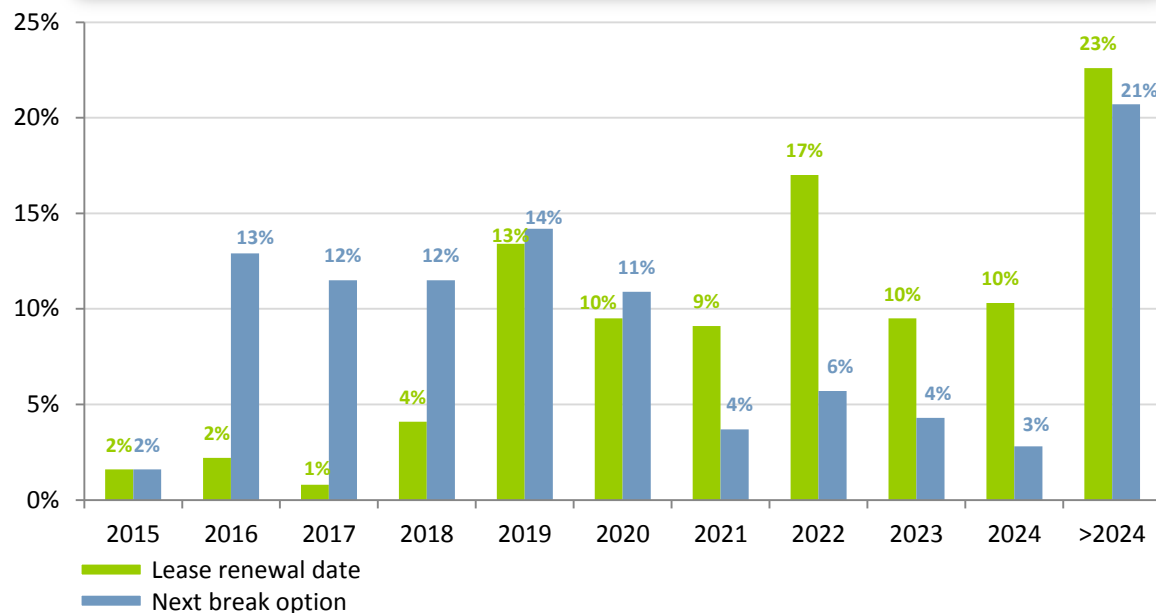
(2) Month-end spot rate, based on surface area attributable to SFL

LEASE RENEWALS AND REVERSIONARY POTENTIAL

Reversionary potential (consolidated data)



Commercial lease expiry dates



Reversionary potential

≈ €64m (attr. to SFL)
of which €25m committed

Average SFL office rent at 30 June 2015:

€594/sq.m./year
(vs 602/sq.m./year at
31 Dec. 2014)

Average period⁽¹⁾ to lease expiry

7.1 years
(vs 6.5 years at 31 Dec. 2014)

Average period to next break option⁽²⁾

5.4 years
(vs 4.6 years at 31 Dec. 2014)

(1) Weighted average remaining life of commercial leases in progress as of 30 June 2015.

(2) Weighted average period to next break option for commercial leases in progress as of 30 June 2015.



Property Transactions





9, Avenue Percier Paris 8th



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: Approx. 900 sq.m.



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



Potential yield: 5.30%

CURRENT DEVELOPMENT PROJECTS

Attributable to SFL

At 31 Dec. 2014 52,400 sq.m.

Delivered during the period -8,600 sq.m.

LOUVRE SAINT-HONORE	-2,900 sq.m.
WASHINGTON PLAZA	-2,900 sq.m.
90 CHAMPS-ELYSEES	-2,800 sq.m.

Projects launched during the period 11,200 sq.m.

LE VAISSEAU	6,000 sq.m.
LOUVRE SAINT-HONORE	2,200 sq.m.
9 PERCIER	2,000 sq.m.
Other	1,000 sq.m.

At 30 June 2015 55,000 sq.m. Delivery Pre-let

#Cloud.paris	33,200 sq.m.	Nov. 2015	33%
LE VAISSEAU	6,000 sq.m.	Feb. 2016	100%
LOUVRE SAINT-HONORÉ	10,600 sq.m.		38%(*)
Other	5,200 sq.m.		

(*) Office space

**Reversionary potential ≈€34m (attr. to SFL)
of which €9m committed**

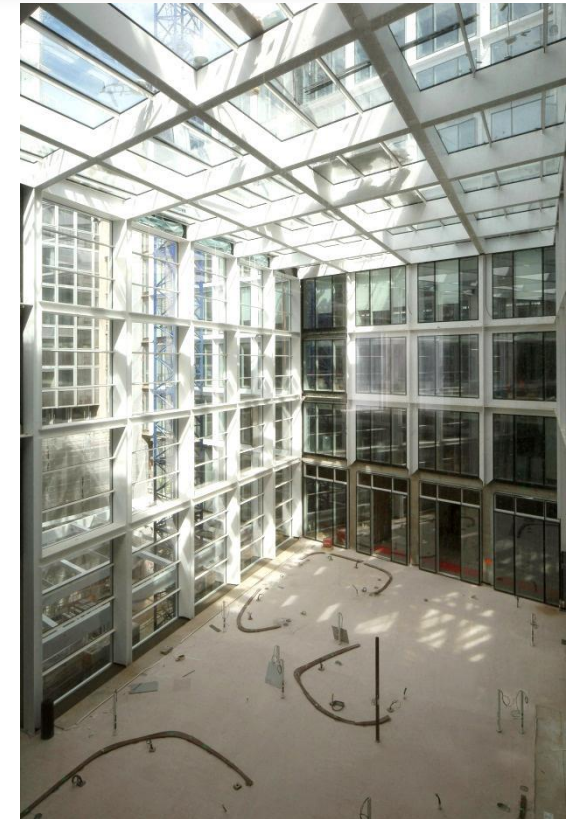


#Cloud.paris
Paris 2nd



Le Vaisseau
Issy-les-Moulineaux

83, rue de Richelieu – Paris 2nd



33,200 sq.m. of new office space
Project delivery date November 2015



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



Structural works launched in June 2013

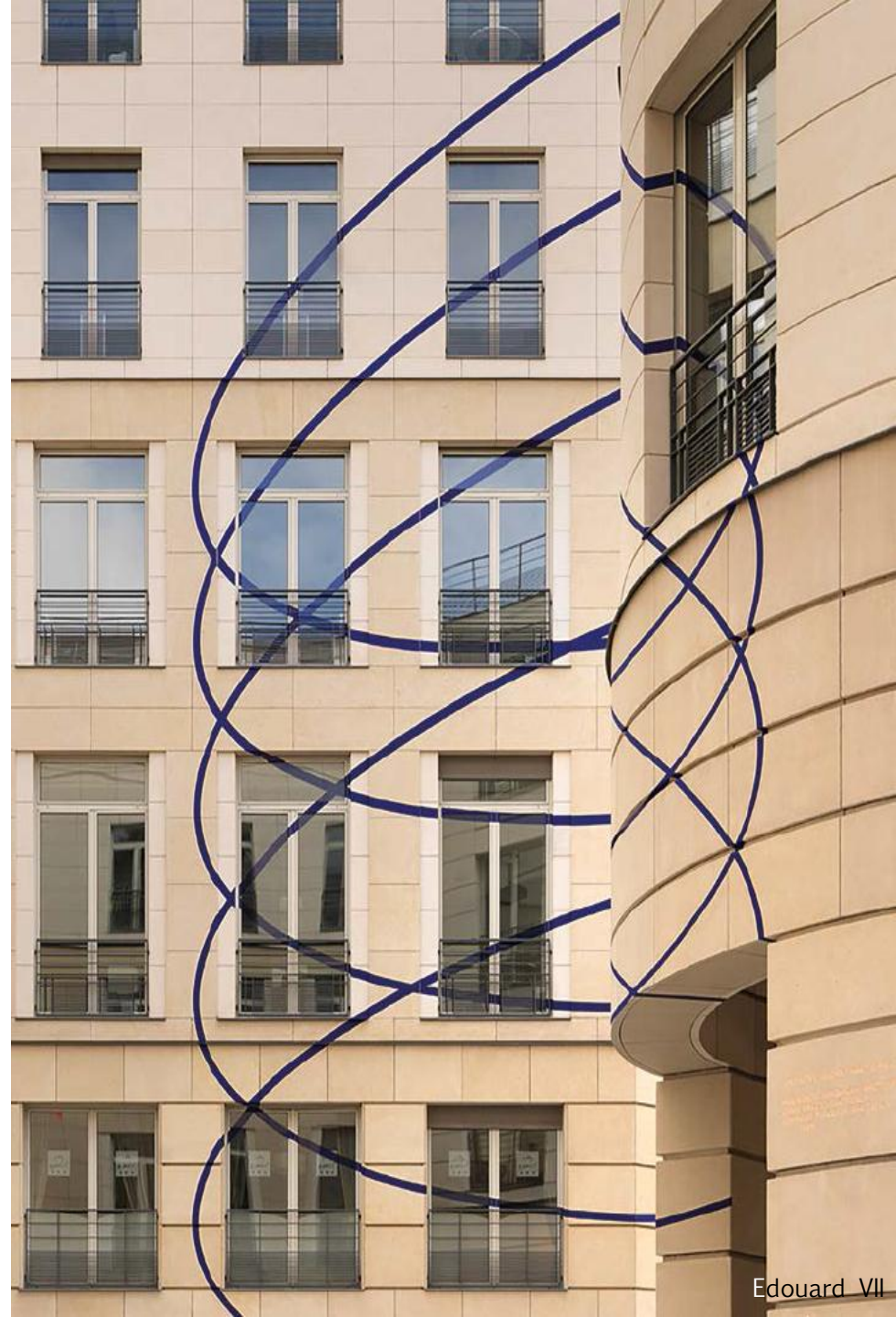


Architect: PCA



10,800 sq.m. pre-let to the Exane group

IV First-Half 2015 Financial Statements & Results



FIRST-HALF 2015 RESULTS

€m	H1 2015	H1 2014
Property rentals	81.4	73.8
Property expenses, net of recoveries	(9.4)	(4.8)
Net property rentals	71.9	69.1
Service and other revenues	0.9	0.4
Depreciation, amortisation and provision expense, net	(0.7)	(0.7)
Employee benefits expense and other expenses	(10.6)	(9.9)
Operating profit before disposals and fair value adjustments	61.5	58.9
Profit (loss) on asset disposals	0.0	0.0
Fair value adjustments to investment properties	217.3	150.1
Share of profits and losses of associates	0.0	(2.2)
Finance costs and other financial income and expenses	(27.9)	(32.3)
Income tax expense	(22.3)	(15.0)
Profit for the period	228.6	159.6
Non-controlling interests	(23.1)	(20.1)
Attributable net profit	205.6	139.5
EPRA earnings	27.6	26.3

EPRA EARNINGS

€m	H1 2015		H1 2014	
	EPRA earnings	Non-recurring	EPRA Earnings	Non-recurring
Property rentals	81.4		73.8	
Property expenses, net of recoveries	(9.4)		(4.8)	
Net property rentals	71.9		69.1	
Service and other revenues	0.9		0.4	
Depreciation, amortisation and provision expense, net	(0.7)		(0.7)	
Employee benefits expense and other expenses	(10.6)		(9.9)	
Operating profit before disposals and fair value adjustments	61.5		58.9	
Profit (loss) on asset disposals	0.0	0.0	0.0	0.0
Fair value adjustments to investment properties	0.0	217.3	0.0	150.1
Share of profits and losses of associates	0.0	0.0	4.3	(6.5)
Finance costs and other financial income and expenses	(23.6)	(4.3)	(27.5)	(4.7)
Income tax expense	(4.4)	(17.8)	(3.5)	(11.5)
Profit for the period	33.4	195.2	32.1	127.4
Non-controlling interests	(5.8)	(17.3)	(5.8)	(14.2)
Attributable net profit	27.6	177.9	26.3	113.2
EPRA earnings per share	€0.59		€0.57	
After application of IFRIC 21 at 1 January 2014				
EPRA earnings	27.6		24.5	
EPRA earnings per share	€0.59		€0.53	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 June 2015	31 Dec. 2014
Assets		
Investment properties	4,753	4,393
Other non-current assets	29	32
Total non-current assets	4,782	4,425
Properties held for sale	0	0
Other current assets	100	86
Total current assets	100	86
Total assets	4,882	4,511
Equity and liabilities		
Attributable equity	2,471	2,325
Non-controlling interests	288	269
Total equity	2,759	2,593
Non-current liabilities	1,624	1,771
Current liabilities	499	147
Total equity and liabilities	4,882	4,511

CONSOLIDATED LOAN-TO-VALUE

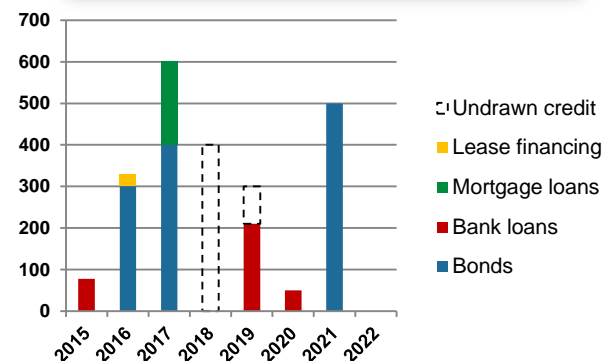
€m	30 June 2015 Proforma ^(*)	30 June 2015	31 Dec. 2014	Change
Bonds	1,200	1,200	1,200	0
Syndicated revolving facilities	0	0	0	0
Other bank loans	539	539	359	+180
Property lease financing	29	29	30	-1
Total debt	1,768	1,768	1,589	+179
Cash and cash equivalents	17	17	17	0
Net debt	1,751	1,751	1,572	+179
Undrawn lines of credit	490	490	600	-110

Property portfolio incl. transfer costs	5,088	5,088	4,703	+385
---	-------	-------	-------	------

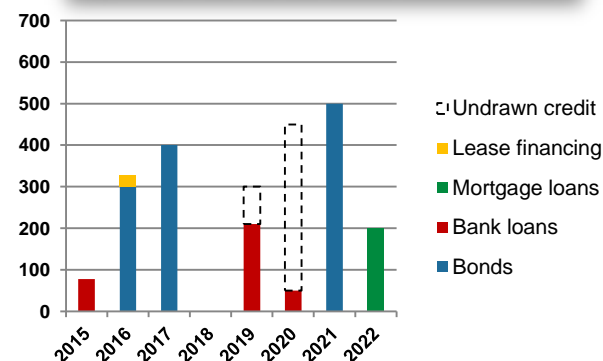
Loan-to-value ratio	34.4%	34.4%	33.4%	+1.0
Average maturity (years)	4.3	3.6	4.0	-0.4
Average spot cost (after hedging)	2.6%	2.7%	2.9%	-0.2

(*) Proforma post signature in July 2015 of €400m syndicated facility and €208m Parholding facility

**Debt maturities
at 30 June 2015 (€m)**



**Debt maturities
proforma at 30 June 2015 (€m)**



S&P rating upgrade: BBB/A2 Stable outlook

NET ASSET VALUE

€m	30 June 2015	31 Dec. 2014
Attributable equity	2,471	2,325
Treasury shares and stock options	15	14
Unrealised capital gains	10	9
Elimination of financial instruments at fair value	2	2
Elimination of deferred taxes	95	83
EPRA NAV	2,593	2,432
EPRA NAV per share	€55.7	€52.3
Financial instruments at fair value	(2)	(2)
Fixed-rate debt at fair value	(37)	(51)
Deferred taxes	(95)	(83)
EPRA NNNAV	2,459	2,297
EPRA NNNAV per share	€52.9	€49.4
Transfer costs	221	205
EPRA NAV including transfer costs	2,814	2,637
EPRA NAV per share including transfer costs	€60.5	€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 and disposal gains	+183.4
Change in fair value of debt and other financial instruments	+14.2
Attributable recurring profit	+27.6
Dividends	-64.6
Other	+2.0
NNNAV at 30 June 2015	2,459.2

KEY FIGURES

	30 June 2015	30 June 2014	Change	Change (proforma) ^(*)
Property rentals (IFRS)	€81.4m	€73.8m	+10.2%	+10.2%
Operating profit before disposals and fair value adjustments	€61.5m	€58.9m	+4.4%	+8.2%
Disposal gains (losses) and fair value adjustments to investment properties	€217.3m	€150.1m	NM	NM
Attributable net profit	€205.6m	€139.5m	NM	NM
EPRA earnings	€27.6m	€26.3m	+5.0%	+12.8%

(*) After application of IFRIC 21 at 1 January 2014

	30 June 2015	31 Dec. 2014	Change
Equity	€2,759m	€2,593m	+6.4%
Consolidated portfolio value (excluding transfer costs)	€4,833m	€4,466m	+8.2%
EPRA NAV per share	€55.7	€52.3	+6.6%
EPRA NNNNAV per share	€52.9	€49.4	+7.1%

QUESTIONS AND ANSWERS

www.fonciere-lyonnaise.com



Recherche OK FRA | ENG

[SOCIÉTÉ](#) [MÉTIER](#) [ACTIFS](#) [FINANCES](#) [ENGAGEMENT DURABLE](#) [PUBLICATIONS](#)



La foncière de référence de l'immobilier tertiaire prime parisien

- 1 LOUVRE SAINT-HONORÉ
- 2 #CLOUD.PARIS
- 3 WASHINGTON PLAZA
- 4 LE VAISSEAU
- 5 131 WAGRAM
- 6 HAUSSMANN SAINT-AUGUSTIN
- 7 RIVES DE SEINE
- 8 112 WAGRAM
- 9 GALERIE CHAMPS-ÉLYSÉES
- 10 90 CHAMPS-ÉLYSÉES
- 11 OZONE
- 12 CÉZANNE SAINT-HONORÉ
- 13 ÉDOUARD VII
- 14 IN/OUT
- 15 176 CHARLES-DE-GAULLE
- 16 96 IÉNA
- 17 6 HANOVRE
- 18 103 GRENELLE
- 19 CONDORCET

Communiqués

- SFL – Hausse de la notation à BBB
- SFL achète le 9 avenue Percier à Paris

[en savoir +](#)

Vidéo



Agenda

- Jeudi 23 Juillet 2015
- Présentation des Résultats Semestriels 2015

[en savoir +](#)

Nos projets d'exception



[RSS](#) | [Plan du site](#) | [Contact](#) | [Mentions légales](#)

I Introduction & Property Portfolio at 30 June 2015

II First-Half 2015 Rental Activity

III Property Transactions

IV First-Half 2015 Financial Statements & Results

> Appendices

Overview



- The benchmark in Paris prime commercial property



- Founded in 1879: 136 years of sustainable business development



- More than €4.8bn and 401,000 sq.m. of properties under management



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



- 74% offices and 24% retail



- 20 very large sites

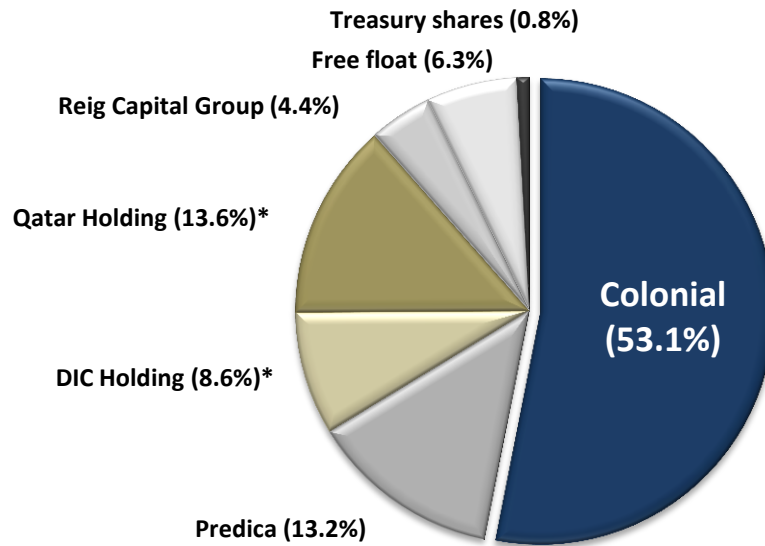


- A portfolio of very high value-added tenants (€150k to €300k/employee/year)

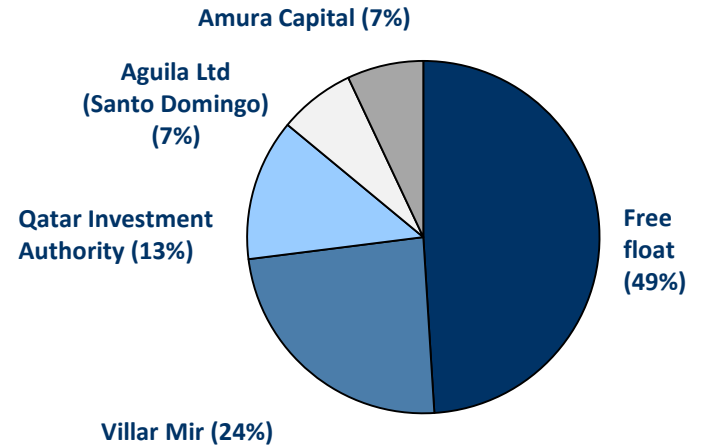
OWNERSHIP STRUCTURE

SFL ownership structure

(46.5 million shares)

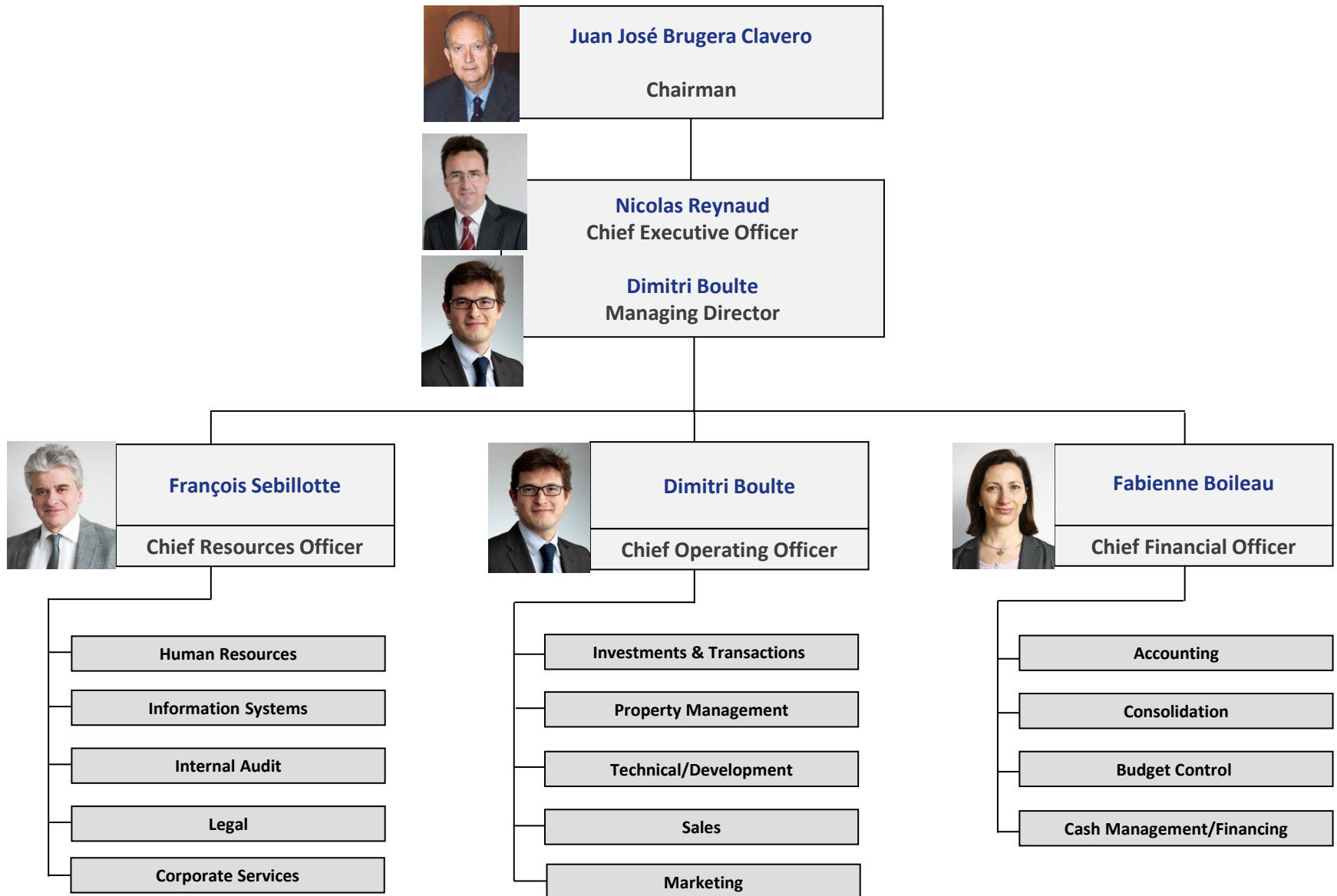


Colonial ownership structure



* Shareholders acting in concert

ORGANISATION STRUCTURE



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)
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)
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)

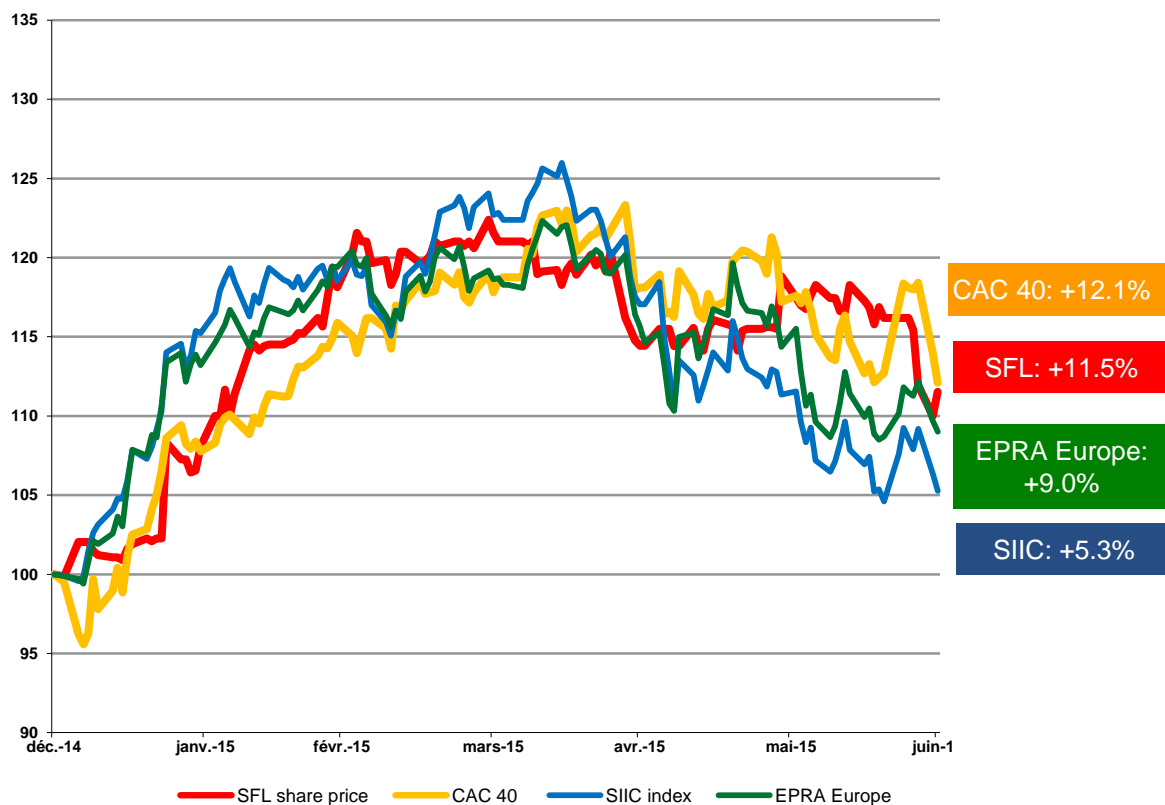
Anne-Marie de Chalambert
Pere Viñolas Serra

Committee of Independent Directors

Jacques Calvet
Anne-Marie de Chalambert
Anthony Wyand

SHARE PERFORMANCE

H1 2015 share performance⁽¹⁾



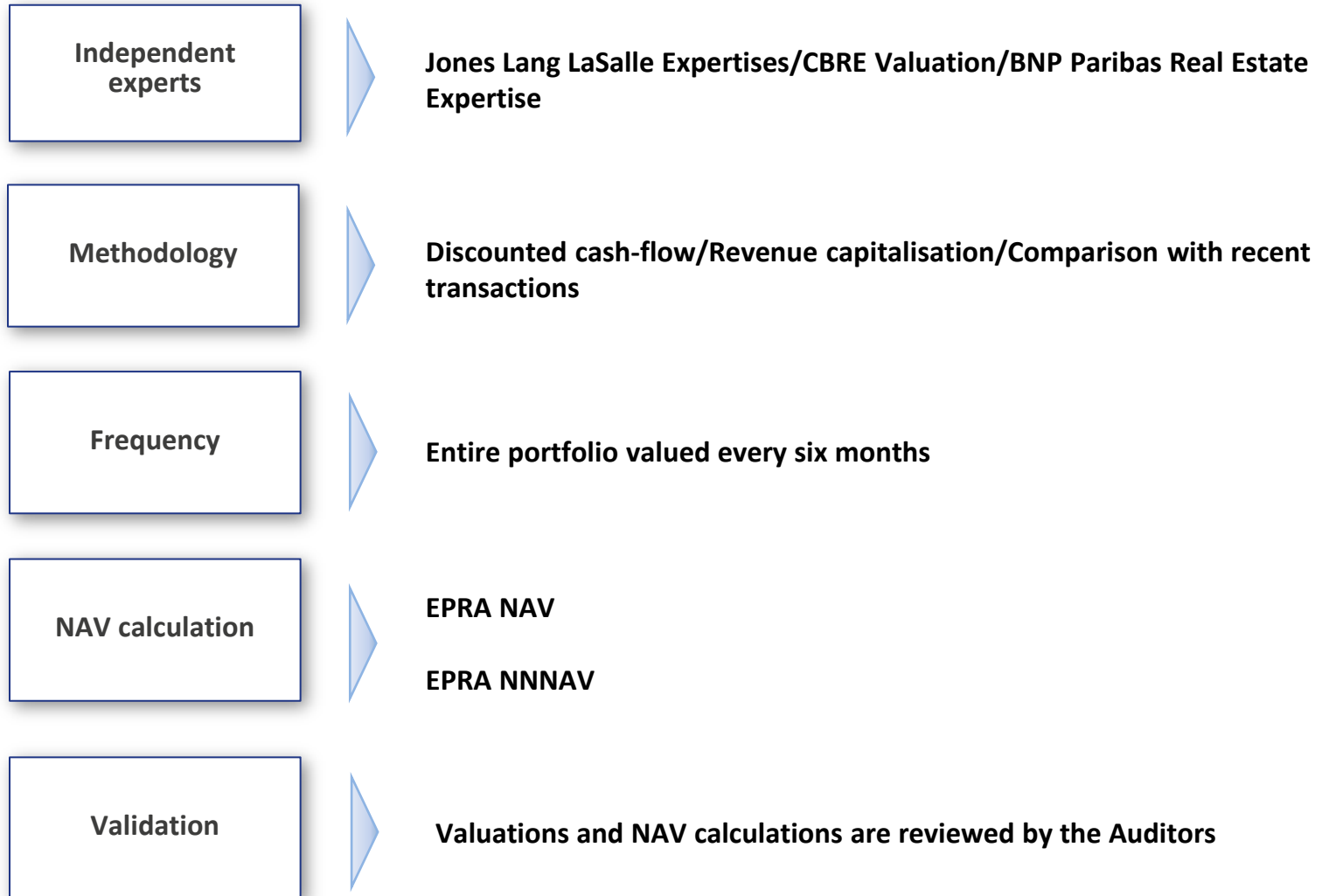
H1 2015 key figures⁽¹⁾

Shares outstanding at 30 June 2015 (thousands)	46,529
Average daily trading volume (shares)	2,544
Average daily trading volume (euros)	€106k
Closing share price at 31 December 2014	€36.36
High for the period (1 April)	€45.29
Low for the period (2 January)	€36.30
Closing share price at 30 June 2015	€40.55

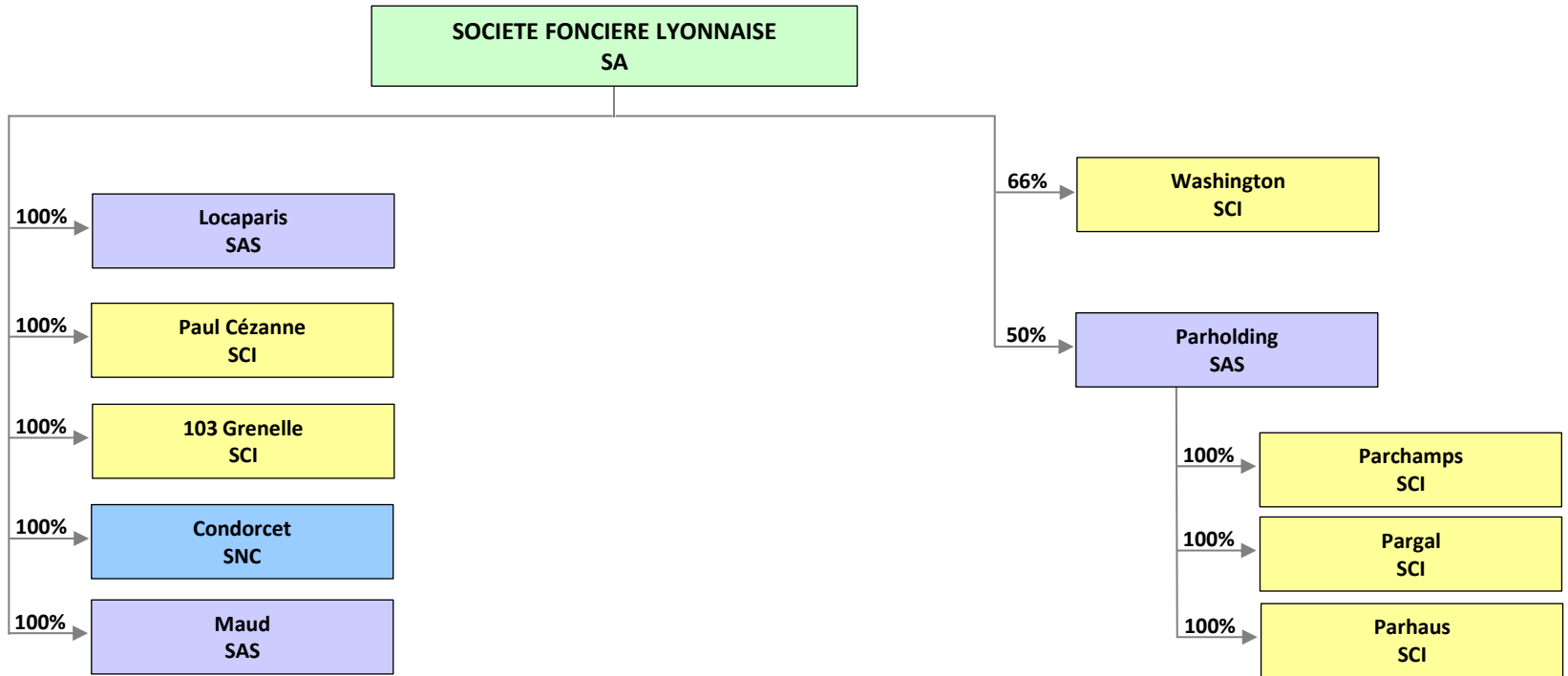
⁽¹⁾ Base 100: 31 Dec. 2014; data up to 30 June 2015

Sources: Euronext/Epra

PROPERTY VALUATION AND NAV CALCULATION



SIMPLIFIED LEGAL STRUCTURE

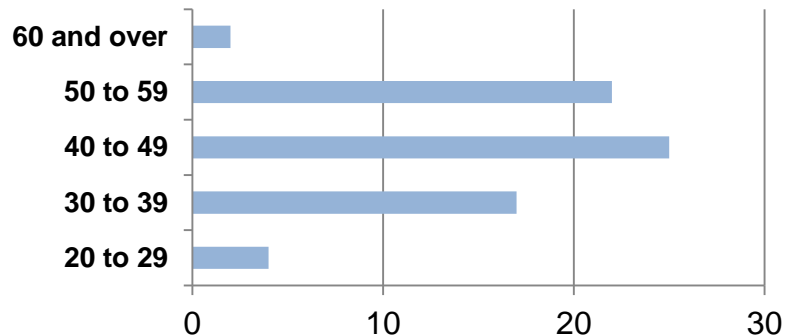


- SA (*Société Anonyme*)
- SAS (*Société par Actions Simplifiée*)
- SCI (*Société Civile Immobilière*)
- SNC (*Société en Nom Collectif*)

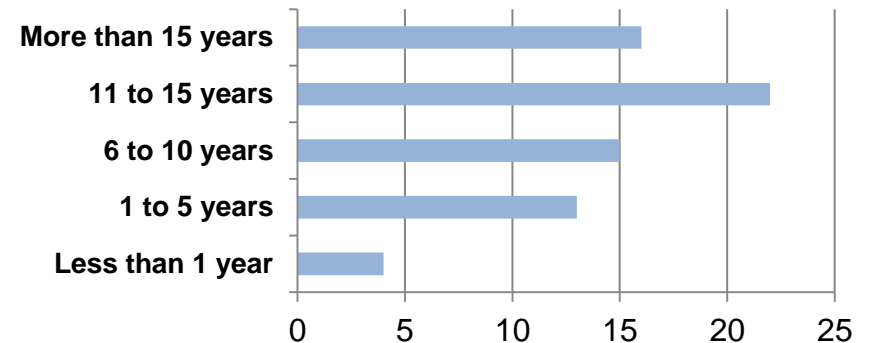
HUMAN RESOURCES

Number of employees	30 June 2015	31 Dec. 2014
Administrative staff	7	8
Supervisors	12	11
Managers	51	53
Total headquarters	70	72
Building caretakers	2	2

Employees⁽¹⁾ by age group
(on payroll at 30 June 2015)



Employees⁽¹⁾ by years of service
(on payroll at 30 June 2015)



⁽¹⁾ Excluding building staff and caretakers

Expenditure (€m)	H1 2015	H1 2014	Change %
Major renovation projects	62.8 ⁽¹⁾	38.2	
Other capitalised expenditure	8.3	5.1	
Total	71.1	43.3	64.3%

⁽¹⁾ Of which: #Cloud.paris: €36.5m; LDE-LDA: €14.3m; 90 Champs-Élysées: €6.3m; Washington Plaza: €4.8m

