



SFL

2013 INTERIM RESULTS

I. Introduction & Property Portfolio at 30 June 2013

II. First-Half Business Review

III. Property Transactions

IV. First-Half Financial Statements and Results

Appendices

First-Half Business Review

- ▶ 249/251 Saint-Honoré sold
- ▶ New leases signed on \approx 27,000 sq.m.
- ▶ Capex = €65m
- ▶ Cardinal project structural work launched
- ▶ 6,500 sq.m. of prime office space in the Edouard VII complex delivered

Paris Region

Paris & Central Business District

- **833,000 sq.m. let** in the Paris region in H1 2013 (19% less than in H1 2012)
 - ✓ Companies discouraged from relocating by gloomy economic environment + owners wary of signing leases without substantial guarantees = long drawn out negotiations
=> **lower volume of completed lettings/take-up rate**
 - ✓ **All districts affected except for the Western Crescent** (38,000 sq.m. taken up by GE in Boulogne-Billancourt)
 - ✓ 25 large transactions (> 5,000 sq.m.): roughly the same number as in H1 2012 (28 transactions)
- The market slowdown combined with an increase in available space is driving down market rents; users are positioned in the mid-range segments in terms of rental values.
- **Immediately available units in the Paris Region: 3.7 million sq.m.**
 - ✓ **H1 2013 vacancy rate: 7% (stable)**
 - ✓ Reduction in the proportion of new properties (20% of immediately available stock in Q2 2013 vs 26% at end-2010)
- **146,200 sq.m. let** in H1 2013 (roughly the same volume as in 2012)
 - ✓ Units of less than 1,000 sq.m. account for nearly half of the market
 - ✓ Stand-out transaction in H1 2013: 10,500 sq.m. of renovated office space at 6-8 Boulevard Haussmann leased by Banque Publique d'Investissement
 - ✓ **Market players: banks-financial services firms, law firms** (DS Avocats has leased 5,975 sq.m. of renovated office space in the Sixt'in Etoile Paris building), **consultants**, and **engineering firms**
- **Prime CBD rents: €760/sq.m./year** in Q2 2013 vs €770/sq.m./year at end-2012
- **At 353,000 sq.m.**, the stock of immediately available office space in the CBD has remained fairly stable (up 5% over one year)
 - ✓ **Units of less than 1,000 sq.m.** are increasingly common (= **50% of available space**)
 - ✓ Very large units are increasingly hard to find (65,000 sq.m. available)
 - ✓ **Vacancy rate: 5%** (the CBD remains essentially supply-driven)
 - ✓ Many units will come back on the market in the near future as tenants move out (180,000 sq.m.)

Sources: JLL, DTZ

Paris Region Commercial Property Investment Market in First-Half 2013

France & Paris Region

- **€6.2bn invested** in the commercial property market in **France** in H1 2013 (down 2% vs H1 2012)
 - ✓ Decline in the total number of transactions (145 in H1 2013 vs 196 in H1 2012)
- **Paris region: €4.5bn (73% of the total invested in France vs 83% in H1 2012)**
 - ✓ No mega-deals during the period
 - ✓ 13 office property deals for more than €100m, representing €2bn in total (vs 12 deals totalling €2.6bn in H1 2012)
 - ✓ Decisive role of €50m to €100m deals (18 deals= €1,167m in H1 2013 vs 11 deals = €698m in H1 2012)
- Breakdown of commitments: **64% Offices / 24% Retail / 12% Industrial**
 - ✓ **Lower proportion of office deals** with €4bn invested (vs €4.7bn in H1 2012)
 - ✓ **Strong demand for retail properties:** €1.5bn invested (up 25% vs H1 2012).
- Investors:
 - ✓ **63% French** (OPCI/ SCPI, property companies, insurance companies) and **37% International**

Paris & Central Business District

- Prime assets in the Paris CBD remain the investment of choice
- **Prime Paris CBD office yields: 4.25%** in Q2 2013 vs 4.50% in Q2 2012

Trend

- Total investments in 2013 around €12bn
 - ✓ Investors increasingly risk averse
 - ✓ Deteriorated rental market
 - ✓ Increased pressure from taxes and labour costs

Sources : JLL, Cushman Wakefield

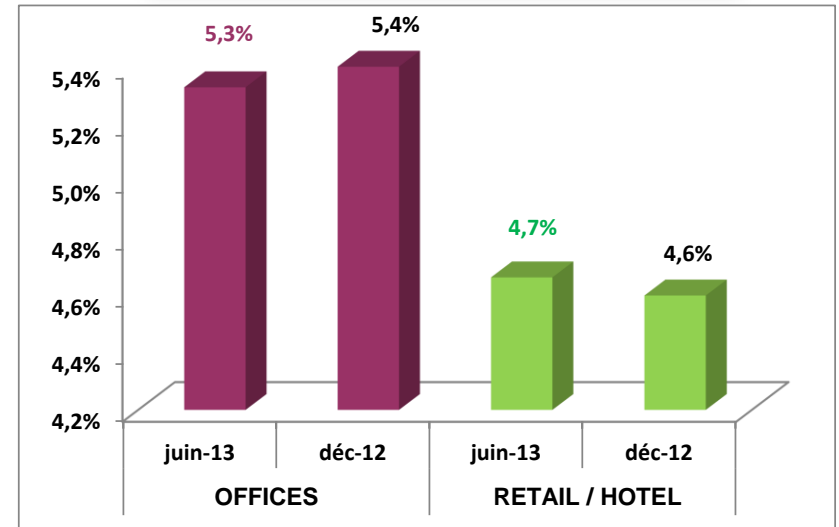
Appraisal Values at 30 June 2013

Consolidated portfolio value: €3,745m excl. transfer costs
 (down 3.5% vs 31 December 2012)
 €3,936m incl. transfer costs

Like-for-like (excl. transfer costs)
 up 4.3% over 6 months
 (up 9.5% over 12 months)

Average value per sq.m.
 €10,139/sq.m. excl. transfer costs
 (€10,233/sq.m. excl. transfer costs at 31
 December 2012)

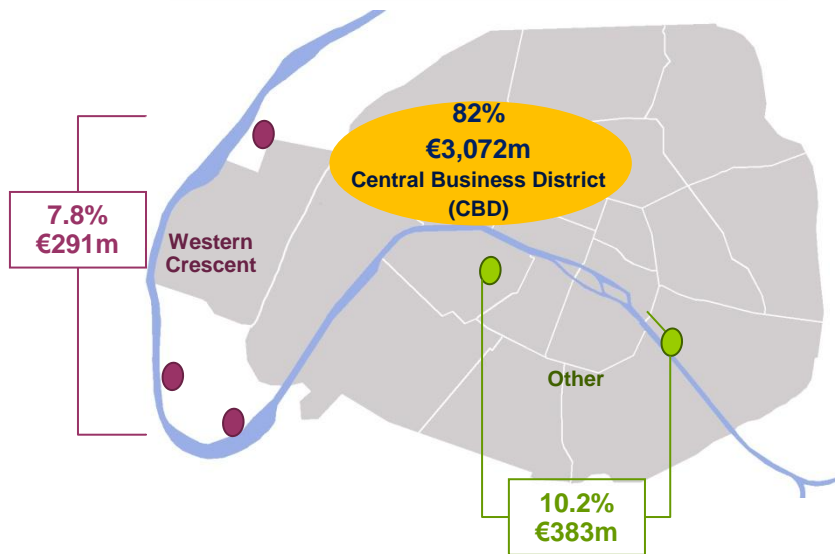
Yield ⁽¹⁾
 5.2%
 (5.3% at 31 December 2012)



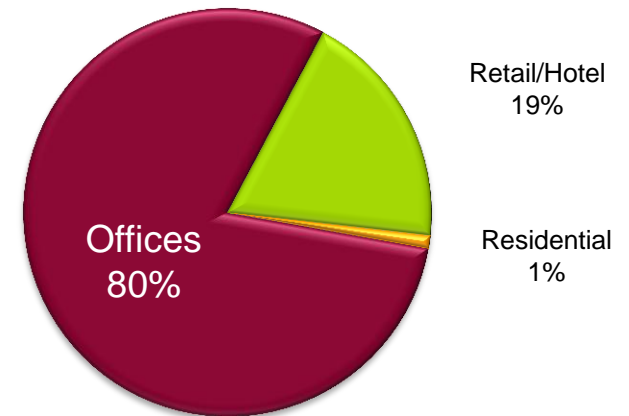
(1) (Passing rent + Market rent on vacant properties)/(Appraisal value including transfer costs + discounted capex)

Property Portfolio at 30 June 2013

Geographic focus (value)



Market focus (value)



Property Portfolio: 369,300 sq.m. / 18 properties

PARIS Central Business District	Total surface area
Edouard VII	54,100 sq.m.
Louvre Des Entreprises- Louvre Des Antiquaires	47,700 sq.m.
Washington Plaza	47,100 sq.m.
Îlot Richelieu	33,200 sq.m.
Cézanne Saint-Honoré	29,000 sq.m.
Hausmann Saint-Augustin	13,400 sq.m.
131, avenue de Wagram	9,200 sq.m.
96, avenue d'Iéna	8,900 sq.m.
Galerie des Champs-Élysées	8,700 sq.m.
90, avenue des Champs-Élysées	8,600 sq.m.
Ozone, 92 Champs-Élysées	7,700 sq.m.
112, avenue de Wagram	6,000 sq.m.
6, rue de Hanovre	4,700 sq.m.
Total	278,200 sq.m.

Other locations	Total surface area
Rives de Seine <i>Paris 12°</i>	22,700 sq.m.
103 Grenelle <i>Paris 7°</i>	19,700 sq.m.
Total	42,400 sq.m.

Golden Crescent and La Défense	Total surface area
IN / OUT <i>Boulogne-Billancourt</i>	35,000 sq.m.
176, avenue 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.

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Rental Revenues

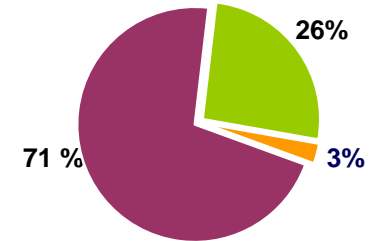
In €m

H1 2012 rental revenue	74.6
Δ Like-for-like growth	+3.3
Δ Effect of post-renovation remarketing/ properties taken off market for renovation	-5.3
Δ Decrease due to sales	-4.4
Δ Change in scope of consolidation	+6.5
H1 2013 rental revenue	74.6

Change on a comparable portfolio basis
+5.7%

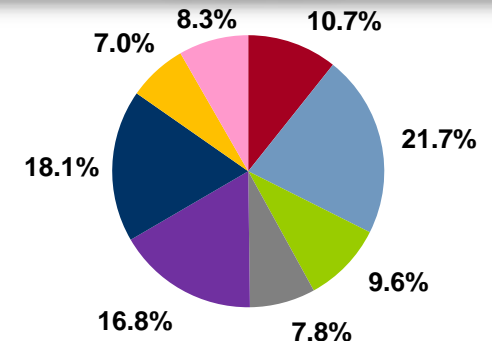
Reported increase
+0.1%

H1 2013 rental revenue: €74.6m



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

Breakdown by tenant business
30 June 2013



- Banking
- Law firms
- Media-Communication
- Consulting
- Services
- Insurance
- Clothing retailers
- Other

A Diversified Tenant Base of Leading Companies

Law firms

- Ashurst
- Bird & Bird
- Freshfields
- SJ Berwin

Consultants

- Hudson
- LEK Consulting
- Mysis
- Spencer Stuart
- Valtech

Clothing Retailers

- GAP
- Hugo Boss
- H&M
- Louis Vuitton
- Morgan
- Promod
- Zara

Property

- Aberdeen
- Ateac
- CBRE Investors
- FRG
- LaSalle
- Orion
- Regus

Media/Communication

- Facebook
- Lagardère
- TV5 Monde
- Universal

Banking

- CCR AM
- Cinven
- Citibank
- Comgest
- Dexia AM
- GIE Carte Bancaire
- Natixis

Insurance

- AG2R La Mondiale
- C.C.Réassurance
- RSA
- Zurich

Other

- Barilla
- Constellium
- Dalkia
- ESMA
- GE Energy
- Générale de Santé
- Moneygram

New leases: 27,600 sq.m.



*Rives de Seine
Paris 8^{ème}*



*LDE-LDA
Paris 1^{er}*

Offices

- 27,400 sq.m. newly let or relet
- Avg. nominal rent: 506 €/sq.m./year
- Effective rent: 463 €/sq.m./year
- Attributable to SFL: €14.1m

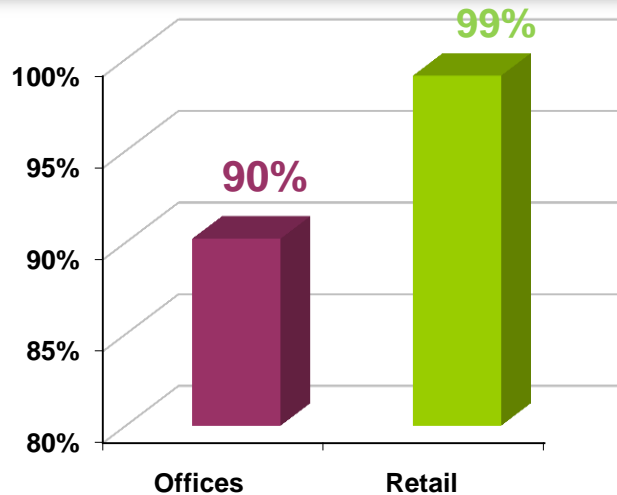
Main leases signed in H1 2013

Property	Type	Surface (sq.m.)	Tenant
Rives de Seine	Offices	22,700	NATIXIS
LDE-LDA	Offices	2,400	HUGO BOSS
LDE-LDA	Offices	1,600	ARIBA

Occupancy Rates

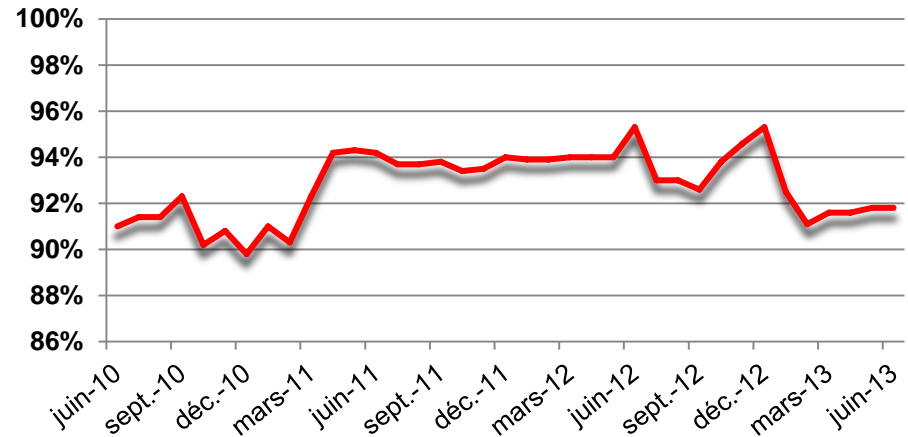
Occupancy rate⁽¹⁾ at 30 June 2013: 91.8%
(95.3% at 31 December 2012)

Occupancy rate by property type (excluding properties under renovation)



EPRA vacancy rate:
9.7%

Change in occupancy rate⁽²⁾



Lowest occupancy rates

At 30 June 2013 (attributable to SFL)

Property	Vacant sq. m.	% vacant ⁽³⁾
Edouard VII	8,050	3.7%
LDE	4,380	2.0%
Washington Plaza (66%)	2,500	1.2%
Cézanne Saint Honoré	1,940	0.9%

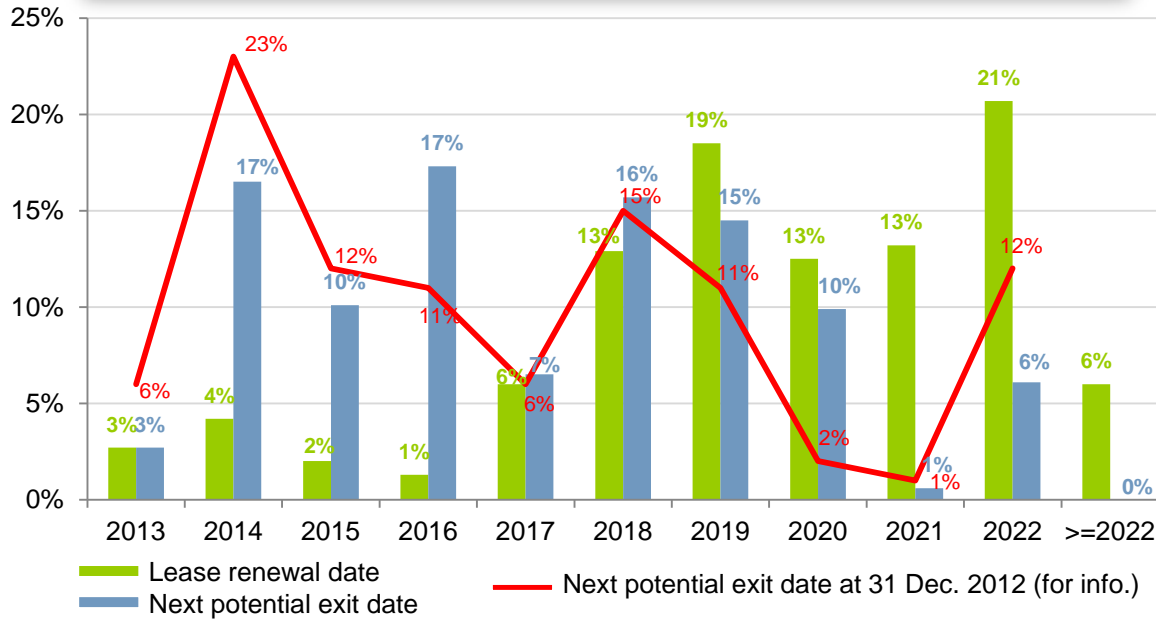
(1): Surface Area attributable to SFL, excluding surface areas being refurbished or buildings being renovated

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

(3): Percentage attributable to the Group, excluding properties undergoing renovation

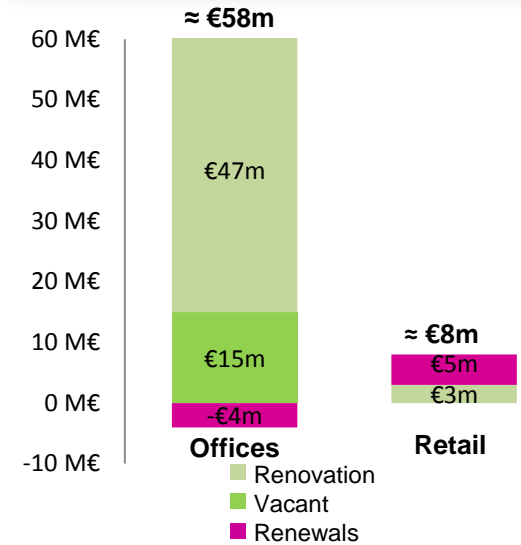
Lease Renewals and Reversionary Potential

Commercial lease expiry dates



Potential rents

(Consolidated data)



Average rent SFL office properties, 30 June 2013:
€634/sq.m./year

Legal lease term⁽¹⁾
6.6 years

Remaining lease term⁽²⁾
4.2 years

Potential rents
≈ €62m (attributable to SFL)

⁽¹⁾ Weighted average period remaining for leases in progress as of 30 June 2013, up to lease expiry date.

⁽²⁾ Weighted average period remaining for leases in progress as of 30 June 2013, up to next potential exit date.

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Sale of 249/251 Saint-Honoré

Mandarin Oriental Paris

- ▶ **Acquired: July 2006**
- ▶ **Delivered: April 2011**
- ▶ **Sold: February 2013**
- ▶ **Total surface area: 17,400 sq.m.**
- ▶ **Tenants:**
 - Mandarin Oriental Hotel Group
 - Dsquared²
 - Ports1961
- ▶ **Architecture and Design:**
 - Wilmotte et Associés
 - SM Design
 - Agence Jouin Manku



A textbook example of how to create value

- ▶ **Buyer: Mandarin Oriental Hotel Group**
- ▶ **Net sale proceeds: €290 million**
- ▶ **Value created: 30%**
- ▶ **Distributable gain (under SIIC regime): €73m**

Current Renovation Projects

At 31 Dec. 2012	92,900 sq.m.	
Newly let or lettable	-9,700 sq.m.	
EDOUARD VII	-6,520 sq.m.	
WASHINGTON PLAZA	-3,180 sq.m.	
Under renovation	6,600 sq.m.	
WASHINGTON PLAZA	2,680 sq.m.	
LDE - LDA	2,760 sq.m.	
CEZANNE SAINT HONORE	1,040 sq.m.	
Other	120 sq.m.	
At 30 June 2013	89,800 sq.m.	Delivery:
IN/OUT	35,000 sq.m.	09/2013
Richelieu	33,200 sq.m.	H2 2015
LDE-LDA	13,250 sq.m.	2013/2016
Other	8,350 sq.m.	



IN / OUT
92100 Boulogne-Billancourt



Richelieu
Paris 2^{ème}



LDE-LDA
Paris 1^{er}

► **Rental potential ≈ €48m**
(Attributable to SFL)



Seine facade - July 2013



Mantille - July 2013



Service building - June 2013

Richelieu project

83, rue de Richelieu – Paris 2^{ème}



▶ **Building permit issued: July 2012**

▶ **Deadline for submitting planning decision challenges: September 2012 (decision not challenged)**

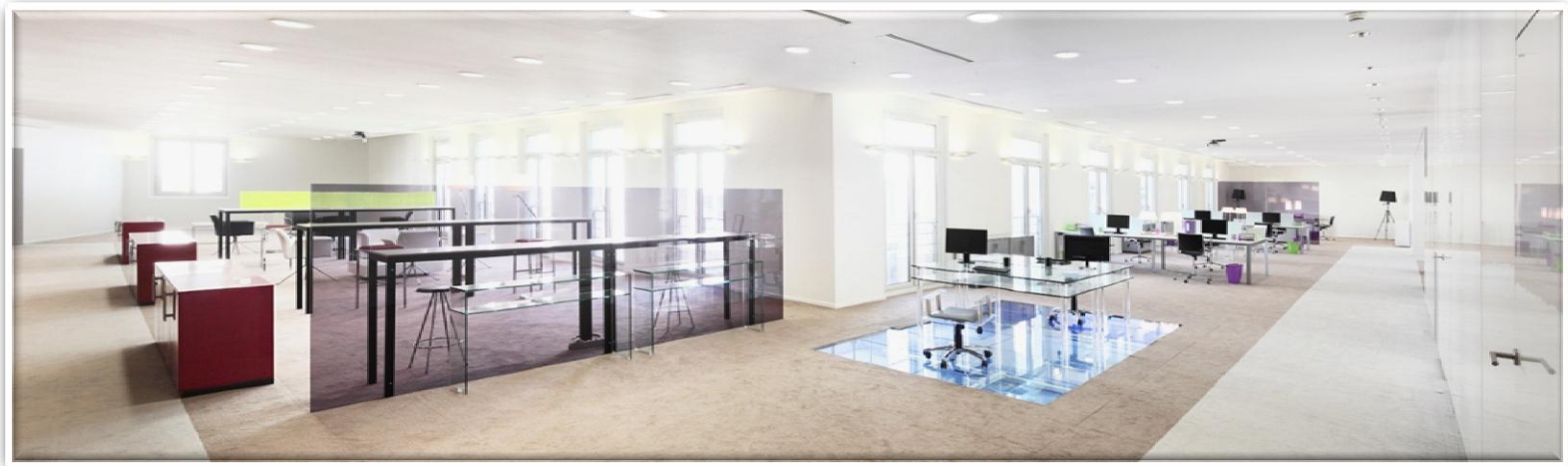
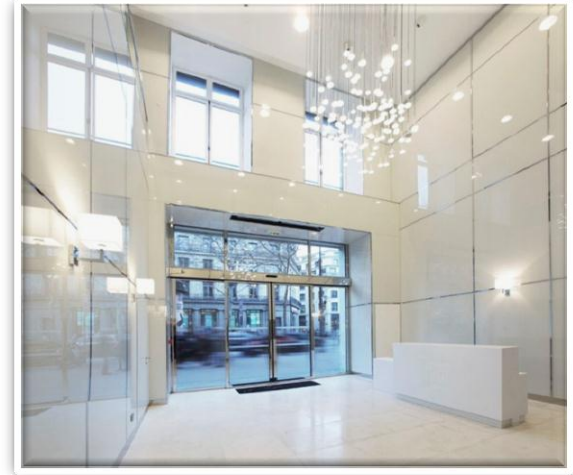
▶ **Stripping work launched: October 2012**

▶ **Choice of prime contractor (Vinci Construction France): January 2013**

▶ **Construction work started: June 2013**

▶ **33,200 sq.m. of new office space
Delivery: H2 2015**

Carré Edouard VII – Paris 9^{ème}



▶ **6,500 sq.m. of fully renovated offices in the process of being marketed**

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First-Half 2013 Results

€m	H1 2013	H1 2012
Property rentals	74.6	74.6
Property expenses, net of recoveries	(6.4)	(6.7)
Net property rentals	68.3	67.9
Service and other revenue	0.7	2.2
Depreciation, amortisation and provision expense, net	0.9	(0.3)
Employee benefits expense and other expenses	(10.0)	(9.1)
Operating profit before disposals and fair value adjustments	59.8	60.6
Profit/(loss) on asset disposals	(0.2)	0.0
Fair value adjustments to investment properties	79.7	136.6
Share of profit of associates	11.6	9.3
Finance costs and other financial income and expense	(35.0)	(35.4)
Income tax expense	(16.7)	(7.1)
Profit for the period	99.2	164.0
Minority interests	(17.0)	(9.3)
Attributable net profit	82.2	154.8
<i>EPRA earnings</i>	29.7	34.6

EPRA earnings

€m	H1 2013		H1 2012	
	Recurring EPRA	Non Recurring	Recurring EPRA	Non Recurring
Property rentals	74.6		74.6	0
Property expenses, net of recoveries	(6.4)		(6.7)	0
Net property rentals	68.3		67.9	0
Service and other revenues	0.7		2.2	0
Depreciation, amortisation, provisions, net	0.9		(0.3)	0
Employee benefits expense and other expenses	(10.0)		(9.1)	0
Operating profit before disposals and fair value adjustments	59.8		60.6	0
Profit/(loss) on asset disposals	0	(0.2)	0	0
Fair value adjustments to investment properties	0	79.7	0	136.6
Share of profit of associates	6.7	4.8	6.9	2.4
Finance costs, other financial income and expense	(26.2)	(8.8)	(28.2)	(7.2)
Income tax expense	(5.4)	(11.4)	(2.2)	(4.9)
Profit for the period	35.0	64.2	37.0	127.0
Minority interests	(5.4)	(11.7)	(2.4)	(6.9)
EPRA earnings	29.7	52.5	34.6	120.1
Average number of shares (thousands)	46,529		46,529	
Underlying attributable earnings per share	€0.64		€0.74	

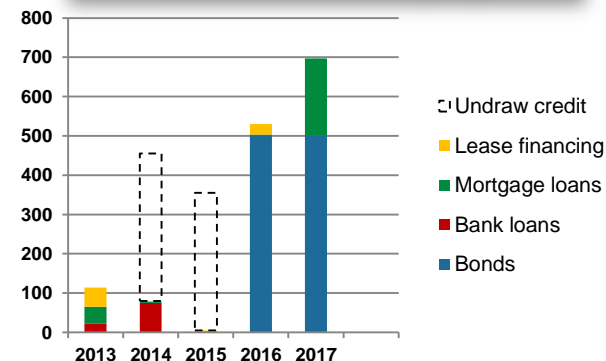
Consolidated Balance Sheet

€m	30/06/13	31/12/12
Assets		
Investment properties	3,682	3,529
SIIC de Paris shares	291	287
Other non-current assets	35	30
Non-current assets	4,008	3,846
Properties held for sale	0	287
Other current assets	104	86
Total current assets	104	373
Total Assets	4,112	4,218
Equity & Liabilities		
Equity	2,169	2,137
Minority interests	213	198
Total equity	2,382	2,335
Non-current liabilities	1,445	1,643
Current liabilities	285	240
Total Equity and Liabilities	4,112	4,218

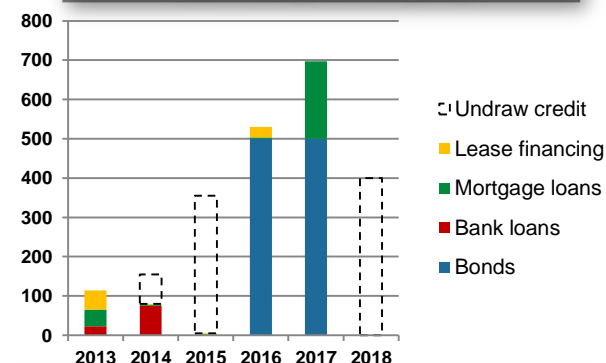
Consolidated Loan-to-Value

(€m)	30/06/13	31/12/12	% change
	Consolidated	Consolidated	
Bonds	1,000	1,000	0
Syndicated line of credit	0	45	-45
Other bank loans	344	438	-94
Lease financing	82	89	-7
Total debt	1,426	1,572	-146
Cash and cash equivalents	25	25	0
Net debt	1,401	1,547	-146
Undrawn lines of credit	725	605	+120
Property portfolio incl. transfer costs	3,936	4,072	-136
SIIC de Paris shares	291	287	+4
Loan To Value ratio	33.1%	35.5%	-2.4%
Average life (years)	3.5	3.9	-0.4
Average spot cost (after hedging)	3.5%	3.6%	-0.1%

Debt maturities
at 30 June 2013 (€m)



Debt maturities
At 4 July 2013 (€m)



S&P rating:
BBB- / A-3 Stable outlook

Net Asset Value

€m	30/06/13	31/12/12
Equity	2,169	2,137
Treasury shares and stock options	16	16
Unrealised capital gains	8	9
Elimination of financial instruments at fair value	0	18
Elimination of deferred taxes	75	67
EPRA NAV	2,267	2,246
EPRA NAV / share	€48.7	€48.3
Financial instruments at fair value	0	(18)
Fixed-rate debt at fair value	(58)	(54)
Deferred taxes	(75)	(67)
EPRA NNAV	2,134	2,108
EPRA NNAV/ share	€45.9	€45.3
Transfer costs on property portfolio	164	164
NAV including transfer costs	2,297	2,271
NAV/share including transfer costs	€49.4	€48.8

Growth in EPRA NNAV (in €m)

NNNAV 31 December 2012	2,107.6
Changes in fair value of attributable assets and disposal gains	+60.2
Changes in fair value of debt and financial instruments	-0.3
Attributable recurring profit	+29.6
Dividend	-64.5
Other	+1.0
NNNAV at 30 June 2013	2,133.6

Key Figures

	H1 2013	H1 2012
Property rentals (IFRS)	€74.6m	€74.6m
Operating profit before fair value adjustments and disposals	€59.8m	€60.6m
Disposal gains (losses) and fair value adjustments, investment properties	€79.5m	€136.6m
Profit attributable to equity holders	€82.2m	€154.8m
<i>Profit attributable to equity holders per share</i>	€ 1.77	€3.33
EPRA earnings	€29.7m	€34.6m
<i>EPRA earnings per share</i>	€0.64	€0.74

	30/06/13	31/12/12
Portfolio value (excluding transfer costs and SIIC de Paris)	€3,745m	€3,882m
EPRA NNAV per share	€45.9	€45.3

www.fonciere-lyonnaise.com

Changer la taille du texte A Flux rss   



La foncière de référence sur le segment prime de l'immobilier tertiaire parisien

SOCIÉTÉ
PATRIMOINE
FINANCES
PUBLICATIONS
ENGAGEMENTS DURABLES



Qui sommes-nous ?



Avec un patrimoine exceptionnel de 3,8 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.

[en savoir plus](#)

Agenda

24/07/2013 Présentation des résultats semestriels 2013 à 12h00 au Centre de Conférence Edouard VII 23, Square Edouard VII - 75009 PARIS

[en savoir plus](#)

Actualités & communiqués

10/04/2013 Rapport Annuel 2012

15/02/2013 Résultats Annuels 2012

12/07/2013 SFL signe le 1er hôtel Indigo à Paris

10/07/2013 SFL 4ème ex aequo au baromètre Novethic 2013

04/07/2013 SFL – Crédit syndiqué de 400 M€

[en savoir plus](#)

Cours de l'action

au 18/07/2013 - 17:35:00

€39,00

 **Rapport annuel**
ISIN: FR0000033409

Nos projets d'exception



Plan du site | Contact | Mentions légales

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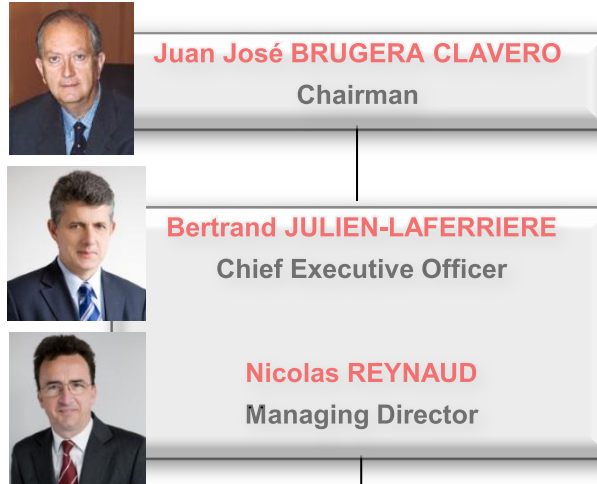
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Organisation Structure

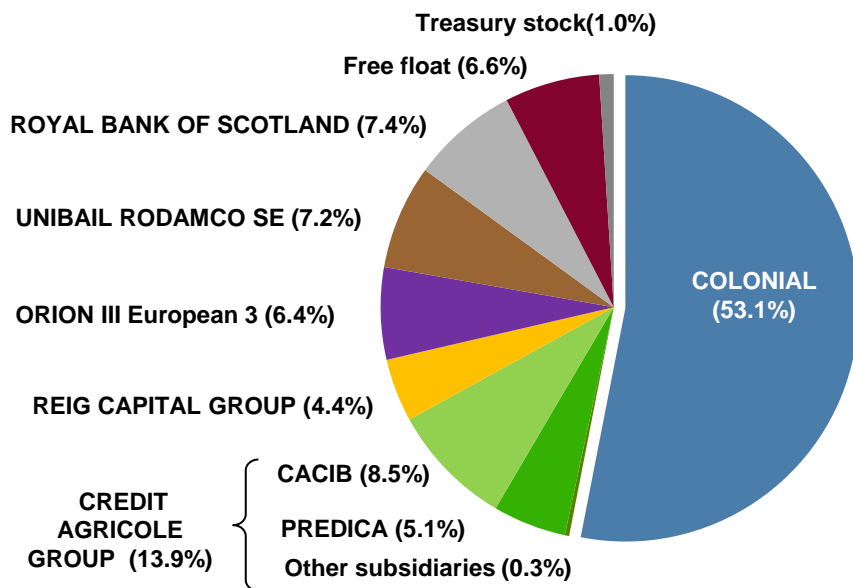


Number of employees	
Head Office	74
Building staff	2
Total	76

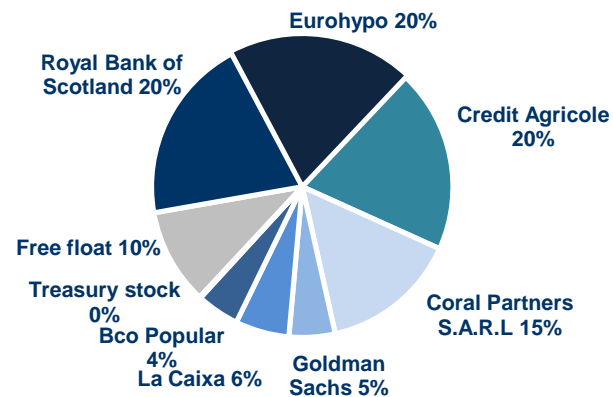


Ownership Structure at 30 June 2013

SFL's Ownership Structure (46.5 million shares)



COLONIAL Ownership Structure



Board of Directors

Juan José BRUGERA CLAVERO	(Chairman of the Board, 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 TREPAT	(Director, Colonial)
Pere VIÑOLAS SERRA	(Director, Colonial)
Anthony WYAND	(Independent director)
REIG CAPITAL GROUP Luxembourg SARL	(Director, represented by Alejandro HERNANDEZ-PUERTOLAS)

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
Anthony WYAND

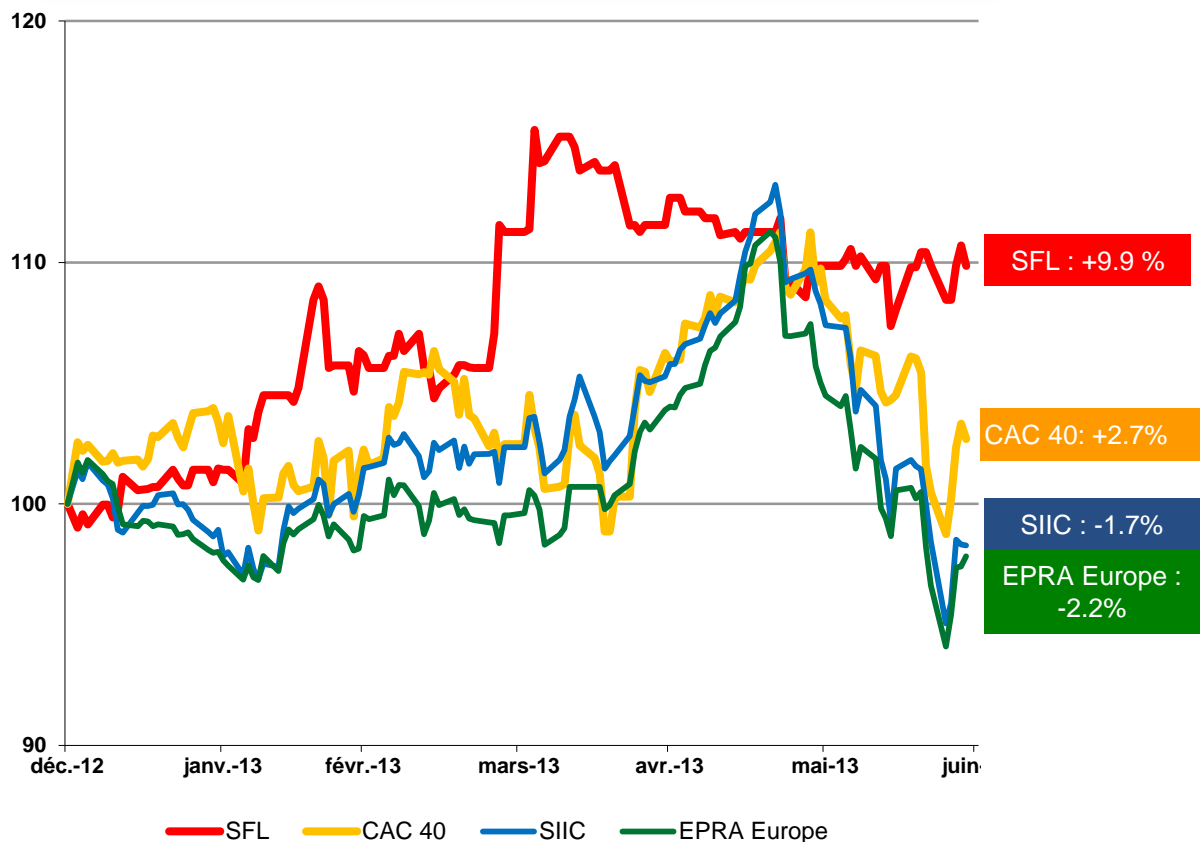
Independent Directors Committee

Jean ARVIS
Jacques CALVET
Anthony WYAND

 Representing Colonial  Other

Share Performance

H1-2013 share performance⁽¹⁾



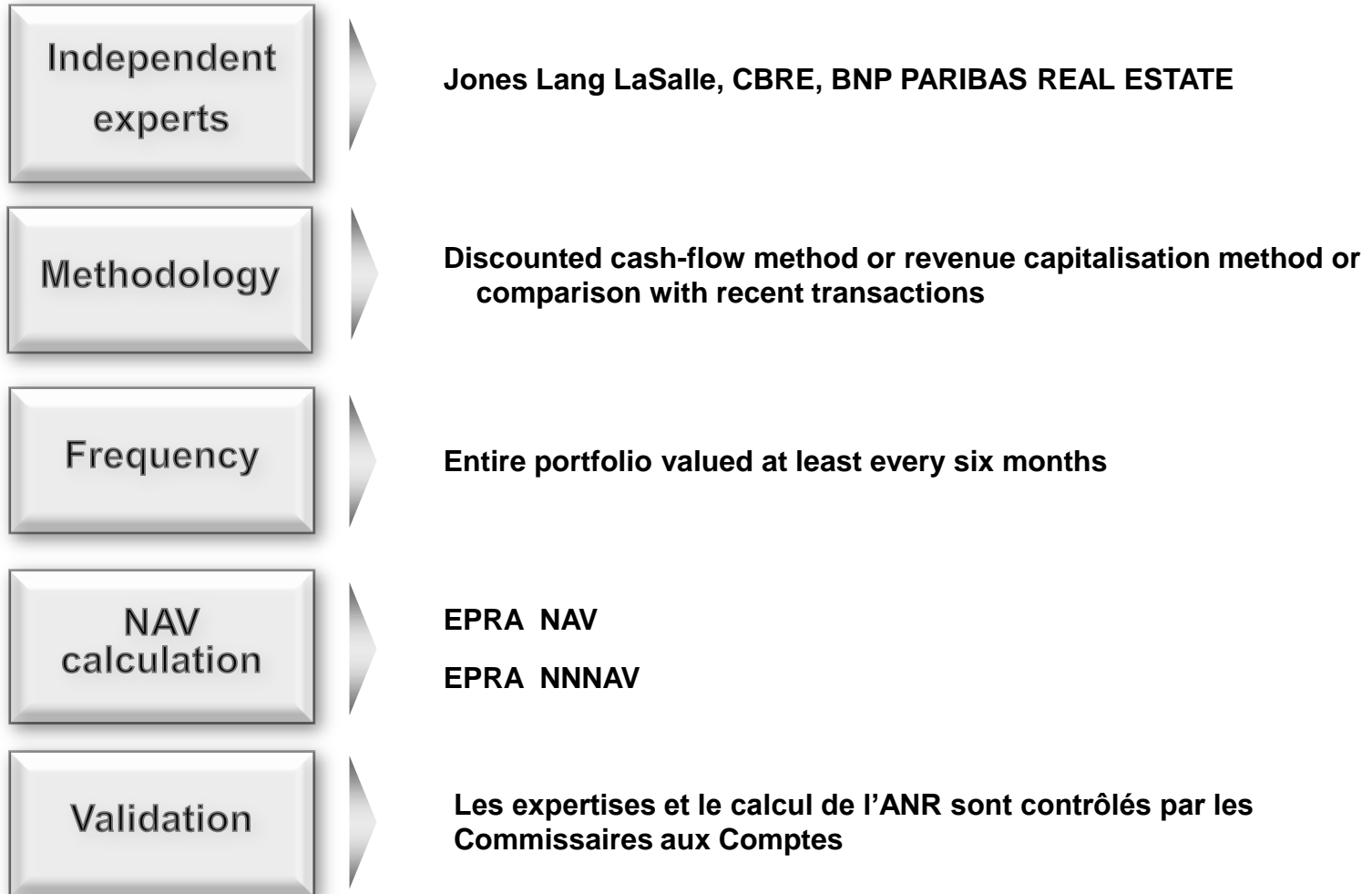
⁽¹⁾ Base 100: 31/12/12 ; data up to 30 June 2013

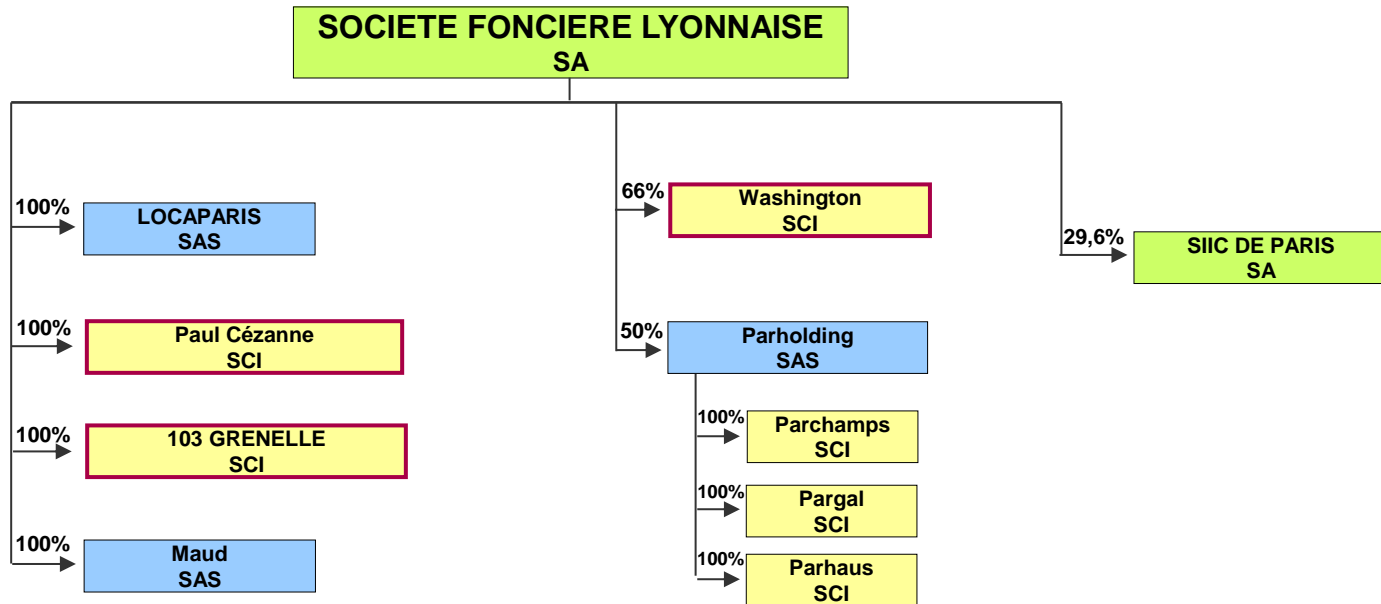
Sources: Euronext/Epra

H1 2013 Key figures

Shares outstanding at 30 June 2013 (in thousands)	46,529
Average daily trading volume (shares)	4,624
Average daily trading volume (amount)	€173,000
High for the period (4 April)	€41.23
Low for the period (3 January)	€35.00
Closing price on 30 June 2013	€39.00

Property Valuation and NAV Calculation



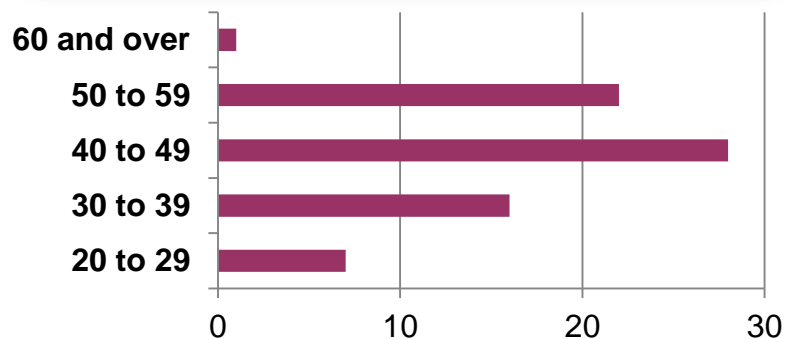


- SA (Société Anonyme)
- SAS (Société par Actions Simplifiée)
- SCI (Société Civile Immobilière)
- Flow through entities whose results are consolidated with SFL under the SIIC regime

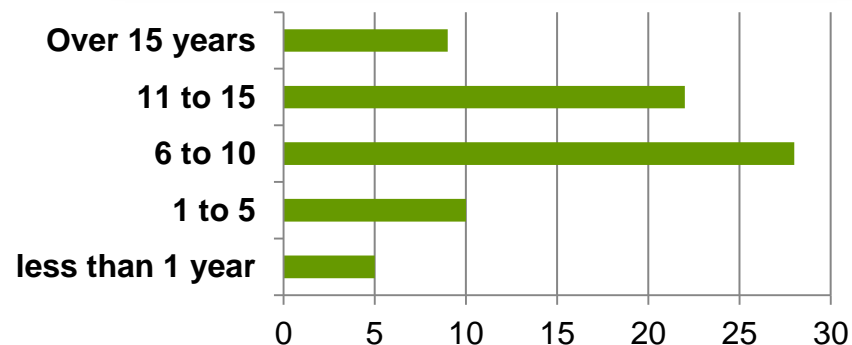
Human Resources

Number of employees	30 June 2013	31 Dec. 2012
Building caretakers	2	2
Administrative staff	9	12
Supervisors	11	13
Managers	54	52
Total	76	79

Employees⁽¹⁾ by age group
(at 30 June 2013)



Employees⁽¹⁾ by years of service
(at 30 June 2013)



⁽¹⁾ Excluding building staff and caretakers

Expenditure (€m)	H1 2013	H1 2012	% change
Major renovation projects	47.9 ⁽¹⁾	31.4	
Other capitalised expenditure	17.1	18.5	
Total	65.0	49.9	+30.4%

⁽¹⁾ IN/OUT ⇒ €37.5m ; Cardinal ⇒ €10.4m