
2012 ANNUAL RESULTS

I. Strategic Vision

II. 2012 Business Review

III. Rental Activity

IV. Property Purchases & Sales

V. 2012 Financial Statements & Results

Appendices

Strategic vision



Know our clients

Who are they?



Analyse our clients' needs

What are the offices used for?



Practical value

What is the offices' value to the client?



Assess the product and service offer

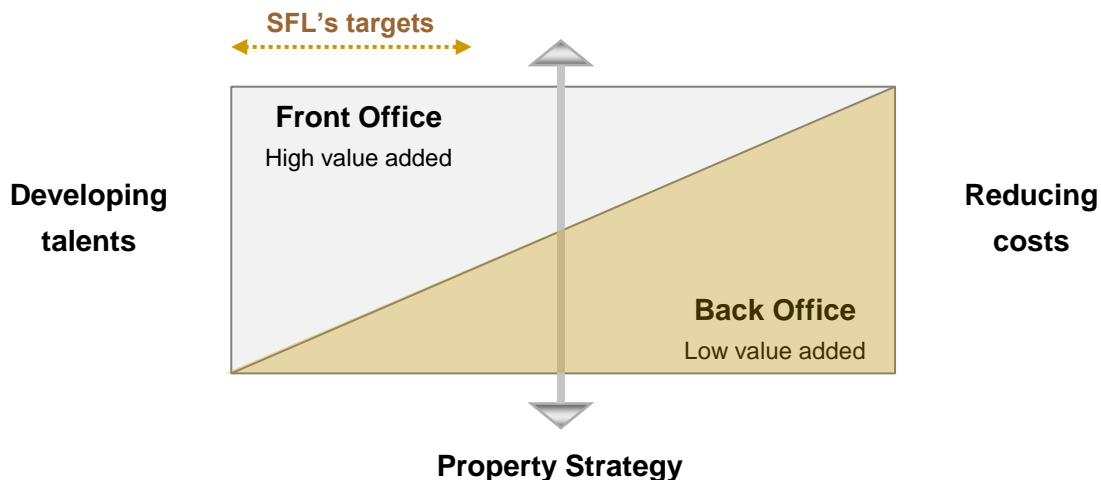
How do they respond to clients' needs?

Customer approach: “SFL, we care for your talents”

**Companies’ HR
strategy**

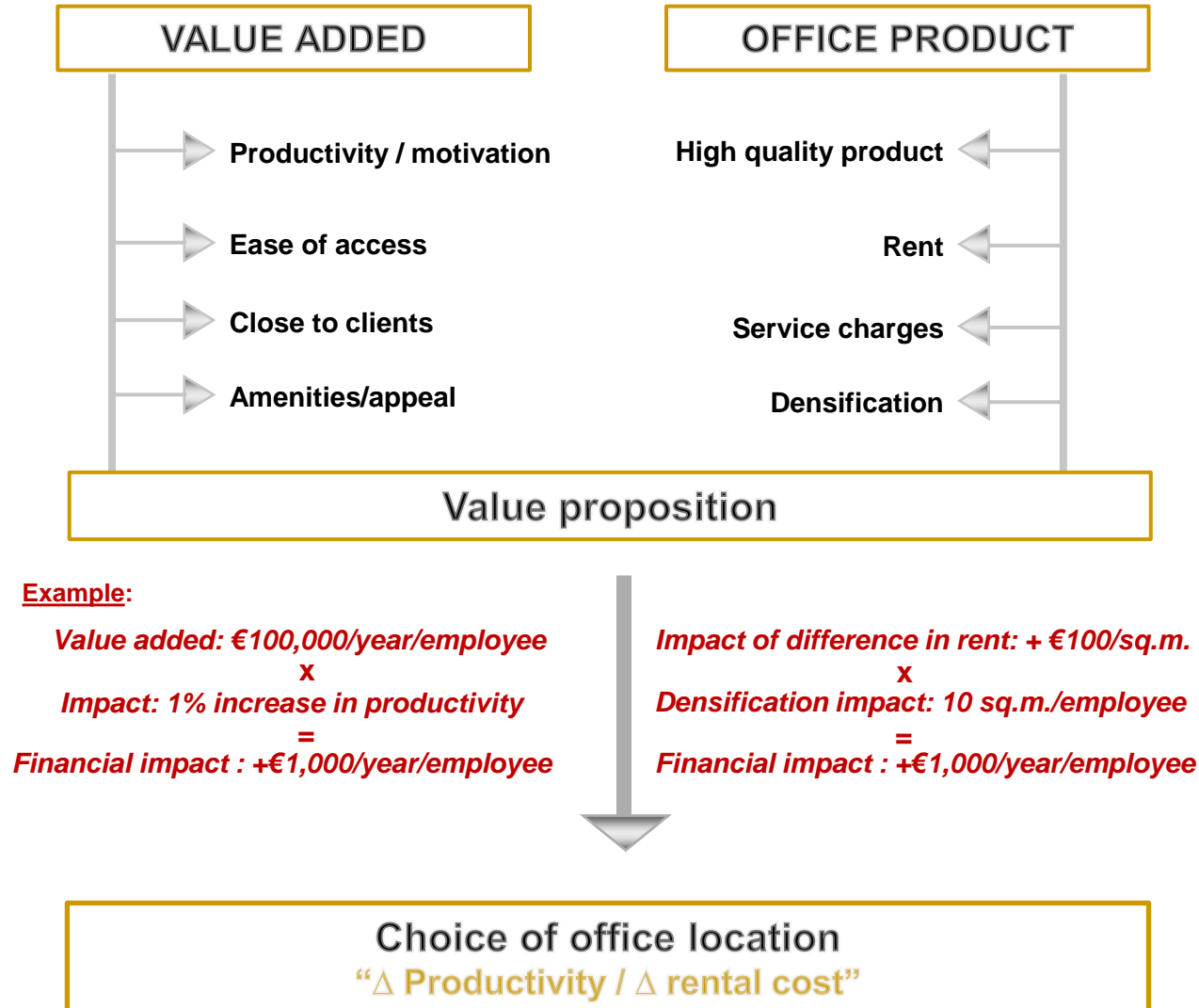
**Profile of target
companies**

**Main types of SFL
clients**



- ▶ Large front office operation
 - ▶ High proportion of managers and executives
 - ▶ Significant value-added per employee
 - ▶ Close client/partner relations
-
- ▶ Law firms, consulting firms
 - ▶ Corporate headquarters, headquarters of international subsidiaries
 - ▶ Luxury goods companies
 - ▶ Financial services, asset management, property companies

Financial Rationale for Renting Prime Offices



Factors affecting service sector productivity

Client needs

SFL's offer

Ease of access



**In the centre of the Paris
public transport network**

Central location



**Central Business District, close to
the decision-making centres**

**Alignment with working
methods**



Prime product design
(Horizontality / Flexibility / Modernity/ Luminosity)

Pleasant work environment



High quality urban environment
Dedicated on-site amenities

**Good environmental
performance**



**Labels, certifications and
small carbon footprint**

Visual appeal



Architecture/Design
Image/Identity

SFL's product/service offer

Quote:

“For our clients whose value added ranges from €100,000 to €300,000 per employee per year, developing talents and their contribution to the company's value chain is the main factor driving their success.

These companies have to realise that a 1% improvement in their teams' productivity has the same potential impact as reducing the office rent by 15% to 30% or €100 to €300 per square metre (based on 10 square metres per workstation). They should understand, when choosing their offices, how important it is to them to value the benefit of the workplace and to consider issues such as central location, ease of access, functionality, amenities and corporate identity, rather than just looking at the rent.”

The SFL Business Model

A Paris Prime Office Property Specialist

- ▶ **Uniform client segment**
- ▶ **Detailed knowledge of the segment**
- ▶ **Portfolio aligned with this positioning**

Shortage of Prime Offices in Paris

- ▶ **High barrier to entry**
- ▶ **Limited flow of new prime properties**
- ▶ **SFL's leadership affirmed**
- ▶ **90% of the Central Business District offer is not prime**

Value Proposition

- ▶ **Responding to the needs of leading companies focused on developing talents**
- ▶ **A value-added impact that offsets high rental costs**
- ▶ **Excellent products, amenities and environmental performance**

Professional Excellence

- ▶ **Expertise in managing relations with prime tenants**
- ▶ **Expertise in developing prime Paris office properties**
- ▶ **Segment leader in sales and marketing**

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2012 Highlights

Exceptional marketing performance

▶ **Leases signed on over 37,000 sq.m.**

▶ **New tenants: GE Energy, Misys, Moneygram, Simon Kucher, SJ Berwin, Zara.**

Ambitious capex programme

▶ **€125m development capex**

▶ **Ozone, IN-OUT, Richelieu**

92 Champs-Élysées delivered

▶ **100% let**

▶ **Appraisal value: +130% in 3 years**

Mandarin Oriental sold

▶ **Sale agreed in November 2012 (completed on 8 February 2013)**

▶ **€290m ≈ 15% gain vs. appraisal value at 30 June 2012**

▶ **≈ 30% gain vs. historical cost**

Refinancing

▶ **Second €500 million bond issue**

▶ **Parholding €206 million refinancing of mortgage loans**

Paris Region Office Rental Market

Paris Region

- 2.4m sq.m. let during the year (down 3% vs 2011)
 - ✓ Annual volume firm thanks mainly to rebound in Q4
 - ✓ Market driven by very large transactions (70 > 5 000 sq.m. o/w 12 > 20 000 sq.m.) representing 47% of take-up, offsetting the decline in the total number of transactions
 - ✓ Widely varying take-up rates depending on the sector
- 3.6m sq.m. available for rent, unchanged for the third year running
 - ✓ Vacancy rate: 7.1%

Paris & Central Business District

- 345,000 sq.m. let during the year
 - ✓ Lower take-up (down 13% vs. 2011)
 - ✓ Prime properties in short supply
- Prime rents: Nominal €820/sq.m. / Effective €700/sq.m. (e.g. 92 Champs-Élysées)
- 340,000 sq.m. available immediately (up 9% vs. 2011)
 - ✓ Vacancy rate: 5.2%

Trend

- Momentum created by very large units (> 5 000 sq.m.)
- Soft demand for small and medium-sized units (down 12%)
- Prime properties (new and remodelled) in short supply in Paris and the Central Business District
- 2013 forecast: 2m to 2.1m sq.m. in the Paris region
- Stabilisation of prime nominal rents

Paris Region Office Investment Market

France & Paris Region

- France: €16.6bn committed in 2012 (down 8% vs. 2011)
- Paris region: €12.6bn (down 13% vs. 2011)
 - ✓ Investors are risk averse and willing to pay a premium for prime properties representing a safe investment
 - ✓ Difficult secondary markets
 - ✓ Main investors:
 - Insurance companies (CNP, Predica)
 - Sovereign wealth funds (Qatar, Norges)
 - Investment funds (Blackstone, JP Morgan)
 - SCPI property funds
 - ✓ Large number of deals in excess of €100m in Q4
 - ✓ 3 transactions > €500m representing 11% of total investment flows in 2012

Paris & Central Business District

- €2.8bn committed
- Strong investor appetite for prime properties
- Lower yields [4% to 4.5%]

Trends

- Number of transactions over €100 million stable (30 deals)
- Re-internationalization of the market and emergence of new entrants (Asian)
- Lower yields down for prime assets
- 2013 forecasts: €14 to €15 billion for France, €10 to €11 billion for Paris region

Sources: Immostat, JLL and BNP PARIBAS REAL ESTATE

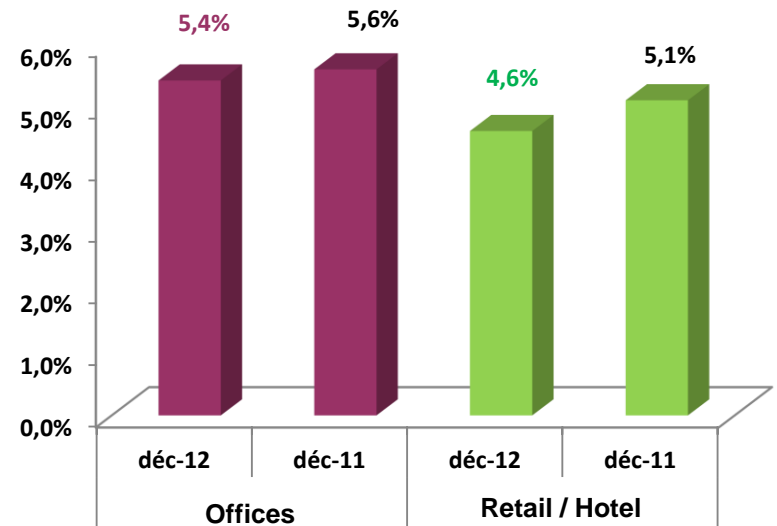
Appraisal Values at 31 December 2012

Portfolio value:
€3,882m excl. transfer costs (up 20% vs 31 December 2011)
€4,072m incl. transfer costs

Like-for-like (excl. transfer costs)
up 12% vs 31 December 2011
(up 5.7% vs 30 June 2012)

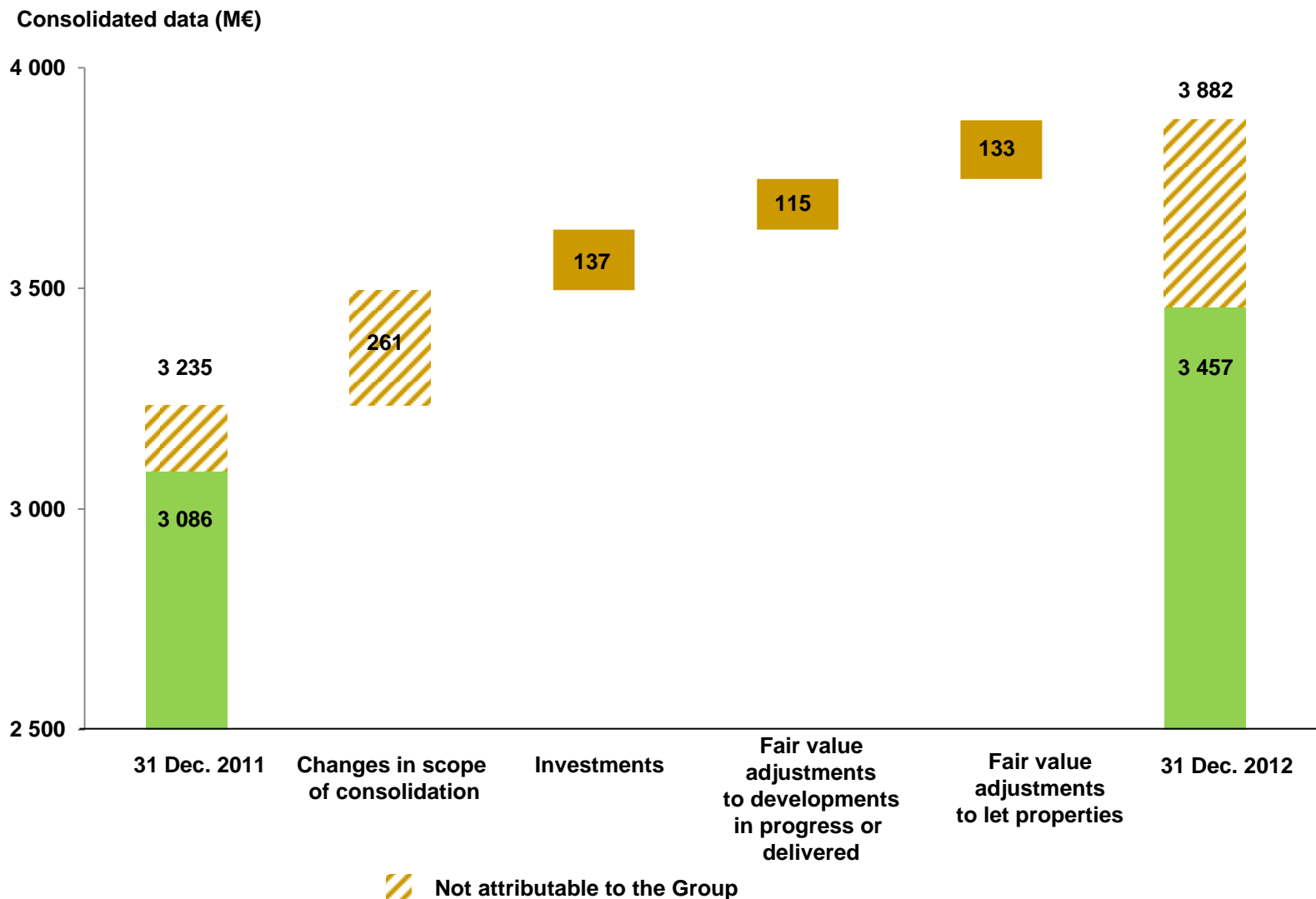
Yield ⁽¹⁾
5.3%
(5.5% in 2011)

Average value per sq.m.
€10,233 excl. transfer costs
(€8,823 excl. transfer costs in 2011)



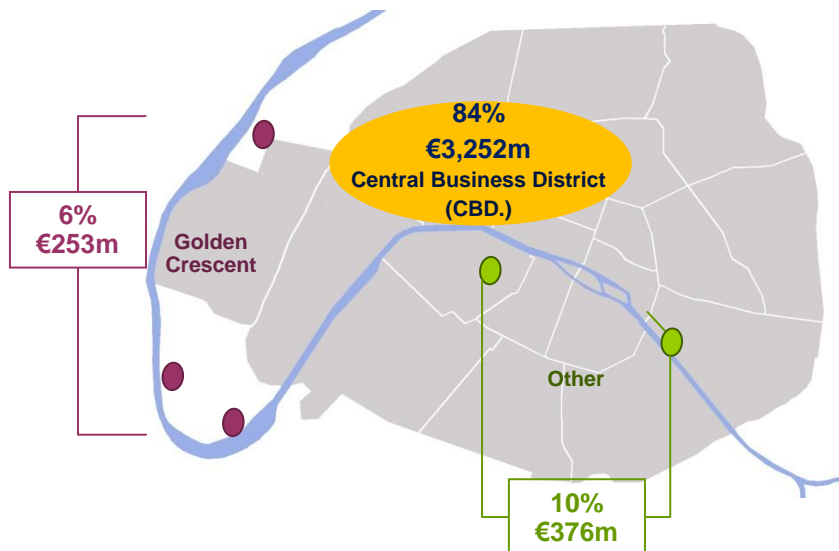
(1) (Passing rent + Market rent on vacant properties)/(Appraisal value including transfer costs + discounted capex)

Change in Portfolio Appraisal Value

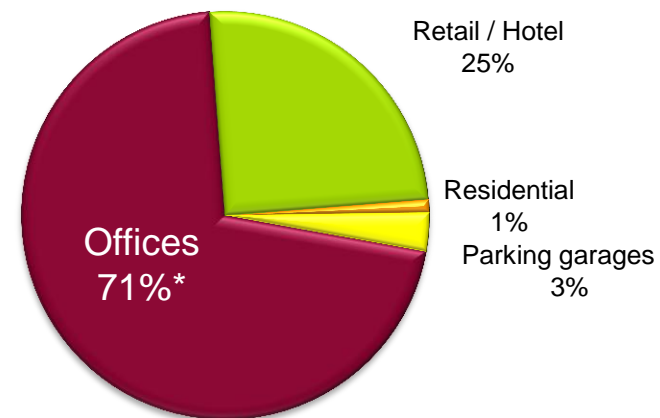


2012 Property Portfolio

Geographic focus (value)



Market focus (value)



* 77% excl. Mandarin Oriental

Portfolio: 382,700 sq.m. / 19 properties

PARIS Central Business District	Total surface area
Edouard VII	54,800 sq.m.
Louvre Des Entreprises- Louvre Des Antiquaires	47,800 sq.m.
Îlot Richelieu	33,200 sq.m.
Washington Plaza	47,000 sq.m.
Cézanne Saint-Honoré	29,300 sq.m.
Mandarin Oriental Paris	17,400 sq.m.
131. avenue de Wagram	9,200 sq.m.
96. avenue d'Iéna	8,800 sq.m.
Ozone. 92 Champs-Élysées	7,600 sq.m.
Haussmann Saint-Augustin	13,400 sq.m.
112. avenue de Wagram	5,400 sq.m.
6. rue de Hanovre	4,800 sq.m.
90. avenue des Champs-Élysées	9,000 sq.m.
Galerie des Champs-Élysées	6,400 sq.m.
Total	294,100 sq.m.

Other	Total surface area
Rives de Seine <i>Paris 12°</i>	22,700 sq.m.
103 Grenelle <i>Paris 7°</i>	17,300 sq.m.
Total	40,000 sq.m.

Golden Crescent	Total surface area
IN / OUT <i>Boulogne-Billancourt</i>	35,000 sq.m.
176. avenue Charles de Gaulle <i>Neuilly-sur-Seine</i>	7,300 sq.m.
Le Vaisseau <i>Issy-les-Moulineaux</i>	6,300 sq.m.
Total	48,600 sq.m.

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Rental Revenues

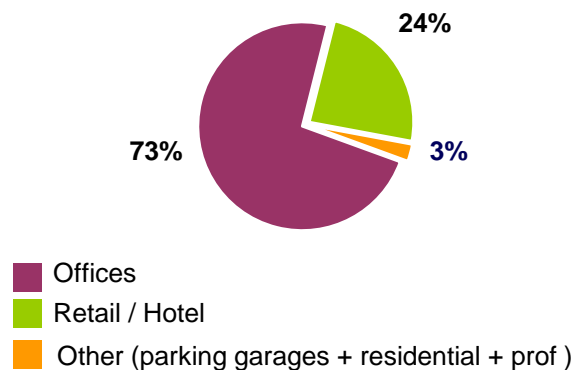
In €m

2011 Rental revenues	151.6
Δ Like-for-like growth	+8.0
Δ Post renovation remarketing/major renovations	(3.7)
Δ Lease termination penalties	(3.3)
Δ Sales	(2.4)
2012 Rental revenues	150.2

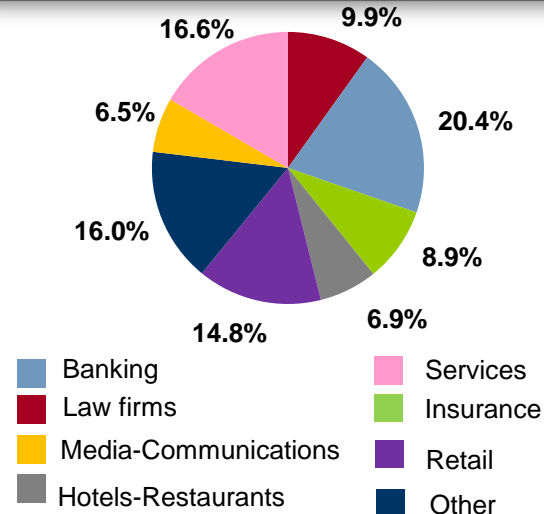
Rental revenues on a
comparable portfolio
basis
up 7.5%

Rental revenues
down 0.9%

2012 rental revenues: €150.2m



Breakdown by tenant business
31 December 2012



Marketing Programme

New leases: 37,600 sq.m.



*Washington Plaza
Paris 8th*



*Ozone
Paris 8th*



*103 Grenelle
Paris 7th*

Offices

- 34,000 sq.m. newly let or re-let
- Average nominal rent: €688/sq.m./year
- Effective rent: €636/sq.m./year
- Attributable to SFL: €17.8m

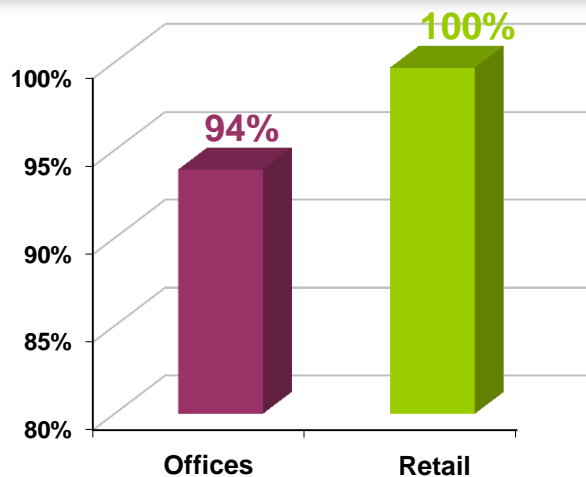
Main leases signed in 2012

Property	Use	Surface (sq.m.)	Tenant
HAUSMANN SAINT-AUGUSTIN	OFFICES	12,000	La Mondiale
WASHINGTON PLAZA	OFFICES	6,600	Misys
OZONE	OFFICES	3,500	SJ Berwin
103 GRENELLE	OFFICES	2,900	GE Energy
103 GRENELLE	OFFICES	2,200	ESMA
OZONE	RETAIL	2,000	ZARA

Occupancy Rates

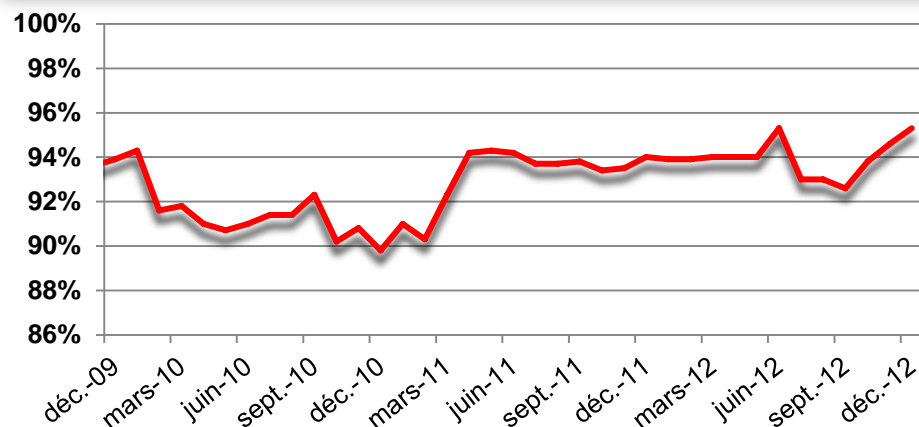
Occupancy rate⁽¹⁾ at 31 December 2012: 95.3%
(94.0% at 31 December 2011)

Occupancy rate by property type
(excluding properties under renovation)



Vacancy rate (EPRA):
5.7%

Occupancy rates Dec. 2009 – Dec. 2012⁽²⁾



Lowest occupancy rates

At 31 December 2012 (attributable to SFL)

Property	Vacant sq.m.	% vacant ⁽³⁾
LDE-LDA	4,400	1.9%
Washington Plaza (66%)	3,000	1.3%

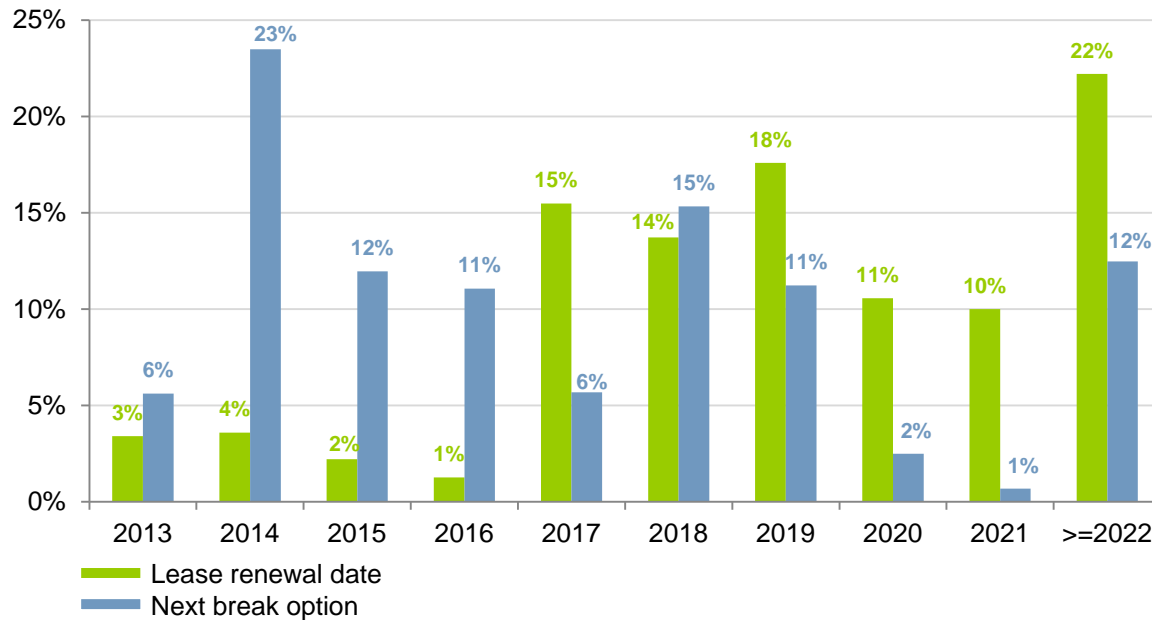
(1): Surface area attributable to SFL, excluding surface areas and buildings undergoing renovation

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

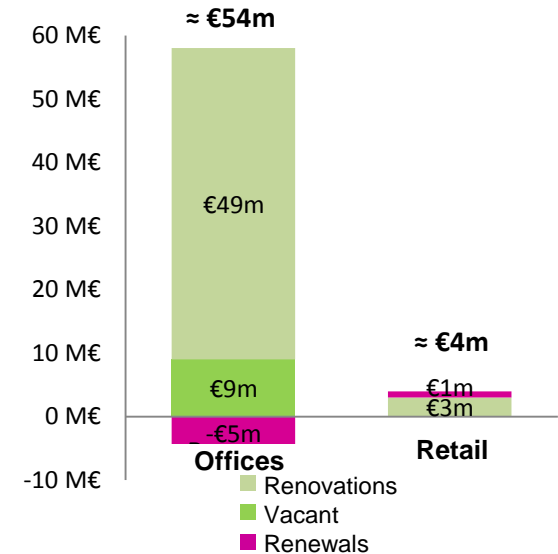
(3): Percentage attributable to the Group, excluding properties undergoing renovation

Lease Renewals and Reversionary Potential

Commercial lease expiry



Reversionary potential



Average rent, SFL office properties, 31 Dec. 2012:
€621/sq.m./year

Legal lease term⁽¹⁾
6.8 years

Non-cancellable lease term⁽²⁾
4.5 years

Additional rental revenues
≈ €58m

⁽¹⁾ Weighted average period remaining for leases as of 31 December 2012, up to lease expiry

⁽²⁾ Weighted average period remaining for leases as of 31 December 2012, up to next break option

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Current Renovation Projects

At 31 December 2011	61,200 sq.m.	
Newly let or lettable	-15,700 sq.m.	
OZONE	-7,600 sq.m.	
LDE	-3,900 sq.m.	
Other	-4,200 sq.m.	
Under renovation	47,400 sq.m.	
Richelieu	33,200 sq.m.	
LDE - LDA	8,600 sq.m.	
Other	5,600 sq.m.	
At 31 December 2012	92,900 sq.m.	Delivery:
IN/OUT	35,000 sq.m.	H2 2013
Richelieu	33,200 sq.m.	H2 2015
LDE-LDA	10,400 sq.m.	2013/2016
Edouard VII	6,600 sq.m.	H1 2013
Other	7,700 sq.m.	

► **Potential rent: €49m**



Edouard VII
Paris 9th



IN / OUT
92100 Boulogne-Billancourt



Richelieu
Paris 2nd



LDE-LDA
Paris 1st

92. Avenue des Champs-Élysées – PARIS 8th



▶ **Surface area : 7,600 sq.m.**

▶ **Delivery Nov./Dec. 2012**

▶ **Rentals > €10 million**

Average effective office rent: €700/sq.m.

Value creation

▶ **Value: x 2.3 in three years**

▶ **Value creation 2009/2012 ≈ +50% net capex**



► Start date: January 2012



IN/OUT in December 2012

► Estimated delivery: July 2013





IN/OUT in February 2013



The Richelieu project

83. rue de Richelieu – PARIS 2^{ème}



A major redevelopment

33,200 sq.m. of new offices
Delivery H2 2015

Project launch

Building permit: July 2012

Full planning permission granted: September 2012 (not subject to appeal from third parties)

Cleaning phase starts: October 2012

General contractor selected (Vinci Construction France):
January 2013

The Richelieu project



Richelieu / Ménars intersection



The New Washington Plaza



Reinventing the Washington Plaza business centre

- ▶ **Transforming the operation, identity and image of the site.**
- ▶ **Creation of a large lobby for the Friedland entrance and a spectacular interior gallery overlooking a private garden.**
- ▶ **Recreating open plan units ranging from 1,500 sq.m. to 2,200 sq.m.**
- ▶ **Work period per phase: 2013/2014.**
- ▶ **6,500 sq.m. in the new Washington Plaza leased to Misys.**

The New Washington Plaza



► Friedland Lobby

Interior Gallery ◀



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2012 Results

In €m	2012	2011	% change
Property rentals	150.2	151.6	-0.9%
Property expenses, net of recoveries	(12.4)	(10.6)	+17.1%
Net property rentals	137.8	141.0	-2.3%
Service and other revenues	4.0	3.4	
Depreciation, amortisation and provision expense, net	(0.9)	(0.3)	
Employee benefits expense and other expenses	(18.4)	(18.8)	
Operating profit before disposals and fair value adjustments	122.5	125.4	-2.3%
Profit (loss) on property disposals	0	7.7	
Fair value adjustments to investment properties	236.3	98.1	
Share of profit of associates	21.0	18.7	
Finance costs and other financial income and expense	(72.2)	(53.7)	
Income tax expense	(8.1)	(3.0)	
Profit for the year	299.5	193.1	+55.0%
Minority interests	(16.3)	(12.2)	
Attributable profit	283.2	180.9	+56.6%
<i>Underlying attributable profit (EPRA earnings)</i>	<i>69.5</i>	<i>81.2</i>	<i>-14.4%</i>

Underlying Attributable Net Profit (EPRA earnings)

In €m	2012		2011	
	Recurring EPRA	Non- recurring	Recurring EPRA	Non- recurring
Property rentals	150.2	0	151.6	0
Property expenses, net of recoveries	(12.4)	0	(10.6)	0
Net property rentals	137.8	0	141.0	0
Service and other revenues	4.0	0	3.4	0
Depreciation, amortisation and provision expense, net	(0.9)	0	(0.3)	0
Employee benefits expense and other expenses	(18.4)	0	(18.8)	0
Operating profit before disposals and fair value adjustments	122.5	0	125.4	0
Profit/(loss) on property disposals	0	0	0	7.7
Fair value adjustments to investment properties	0	236.3	0	98.1
Share of profit of associates	13.2	7.8	11.7	7.0
Finance costs and other financial income and expense	(56.0)	(16.2)	(49.1)	(4.6)
Income tax expense	(4.7)	(3.3)	(2.1)	(0.9)
Profit for the year	74.9	224.6	85.9	107.2
Minority interests	(5.4)	(10.9)	(4.7)	(7.5)
Underlying attributable net profit	69.5	213.7	81.2	99.7
Average number of shares (thousands)	46,529		46,529	
Underlying attributable earnings per share	€1.49		€1.74	

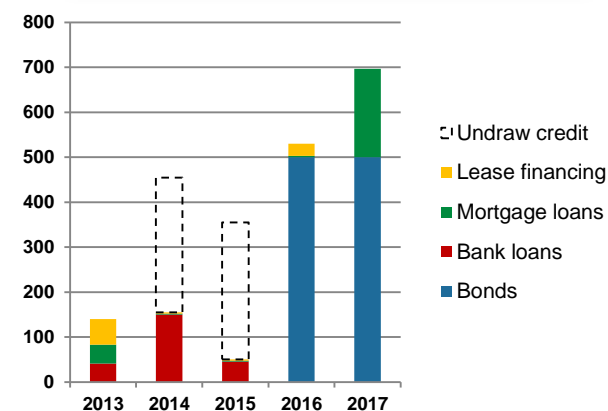
Consolidated Balance Sheet

In €m	31 Dec. 2012	31 Dec. 2011
Assets		
Investment properties	3,529	3,182
SIIC de Paris shares	287	266
Other non-current assets	30	32
Total non-current assets	3,846	3,480
Properties held for sale	287	0
Other current assets	86	67
Total current assets	373	67
Total Assets	4,218	3,547
Equity & Liabilities		
Equity	2,137	1,948
Minority interests	198	89
Total equity	2,335	2,037
Non-current liabilities	1,643	1,003
Current liabilities	240	507
Total Equity & Liabilities	4,218	3,547

Loan to value

(In €m)	31 Dec. 2012		31 Dec. 2011
	Total	Attributable	Attributable
Bonds	1,000	1,000	500
Syndicated revolving line of credit	45	45	240
Other bank loans	438	335	411
Lease financing	89	89	103
Total debt	1,572	1,469	1,255
Cash and cash equivalents	25	14	11
Net debt	1,547	1,455	1,243
Undrawn lines of credit	605	605	610
Estimated value of assets (incl. transfer costs)	4,072	3,621	3,241
SIIC de Paris shares	287	287	266
Loan-to-value ratio	35.5%	37.2%	35.5%
Average life (years)	3.9	3.8	3.7
Average spot cost (after hedging)	3.6%	3.7%	4.2%

Debt maturities at 31 Dec. 2012 (in €m)



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

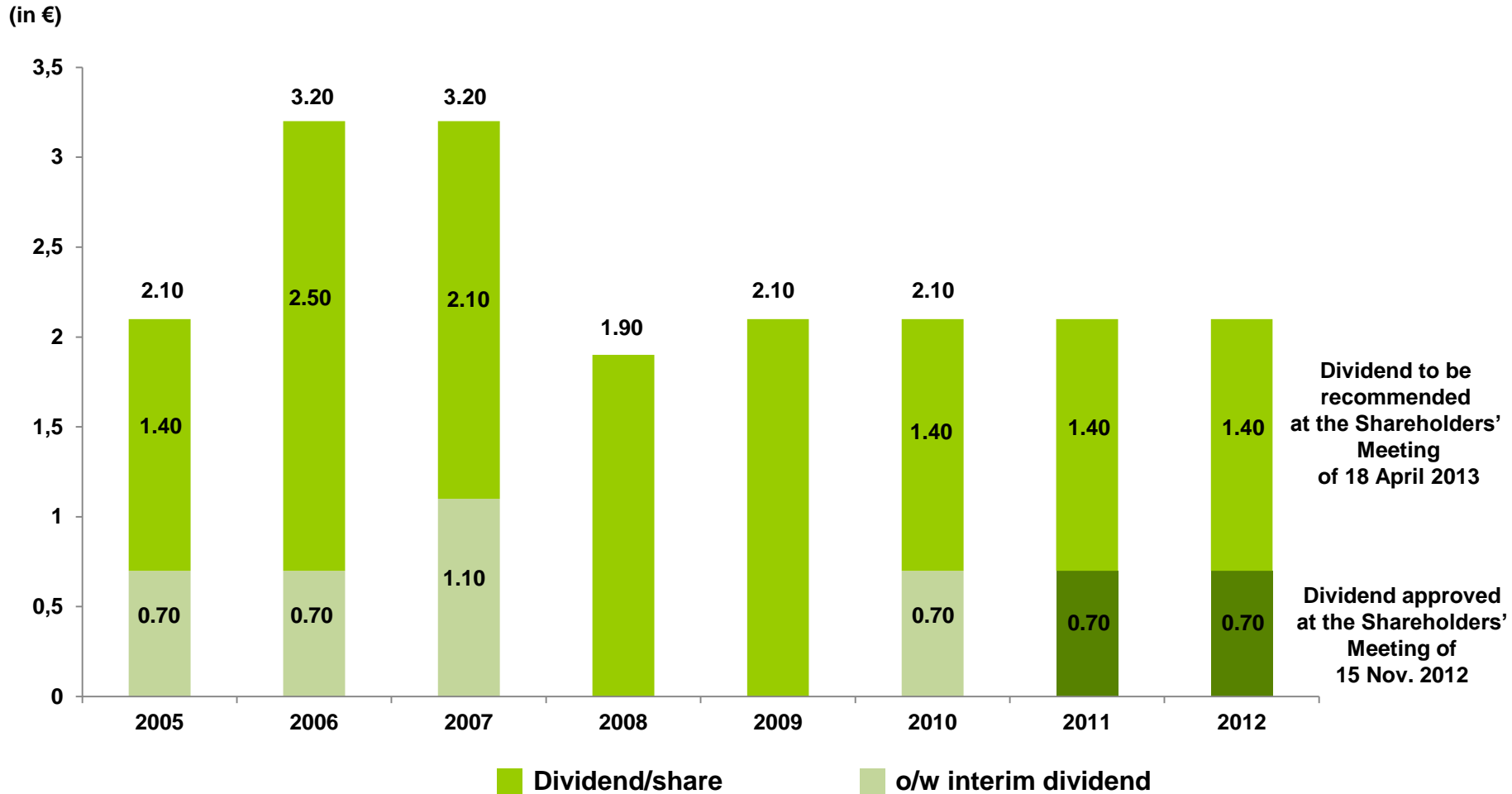
Net Asset Value

In €m	31 Dec. 2012	31 Dec. 2011
Equity	2,137	1,948
Treasury shares and stock options	16	16
Unrealised capital gains	9	3
Elimination of financial instruments at fair value	18	47
Elimination of deferred taxes	67	63
EPRA NAV	2,246	2,078
EPRA NAV/share	€48.3	€44.7
Financial instruments at fair value	(18)	(47)
Fixed-rate debt at fair value	(54)	25
Deferred taxes	(67)	(63)
EPRA NNAV	2,108	1,993
EPRA NNAV per share	€45.3	€42.8
Transfer costs on property portfolio	164	154
NAV including transfer costs	2,271	2,147
NAV/share including transfer costs	€48.8	€46.1

Growth in EPRA NNAV (In €m)

NNNAV at 31 December 2011	1,992.5
Change in fair value of attributable assets & disposal gains	239.1
Change in fair value of debt & fin. instr.	(96.4)
Underlying attributable net profit	69.5
Dividend	(96.7)
Other	(0.4)
NNNAV at 31 December 2012	2,107.6

Dividend per share




Key Figures

	2012	2011
Property rentals (IFRS)	€150.2m	€151.6m
Operating profit before fair value adjustments and disposal gains and losses	€122.5m	€125.4m
Profit on disposal of investment properties and fair value adjustments to investment properties	€236.3m	€105.8m
Attributable net profit	€283.2m	€180.9m
<i>Attributable earnings per share</i>	€6.14	€3.89
Underlying attributable net profit (EPRA earnings)	€69.5m	€81.2m
<i>Underlying attributable earnings per share</i>	€1.49	€1.74

	2012	2011
Consolidated Portfolio value excl. transfer costs at 31 Dec. (Excluding SIIC de Paris)	€3,882m	€3,235m
NAV per share (EPRA NNAV)	€45.3	€42.8


www.fonciere-lyonnaise.com




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

Changer la taille du texte A Flux rss

SOCIÉTÉ PATRIMOINE FINANCES PUBLICATIONS ENGAGEMENTS DURABLES



Qui sommes-nous ?



Avec un patrimoine exceptionnel de 3,4 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

15/02/2013 Présentation des résultats annuels 2012 à 14h30

[en savoir plus](#)

Actualités & communiqués

24/01/2013 Alexia Karsenty Abtan nommée Directrice Marketing chez SFL

22/01/2013 Le Louvre Des Entreprises va accueillir Ariba sur 1 600 m²

16/01/2013 Commercialisation exceptionnelle en 2012 pour SFL

[en savoir plus](#)


Cours de l'action

au 30/01/2013 - 11:01:58

€36,00

[Rapport annuel](#)
ISIN: FR0000033409

Nos projets d'exception



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Plan du site | Contact | Mentions légales

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Organisation Structure



Juan José BRUGERA CLAVERO
Chairman



Bertrand JULIEN-LAFERRIERE
Chief Executive Officer



Nicolas REYNAUD
Managing Director

Number of employees

Head Office	77
Building staff	2
Total	79



François SEBILLOTTE
Chief Resources Officer



Dimitri BOULTE
Chief Operating Officer



Nicolas REYNAUD
Chief Financial Officer

HR

IT

Internal Audit

Company Law

Property Law

General Services

Investments & Asset Management

Property Management

Technical

Commercial

Marketing

Accounting

Consolidation

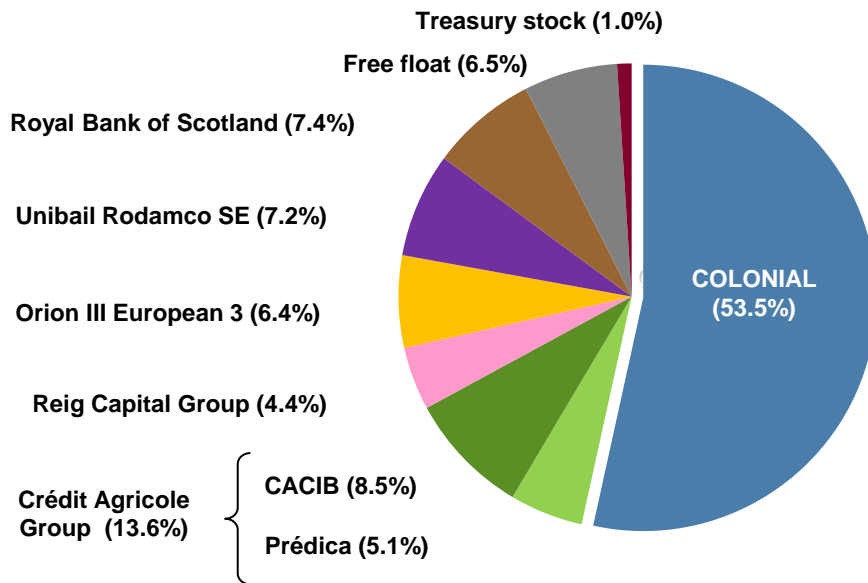
Budget Control

Cash Management

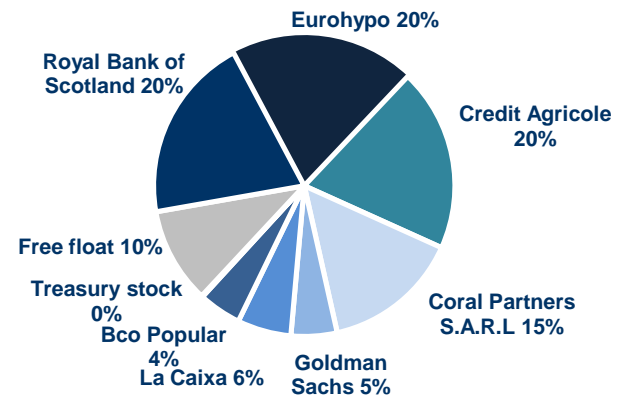
Corporate Communication

Ownership Structure at 31 December 2012

SFL Ownership Structure (46.5 million shares)



COLONIAL Ownership Structure



Governance

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 and 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

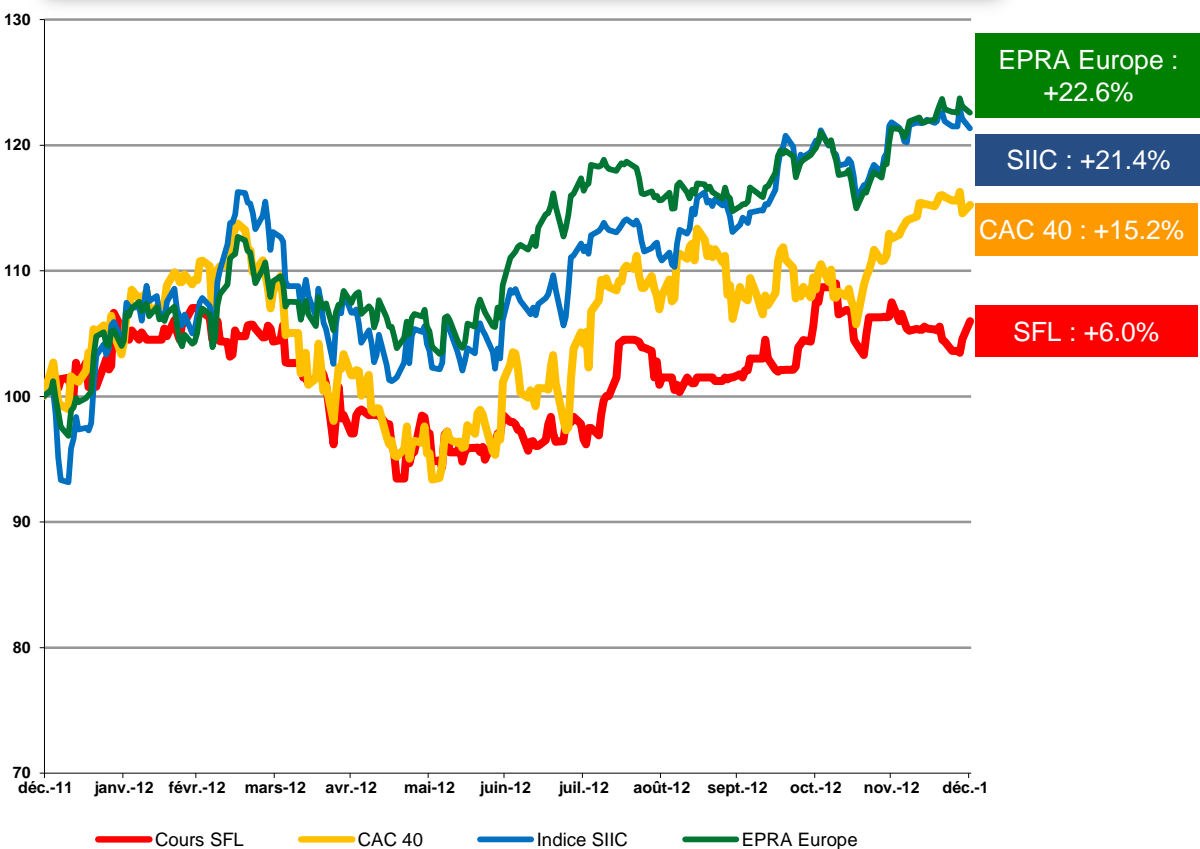
Independent Directors Committee

Jean ARVIS
Jacques CALVET
Anthony WYAND

 Representing Colonial  Other

Share Performance

2012 Share performance⁽¹⁾



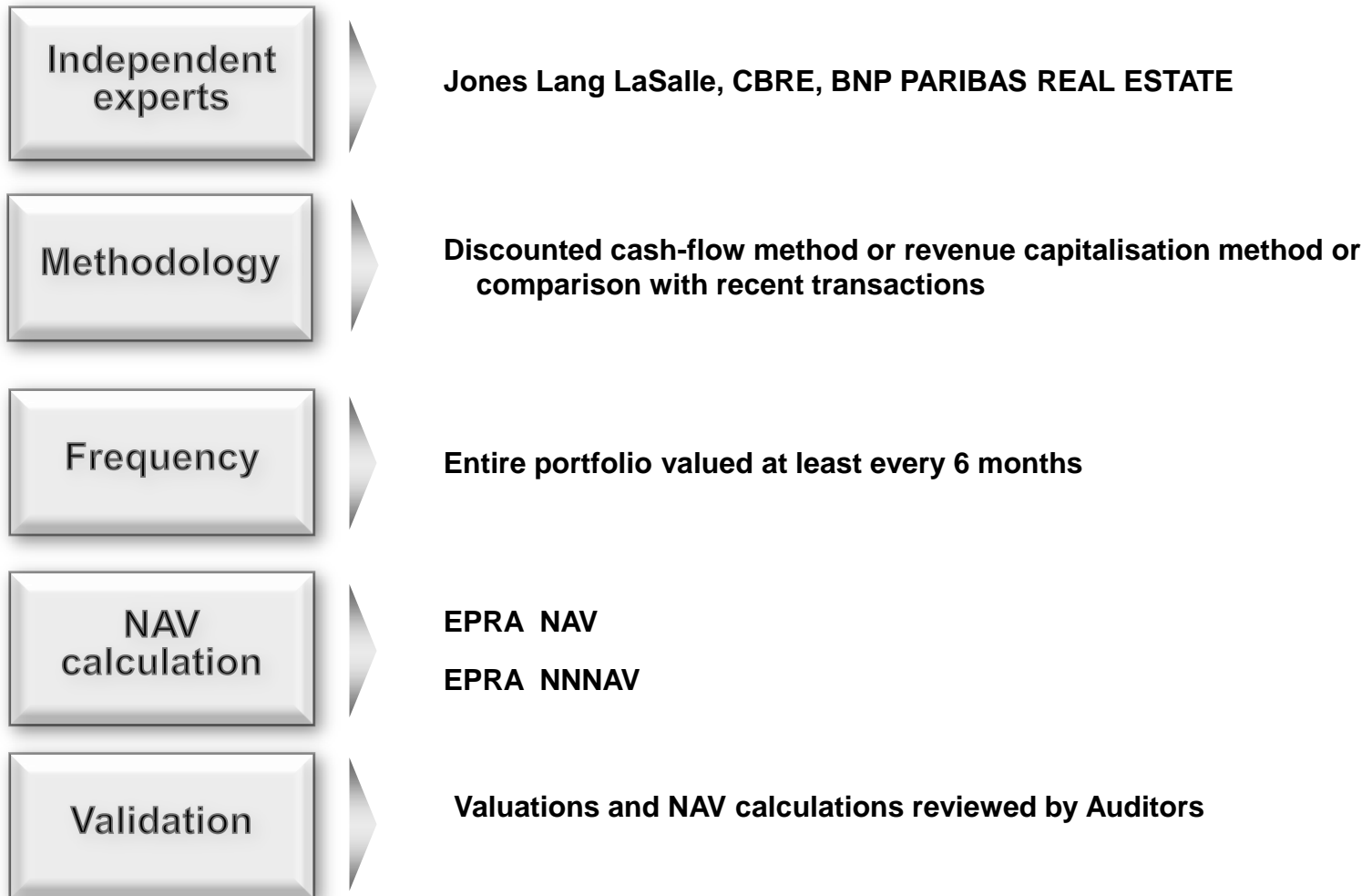
⁽¹⁾ Base 100: 31 December 2011 ; data up to 31 December 2012

Sources: Euronext/Epra

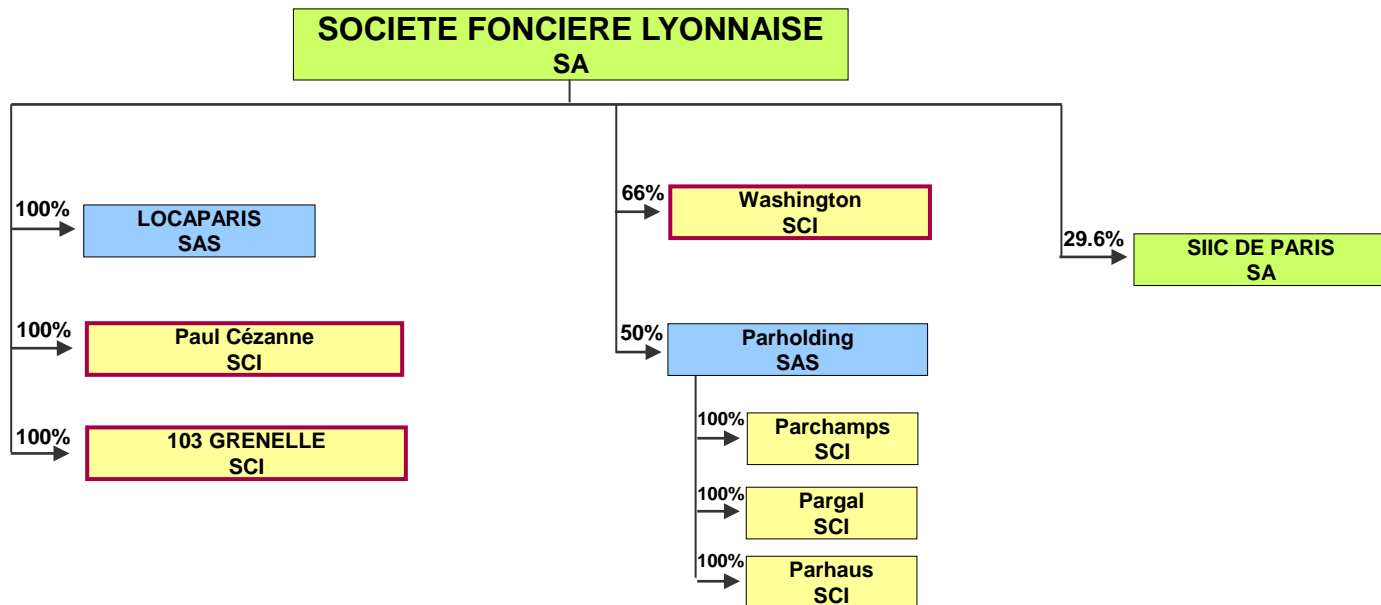
2012 Key figures

Number of shares at year-end (in thousands)	46,529
Average daily trading volume (shares)	2,454
Average daily trading volume (amount)	€84,000
High (27 December)	€37.00
Low (1 June)	€31.20
Year-end closing price	€35.50

Property Valuation and NAV Calculation



Group Structure at 31 December 2012

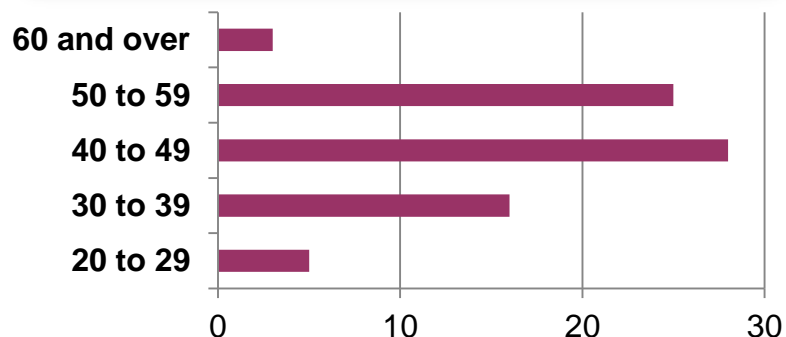


- SA (Société Anonyme)
- SAS (Société par Actions Simplifiée)
- SCI (Société Civile Immobilière)
- Flow through entities whose results are consolidated with SFL under the SIIC regime

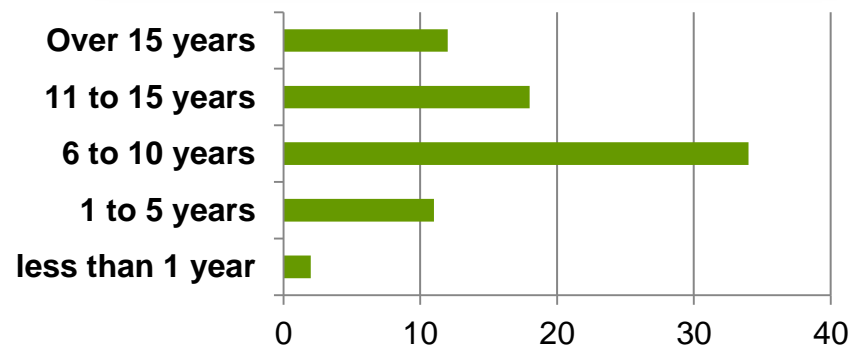
Human Resources

Employees	31 December 2012	31 December 2011
Building caretakers	2	2
Administrative staff	12	14
Supervisors	13	14
Managers	52	52
Total	79	82

Employees⁽¹⁾ by age group
(at 31 December 2012)



Employees⁽¹⁾ by years of service
(at 31 December 2012)



⁽¹⁾ Excluding building staff and caretakers

Capex

Expenditures (€m)	2012	2011	% change
Renovation projects	83.5 ⁽¹⁾	35.6	
Other capitalised expenditure	41.6	25.3	
Total	125.1	60.9	+105.4%

⁽¹⁾ Ozone ⇒ €18.4m ; IN/OUT ⇒ €56.4m ; Richelieu ⇒ €8.7m