
SFL

2014 INTERIM RESULTS

I. Introduction & Property Portfolio at 30 June 2014

II. First-Half Business Review

III. Property Transactions

IV. First-Half Financial Statements and Results

Appendices

First-Half Business Review

Marketing

▶ New leases signed on 16,000 sq.m.

▶ Pre-marketing of 90 Champs-Élysées

Capex

▶ €43m

▶ #Cloud, 90 Champs-Élysées, Washington Plaza

SIIC de Paris

▶ 5 June 2014: agreement signed for the sale of the entire stake in SIIC de Paris at a price of €23.88 per share (after special dividend)

Financing

▶ €150m 5-year revolving credit facility from BECM

Ownership structure

▶ Colonial's interest stable (53.1%)

▶ New shareholders: Qatar holding and DIC holding (22.2%)

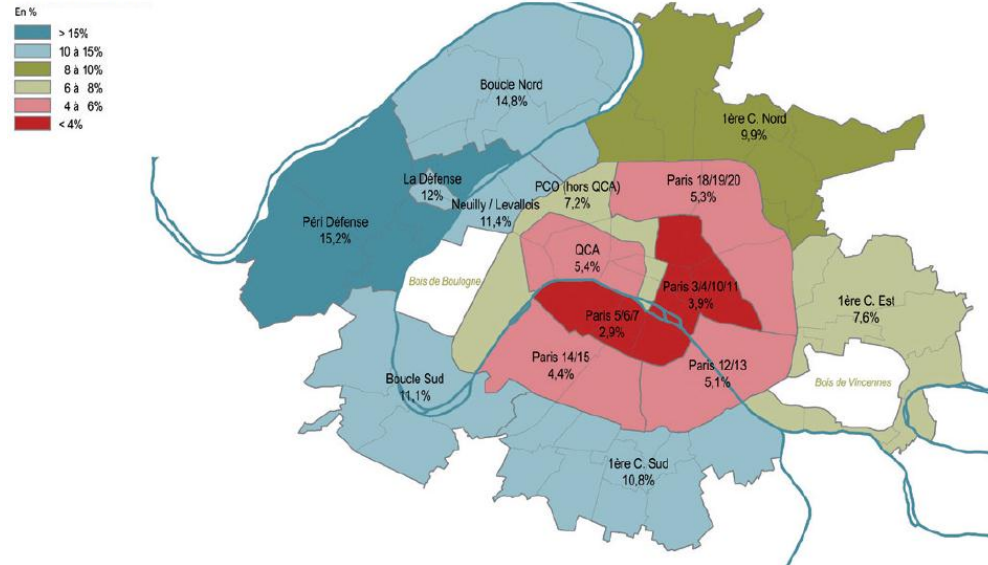
▶ Increase in Prédica's interest (12.9%)

▶ Exit of CACIB, RBS, Orion and Unibail

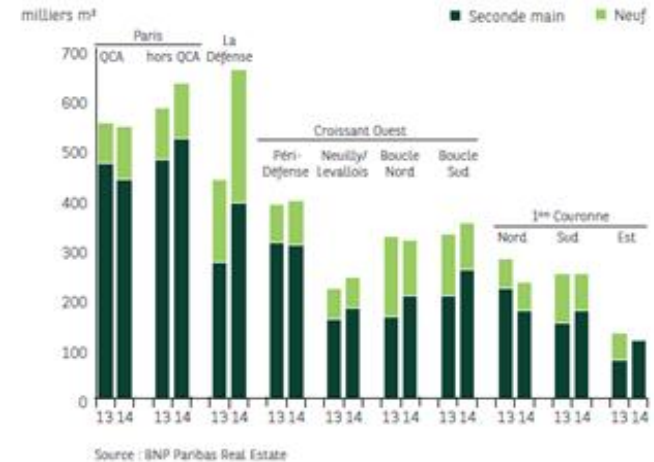
Paris Region Office Rental Market in First-Half 2014

Taux de vacance du 2^{ème} trimestre 2014

Sources : JLL / ORIE



Offre à un an (au 1^{er} avril)



PARIS REGION

Completed lettings: 1.1m sq.m. (up 24%)

Immediate supply: 3.9m sq.m.

Vacancy rate stable at 7.5%

34 transactions > 5,000 sq.m. (vs 29 in 2013)

PARIS CENTRAL BUSINESS DISTRICT

Completed lettings up 33%

CBD immediate supply: 330,000 sq.m.

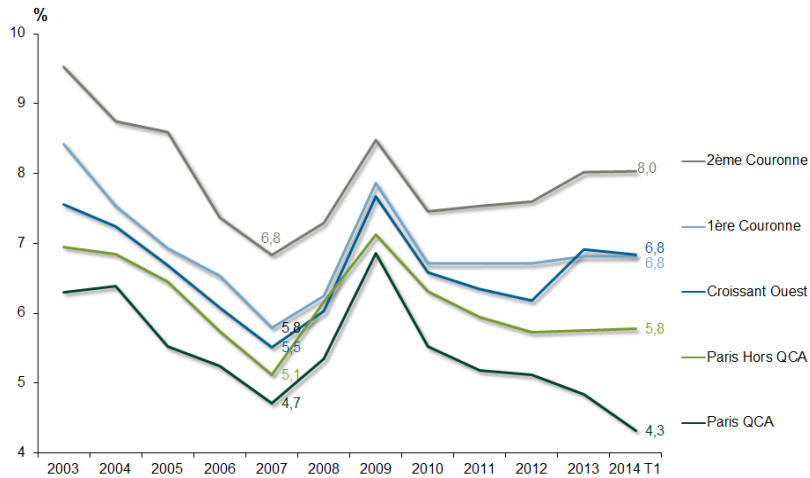
CBD vacancy rate: 5.4%

Prime rent: €735/sq.m.

Paris Region Commercial Property Investment Market in First-Half 2014

H1 2014

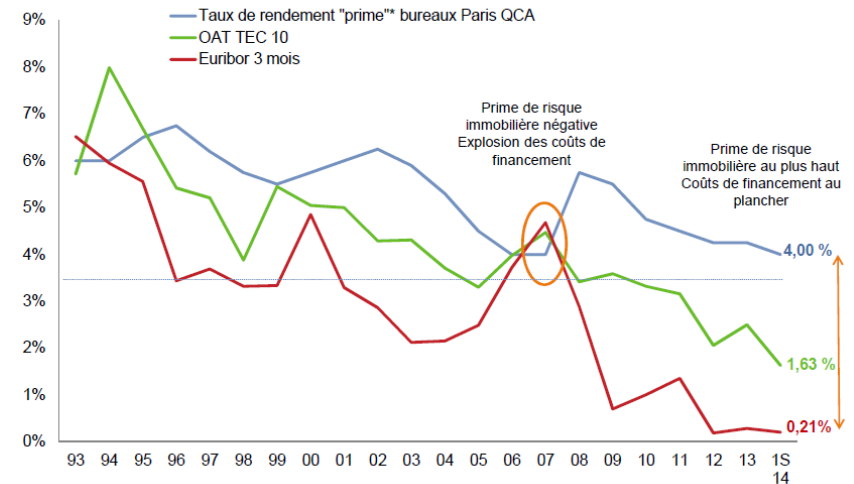
Taux de rendement moyen - Bureaux en Île-de-France



Source : BNP Paribas Real Estate.

Trend

ÉVOLUTION COMPARÉE DES TAUX



Sources : CBRE, Banque de France - Comité de normalisation

* Actifs bien situés, loués aux conditions de marché

€8.2bn invested in the Paris region market (up 85%),
representing 77% of total invested in France

Prime yields stable at 4.00% to 4.50%

19 transaction for over €100m
220 transactions (down 7%)

€12-14bn invested in 2014

Growing interest on the part of foreign investors

Prime rental values are stabilizing

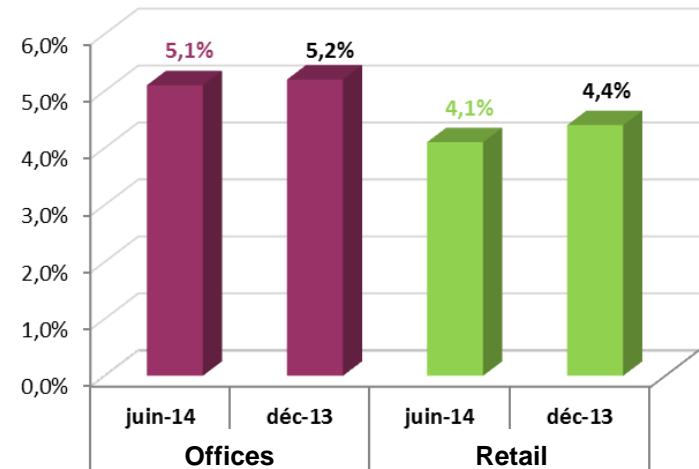
Appraisal Values at 30 June 2014

**Consolidated portfolio value: €4,081m excl. transfer costs
(up 5.3% vs 31 December 2013)
€4,287m incl. transfer costs**

**Like-for-like
(excl. transfer costs)
Up 5.3% over 6 months
(up 9.0% over 12 months)**

**Yield ⁽¹⁾
4.9%
(5.1% at 31 December 2013)**

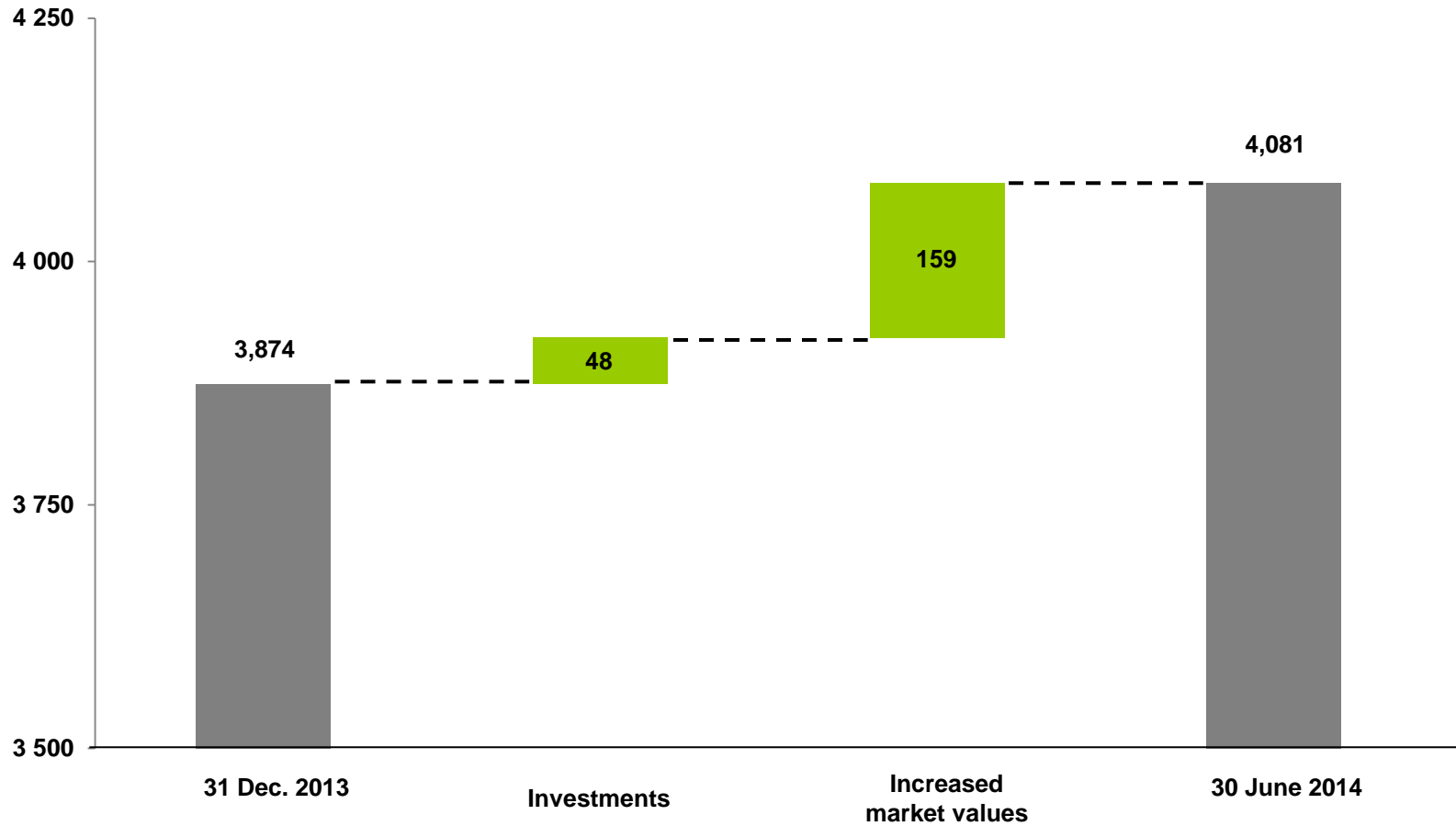
**Average value per sq.m.
€11,050 excl. transfer costs
(€10,490 excl. transfer costs at
31 December 2013)**



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

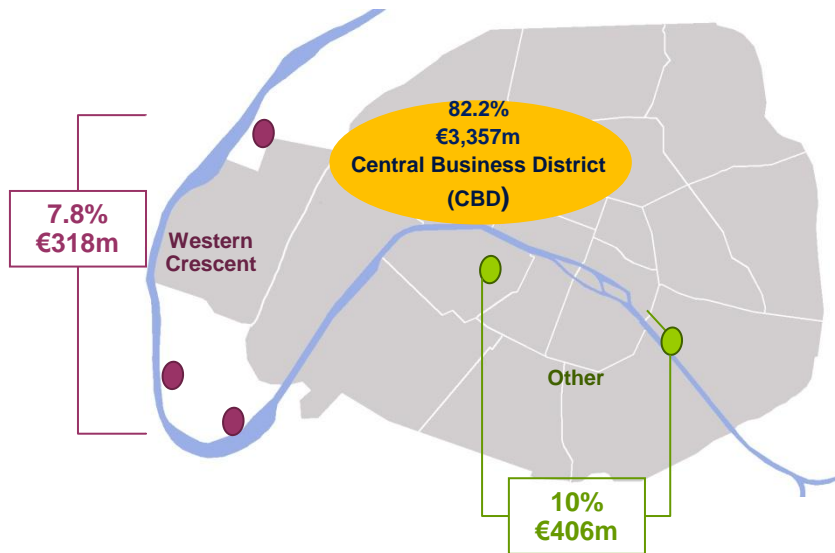
Evolution de la valeur du Patrimoine

Consolidated data (€m)

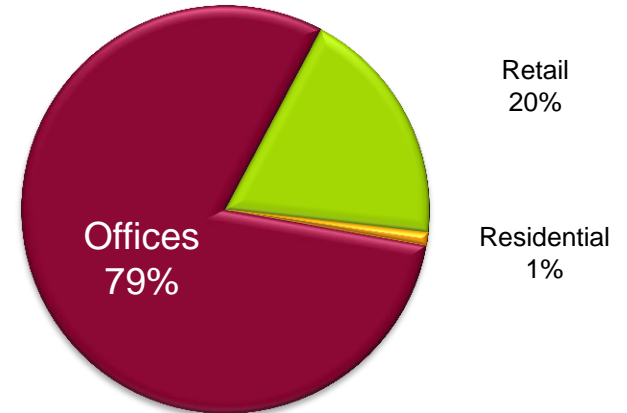


Property Portfolio at 30 June 2014

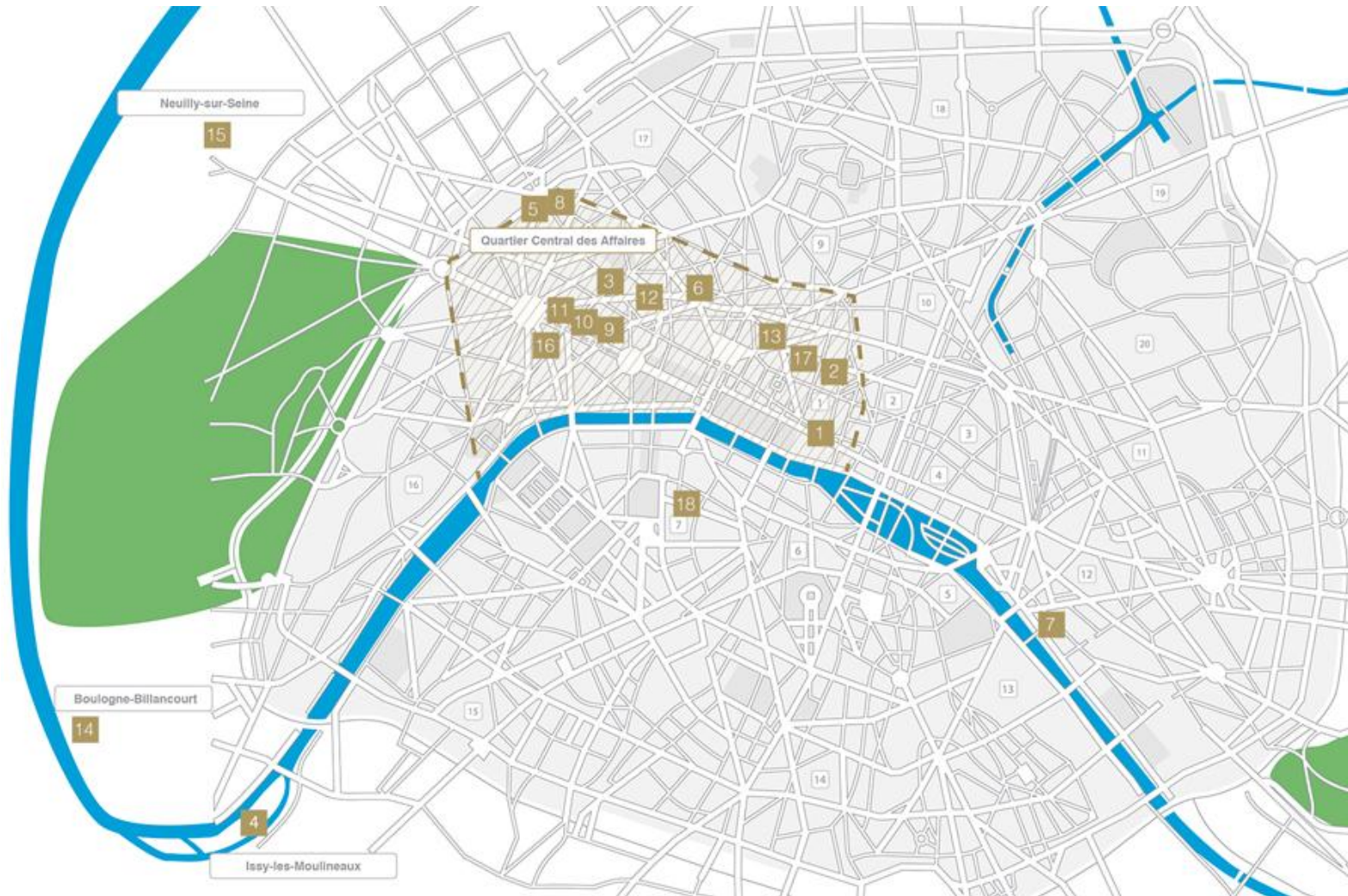
Geographic focus (value)



Market focus (value)



A benchmark in the Paris prime commercial property market



- | | | | | | | |
|--|------------------------------|----------------------|-----------------|-------------------------|----------------------------|------------------|
| 1 LOUVRE DES ENTREPRISES & DES ANTIQUAIRES | 2 #CLOUD | 3 WASHINGTON PLAZA | 4 LE VAISSEAU | 5 131 WAGRAM | 6 HAUSSMANN SAINT-AUGUSTIN | 7 RIVES DE SEINE |
| 8 112 WAGRAM | 9 GALERIE DES 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 | | | |

Property Portfolio: 369,300 sq.m. / 18 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.
Haussmann Saint-Augustin	13,400 sq.m.
131 Wagram	9,200 sq.m.
96 Léna	8,900 sq.m.
Galerie Champs-Élysées	8,700 sq.m.
90 Champs-Élysées	8,600 sq.m.
Ozone	7,700 sq.m.
112 Wagram	6,000 sq.m.
6 Hanovre	4,700 sq.m.
Total	278,200 sq.m.

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

I. Introduction & Property Portfolio at 30 June 2014

II. First-Half Business Review

III. Property Transactions

IV. First-Half Financial Statements and Results

Appendices

Rental Revenues

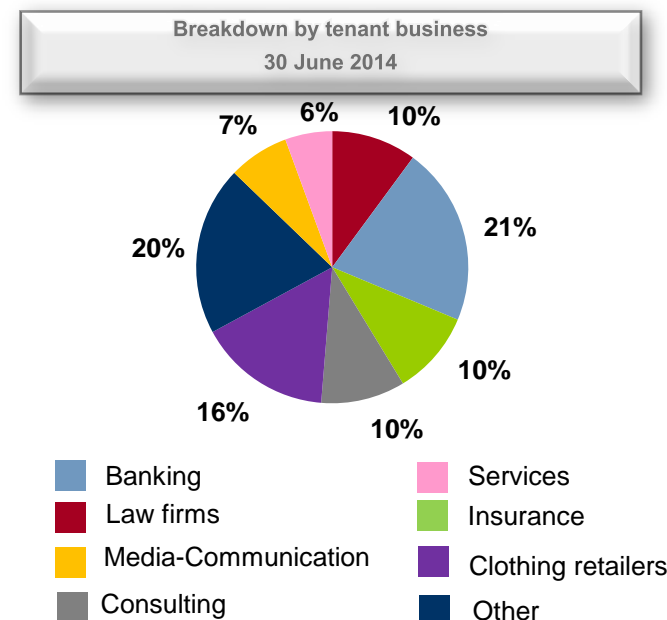
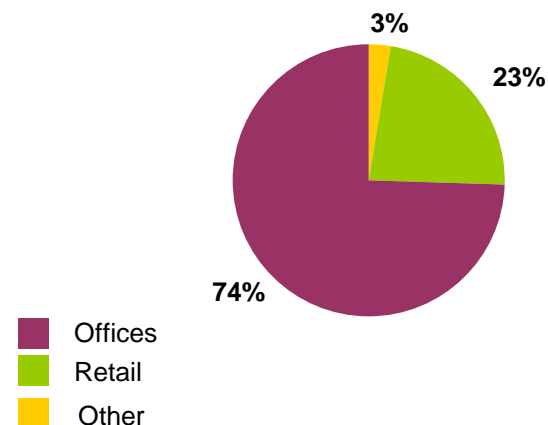
In €m

H1 2013 rental revenue	74.6
Δ Like-for-like growth	+2.1
Δ Properties taken off the market for remodelling/ refurbishment	-1.7
Δ Disposals	-1.2
H1 2014 rental revenue	73.8

Change on a
comparable portfolio
basis
+3.0 %

Reported decrease
-1.1 %

H1 2014 rental revenue: €73.8m



A Diversified Tenant Base of Leading Companies

(1/2)

Law firms

ashurst

Bird & Bird

 Freshfields

KING & WOOD
MALLESONS
SJ BERWIN

Consultants

Hudson

 L.E.K.

 MISYS

 Spencer Stuart

valtech_

Luxury goods/Apparel

BOSS
HUGO BOSS

H&M

LV
LOUIS VUITTON

 MORGAN

promod

ZARA

Property

Aberdeen
Asset management

CBRE
GLOBAL
INVESTORS

FRG
IMMOBILIER

 KLEPIERRE

 LaSALLE
INVESTMENT MANAGEMENT

 ORION
CAPITAL
MANAGERS

A Diversified Tenant Base of Leading Companies

(2/2)

Media/Communication

facebook

Lagardère

TV5MONDE

NBCUniversal

Pretty Simple

Finance



Cinven

citibank

COMGEST



NATIXIS

Apax PARTNERS

Insurance



RSA

ZURICH

Other



Constellium

Dalkia



Générale de santé

MoneyGram

Marketing Programme

New leases: 16,400 sq.m.



90 Champs-Élysées
Paris 8th



176 Charles de Gaulle
Neuilly-sur-Seine



Cézanne Saint-Honoré
Paris 8th



Washington Plaza
Paris 8th

Offices

- 15,000 sq.m. newly let or relet
- Avg. nominal rent: €625/sq.m./year
- Effective rent: €543/sq.m./year
- Annual rent: €10.2m

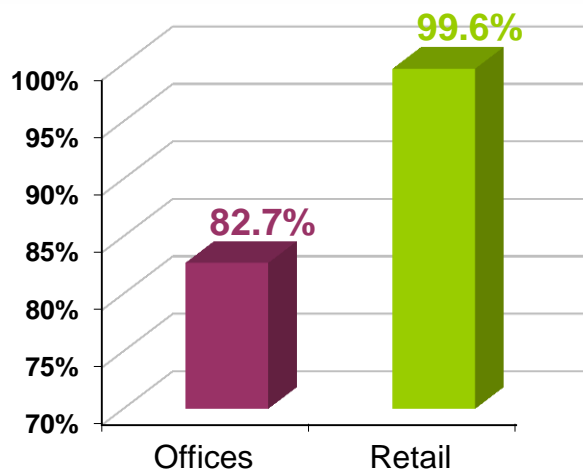
Main leases signed in H1 2014

Property	Type	Surface (sq.m.)	Tenant
90 Champs-Élysées	Offices	5,700	International consulting firm
176 Charles de Gaulle	Offices	1,900	SQUARE / SCHOELLER / WEINSTEIN
Cezanne Saint-Honoré	Offices	1,900	APAX PARTNERS
Washington Plaza	Offices	1,400	SPB

Occupancy Rates

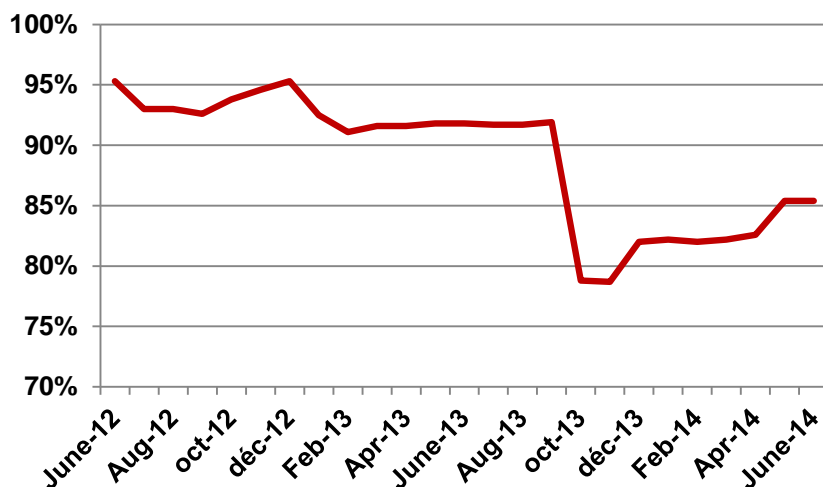
Occupancy rate⁽¹⁾ at 30 June 2014: 85.4%
(82.0% at 31 December 2013)

Occupancy rate by property type
(excluding properties under renovation)



EPRA vacancy rate:
13.9%

Change in occupancy rate⁽²⁾



Lowest occupancy rates
At 30 June 2014 (attributable to SFL)

Property	% vacant ⁽³⁾
IN/OUT	11.9%
Louvre Saint-Honoré	1.1%

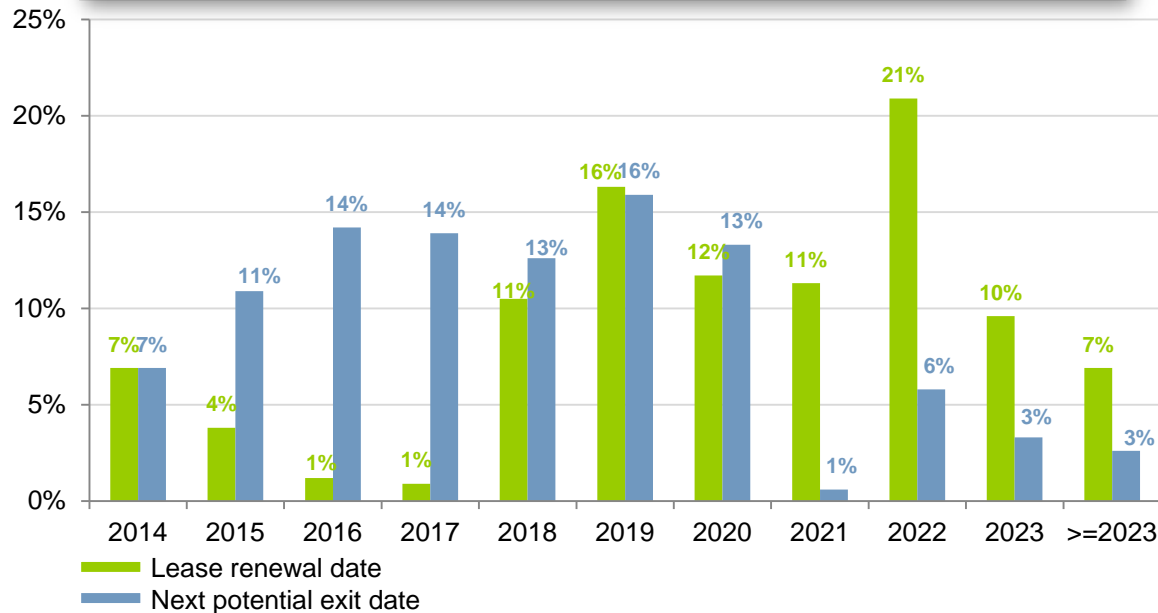
(1): Surface Area attributable to SFL, excluding surface areas being refurbished or buildings being renovated

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

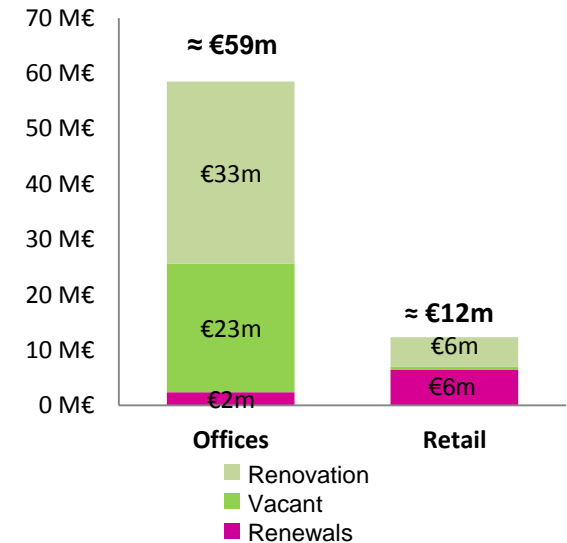
(3): Percentage attributable to the Group, excluding properties undergoing renovation

Lease Renewals and Reversionary Potential

Commercial lease expiry dates



Potential rents (Consolidated data)



Average rent SFL office
properties, 30 June 2014:
€619/sq.m./year

Legal lease term⁽¹⁾
6.1 years

Remaining lease
term⁽²⁾
4.1 years

Potential rents
≈ €65m
(attributable to SFL)

⁽¹⁾ Weighted average period remaining for leases in progress as of 30 June 2014, up to lease expiry date.

⁽²⁾ Weighted average period remaining for leases in progress as of 30 June 2014, up to next potential exit date.

I. Introduction & Property Portfolio at 30 June 2014

II. First-Half Business Review

III. Property transactions

IV. First-Half Financial Statements and Results

Appendices

Current Renovation Projects

Attributable to SFL

At 31 Dec. 2013	50 500 m²	
Newly let or lettable	-1,600 sq.m.	
Under renovation	8 500 sq.m.	
EDOUARD VII – Indigo Hotel	3,100 sq.m.	
LOUVRE SAINT-HONORE	2,200 sq.m.	
WASHINGTON PLAZA	1,800 sq.m.	
Other	1,400 sq.m.	
At 30 June 2014	57,400 sq.m.	Delivery:
#CLOUD	33,200 sq.m.	H2 2015
LOUVRE SAINT-HONORE	12,600 sq.m.	
90 CHAMPS-ELYSEES	3,900 sq.m.	Q2 2015
EDOUARD VII – Indigo Hotel	3,100 sq.m.	
Other	4,600 sq.m.	

► **Potential rental income ≈ €35m**
(Attributable to SFL)



#cloud.paris
Paris 2nd



Louvre Saint-Honoré
Paris 1st

83, rue de Richelieu – PARIS 2nd



Architect: PCA

HQE Outstanding certification obtained for the Planning/Design phase

Structural work launched: June 2013

33,200 sq.m. of new office space for delivery in second half of 2015

90 Champs-Élysées

90, Avenue des Champs-Élysées – PARIS 8th



► **Architect: HBA**
Designer: Agent M

► **Project earned BREEAM Good certification**

► **Pre-marketed to an international consulting firm in February 2014**

► **6,000 sq.m. of new offices for delivery in second quarter 2015**

Disposal of SIIC de Paris

- ▶ **Agreement signed on 5 June with EUROSIC for the sale of SFL's total 29.63% stake in SIIC de Paris**
- ▶ **Sale price: €23.88 per share (after special dividend of €0.57)**
- ▶ **Acquired in 2010 for €18.48 per share**
- ▶ **Potential consolidated capital gain ≈ €8m**

Sale completed on 23 July 2014

I. Introduction & Property Portfolio at 30 June 2014

II. First-Half Business Review

III. Property Transactions

IV. First-Half Financial Statements and Results

Appendices

First-Half 2014 Results

€m	H1 2014	H1 2013
Property rentals	73.8	74.6
Property expenses, net of recoveries	(4.8)	(6.4)
Net property rentals	69.1	68.3
Service and other revenue	0.4	0.7
Depreciation, amortisation and provision expense, net	(0.7)	0.9
Employee benefits expense and other expenses	(9.9)	(10.0)
Operating profit before disposals and fair value adjustments	58.9	59.8
Profit/(loss) on asset disposals	0.0	(0.2)
Fair value adjustments to investment properties	150.1	79.7
Share of profit of associates	(2.2)	11.6
Finance costs and other financial income and expense	(32.3)	(35.0)
Income tax expense	(15.0)	(16.7)
Profit for the period	159.6	99.2
Minority interests	(20.1)	(17.0)
Attributable net profit	139.5	82.2
EPRA earnings	26.3	29.7

EPRA earnings

€m	H1 2014		H1 2013	
	Recurring EPRA	Non Recurring	Recurring EPRA	Non Recurring
Property rentals	73.8		74.6	
Property expenses, net of recoveries	(4.8)		(6.4)	
Net property rentals	69.1		68.3	
Service and other revenues	0.4		0.7	
Depreciation, amortisation, provisions, net	(0.7)		0.9	
Employee benefits expense and other expenses	(9.9)		(10.0)	
Operating profit before disposals and fair value adjustments	58.9		59.8	
Profit/(loss) on asset disposals	0.0	0.0	0.0	(0.2)
Fair value adjustments to investment properties	0.0	150.1	0.0	79.7
Share of profit of associates	4.3	(6.5)	6.7	4.8
Finance costs, other financial income and expense	(27.5)	(4.7)	(26.2)	(8.8)
Income tax expense	(3.5)	(11.5)	(5.4)	(11.4)
Profit for the period	32.1	127.4	35.0	64.2
Minority interests	(5.8)	(14.2)	(5.4)	(11.7)
EPRA earnings	26.3	113.2	29.7	52.5
Average number of shares (thousands)	46,529		46,529	
Underlying attributable earnings per share	€0.57		€0.64	

Consolidated balance sheet

€m	30 June 2014	31 Dec. 2013
Assets		
Investment properties	4,008	3,811
SIIC de Paris shares	-	302
Other non-current assets	31	32
Non-current assets	4,039	4,145
Other current assets	111	94
Assets held for sale	295	0
Total Assets	4,445	4,239
Equity & Liabilities		
Equity	2,296	2,215
Minority interests	246	231
Total equity	2,542	2,446
Non-current liabilities	1,752	1,504
Current liabilities	151	289
Total Equity and Liabilities	4,445	4,239

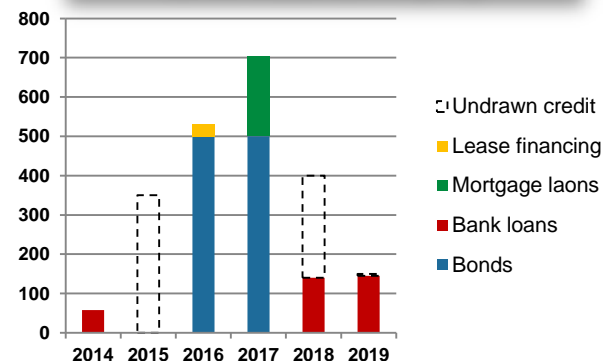
Consolidated debt

(€m)	30 June 2014	31 Dec. 2013	% change
	Consolidated	Consolidated	
Bonds	1,000	1,000	0
Syndicated lines of credit	140	50	90
Other bank loans	406	403	3
Lease financing	31	33	-2
Total debt	1,577	1,486	91
Cash and cash equivalents	31	29	2
Net debt	1,546	1,457	89
Undrawn lines of credit	615	700	-85

Property portfolio incl. transfer costs	4,287	4,071	216
SIIC de Paris shares	295	302	-7

Loan To Value	33.7%	33.3%	0.4%
Average life (years)	3.0	3.4	-0.4
Average spot cost (after hedging)	3.4%	3.3%	0.1%

**Debt maturities
at 30 June 2014 (€m)**



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

**New BECM revolving credit
facility:**
€150m
Expiring May 2019

Net Asset Value

€m	30 June 2014	31 Dec. 2013
Equity	2,296	2,215
Treasury shares and stock options	14	15
Unrealised capital gains	17	9
Elimination of financial instruments at fair value	2	0
Elimination of deferred taxes	77	71
EPRA NAV	2,405	2,309
EPRA NAV / share	51.7 €	49.6 €
Financial instruments at fair value	(2)	0
Fixed-rate debt at fair value	(72)	(65)
Deferred taxes	(77)	(71)
EPRA NNAV	2,253	2,172
EPRA NNAV/ share	€48.4	€46.7
Transfer costs on property portfolio	176	168
NAV including transfer costs	2,581	2,477
NAV/share including transfer costs	€55.5	€53.2
Shares outstanding (in thousands)	46,529	46,529

Growth in EPRA NNAV (in €m)

NNNAV 31 December 2013	2,172.4
Changes in fair value of attributable assets and disposal gains	126.3
Changes in fair value of debt and financial instruments	-8.4
Attributable recurring profit	26.3
Dividend	-64.5
Other	1.2
NNNAV at 30 June 2013	2,253.3

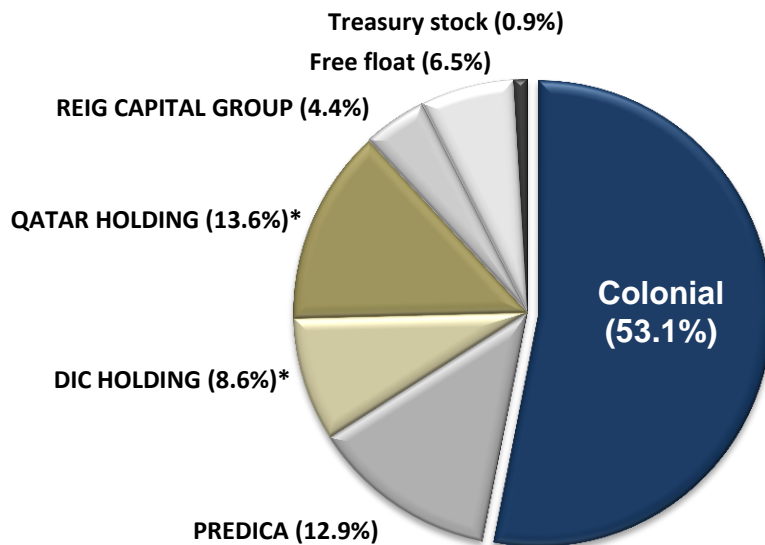
Key Figures

	H1 2014	H1 2013
Property rentals (IFRS)	€73.8m	€74.6m
Operating profit before fair value adjustments and disposals	€58.9m	€59.8m
Disposal gains (losses) and fair value adjustments, investment properties	€150.1m	€79.5m
Profit attributable to equity holders	€139.5m	€82.2m
<i>Profit attributable to equity holders per share</i>	€3.00	€1.77
EPRA earnings	€26.3m	€29.7m
<i>EPRA earnings per share</i>	€0.57	€0.64

	30 June 2014	31Dec. 2013
Portfolio value (excluding transfer costs and SIIC de Paris)	€4,081m	€3,874m
EPRA NNAV per share	€48.4	€46.7
NAV/share including transfer costs	€55.5	€53.2

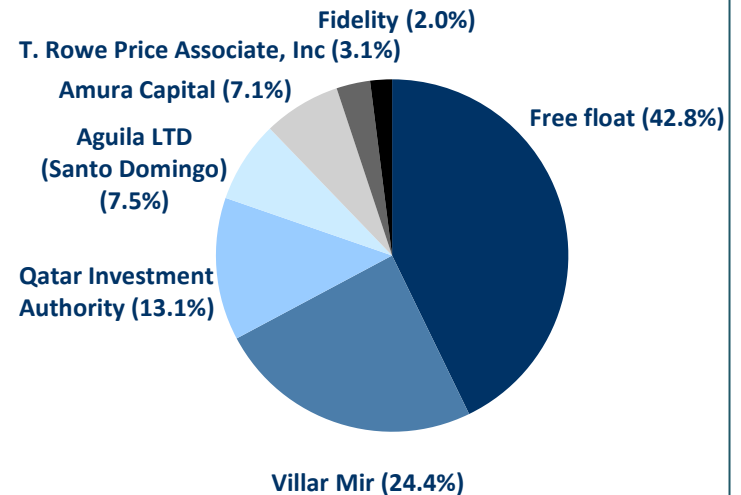
Ownership Structure at 30 June 2014

SFL Ownership Structure (46.5 million shares)




* Acting in concert

COLONIAL Ownership Structure






www.fonciere-lyonnaise.com



[Recherche](#) [OK](#) [FRA](#) [ENG](#)

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

CONSULTEZ LES RÉSULTATS DE L'ÉTUDE INÉDITE RÉALISÉE EN PARTENARIAT AVEC L'IFOP

OBSERVATOIRE DE LA MÉTROPOLE DU GRAND PARIS

**PARIS
WORKPLACE
2014**

La foncière de référence de l'immobilier tertiaire prime parisien

1 LOUVRE SAINT-HONORÉ
9 GALERIE CHAMPS-ÉLYSÉES

2 #CLOUD
10 90 CHAMPS-ÉLYSÉES

3 WASHINGTON PLAZA
11 OZONE

4 LE VAISSEAU
12 CÉZANNE SAINT-HONORÉ
17 6 HANOVRE

5 131 WAGRAM
13 ÉDOUARD VII

6 HAUSSMANN SAINT-AUGUSTIN
14 IN'OUT

7 RIVES DE SEINE
15 176 CHARLES-DE-GAULLE

8 112 WAGRAM
16 98 IÉNA
18 103 GRENELLE


Communiqués

Monsieur Bertrand-Julien Lafenière quitte ses fonctions de Directeur Général

SFL annonce l'installation d'Apax Partners MidMarket dans Cézanne Saint-Honoré

en savoir +

Vidéo




Agenda

- Jeudi 24 Juillet 2014
Présentation des Résultats Semestriels 2014

en savoir +

Nos projets d'exception



Mémorial Contemporaines 3

I. Introduction & Property Portfolio at 30 June 2014

II. First-Half Business Review

III. Property Transactions

IV. First-Half Financial Statements and Results

Appendices

Organisation Structure



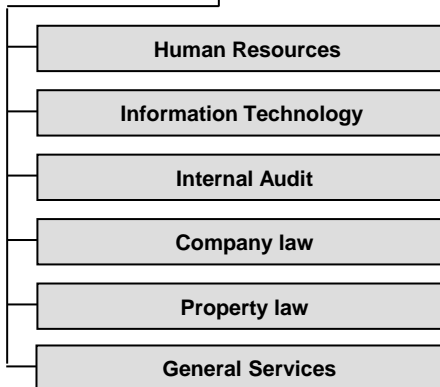
Juan José BRUGERA CLAVERO
Chairman



Nicolas REYNAUD
Managing Director



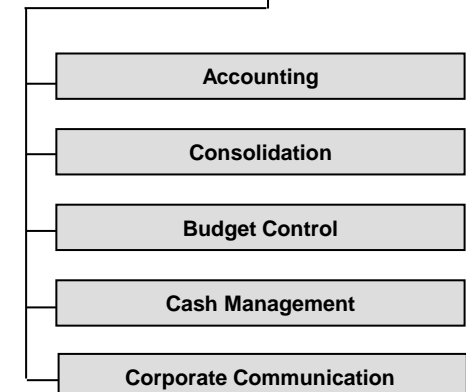
François SEBILLOTTE
Chief Resources Officer



Dimitri BOULTE
Chief Operating Officer



Nicolas REYNAUD
Chief Financial Officer



Corporate Governance

Board of Directors

Juan José BRUGERA CLAVERO	(Chairman of the Board, 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 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
Pere VIÑOLAS SERRA

Audit Committee

Carlos FERNANDEZ-LERGA GARRALDA (Chairman)
Jacques CALVET
Jean-Jacques DUCHAMP

Remuneration & Selection Committee

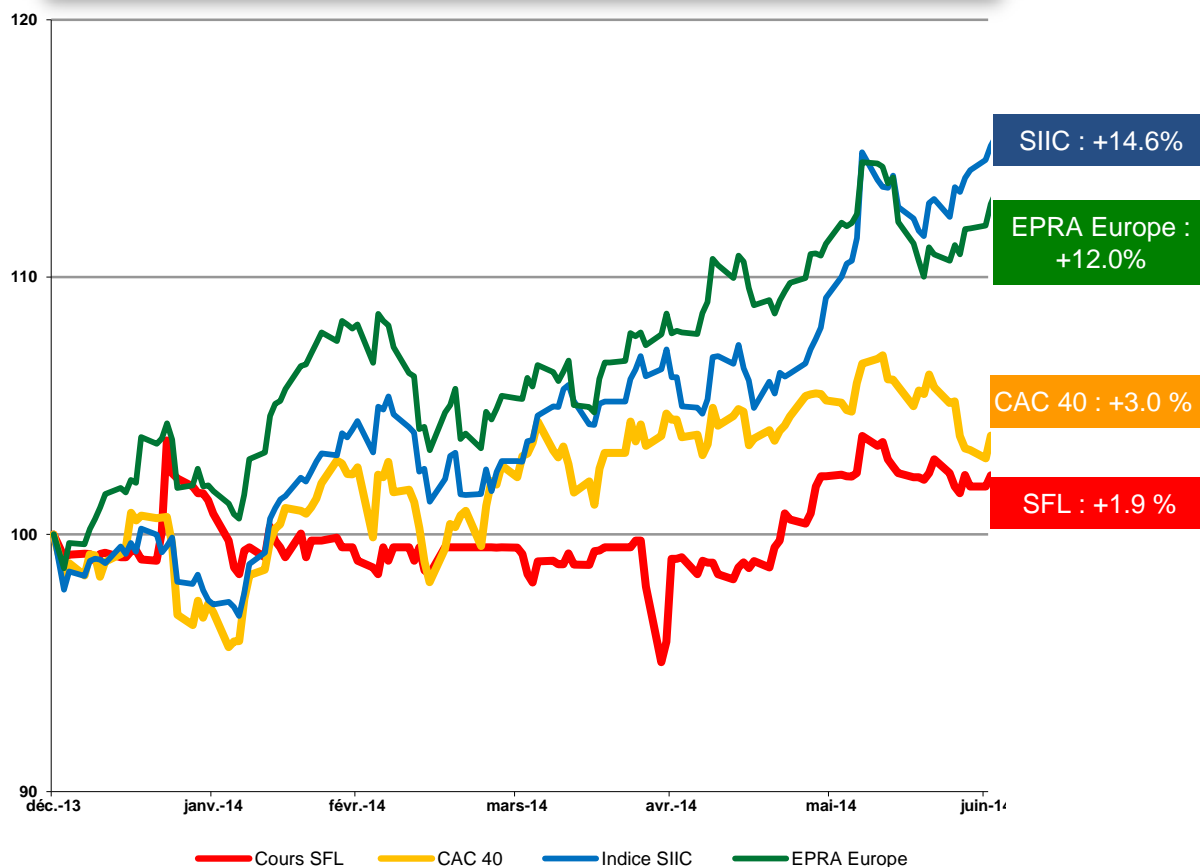
Pere VIÑOLAS SERRA (Chairman)
Juan José BRUGERA CLAVERO
Anthony WYAND

Independent Directors Committee

Jacques CALVET
Anne-Marie de CHALAMBERT
Anthony WYAND

Share Performance

H1-2014 share performance⁽¹⁾



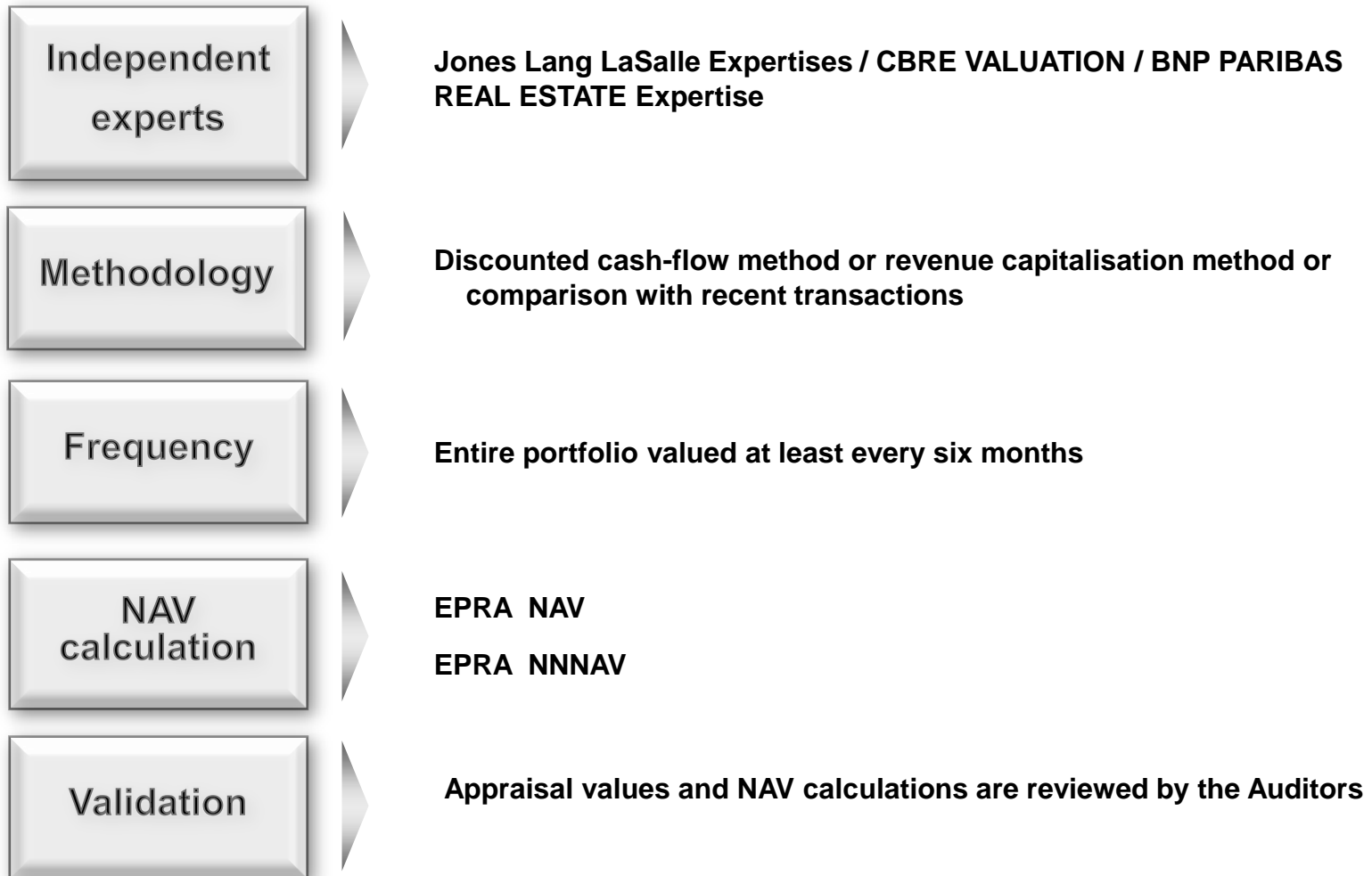
H1 2014 Key figures

Shares outstanding at 30 June 2014 (in thousands)	46,529
Average daily trading volume (shares)	4,053
Average daily trading volume (amount)	€151,000
High for the period (22 January)	€40.08
Low for the period (28 April)	€35.45
Closing price on 30 June 2014	€38.80

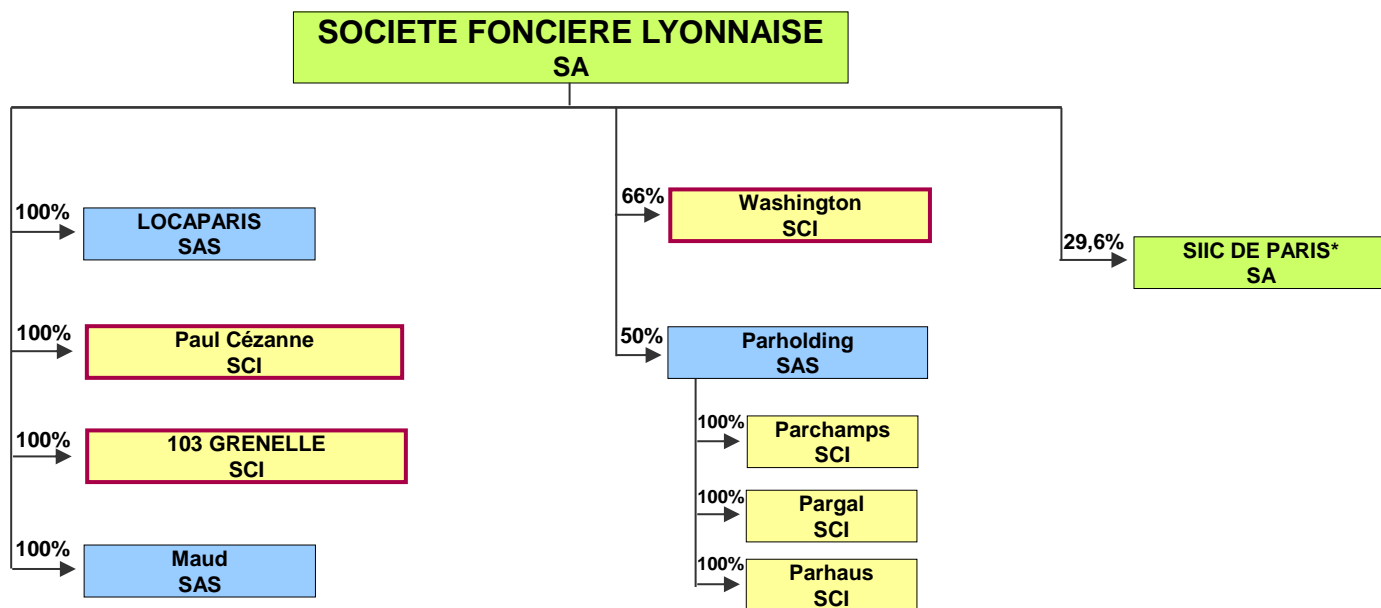
⁽¹⁾ Base 100 : 31/12/13 ; data up to 30 June 2014

Sources : Euronext/Epra

Property Valuation and NAV Calculation



Legal Structure



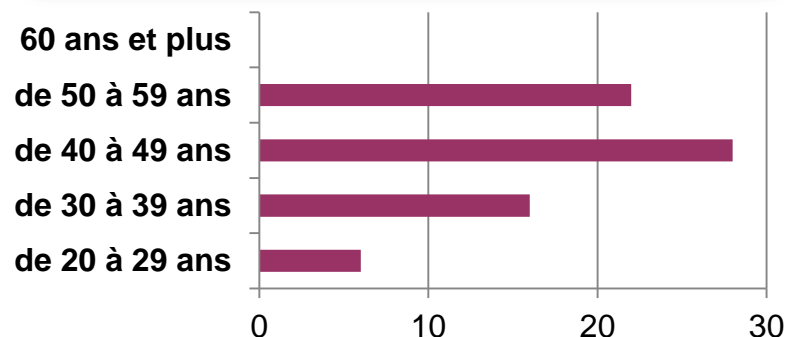
- SA (Société Anonyme)
- SAS (Société par Actions Simplifiée)
- SCI (Société Civile Immobilière)
- Flow-through entities whose results are included in those of SFL under the SIIC regime

* An agreement for the sale of the interest in SIIC de Paris was signed on 5 June 2014

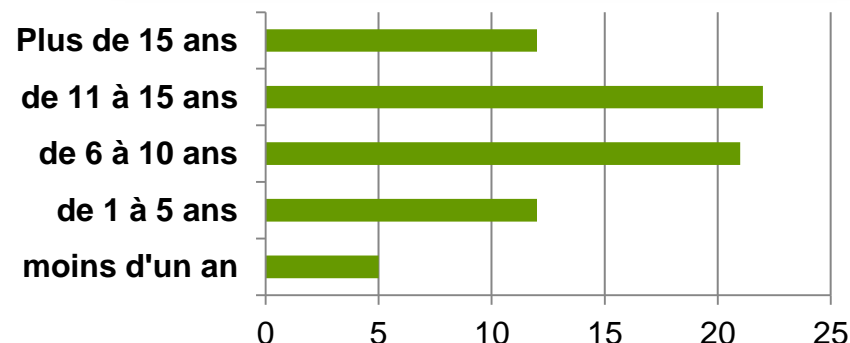
Human Resources

Number of employees	30 June 2014	31 Dec. 2013
Building caretakers	2	2
Administrative staff	8	9
Supervisors	11	11
Managers	53	52
Total	74	74

Employees⁽¹⁾ by age group
(at 30 June 2014)



Employees⁽¹⁾ by years of service
(at 30 June 2014)



⁽¹⁾ Excluding building caretakers

Capex

Expenditure (€m)	H1 2014	H1 2013	% change
Major renovation projects	38.2 ⁽¹⁾	47.9	
Other capitalised expenditure	5.1	17.1	
Total	43.3	65.0	-33.4%

⁽¹⁾ Including: #Cloud.paris ⇒ €11.9m ; 90 Champs-Élysées ⇒ €7.0m ; Washington Plaza ⇒ €5.9m ; Indigo Hotel ⇒ €5.2m