

SFL – First-Quarter 2018 Financial Information

Rental income: €48.0 million, up 5.6% on a comparable portfolio basis

Consolidated revenue by business segment (€000's)

	Q1 2018	Q1 2017
Rental income	48,025	48,969
<i>o/w Paris Central Business District</i>	39,835	38,021
<i>Paris Other</i>	7,437	6,963
<i>Western Crescent</i>	753	3,986
Other revenue	0	0
Total consolidated revenue	48,025	48,969

First-quarter consolidated rental income amounted to €48.0 million, down by a modest €0.9 million or 1.9% from the €49.0 million reported for the same period of 2017. Like-for-like growth went a long way towards offsetting the impact of the IN/OUT property disposal:

- On a like-for-like basis (excluding all changes in the portfolio affecting period-on-period comparisons), rental income was €2.4 million higher, a 5.6% increase that was attributable to new leases signed in 2017, mainly on offices in the Washington Plaza, 103 Grenelle and 9 Percier buildings.
- The sale of the IN/OUT building on 29 September 2017 led to a €3.2 million decrease in rental income compared with first-quarter 2017.

During first-quarter 2018, leases were signed on over 5,000 sq.m., including three office leases on over 1,000 sq.m. in the Cézanne Saint-Honoré, Washington Plaza and Louvre Saint-Honoré buildings. The average nominal rent for these new office leases is €724 per sq.m. and the effective rent is €623 per sq.m.

The physical occupancy rate for revenue-generating buildings remained high, at 96.6% as of 31 March 2018 versus 96.4% as of 31 December 2017, while the EPRA vacancy rate stood at 2.8%.



There were no property sales or acquisitions during the first quarter of 2018.

SFL's consolidated net debt declined slightly to €1,605 million at 31 March 2018 from €1,631 million at 31 December 2017. This represented a loan-to-value ratio of 24.2% based on the portfolio's appraisal value at 31 December 2017.

At 31 March 2018, SFL had €780 million in confirmed undrawn lines of credit.

About SFL

Leader in the prime segment of the Parisian commercial real estate market, Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at €6.2 billion and is focused on the Central Business District of Paris (#cloud.paris, Edouard VII, Washington Plaza, etc.), and for the quality of its client portfolio, which is composed of prestigious companies in the consulting, media, digital, luxury, finance and insurance sectors. As France's oldest property company, SFL demonstrates year after year an unwavering commitment to its strategy focused on creating a high value in use for users and, ultimately, substantial appraisal values for its properties.

Stock market: Euronext Paris Compartment A – Euronext Paris ISIN FR0000033409 – Bloomberg: FLY FP – Reuters: FLYP PA

S&P rating: BBB+ stable outlook

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