



CREDIT INVESTOR PRESENTATION

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May 2018



Overview

- 1 Introduction & Property Portfolio at 31 December 2017**
 - 2 2017 Rental Activity**
 - 3 Property Transactions**
 - 4 Financial Statements & Results**
- Appendices**



1

Introduction & Property Portfolio at 31 December 2017

1 Introduction

Market

- ◆ The Paris region rental market enjoyed strong growth in 2017, with 2.6 million sq.m. leased during the year
- ◆ Prime rents increased, reflecting:
 - more sustained corporate demand
 - a shortage of prime properties in the capital
- ◆ The Paris market is attractive for investors:
 - Paris is a global city
 - prime yields stand at around 3%
 - values are increasing



A favourable environment for SFL

SFL's positioning

- ◆ A pure player in prime Paris office property
- ◆ Enhancing the portfolio's value through:
 - development pipeline
 - asset purchases and sales
- ◆ Higher rents for new leases



A resilient and effective business model

1 2017 Highlights



INVESTMENTS

- Acquisition of 112 Zola (former SMA headquarters building)
Price: €165m excluding transfer costs, €166m including transfer costs



PORTFOLIO MANAGEMENT

- IN/OUT sold on 29 September to Primonial REIM
Price: €445m excluding transfer costs, €453m including transfer costs
Investment yield: 3.7%



DEVELOPMENT

- 112 Zola => 24,000 sq.m. of office space in the heart of the 15th *arrondissement*
- Louvre Saint-Honoré => redevelopment of 16,000 sq.m. of retail space
- 96 léna => 9,000 sq.m. of offices just off Place de l'Etoile



MARKETING PROGRAMME

- Leases signed on 21,000 sq.m.
- ≈ €18m of additional rental income
- Average nominal rent of €733/sq.m. (offices)



FINANCING

- S&P rating upgraded to BBB+/A2 with a stable outlook
- Two new bank facilities for 6 and 7 years respectively, for a total of €250m
- Average cost of debt: 1.7%

1 Key Indicators

Very strong performance indicators



Profit and Loss Account

- Rental income: **€195.8m** (down 1.2%) (up 3.6% like-for-like)
- EPRA earnings: **€102.4m** (up 1.5%)
- Attributable net profit: **€685.3m** (up 35.9%)

Statement of Financial Position

- Portfolio value (excl. transfer costs): **€6,229m** (up 8.6%) (up 12.6% like-for-like)
- EPRA NNAV: **€3,729m** (up 21.0%)

Business indicators

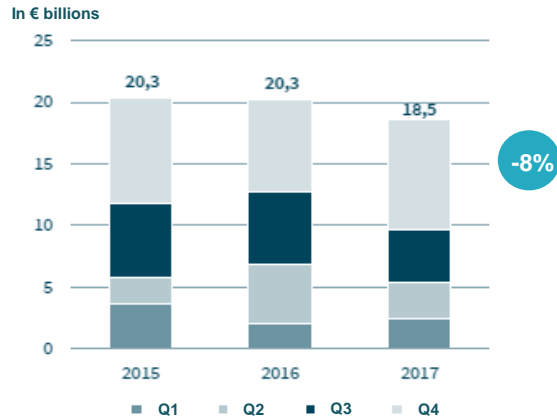
- Average nominal rent: **€629/sq.m./year**
- Average lease maturity: **5.5 years**
- Physical occupancy rate: **96.4%**
- EPRA vacancy rate: **3.1%**

Debt

- Average maturity: **4.5 years**
- Average spot cost: **1.7%**
- Loan-to-Value: **24.6%**
- Interest cover: **4.0x**

1 Paris Region Investment Market in 2017

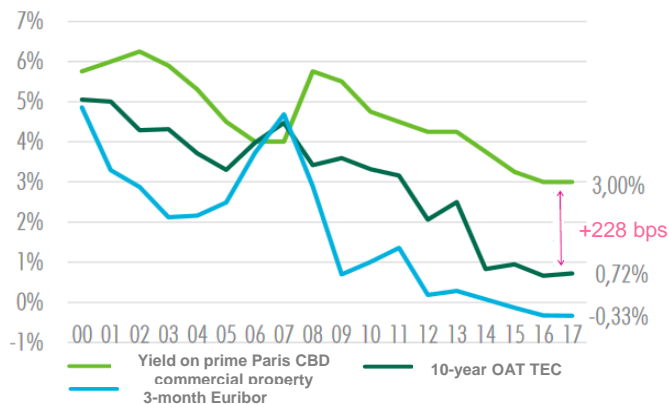
PARIS REGION COMMERCIAL PROPERTY INVESTMENT MARKET



Sources : JLL/ImmoStat

- **Total investment declined in 2017 despite a very dynamic Q4: €18.5bn invested over the year** (down 8% vs 2016), of which **€9bn in Q4**
- €6.7bn invested in €100m-plus transactions in Q4 2017, with over 22 transactions recorded in this segment
- **42% decline in volumes in 2017 in Paris CBD**, due to the lack of properties in this sector (diverting investor attention to La Défense and the Western Crescent)
- **Core assets accounted for 58% of transactions**/Off-plan sales were numerous, representing €2.9bn (vs €2.5bn in 2016)
- **French investors occupied a dominant position**, spending €13bn (70% of market)
- **Prime yields were stable at around 3%** (228bps spread vs OAT rate)

PRIME YIELD vs 10-YEAR OAT RATE



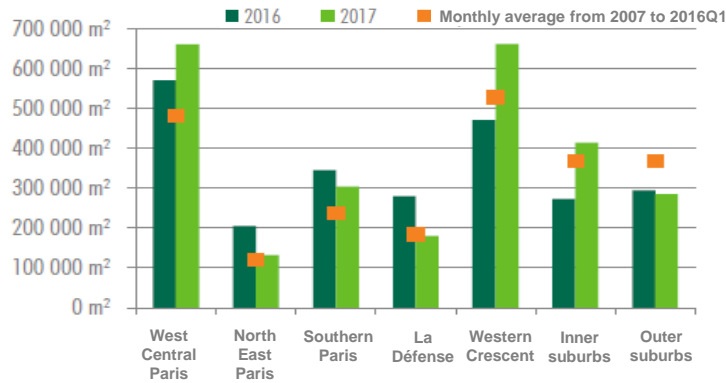
Source: CBRE

Examples of major transactions in 2017

Cœur Défense	IN/OUT Boulogne	Grand Central Saint Lazare	RTL HQ – Bayard
			
€1.8bn	€445m	€340m	€115m
€10,000/sq.m.	€12,750/sq.m.	€14,400/sq.m.	€15,625/sq.m.
Vendor: Lone Star	Vendor: SFL	Vendor: Carlyle	Vendor: Bertelsmann
Buyer: Amundi, Crédit Agricole Assurance and Patrimonial	Buyer: Primonial	Buyer: Union Investment	Buyer: LaSalle IM

1 Paris Region Rental Market in 2017

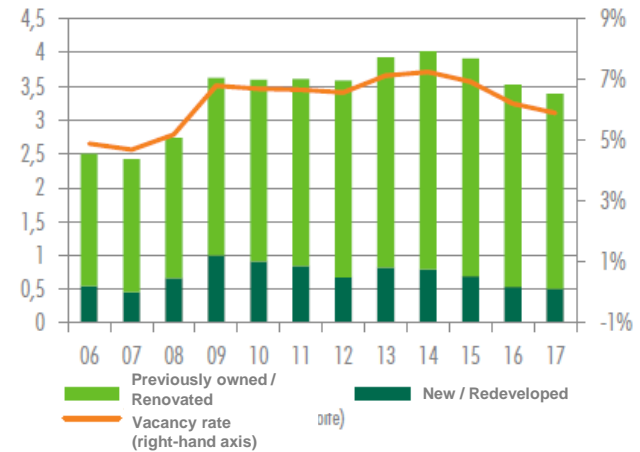
COMPLETED LETTINGS: A RECORD YEAR



- Historically strong rental market performance in 2017, with leases signed on **2.64 million sq.m.** (up 8% vs 2.43 million sq.m. in 2016), **10% above ten-year average** of 2.39 million sq.m.
- A result led by a **high volume of very large transactions**: 88 transactions in excess of 5,000 sq.m. (vs 65 in 2016), representing **43% of 2017 rental activity**
 - 52% of these very large transactions** corresponded to **pre-marketing deals**
- Modest decline in completed lettings of small and medium-sized units**, due to the shortage of properties in this segment and the development of alternative office solutions (co-working)
- Leases signed on 480,000 sq.m. in Paris CBD**, the highest level since 2007

Source: JLL/ CBRE

FEWER IMMEDIATELY AVAILABLE PROPERTIES AND LOWER VACANCY RATE

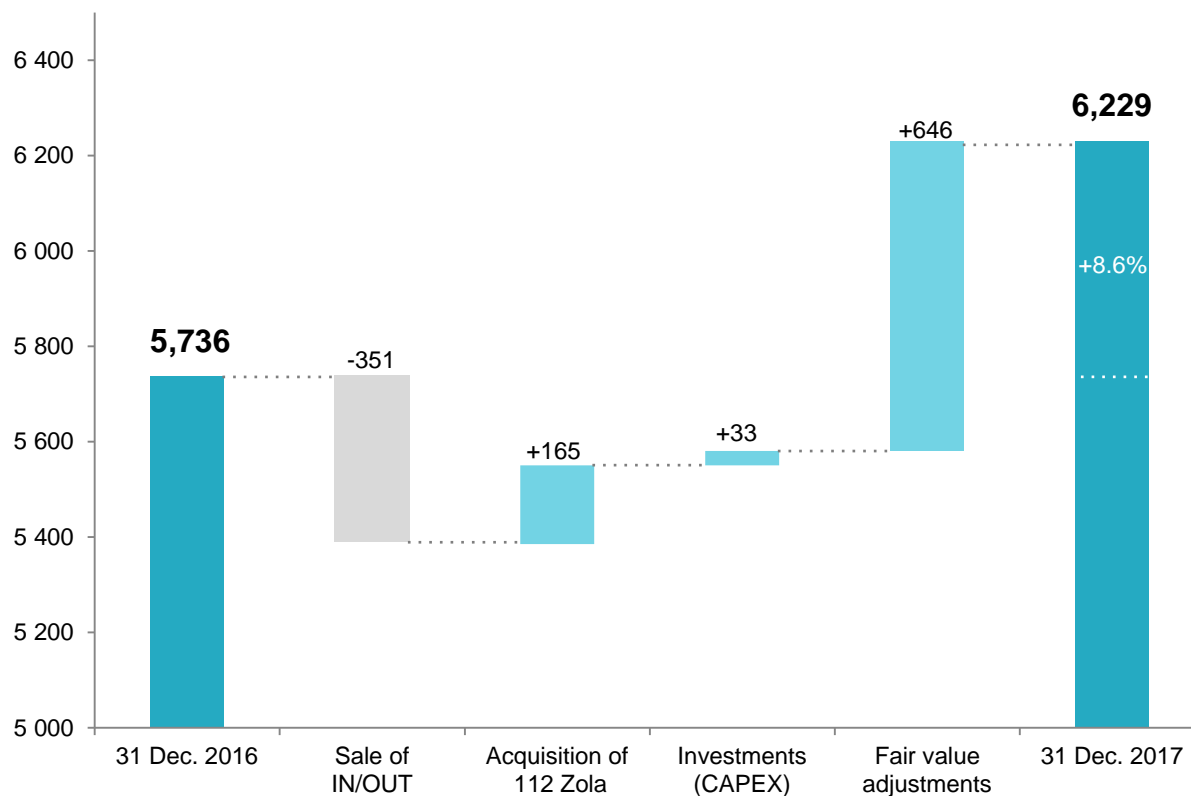


- Lowest vacancy rate since 2007: 6.4% in Paris region and 3% in West Central Paris** (lowest rate since 2009)
- Immediately available space continues to decline: 3.4 million sq.m. in Paris region** (down 5% vs 2016)
 - New or remodelled properties** (435,000 sq.m.) represent just **14% of immediately available space**
- Rental incentives stable overall at 22.3%** in Paris region, with a low of 16.5% in Paris itself
- Higher **prime rental values** in Paris (€775/sq.m. vs €750/sq.m. in Q4 2016)
- The favourable economic outlook and an increasingly narrow offer should drive an increase in prime rental values in 2018**

1 Analysis of Property Portfolio Value

Consolidated portfolio value up 8.6% vs 2016:
€6,229m excluding transfer costs - €6,619m including transfer costs
up 12.6% on a like-for-like basis

Consolidated data (€m, excl. TC)



Average value per sq.m.: €17,499/sq.m.
excl. transfer costs

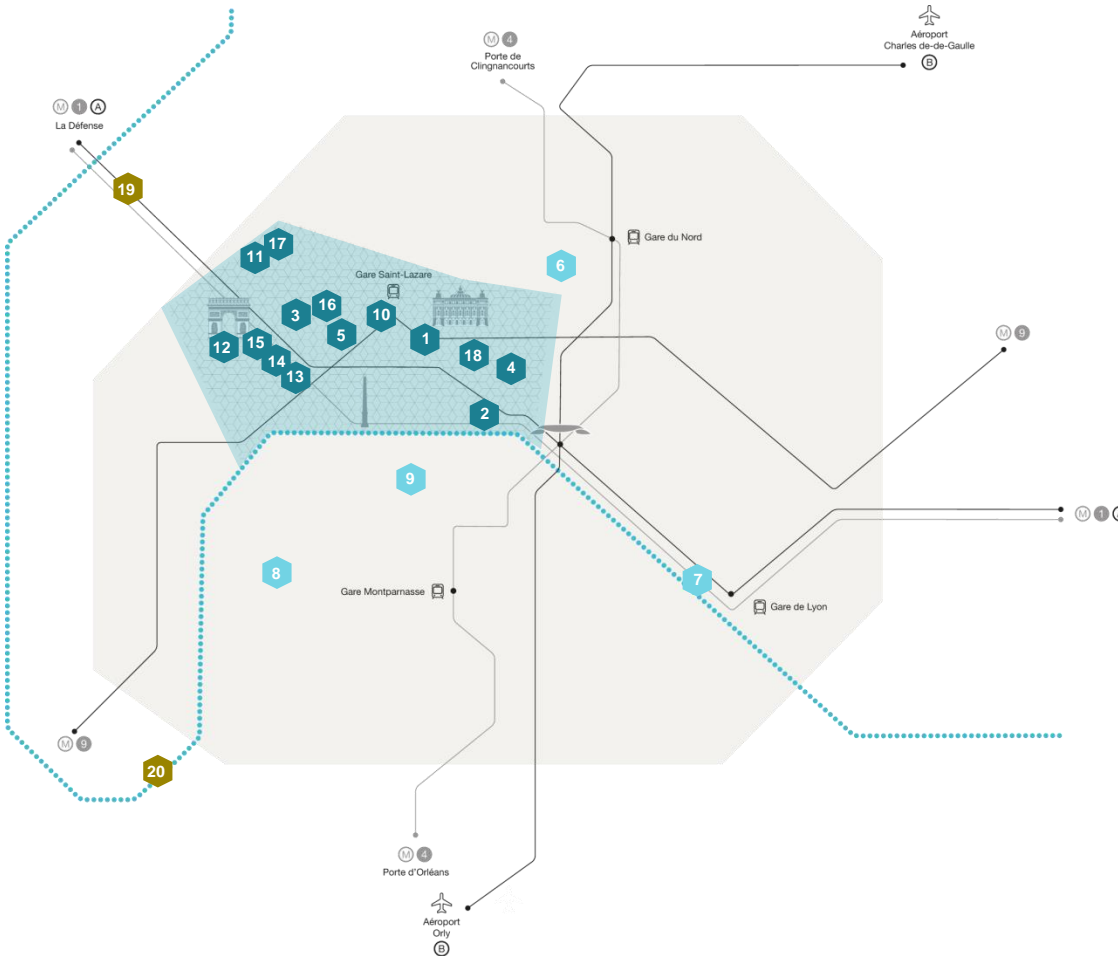
EPRA topped-up NIY: 3.2%

(3.6% at 31 December 2016)

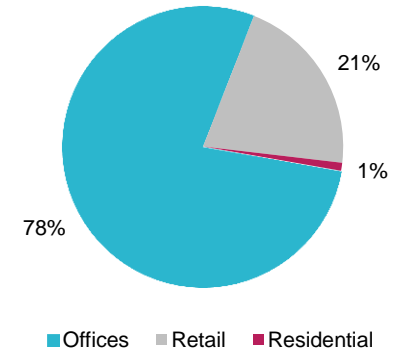
- *Topped-up NIY Offices: 3.3%*
- *Topped-up NIY Retail: 2.8%*

1 The Benchmark in the Paris Prime Commercial Property Market

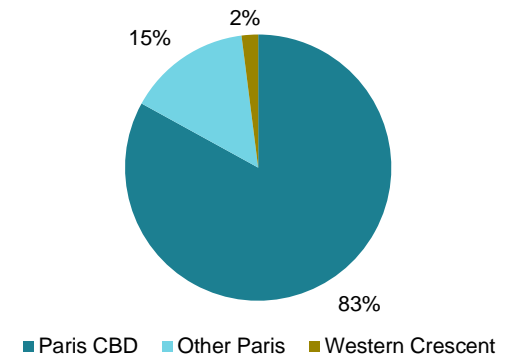
€6,229m portfolio, 98% in Paris
as shown below:



Market focus
(value)



Geographic focus
(value)



1 Property Portfolio: 388,100 sq.m.

	Paris	Total surface area ⁽¹⁾
1	Edouard VII	54,100 sq.m.
2	Louvre Saint-Honoré	47,700 sq.m.
3	Washington Plaza	47,000 sq.m.
4	#cloud.paris	35,000 sq.m.
5	Cézanne Saint-Honoré	29,000 sq.m.
6	Condorcet	24,900 sq.m.
7	Rives de Seine	22,700 sq.m.
8	112 Zola	21,000 sq.m.*
9	103 Grenelle	18,900 sq.m.
10	Hausmann Saint-Augustin	13,400 sq.m.
11	131 Wagram	9,200 sq.m.
12	96 Léna	8,900 sq.m.
13	90 Champs-Élysées	8,900 sq.m.
14	Galerie Champs-Élysées	8,700 sq.m.
15	92 Champs-Élysées	7,700 sq.m.
16	9 Percier	6,700 sq.m.
17	112 Wagram	6,000 sq.m.
18	6 Hanovre	4,600 sq.m.
	TOTAL	374,400 sq.m.

	Western Crescent	Total surface area ⁽¹⁾
19	176 Charles de Gaulle <i>Neuilly-sur-Seine</i>	7,400 sq.m.
20	Le Vaisseau <i>Issy-les-Moulineaux</i>	6,300 sq.m.
	TOTAL	13,700 sq.m.

- Paris CBD
- Paris Other
- Western Crescent

⁽¹⁾ Including infrastructure and excluding car parks

* Planned surface area: 24,000 sq.m.

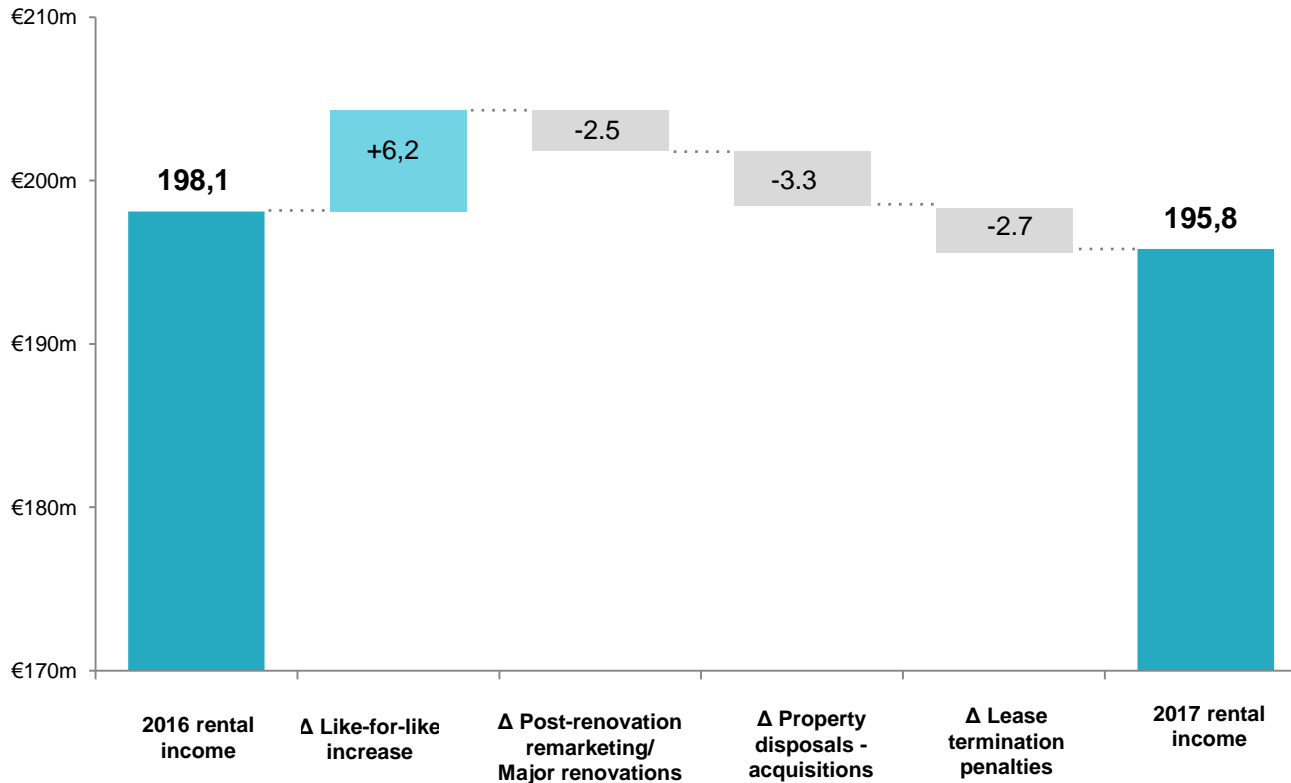


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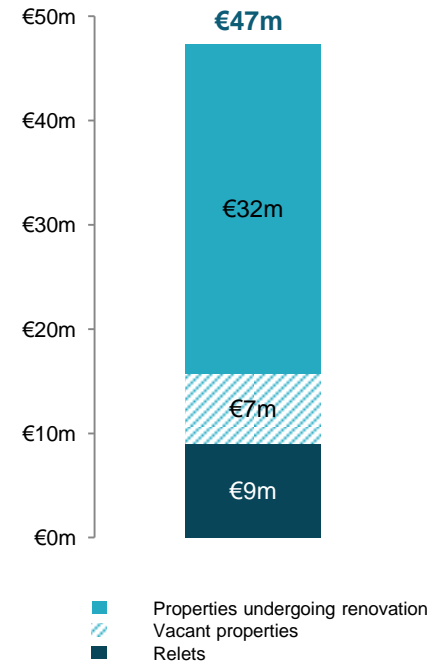
Rental Activity 2017

2 Rental Income and Reversionary Potential

Rental income growth in 2017: 3.6% on a like-for-like basis



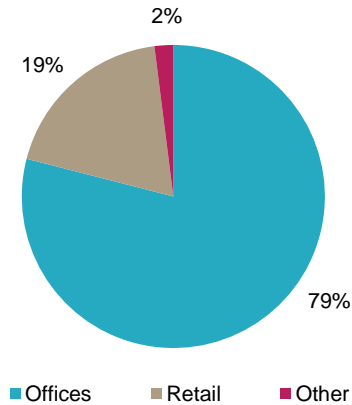
Reversionary potential (Consolidated data, 100% basis)



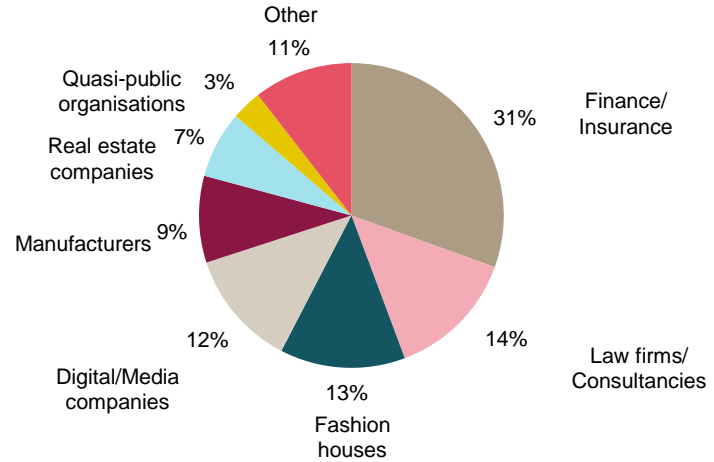
2 Rental Income Breakdown

A diversified portfolio of very high value-added tenants

2017 rental income: €195.8m



Breakdown by tenant business at 31 December 2017



FINANCE/INSURANCE



LAW FIRMS/CONSULTANCIES



FASHION HOUSES



DIGITAL/MEDIA COMPANIES



QUASI-PUBLIC ORGANISATIONS



MANUFACTURERS



REAL ESTATE COMPANIES



OTHER



★ New tenants in the portfolio/Leases signed in 2017

2 Office Marketing Programmes

◆ **17,000 sq.m.** Total surface area leased

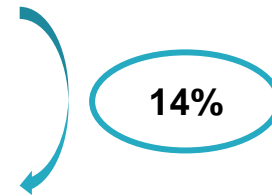
◆ **≈ €13m** Total nominal rent

◆ **€733/sq.m.** Average nominal rent
(excl. staff restaurant)

◆ **€629/sq.m.** Average effective rent

◆ **7.5 years** Non-cancellable period

◆ **3.6%** Physical vacancy rate, SFL portfolio at 31 December 2017
vs Paris region average vacancy rate of 6.4%

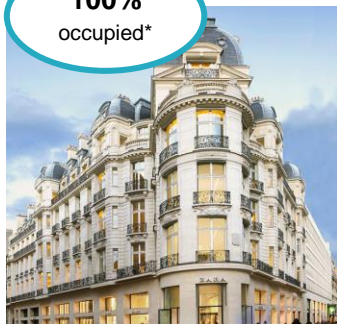


Average incentive rate SFL leases
vs West Central Paris average of 16.5%
(source: CBRE)

2 Marketing Programmes

Main leases signed in 2017

100%
occupied*



92 Champs-Elysées - Paris 8

wework

3,400 sq.m.
12 years
Signed 17 Nov. 2017

100%
occupied*



103 Grenelle - Paris 7

Calvin Klein

1,600 sq.m.
6/9/10 years
Signed 30 June 2017

**Edouard
Denis**

1,300 sq.m.
6/9/10 years
Signed 20 Jan. 2017

100%
occupied*



Galerie des Champs-Elysées - Paris 8

L'OCCITANE
EN PROVENCE

PIERRE HERMÉ
PARIS

700 sq.m.
6/12 years
Signed 22 July 2017

Häagen-Dazs

100 sq.m.
3/6/9/12 years
Signed 11 Jan. 2017

95%
occupied*



Washington Plaza - Paris 8

MIZUHO

1,000 sq.m.
9 years
Signed 24 May 2017

harmonie
technologie

900 sq.m.
6/9/10 years
Signed 24 July 2017

**WELLS
FARGO**

650 sq.m.
3/6/9/10 years
Signed 4 May 2017

100%
occupied*



9 Percier - Paris 8

helvetia

1,400 sq.m.
6/9/10 years
Signed 4 April 2017

91%
occupied*



Cézanne Saint-Honoré - Paris 8

KBL RICHELIEU

1,900 sq.m.
6/9/10 years
Signed 14 Sept. 2017

LEK

1,600 sq.m.
6/9/10 years
Signed 28 Feb. 2017

100%
occupied*



131 Wagram - Paris 17

CBRE

800 sq.m.
9/10 years
Signed 12 May 2017

* Physical occupancy rate at 31 December 2017

2 Occupancy Rates

Physical occupancy rate at 31 December 2017

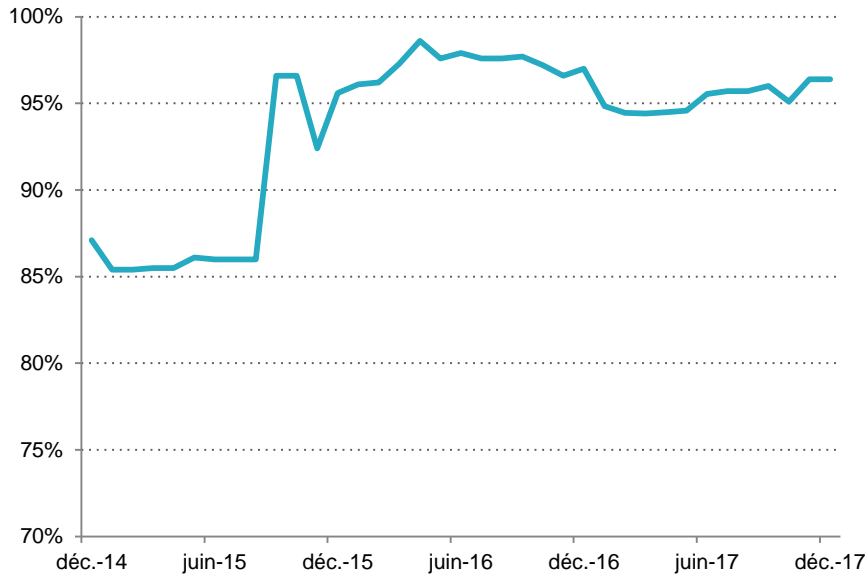
96.4%⁽¹⁾

(97.0% at 31 December 2016)

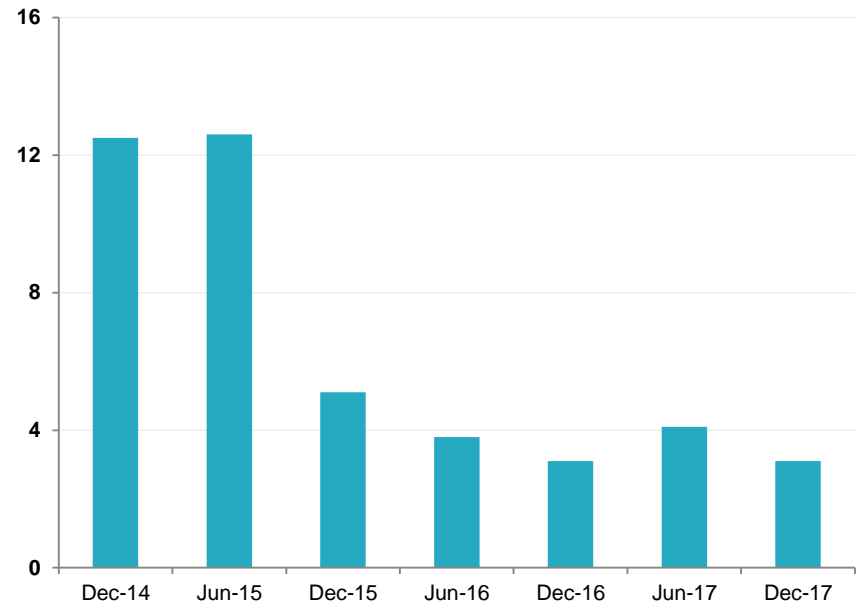
EPRA vacancy rate

3.1%⁽¹⁾

Change in physical occupancy rate



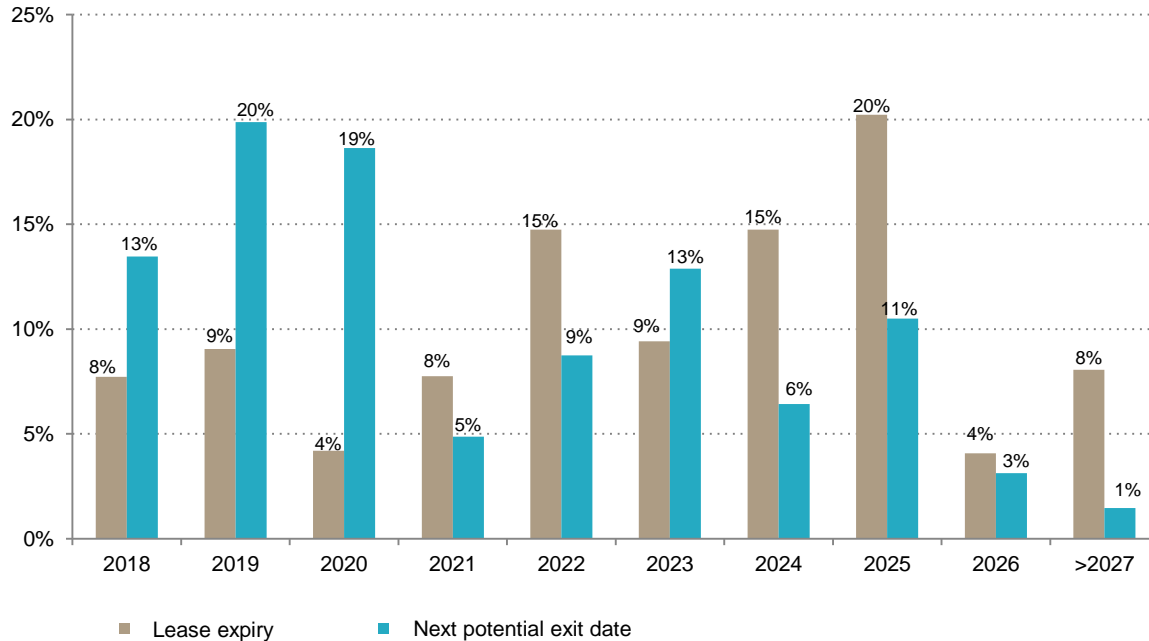
EPRA vacancy rate⁽¹⁾



(1) Surface area attributable to SFL

2 Lease Renewals

Commercial lease expiry dates



Average SFL office rent at 31 December 2017:

€629/sq.m./year
(vs €591 at 31 December 2016)

Average period⁽¹⁾ to lease expiry:

5.5 years
(vs 6.3 at 31 December 2016)

Average period to next potential exit date⁽²⁾:

3.8 years
(vs 4.8 at 31 December 2016)

(1) Weighted average remaining life of commercial leases in progress at 31 December 2017

(2) Weighted average period to next potential exit date for commercial leases in progress at 31 December 2017



3

Property Transactions

3 Investment/Development: 112 Zola – Paris 15



- Acquired on 30 November 2017; €165m excluding transfer costs; €166m including transfer costs
- Planned surface area: 24,000 sq.m. on a 6,300 sq.m. plot
- Prime contractor selected (Y. Martineau Architecture/Jouin Manku)
- Approval obtained
- Building permit applied for in October 2017 (currently under review)
- APS preliminary design finalised (November 2017)
- APD preliminary design in the process of being finalised

ROI > 5%

IRR ≈ 7%



A major redevelopment project offering considerable scope to create value:

- 36 months' work (delivery scheduled for 2021)
- Budget ≈ €3,000/sq.m.
- Opportunity to increase available space by around 15%

3 Sale: IN/OUT – Boulogne-Billancourt



THOMSON

Redevelopment and marketing



1921



1976



2000



2011



2015



2017



LMT building
“Le Matériel Téléphonique”
(telecoms company)

LMT acquired by Thomson
Boulogne (headquarters)

Acquired by SFL
Sale and Leaseback contract with
Thomson

Thomson moves out
and
redevelopment work
launched

July: 12-year lease
signed with the OECD
(Inception date: September)

Asset sold
to Primonial REIM

3 Sale: IN/OUT – Boulogne-Billancourt

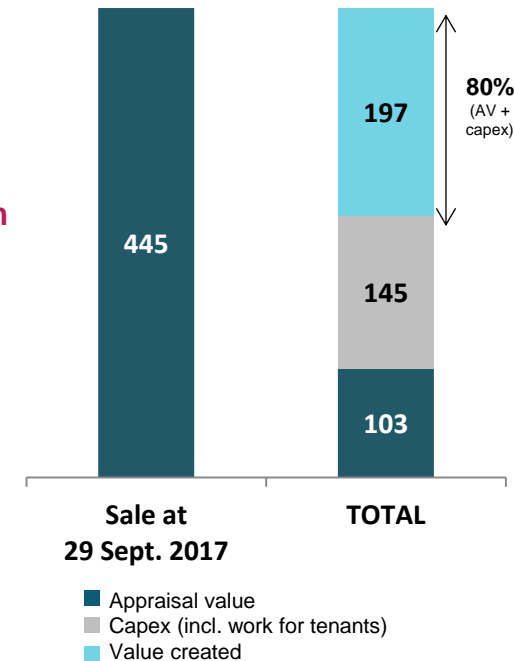


Value created

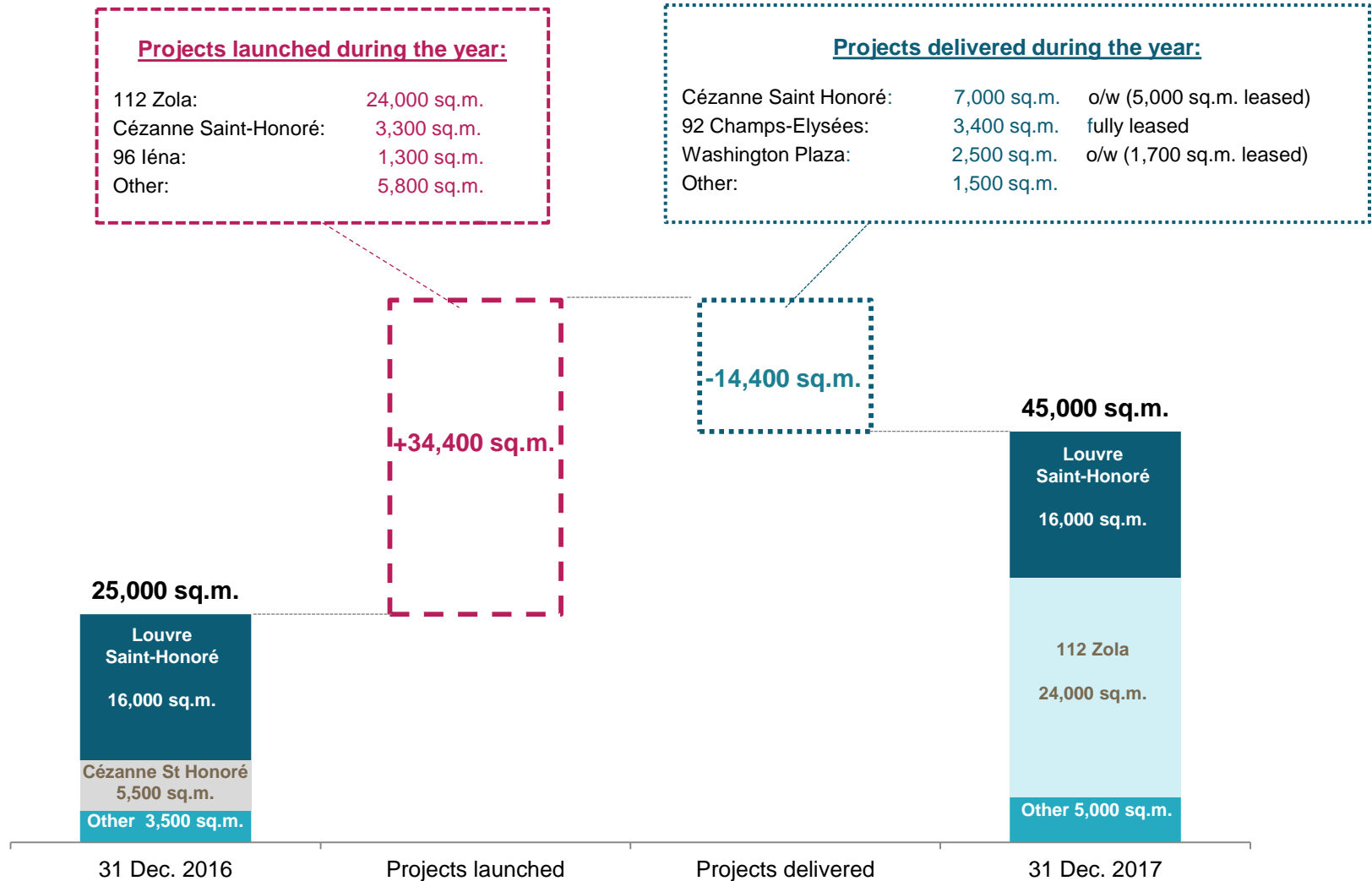
- Creation of a unique office campus with a dedicated service centre
- Improved user comfort in an efficient workspace and an exceptional environment
- Highly respected partners:
 - DTACC architects
 - Jouin-Manku design consultancy
- Exemplary environmental credentials
 - ✓ “Outstanding” HQE rating
 - ✓ LEED Platinum
 - ✓ BREEAM-in-Use – Excellent

Key figures

- Surface area: **35,000 sq.m.** (including 4,000 sq.m. created / service centre)
- Price excl. transfer costs: **€445m**
- Price incl. transfer costs: **€453m**
- Yield incl. transfer costs: **3.7%**
- Ratio: **€12,750/sq.m.**
- IRR: **12%**



3 Current Redevelopment Projects*

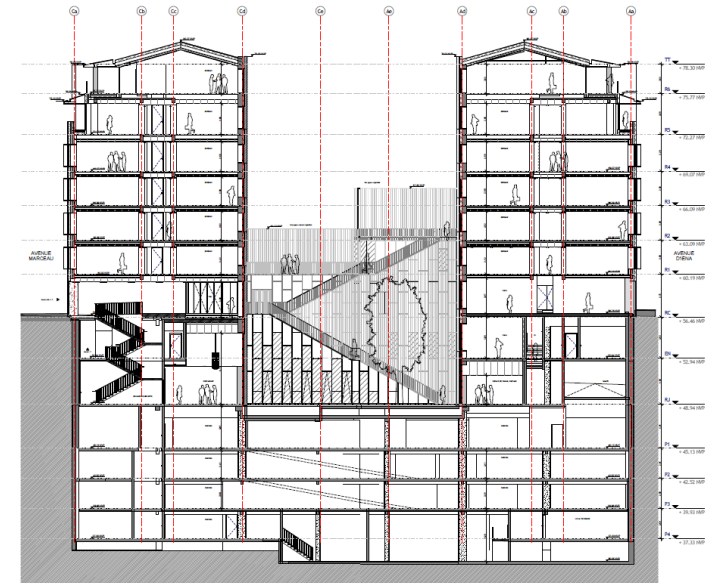
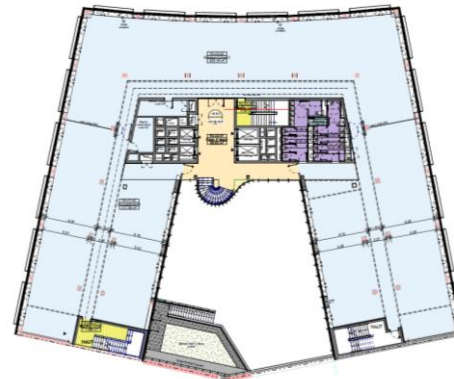
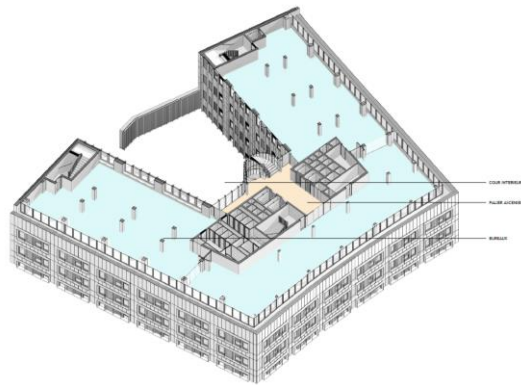


* Surface area attributable to SFL

3 Redevelopment Projects: 96 IÉNA



- Prime contractor: DPA (D. Perrault)
- Approval obtained
- Building permit obtained
- Redevelopment of 9,300 sq.m. (1,000 sq.m. per floor with services)
- Scheduled delivery: 2021



3 Redevelopment Projects: Louvre Saint-Honoré



- Redevelopment of **16,000 sq.m.** of retail space
- Prime contractor: B-Architecture
- Redevelopment of retail space: **Lower ground/Ground/Upper ground floors**
- CDAC retail redevelopment permit obtained: **15,000 sq.m.**
- Building permit/Modified building permit obtained
- Marketing in progress
- Preparatory work/relocation of staff restaurant launched

2017

2018

2019 - 2021

2022

Preparatory work:
Feasibility study/units vacated

Preparatory/administrative/
marketing phases completed

Redevelopment
work

Delivery

3 SFL's CSR Policies



2017 BREEAM Awards
Corporate Investment in Responsible Real Estate Award



2017 EPRA Awards
EPRA BPR Gold Award
EPRA sBPR Silver Award
and **Most Improved Report Award**

- **100%** of in-use properties are certified as meeting BREEAM-in-Use International (BIU) standards
- The recently delivered redevelopment projects all comply with the following three standards:
 - BREEAM® New Construction
 - LEED®
 - HQE®
- SFL has earned **Green Star** ranking in each Global Real Estate Sustainability Benchmark (GRESB) Survey since 2014

4th SFL/Ifop Paris WorkPlace Survey



- **3,000 employees surveyed** including 1,000 from French Tech
- **10 French Tech companies** surveyed



SFL, committed to sustainable real estate



“From Baron Haussmann’s Paris to the connected city, a century and a half of architecture”

From SFL’s creation in 1879 to the present day



4



Financial Statements & Results

4 2017 Results

€m	2017	2016	Change
Rental income	195.8	198.1	-1.2%
Property expenses, net of recoveries	(10.9)	(10.5)	
Net rental income	184.9	187.6	-1.4%
Service and other revenues	2.2	2.9	
Depreciation, amortisation and provision expense, net	0.3	(1.6)	
Employee benefits expense and other expenses	(23.3)	(19.2)	
Operating profit before disposal gains and fair value adjustments	164.1	169.7	-3.3%
Profit on asset disposals	80.3	0.0	
Fair value adjustments on investment property	635.1	438.0	
Share of profits/(losses) of associates	0.0	0.0	
Finance costs and other financial income and expenses	(40.7)	(48.1)	
Income tax (expense)/benefit	(42.5)	3.3	
Profit for the year	796.3	562.9	
Non-controlling interests	(111.0)	(58.8)	
Attributable net profit	685.3	504.1	
EPRA earnings	102.4	100.9	+1.5%

4 Consolidated Statement of Financial Position

€m	31 Dec. 2017	31 Dec. 2016
Assets		
Investment property	6,119	5,605
Other non-current assets	25	24
Total non-current assets	6,144	5,629
Properties held for sale	0	0
Other current assets	104	135
Total current assets	104	135
Total Assets	6,249	5,764
Equity & Liabilities		
Equity	3,763	3,123
Non-controlling interests	476	371
Total equity	4,239	3,494
Non-current liabilities	1,904	1,813
Current liabilities	106	457
Total Equity and Liabilities	6,249	5,764

4 Consolidated Loan-to-Value

€m	31 Dec. 2017	31 Dec. 2016	Change
Bonds	1,000	1,301	-301
Bank loans	444	445	-1
Mortgage loans	203	205	-2
Total debt	1,647	1,951	-304
Cash and cash equivalents	16	20	-4
Net debt	1,631	1,931	-300
Undrawn lines of credit	760	540	+220
Property portfolio incl. TC	6,619	6,092	+527
Loan-to-value	24.6%	31.7%	-7.1%
Interest cover	4.0x	3.7x	+0.3
Average maturity (years)	4.5	4.4	+0.1
Average spot cost of debt (after hedging)	1.7%	1.9%	-0.2pt

4 Credit Quality and Liquidity

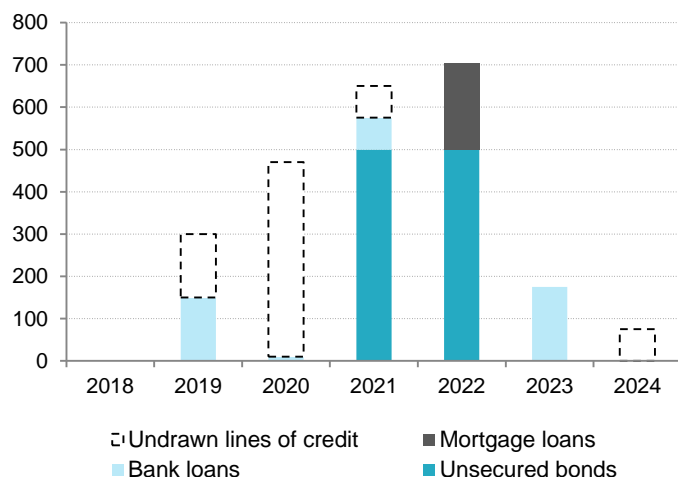
S&P rating upgraded to BBB+/stable in October 2017

- Upgrade from BBB to BBB+ follows the sale of the IN/OUT building
- S&P considers that SFL has some material headroom, at current rating level, with *“debt-to-debt-plus-equity sustainably below 40%”* and *“EBITDA interest coverage around 3.5x or above over the coming two years”*
- SFL’s financial profile now at the *“higher end of the intermediate category”*
- SFL’s business risk profile is unchanged (*“strong”*)
- Positive ratings trajectory with 2 ratings upgrades since 2015

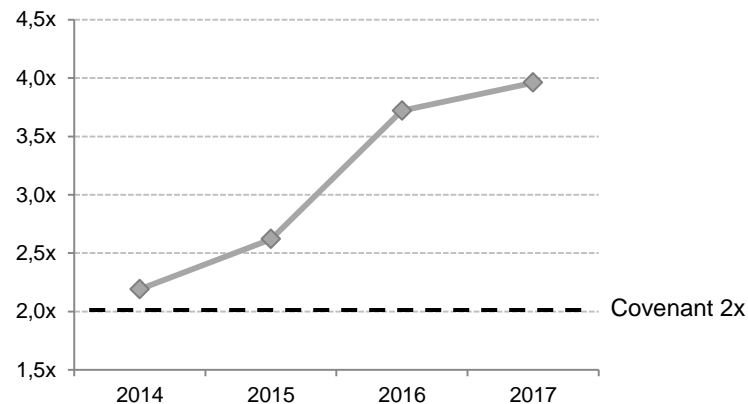
Robust liquidity with covenanted bank debt

- €760m undrawn lines of credit at 31 December 2017, maturing between 2019 and 2024
- Thanks to two new bank facilities for 6 and 7 years, for a total of €250m
- No significant debt maturing before 2021
- Bank facilities include 4 covenants: LTV ($\leq 50\%$), ICR ($\geq 2x$), secured LTV ($\leq 20\%$), unrestricted property value ($\geq \text{€}2\text{bn}$)
- Secured debt represents 3.1% of asset value. SFL does not aim to increase secured debt in the foreseeable future

Maturities of debt at 31 December 2017 (€m)



Interest Coverage Ratio (x)



4 Financial Policy

- **Prudent leverage :** Internal guideline maximum LTV 40%
- **Ratings target :** Management commitment to maintain an investment-grade credit rating
- **Prudent hedging :** Policy of having at least 70% of borrowings fixed or hedged
As of December 2017, 87% was fixed or hedged
- **Prudent debt structure :** Diversification, desintermediation and lengthening of financing resources
Limited and prudent use of secured debt (3.1% of portfolio value at 31 December 2017)
- **Prudent liquidity policy :** €760m of committed unutilised bank facilities
- **Covenants headroom :** LTV of 24.6% vs bank covenant of 50%
ICR of 4,0x vs bank covenant of 2,0x

4 Key Credit Strengths

- **France's oldest real estate company, founded in 1879**
- **Unrivalled prime market locations. The benchmark in the Paris prime commercial property market.**
- **Diversified, balanced and credit worthy tenant base from all business sectors**
- **Solid December 2017 metrics:**
 - Portfolio appraisal value +8,6% at €6,2bn
 - Rental Revenues €196m (+3,6% on a like-for-like basis)
 - LTV at 24,6%
 - A significant improvement in ICR ratio at 4,0x
- **One of the highest occupancy rates of the sector at 96,4%**
- **Favorable market environment with a shortage of prime properties in the center of Paris**
- **Positive credit trajectory with S&P's upgrade to BBB+/Stable in October 2017**
- **Conservative financial policy**
- **Committed to sustainable real estate, with 100% of in-use properties certified as BREEAM-in-Use**

4 Questions/Answers

www.fonciere-lyonnaise.com





Appendices

4 Key Figures

	2017	2016	Change
Rental income (IFRS)	€195.8m	€198.1m	-1.2%
Operating profit before disposal gains and fair value adjustments	€164.1m	€169.7m	-3.3%
Profit on asset disposal gains and fair value adjustments to investment property	€715.4m	€438.0m	+63.3%
Attributable profit	€685.3m	€504.1m	+35.9%
EPRA earnings	€102.4m	€100.9m	+1.5%

	31 Dec. 2017	31 Dec. 2016	Change
Equity	€3,763m	€3,123m	+20.5%
Consolidated portfolio value (excluding TC)	€6,229m	€5,736m	+8.6%
EPRA NNNAV	€3,729m	€3,082m	+21.0%
EPRA NNNAV per share	€80.1	€66.2	

4 EPRA earnings

€m	2017		2016		Change
	Recurring EPRA	Non recurring	Recurring EPRA	Non recurring	
Rental income	195.8	0	198.1	0	-1.2%
Property expenses, net of recoveries	(10.9)	0	(10.5)	0	
Net rental income	184.9	0	187.6	0	-1.4%
Service and other revenues	2.2	0	2.9	0	
Depreciation, amortisation and provision expense, net	0.3	0	(1.6)	0	
Employee benefits expense and other expenses	(20.4)	(3.0)	(19.2)	0	
Operating profit before disposal gains and fair value adjustments	167.0	(3.0)	169.7	0	-1.6%
Profit on asset disposals	0	80.3	0	0	
Fair value adjustments on investment property	0	635.1	0	438.0	
Share of profits/(losses) of associates	0	0	0	0	
Finance costs and other financial income and expenses	(41.2)	0.5	(46.0)	(2.1)	-10.3%
Income tax (expense)/benefit	(9.2)	(33.3)	(8.3)	11.6	+10.1%
EPRA earnings before non-controlling interests	116.6	679.7	115.3	447.6	
Non-controlling interests	(14.2)	(96.8)	(14.4)	(44.4)	
EPRA earnings	102.4	582.9	100.9	403.2	+1.5%
EPRA earnings per share	€2.20		€2.17		

4 Net Asset Value

€m	31 Dec. 2017	31 Dec. 2016	Change
Equity	3,763	3,123	
Treasury shares and stock options	11	14	
Unrealised capital gains	17	16	
Elimination of financial instruments at fair value	(1)	0	
Elimination of deferred taxes	99	81	
EPRA NAV	3,889	3,234	+20.3%
EPRA NAV per share	€83.6	€69.5	
Financial instruments at fair value	1	0	
Fixed-rate debt at fair value	(63)	(71)	
Deferred taxes	(99)	(81)	
EPRA NNAV	3,729	3,082	+21.0%
EPRA NNAV per share	€80.1	€66.2	
Number of shares (thousands)	46,529	46,529	

Growth in EPRA NNAV (€m)

NNNAV at 31 December 2016	3,082
Change in fair value of attributable assets	+507
Profit on asset disposals	+80
Change in fair value of debt and other financial instruments	+9
EPRA earnings	+102
Dividends	-49
Other	-3
NNNAV at 31 December 2017	3,729

4 EPRA Performance Indicators



(€m)	2017	2016
EPRA Earnings	102.4	100.9
EPRA NAV	3,889.0	3,233.9
EPRA NNAV	3,728.9	3,081.8



(%)	2017	2016
EPRA Net Initial Yield	2.8%	2.9%
EPRA topped-up Net Initial Yield	3.2%	3.6%
EPRA Vacancy Rate	3.1%	3.1%
EPRA Cost Ratio (incl. vacancy costs)	13.6%	12.9%
EPRA Cost Ratio (excl. vacancy costs)	12.2%	11.1%

SFL in Brief



- The benchmark in Paris prime commercial property



- Founded in 1879: 139 years of sustainable business development



- Managing a €6.2 billion, 388,100 sq.m. property portfolio



- 98% of assets in Paris, of which 83% in the CBD



- 78% offices and 21% retail units



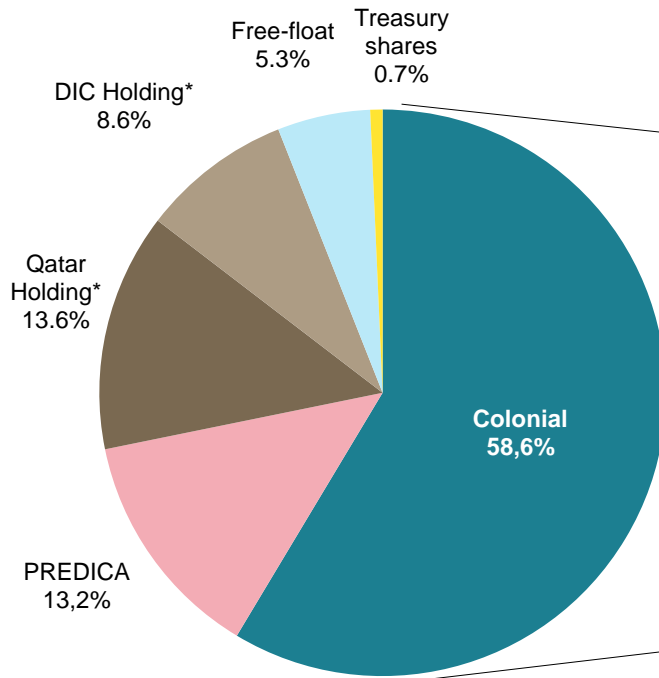
- 20 very large property complexes



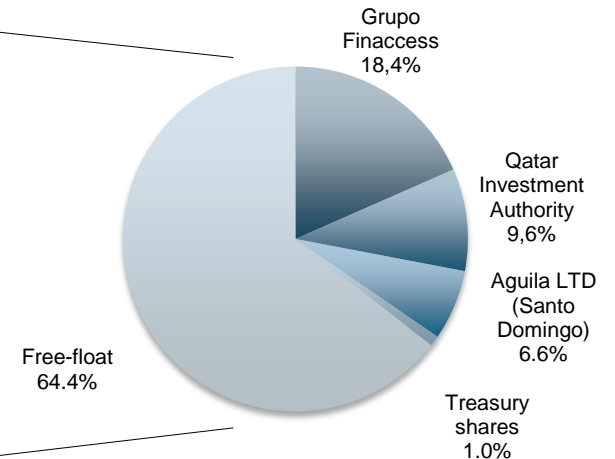
- A very high value-added tenant portfolio

Ownership Structure at 31 December 2017

SFL ownership structure
(46.5 million shares)



Colonial ownership structure
at 26 January 2018



* Shareholders acting in concert

Organisation Structure



Governance

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)
Ali Bin Jassim Al Thani	Director (QIA)
Anne-Marie de Chalambert	Independent director
Sylvia Desazars de Montgailhard	Independent director
Jean-Jacques Duchamp	Director (Prédica)
Chantal du Rivau	Director (Prédica)
Carlos Fernandez-Lerga Garralda	Director (Colonial)
Carmina Ganyet I Cirera	Director (Colonial)
Carlos Krohmer	Director (Colonial)
Luis Maluquer Trepas	Director (Colonial)
Adnane Mousannif	Director (QIA)
Nuria Oferil Coll	Director (Colonial)
Anthony Wyand	Independent director

Executive and Strategy Committee

Juan José Brugera Clavero (Chairman)

Jean-Jacques Duchamp
Carmina Ganyet I Cirera
Pere Viñolas Serra

Audit Committee

Carlos Fernandez-Lerga Garralda (Chairman)

Anne-Marie de Chalambert
Jean-Jacques Duchamp
Carmina Ganyet I Cirera

Remuneration and Selection Committee

Anthony Wyand (Chairman)

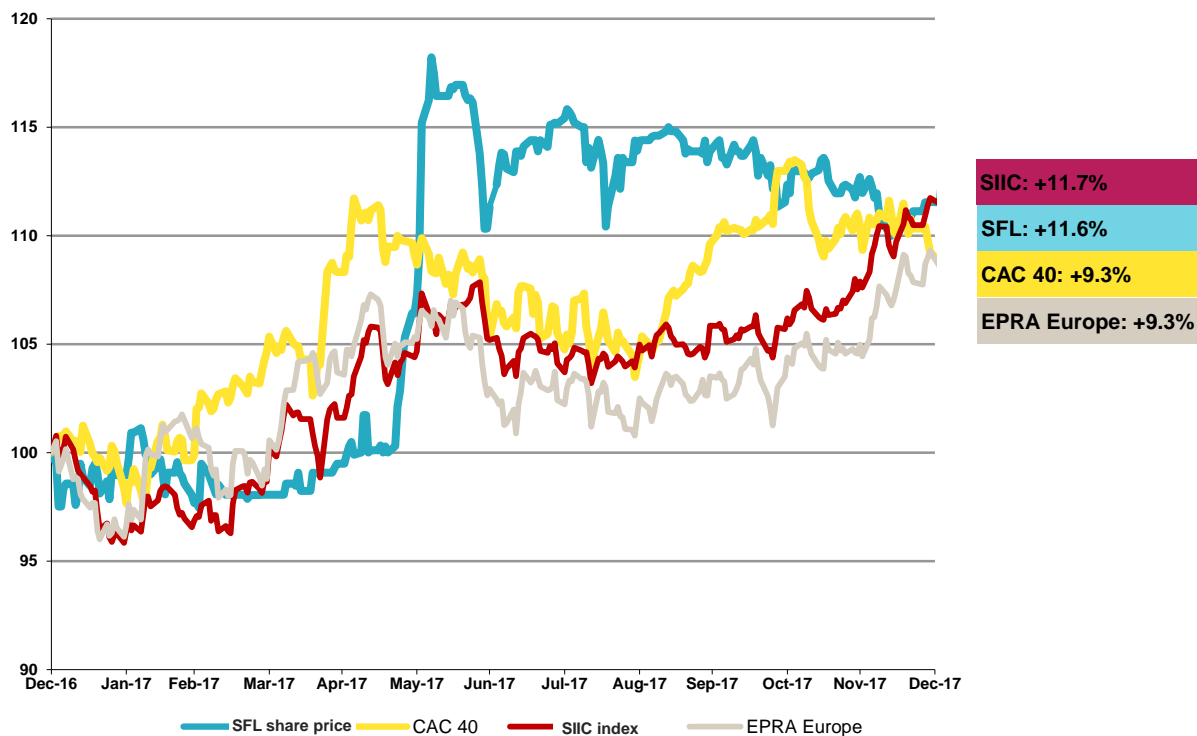
Anne-Marie de Chalambert
Pere Viñolas Serra

Committee of Independent Directors

Anne-Marie de Chalambert
Sylvia Desazars de Montgailhard
Anthony Wyand

Share Performance

2017 Share Performance⁽¹⁾

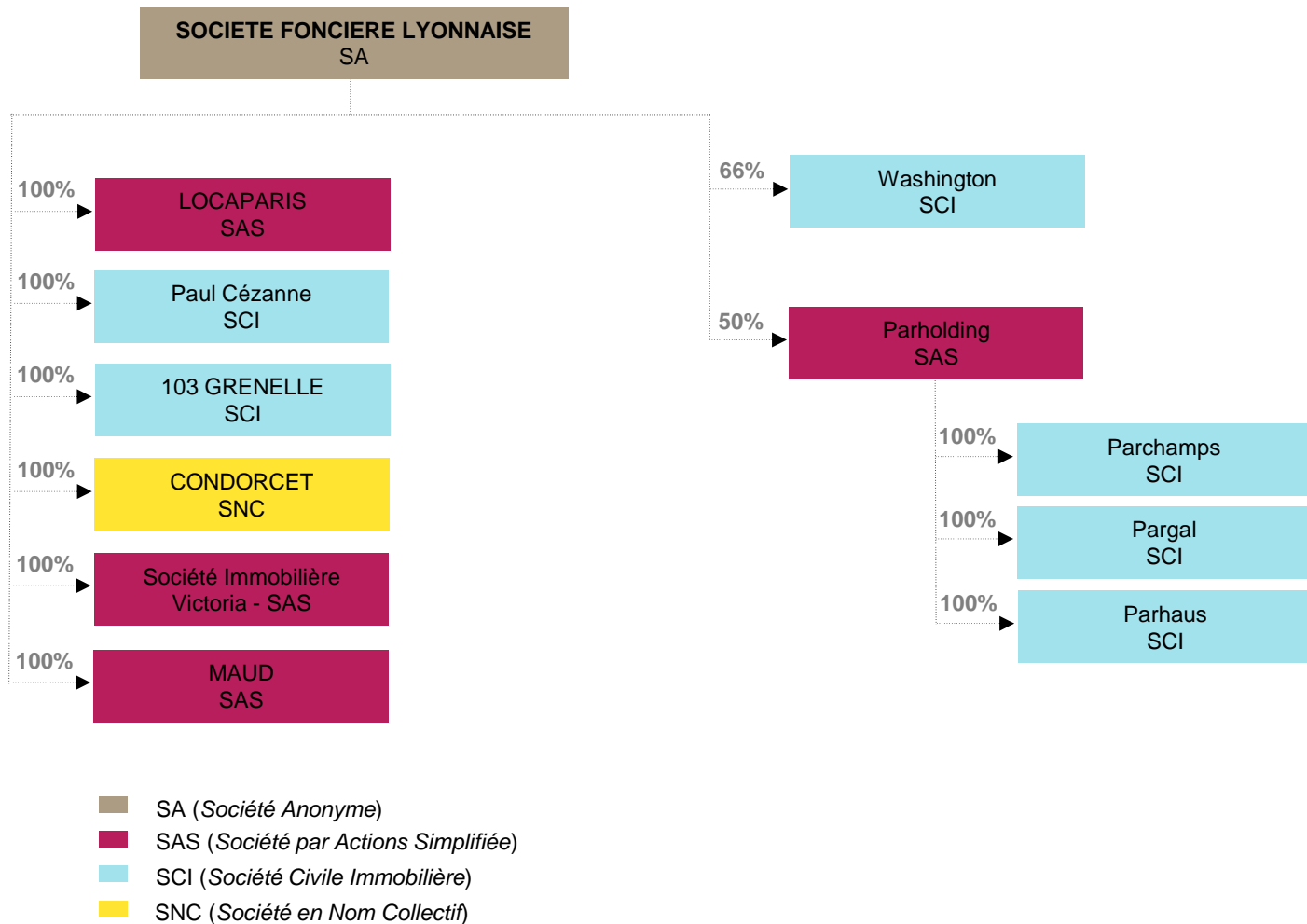


⁽¹⁾ Baseline 100: 31 December 2016; data up to 31 December 2017
Sources: Euronext/Epra

2017 Key Figures⁽¹⁾

Number of shares at 31 December 2017 (thousands)	46,529
Average daily trading volume (shares)	2,551
Average daily trading volume (euros)	€133k
Closing share price on 31 December 2016	€48.95
High for the period (7 June)	€57.90
Low for the period (4 January)	€47.21
Closing share price on 31 December 2017	€54.61

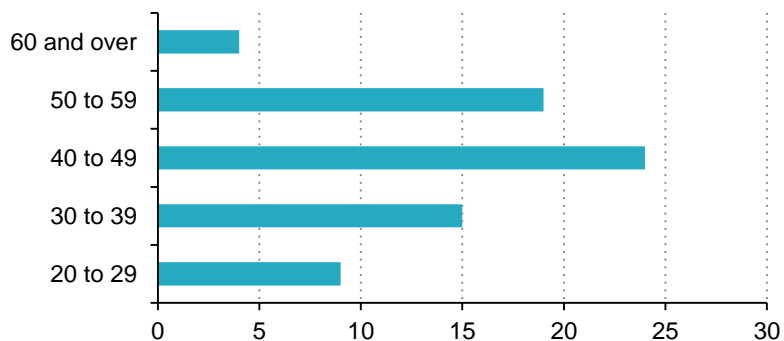
Legal Structure



Human Resources

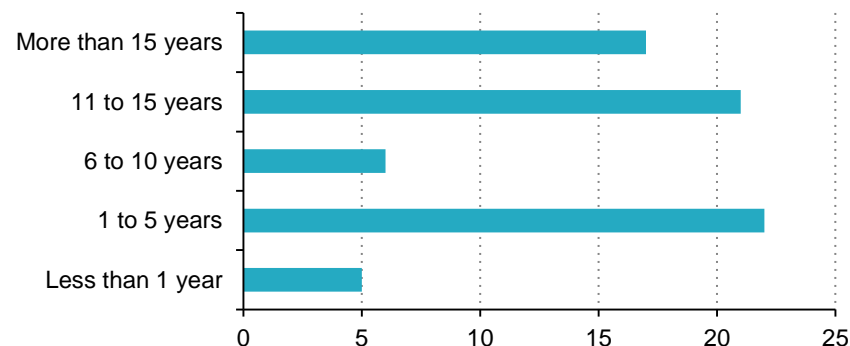
Number of employees	31 Dec. 2017	31 Dec. 2016
Administrative staff	4	5
Supervisors	11	10
Managers	56	58
Total headquarters	71	73
Building caretakers	2	2

Employees⁽¹⁾ by age group
(on payroll at 31 December 2017)



Average age:
44

Employees⁽¹⁾ by years of service
(on payroll at 31 December 2017)



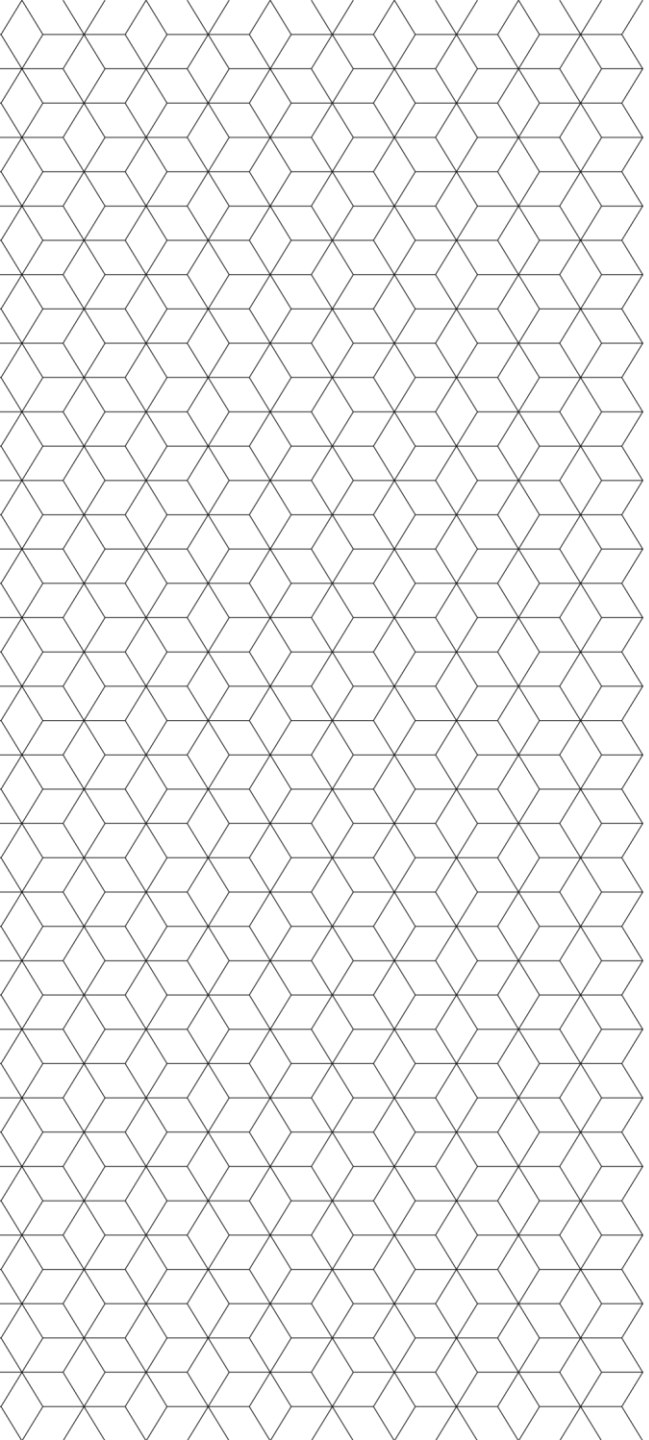
Average years of service:
10

⁽¹⁾ Excluding building caretakers

Capex

Expenditure (€m)	2017	2016
Major redevelopment projects	14.0 ⁽¹⁾	43.7
Other capitalised expenditure	18.8	22.5
Total	32.8	66.2

(1) of which: Louvre Saint-Honoré: €9.1m; 112 Zola: €3.0m; 96 léna: €1.9m



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