

SFL - THIRD QUARTER 2011

Property rentals: €109.1 million for the first nine months of 2011

Consolidated revenue by business segment (€ 000's)

	2011 (9 months)	2010 (9 months)
Property rentals	109,080	137,511
<i>o/w Paris Central Business District</i>	92,778	89,798
<i>Western Crescent – La Défense</i>	3,768	37,667
<i>Other</i>	12,534	10,047
Other revenue	309	276
Total consolidated revenue	109,389	137,787

Paris, 4 November 2011 - Property rentals amounted to €109.1 million for the first nine months of 2011 versus €137.5 million in the year-earlier period. The decline was due to the €16.8 million in "lost" revenues from properties sold on the market or transferred to SIIC de Paris in 2010 (the Coface and Les Miroirs buildings in La Défense) in exchange for shares in that company, and to the inclusion in third-quarter 2010 revenue of the €16.9 million lease termination penalty received from the Les Miroirs tenant. Excluding these impacts, underlying property rentals for the nine months were up €5.3 million or 5.1%, with the €1.3 million fall in revenue from properties that entered the development pipeline during the period more than offset by the €6.4 million in new revenues generated by renovated properties put back on the market (112 Wagram and 249-251 Saint-Honoré).

In a hesitant, highly selective rental market, SFL successfully marketed some 18,000 square meters of offices during the first nine months, including 3,700 square meters in the third quarter, at an average office rent of €640 per square meter. Following these deals, the occupancy rate (excluding properties undergoing renovation) stood at 94% at 30 September 2011, versus 90% at 31 December 2010.

No properties were sold or acquired during the third quarter, leaving the composition of the portfolio unchanged at 30 September versus 30 June.

Net debt at 30 September amounted to €1,275 million, slightly below the 30 June level of €1,288 million, representing a loan-to-value ratio of 36.9% based on portfolio appraisal values at 30 June. In addition, SFL had €585 million in undrawn lines of credit at the period-end.

With an exceptional portfolio of properties valued at €3.2 billion including transfer costs, essentially located in the Paris Central Business District, SFL is a preferred vehicle for investors wishing to invest in the Paris office and retail property market. As the leading player in this market, the Group is firmly focused on pro-actively managing high-quality property assets. SFL has elected to be taxed as an SIIC since 2003.

STOCK MARKET:

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

RATING S&P: BBB- stable

