

■ An excellent marketing year for SFL in 2012

Paris, 16 January 2013

The new lease with Misys for 6,500 sq.m in the Washington Plaza signed at the end of December put the finishing touch to an exceptional year for SFL in terms of rental activity. With leases on 37,000 sq.m signed in the past 12 months, including new leases on 24,000 sq.m, SFL enjoyed its best marketing performance for five years, and added blue-chip companies to its tenant base, such as Misys, SJ Berwin, Moneygram, Simon Kucher, GE Energy or Zara.

Rents reached excellent levels in 2012, with nominal office rents averaging €688/sq.m and effective rents at an average €636/sq.m.

SFL is the first property company to act with complete transparency in disclosing rental incentives and detailing effective rents for new leases. With the current financial climate driving up the value of incentives offered to new tenants, the gap between nominal and effective rents is widening and actual market values are increasingly unclear.

SFL's strong rental activity in 2012 comes on the heels of a good year in 2011, when the Company let 18,800 sq.m of offices for an average effective rent of €562/sq.m (average nominal rent of €648/sq.m). These results confirm the good performance and resilience of the prime office property market in Paris, especially for 1,500 sq.m to 3,000 sq.m office spaces in upscale complexes in Paris's Central Business District that offer a comprehensive range of facilities and amenities.

They also illustrate the increasing trend for companies to move back into Paris from La Défense or the suburbs, encouraged by the draws of a central location, good public transport links, proximity to decision-making centres and a high quality urban working environment.

Notwithstanding the uncertain economic environment in France, Chief Operating Officer Dimitri Boulte expects rents to hold up in 2013 for offices in the Central Business District that meet high international standards, due to the limited availability of this type of property, and the importance placed on working conditions and employee productivity by companies with a strong front office presence. "The inherent value of offices and the impact of working environments on team motivation and performance is becoming a key issue for companies, and is increasingly a determining factor in their choice of location."



With an exceptional portfolio of properties valued at €3.4 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

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

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