



SOCIÉTÉ FONCIÈRE LYONNAISE

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SFL – First-Half 2014 Results

Paris, 23 July 2014

Rental income: €73.8 million (+3.0% on a comparable portfolio basis)
Property portfolio value: €4,081 million (+5.3% on a comparable portfolio basis)
Attributable net profit: €139.5 million

The interim consolidated financial statements for the six months ended 30 June 2014 were approved by the Board of Directors of Société Foncière Lyonnaise on 23 July 2014, at its meeting chaired by Juan-José Brugera.

These financial statements show a further rise in rental income of 3.0% and an increase of 5.3% in the portfolio's appraisal value on a comparable portfolio basis.

The auditors have completed their limited review of the interim financial information and are in the process of issuing their review report.

Consolidated data (€ millions)

	30/06/2014	30/06/2013
Rental income	73.8	74.6
Operating profit before disposals and fair value adjustments	58.9	59.8
Attributable net profit	139.5	82.2
Underlying attributable profit (EPRA earnings)	26.3	29.7

	30/06/2014	31/12/2013
Attributable equity	2,296	2,215
Consolidated portfolio value excluding transfer costs	4,081	3,874
Consolidated portfolio value including transfer costs	4,287	4,071
EPRA NNAV	2,253	2,172
EPRA NNAV per share	€48.4	€46.7

Results

- Rental income stood at €73.8 million on 30 June 2014, compared to €74.6 million on 30 June 2013.

- On a comparable portfolio basis, rents increased by €2.1 million (+3.0%), mainly due to new leases signed during 2013.

- Properties undergoing redevelopment accounted for a reduction in revenue of €1.7 million compared to the first half of 2013.

- Finally, the sale of the Mandarin Oriental in February 2013 reduced rental income by €1.2 million over the first half.



ABOUT SFL:

Leader on the prime segment of the Parisian tertiary real estate market, the Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at 4.1 million euros and is concentrated on the Central Business District of Paris (Louvre Saint-Honoré, 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.

STOCK MARKET:

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

S&P RATING: BBB- Stable
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- Operating profit before disposals and fair value adjustments amounted to €58.9 million in the first half of 2014 versus €59.8 million on 30 June 2013.

- The portfolio's appraisal value on 30 June 2014 rose by 5.3% on a comparable portfolio basis relative to the value on 31 December 2013. The increase led to the recognition of positive fair value adjustments to investment properties of €150.1 million on 30 June 2014, versus €79.7 million on 30 June 2013.

- The results of associated companies, corresponding to the 29.6% stake in the SIIC de Paris, was -€2.2 million on 30 June 2014 versus +€11.6 million on 30 June 2013. This stake has been classified as "held for sale" following the sale agreement signed on 5 June 2014 with Eurosic (see the press release of 5 June 2014).

- Net finance costs amounted to €32.3 million on 30 June 2014, compared with €35.0 million on 30 June 2013. Fair value adjustments to financial instruments generated a net expense of €4.6 million on 30 June 2014 versus a net expense of €8.7 million on 30 June 2013. Recurring finance costs rose by €1.3 million due to an increase in the volume of debt.

- After taking into account these key items, the Group reported attributable net profit for the period of €139.5 million, compared with €82.2 million on 30 June 2013. Excluding the impact of disposals, changes in fair value of investment properties and financial instruments and the related tax effect, underlying attributable net profit came in at €26.3 million for the first half of 2014 compared with €29.7 million on 30 June 2013.

First-Half 2014 Business Review

Rental operations:

In a rental market that remains difficult, although volumes have increased relative to 2013, SFL successfully leased approximately 16,000 sq.m. of space in the first half of 2014. Notable leases included 6,000 sq.m. of offices that were pre-leased in 90 Champs-Élysées, 1,900 sq.m. leased in the Cézanne Saint-Honoré building, and 1,900 sq.m. in the building at 176 Charles de Gaulle in Neuilly. Nominal rent for these office leases averaged €625/sq.m., corresponding to an effective rent of €543/sq.m.

The physical occupancy rate for revenue-generating properties was 85.4% on 30 June 2014, compared to 82.0% on 31 December 2013. The In/Out building, for which the marketing process is ongoing, accounts for 11.9% of the vacancy.

Development operations:

Capitalised work carried out in the first half of 2014 totalled €43 million and mainly



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concerned redevelopment projects at #Cloud.paris on the rue de Richelieu, delivery of which is expected in the second half of 2015, and at 90 Champs-Élysées, as well as at Washington Plaza, where the shared reception areas were fully renovated. On 30 June 2014, the development pipeline totalled around 57,000 sq.m., comprised mainly of the two previously mentioned operations as well as additional space in the Louvre building.

Portfolio operations:

On 5 June 2014, SFL signed an agreement with Eurosic for the sale of the whole of its 29.6% stake in the capital of SIIC de Paris at a price of €23.88 per share (after payment of the dividend), for a total of €304.9 million (see the press release of 5 June 2014).

This sale was effectively finalised on 23 July 2014 and will generate a capital gain of around €8 million in the consolidated results of the second half.

No new properties were purchased during the first half of 2014.

Financing

Net debt at 30 June 2014 amounted to €1,546 million, compared with €1,457 million at 31 December 2013, representing a loan-to-value ratio of 33.7% including the minority interest held in SIIC de Paris. At that date, SFL also had €615 million in back-up lines of credit. At 30 June 2014, the average cost of debt after hedging was 3.4% and the average maturity was 3.0 years.

In May 2014, SFL signed with the BECM for a new 5-year revolving credit facility of €150 million. This replaces a facility of the same amount that had matured.

Net Asset Value

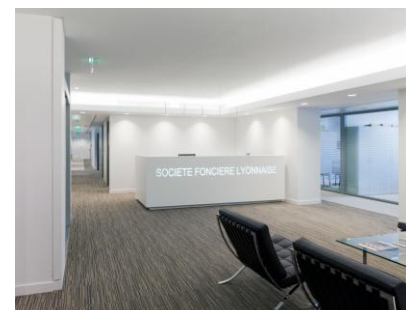
The consolidated market value of the portfolio at 30 June 2014 was €4,081 million excluding transfer costs, an increase of 5.3% on a comparable portfolio basis relative to 31 December 2013 (€3,874 million).

The portfolio is composed of 18 prestigious properties, principally prime office properties in the heart of Paris (92%) and the most attractive parts of the Western Crescent (8%).

The average rental yield stood at 4.9% at 30 June 2014 compared with 5.1% at 31 December 2013.

EPRA NNAV stood at €2,253 million or €48.4 per share at 30 June 2014 compared with €46.7 per share at 31 December 2013, an increase of 3.7%.

More information is available at www.fonciere-lyonnaise.com



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