



**Paris, 3 November 2010**

**Press Release**

**Issuance by Silic of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANEs) for a nominal amount of approximately 175 millions euros, which may be increased to a maximum nominal amount of approximately 200 million euros in the event of the full exercise of the over-allotment option**

**Visa granted by the AMF**

**Paris, 3 November 2010** – Société Immobilière de Location pour l'Industrie et le Commerce (the "Company" or "Silic") launched today the offering of net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANEs) with a maturity date of 1 January 2017 (the "Bonds") in a nominal amount of approximately 175 million euros, which may be increased up to a maximum nominal amount of approximately 200 million euros in the event of the full exercise of the over-allotment option of approximately 25 million euros granted to the Managers represented by BNP Paribas and Morgan Stanley.

The purpose of this transaction is primarily to diversify the Company's sources of funding and to benefit from current market conditions in order to optimize terms. Furthermore, the net proceeds of the issuance of the Bonds could contribute to the financing of the Company's existing or future development projects.

The Bonds' nominal amount, set at 124.59 euros, represents an issue premium of 30% of the Company's reference share price<sup>1</sup> on the regulated market of NYSE Euronext in Paris.

The Bonds will bear interest at a rate of 2,50% per annum, payable in arrear on 1<sup>st</sup> January of each year and for the first time on 3 January 2011. For the period from 16 November 2010, the date of settlement of the Bonds, to 31 December 2010, a *pro rata temporis* coupon will be payable on 3 January 2011.

Upon exercise of their Conversion Right, bondholders will receive an amount in cash and, if applicable, an amount payable in new and/or existing shares.

However, in order to optimize its financial structure in the event of the exercise of the Conversion Right, the Company has the option to settle entirely in new and/or existing shares.

The principal shareholder of the Company, Groupama S.A, has placed an order for 10% of the total issuance.

The issue date and settlement date of the Bonds is scheduled for 16 November 2010.

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<sup>1</sup> The reference share price is equal to the volume-weighted average share price of the Company's shares on the regulated market of NYSE Euronext in Paris from the opening of trading on 3 November 2010 until the determination of the final terms and conditions of the Bonds.

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The French *Autorité des marchés financiers* granted its visa n° 10-386 dated November 3, 2010 on the listing prospectus for the listing of the Bonds on the regulated market of NYSE Euronext in Paris.

This press release does not constitute a subscription offer, and the offering of Bonds does not constitute a public offering in any country, including in France.

In France, the Bonds were offered to qualified investors only (within the meaning of Article L. 411-2 of the French Monetary and Financial Code).

This offering is managed by BNP Paribas and Morgan Stanley, acting as Joint Bookrunners and Joint Lead Managers and Crédit Agricole Corporate and Investment Bank and Lazard-Natixis, acting as Co-Lead Managers (together, the “**Managers**”).

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A prospectus that received visa number 10-386 dated 3 November 2010 from the French *Autorité des marchés financiers* (the “AMF”), consisting of the reference document of the Company filed with AMF under number D.10-0132 on 22 March 2010, a reference document update filed with the AMF under number D.10-0132-A01 on 2 November 2010, a securities note and an summary of the prospectus (included in the securities note), is available on the Internet websites of the Company ([www.silic.fr](http://www.silic.fr)) and the AMF ([www.amf-france.org](http://www.amf-france.org))

**IMPORTANT NOTICE**

*This press release may not be distributed directly or indirectly in the United State, the United Kingdom, Canada, Australia or Japan.*

*No communication or information relating to the issuance by Silic (“**Silic**”) of net share settled bonds convertible into new shares and/or exchangeable for existing shares (the “**Bonds**”) may be transmitted to the public in a country where there is a registration obligation or where an approval is required, notably in France. No action has been or will be taken outside of France, in any country in which such action would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; Silic assumes no liability in connection with the breach by any person of such restrictions.*

*This press release is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 as implemented in each member state of the European Economic Area (the “**Prospectus Directive**”).*

*This press release is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public.*

*In France, the sale and purchase of the Bonds will be made exclusively by way of private placement to qualified investors in accordance with Article L. 411-2 of the French Code monétaire et financier. The offer will not be open to the public in France. A listing prospectus will be submitted for a listing on the regulated market of NYSE Euronext in Paris and will be subject to the approval (visa) of the *Autorité des marchés financiers*.*

**European Economic Area**

*With respect to each Member State of the European Economic Area (each, a “**Relevant Member State**”) and which has implemented the prospectus directive 2003/71/ec, no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any relevant member state. As a result, the Bonds may only be offered in Relevant Member States:*

*(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;*

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(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last fiscal year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net revenues of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by Silic of a prospectus pursuant to article 3(2) of the prospectus directive.

For the purposes of this paragraph, the notion of an “offer to the public of Bonds” in each of the Member States of the European Economic Area that has implemented the Prospectus Directive, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive.

This selling restriction is in addition to any other selling restriction applicable in those Member States who have implemented the Prospectus Directive.

### **France**

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France. Any offers or sales of the Bonds and distributions of any offering material relating to the Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers), and/or (b) qualified investors (investisseurs qualifiés) acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 to D. 411-3 of the French Code monétaire et financier.

### **United Kingdom**

This press release is addressed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iii) to people designated by Article 49(2) (a) and (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the persons mentioned in paragraphs (i), (ii), and (iii) all deemed relevant persons (“**Relevant Persons**”). The Bonds and, if applicable, the shares of Silic to be delivered upon exercise of the Conversion rights (the “**Financial Instruments**”) are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

### **United States**

This press release may not be published, distributed or transmitted in the United States (including its territories and dependencies, any State of the United States and the district of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Bonds will be offered or sold only outside of the United States in offshore transactions in accordance with Regulation S of the Securities Act. Silic does not intend to register any portion of the proposed offering in the United States and no public offering will be made in the United States.

### **Canada, Australia and Japan**

The Bonds may not and will not be offered, sold or purchased in Canada, Australia or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law. The information contained in this press release does not constitute an offer of securities for sale in Canada, Australia or Japan.

In accordance with the terms of the underwriting agreement to be entered into between Silic and the Managers, Morgan Stanley & Co International plc. acting as stabilizing manager (or any other institution acting on its behalf) will have the ability, but not the obligation as from the moment on which the final terms of this transaction become public, i.e., on 3 November 2010, to intervene so as to stabilize the market for the Bonds and/or possibly the Silic's shares in accordance with applicable laws and regulations, and in particular Regulation (EC) no. 2273/2003 of the Commission dated December 22, 2003. Such interventions may be interrupted at any time, if any, but at the latest on 10 November 2010 in accordance with article 8.5 of Regulation (EC) no. 2273/2003 of the commission dated December 22, 2003. Such interventions may stabilize the price of the Silic's shares and of the Bonds. Such interventions may also affect the price of the Silic's shares and of the Bonds and could result in such prices being higher than those that might otherwise prevail.

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*In connection with this offering, each of BNP Paribas and Morgan Stanley and any of their respective affiliates, acting as an investor for its own accounts, may take up Bonds and in that capacity may retain, purchase or sell for its own account such Bonds and any related investments and may offer or sell such Bonds or other investments otherwise than in connection with this offering. Accordingly, references in this press release to the Bonds being offered or placed should be read as including any offering or placement of Bonds to BNP Paribas and Morgan Stanley and any affiliate acting in such capacity. Neither of BNP Paribas and Morgan Stanley intends to disclose the extent of any such investment or transactions otherwise than to the Company and in accordance with any legal or regulatory obligation to do so.*