

2010: Consolidation of activity and results

Rental income

up 2.8%

€ **172** million

Portfolio value

up 8.7%

€ **3.5** billion

Dividend per share

€ **4.65**

At its meeting of 8 February 2011, Silic's Board of Directors approved the financial statements for 2010. These accounts have been audited and the Statutory Auditors' certification is now being issued.

Consolidated figures	2010	2009	%
(€ millions)			
Rental income	172.30	167.70	2.8%
EBITDA	156.60	149.60	4.7%
Pre-tax ordinary cash flow	118.50	118.30	0.2%
Net profit	49.50	44.70	10.7%
(€ per share)			
Pre-tax ordinary cash flow	6.80	6.84	-0.6%
Net asset value (NAV)	117.04	111.76	4.7%

After strong growth in 2009, Silic has consolidated on its operating and financial results

- The property portfolio, concentrated in the core business areas of greater Paris, enjoyed a return to buoyant letting activity in 2010, with lettings totalling 92,100 m², twice the 2009 level.
- Rental income grew, driven by three new buildings acquired or completed during the year.
- Operating activity was satisfactory and not particularly affected by economic uncertainties. There were very few rent renegotiations (13 leases representing 35,000 m²) and tenant default was virtually nil at 0.3% of rental income. Tenant stability is one of the key features of Silic's business parks.
- On a financial level, the cost of debt remained stable at 4.08% compared with 4.06% in 2009. However, growth in pre-tax ordinary cash flow was affected by an adverse comparative baseline caused by the €2 million of non-recurring financial income recorded in 2009.

Portfolio development continues, assuring future growth in rental income

- Silic invested €215 million in 2010, mainly on strengthening its presence at Nanterre-Préfecture with the acquisition of a 14,500 m² fully-let building and the completion and delivery to AXA of a further 16,800 m² (Grand Axe 2). 25,000 m² were completed at Nanterre-Seine whilst two buildings totalling 38,000 m² due for completion in 2011 are under construction at Orly-Rungis and Paris-Saint Denis.
- The development plan for the next few years continues to be implemented gradually, as and when current developments are let.

- In 2011/2012, planning and design will begin on a project totalling almost 100,000 m² of office space in the La Défense-Nanterre-Préfecture district, having obtained approval at the end of 2010.

The portfolio value has risen by 8.7% to €3.5 billion (2.1% like-for-like)

- As in previous years, buildings completed or acquired during 2010 made a considerable contribution to value creation.
- Buildings in service (90% of the total) are valued on the basis of an average net yield of 6.8%.
- On a like-for-like basis, a 30 bp ease in yields over the year more than offset the indexation effect on rental income.

Financial resources have been strengthened and diversified

- Silic took advantage of renewed bond market activity in 2010 to make a €175 million issue of net share-settled bonds (ORNANE) on attractive terms and conditions (6 year maturity, 2.5% coupon, price €124.59).
- Debt at end-2010 amounted to €1,342.6 million leaving €318.1 million of available resources. The LTV ratio stood at 38.8%.

Dividend

The Board of Directors will recommend a dividend of €4.65 per share.

Outlook

Against a background of moderate recovery and a possible tightening of bank lending, the market remains cautious over the outlook for 2011.

However, Silic has some major strengths to withstand these potential trends:

- Clearly identified projects in strategic divisions;
- Control over its pace of development;
- Capacity to finance its investments.

The development plan will continue as and when new buildings are let, and Silic does not rule out the possibility of selling some assets.

Based on this outlook, Silic therefore anticipates growth in 2011 rental income and EBITDA compared with 2010.

INVESTOR RELATIONS

Bruno Meyer - Deputy Managing Director
Tel.: +33 (0)1.41.45.79.65

NEXT EVENT:

annual general meeting on 6 May 2011
at Salons Hoche, 9 avenue Hoche, 75008 Paris

ISIN FR0000050916

Euroclear 5091

Symbol SIL

Member of the SBF 120, CAC Mid 100, CAC Mid and Small 190 and GPR 250 indices
Eligible for deferred settlement (SRD)