

SOCIETE IMMOBILIERE DE LOCATION POUR L'INDUSTRIE ET LE COMMERCE
- S I L I C -

Société Anonyme with a share capital of €69,758,816
Registered office: 31 Boulevard des Bouvets, 92000 Nanterre
572 045 151 RCS Nanterre
NAF code: 6820 B – Registration no.: 572 045 151 00063

QUARTERLY FINANCIAL REPORTING

3rd QUARTER 2011

Operating activity and results for the third quarter were in line with the first half of the year.

17,000 m² of new lettings were achieved in the third quarter, bringing the total to 60,700 m² for the first nine months compared with 76,500 m² for the same period of 2010. Activity appears to have stabilised after slowing down in the second quarter, thanks to relatively buoyant demand for small and medium sized units.

The market for large units of more than 5,000 m², which is much more sensitive to macro-economic uncertainties, remains very hesitant. During the quarter, letting negotiations continued for three recently completed buildings (totalling 60,000m² including 35,000m² completed during the quarter) and one letting was finalised. Other lettings should be achieved in these buildings by the year end.

These new buildings have shaved 5 percentage points off the physical occupancy rate, which stands at 83.3%.

Against this background, financial indicators at 30 September were as follows:

- ✚ Rental income rose by 1.5% over the first nine months of the year, to €130.5 million compared with €128.6 million in the same period of 2010:
 - Portfolio changes – mainly the completion of Grand Axe 2 at the end of 2010 – generated 3.9% growth in rental income.
 - On a like-for-like basis, though, rental income was down by 2.4%, a trend already apparent at the end of June, driven by renegotiations of 15 leases in 2010 and early 2011 coupled with the arrival of new tenants in premises with a lower percentage of office space.
- ✚ Operating conditions remained satisfactory during the third quarter in a difficult economic environment. Tenant default was virtually non-existent. However, property expenses for new buildings in the course of letting put pressure on EBITDA, which remained stable.
- ✚ Pre-tax ordinary cash flow was down by 7.6% due to the delay in letting new buildings for which borrowing costs are no longer being capitalised.

In line with its strict development rules, Silic has postponed the launch of new projects at Nanterre-Seine, Orly-Rungis and Saint Denis, which have the requisite building consents, until the recently completed buildings have been let.

Preliminary studies on Mozart, a 115,000 m² demolition and reconstruction project at Nanterre-Préfecture, continued according to schedule and the process of vacating the existing building began during the third quarter.

Based on its third quarter results, the Group is confirming its forecast of slight growth in rental income for 2011.

Nanterre, 20 October 2011.