

SOCIETE IMMOBILIERE DE LOCATION POUR L'INDUSTRIE ET LE COMMERCE

- S I L I C -

French *société anonyme* with a share capital of €69,910,072

Registered office: 31 boulevard des Bouvets, 92000 Nanterre

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QUARTERLY FINANCIAL REPORTING

THIRD QUARTER 2012

The economic slowdown in France in the third quarter has affected the property market, and particularly the office rental market in the Paris Region, which has declined by almost 20% over nine months.

Silic's business activity held up well in this environment, with lettings totalling 17,000 m² in the third quarter, equalling the Q3-2011 level. Over the first nine months, lettings totalled 59,000 m² vs. 67,000 in the same period of 2011. After letting Montréal at Orly-Rungis in late 2011 and Cézanne at Saint-Denis in early 2012, the entire Brahms building (8,700 m²) at Colombes, which is scheduled for completion in 2014, was pre-let during the third quarter. The occupancy rate stood at 85.7%, virtually unchanged from the end-December 2011 level of 85.3%.

Financial indicators are showing a gradual return to growth, as announced:

Rental income rose by 5.4% to €137.5 million for the first nine months, vs €130.5 million at 30 September 2011. Changes in scope contributed 1.4% and revenue from new buildings more than offset the impacts of the Rio sale in late 2011 and the gradual freeing up of Défense 1 as part of the Mozart project. On a like-for-like basis, rental income rose by 4.0%, driven notably by the effects of indexation. Tenant default at 0.4% of rental income is stable.

EBITDA rose by 3.0% year-on-year, before non-recurring expenses related to the merger operation currently in progress (€3.8 million).

Pre-tax ordinary cash flow, which was severely affected in the first half by the financial carrying cost of new buildings, improved during the third quarter and declined by 3.0% over nine months. Gross cash flow was down 8.9%.

Investments during the quarter were almost entirely devoted to Saint-Denis, with continued work on Sisley (23.000 m²) as well as the acquisition of the land for the park's third building. Work on the new 22,000 m² office building, which is currently in the pre-letting phase, could begin early next year for completion in 2014. Studies on the Mozart project at Nanterre-Préfecture and the eviction of tenants in the existing building continued according to plan.

Sources of financing amounted to €1,580 million, of which €1,430 million was drawn down at the end of September. At the end of July, €270 million of bank credit lines with a remaining maturity of less than one year were refinanced with a €350 million intra-group loan, extending the average maturity of debt to almost four years. No loans are due for refinancing before the end of 2012.

Silic's **ownership structure** remained stable in the third quarter. The public offer made by Icade remains open pending the Paris Appeal Court's ruling on the claims for annulment.

Activity and results for the first nine months of the year confirm our full-year forecast of rental income growth accompanied by stable EBITDA.

Nanterre, 19 October 2012