

## SFL – First-Quarter 2017 Financial Information

**Rental income: €49.0 million, up 4.1% on a comparable portfolio basis**

### Consolidated revenue by business segment (€000's)

	Q1 2017	Q1 2016
<b>Rental income</b>	<b>48,969</b>	<b>48,647</b>
<i>o/w Paris Central Business District</i>	38,021	37,398
<i>Paris Other</i>	6,963	6,886
<i>Western Crescent</i>	3,986	4,363
Other revenue	0	0
<b>Total consolidated revenue</b>	<b>48,969</b>	<b>48,647</b>

SFL's consolidated rental income rose by 0.7% to €49.0 million in first-quarter 2017 from €48.6 million in the same period of 2016:

- On a comparable portfolio basis, rental income grew by €1.8 million (up 4.1%). The increase was attributable to leases signed during 2016, mainly concerning the #cloud.paris and Washington Plaza buildings.
- Changes in assets under redevelopment between the two periods had a €2.0 million negative impact on rental income, with several floors of offices in the Cézanne Saint-Honoré complex and other properties taken off the market for extensive renovation after tenants moved out in 2016.
- Lastly, in first-quarter 2017 SFL received a lease termination penalty from a tenant representing net income of €0.5 million.

During first-quarter 2017, leases were signed on over 6,000 sq.m. Office space accounted for half of the total, including two leases on over 1,000 sq.m. in the 103 Grenelle and Cézanne Saint-Honoré buildings. The average nominal rent for the new office leases was €714 per sq.m. and the effective rent was €612 per sq.m.

The occupancy rate for revenue-generating buildings remained high, at 94.4% as of 31 March 2017 versus 97.0% as of 31 December 2016, while the EPRA vacancy rate stood at 4.8%.

On 13 January 2017, SFL entered into a €165-million deal to acquire SMA's historical headquarters building in the 15th *arrondissement* of Paris. The 21,000-sq.m. property will be redeveloped to create a major new business centre in the west of the capital. Contracts will be exchanged when SMA moves to its new headquarters in the fourth quarter of 2017 (for more details, see the press release dated 16 January 2017).

No properties were divested during the first quarter of 2017.

SFL's consolidated net debt at 31 March 2017 remained stable at €1,920 million compared to €1,931 million at 31 December 2016. This represented a loan-to-value ratio of 31.5% based on the portfolio's appraisal value at 31 December 2016.

At 31 March, 2017, SFL also had €510 million in undrawn lines of credit.

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## About SFL

Leader on the prime segment of the Parisian tertiary real estate market, Société Foncière Lyonnaise stands out for the quality of its property portfolio, which is valued at €5.7 billion and is concentrated on the Central Business District of Paris (#cloud.paris, 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 FR0000033409 – Bloomberg: FLY FP – Reuters: FLYP PA

S&P rating: BBB stable outlook