



PRESENTATION

# Half-year results

# 2009

30<sup>th</sup> July 2009



# 2009 half-year results presentation

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TOUR EIFFEL

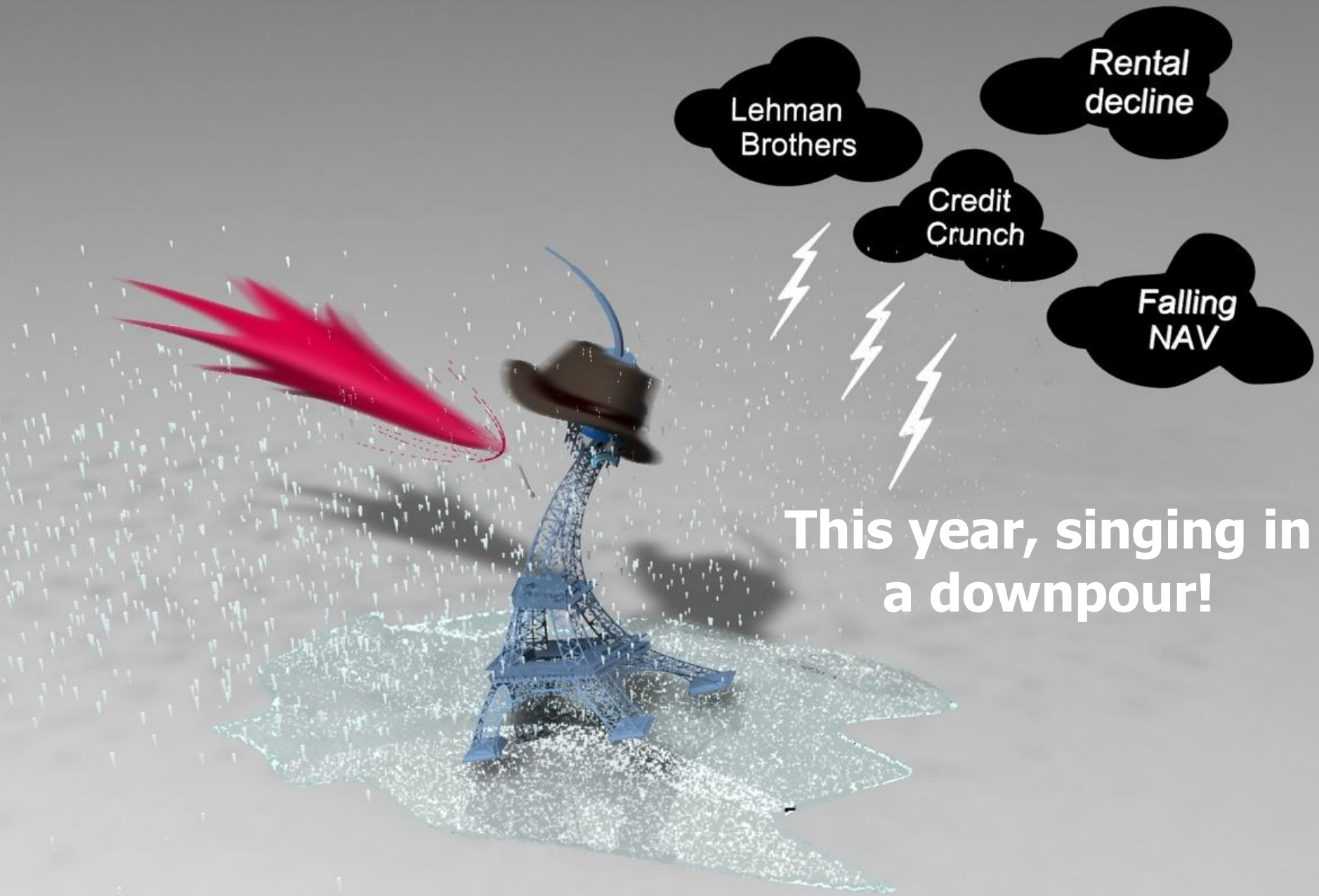
Half-year  
results  
2009

## Summary

- A. Overview
- B. Economic and real estate background
- C. STE in this context
- D. Financial results
- E. Calendar
- F. Appendices



**Last year: we were  
singing in the rain!**



**This year, singing in  
a downpour!**

Cash flow	+ 50 %
Dividend yield	17 %
Cash reserves	56 M€

**But cash remains King!**







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## B. Economic and real estate background

### Le Bourget

9 000 m<sup>2</sup>  
5 000 m<sup>2</sup> leased,  
ie 55%  
since delivery



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## B. Economic and real estate background

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### Crisis

- Credit
- Financial
- Economic



## B. Economic and real estate background

### Consequences for commercial real estate

- Rental decline
- Asset value decline
- Increasing vacancy
- Lack of finance





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results  
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## B. Economic and real estate background

### **However long-term property fundamentals persist**

- Tangible assets
- Stable leasing market – limited over-supply
- Secure and identifiable income stream
- Rental indexation counters inflation
- Attractive rental yields



## B. Economic and real estate background

### Structural market improvements

- Fiscal environment
- Investment vehicles
- Length of leases
- Sustainable development
- Professionalisation
- Benchmarking



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Half-year  
results  
2009

## C. STE in this context

### La Mazarade Parc Eiffel des Aygaldes Marseilles



**3 820 m<sup>2</sup> delivered  
last February  
3 450 m<sup>2</sup> rented  
ie 90%**



## C. STE in this context

### A defensive portfolio

- Recent, homogenous assets
- Modest rents – relatively invulnerable (129€/m<sup>2</sup>)
- High and stable occupation rates
- Robust cash-flow (420 tenants)
- Modest lot sizes (liquid)



## C. STE in this context

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Half-year  
results  
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### IPD benchmark\*

<b>STE portfolio performance</b>	<b>+ 3.9 %</b>
<b>IPD Benchmark</b>	<b>- 1.1 %</b>
<b>STE out-performance</b>	<b>+ 5.0 %</b>

**The index comprises 17 SIIC:**

<b>STE Ranking</b>	<b>2008</b>	<b>6<sup>th</sup></b>
	<b>2007</b>	<b>10<sup>th</sup></b>
	<b>2006</b>	<b>16<sup>th</sup></b>

(\*) source : Investment Property Databank limited 2008 asset performance analysis





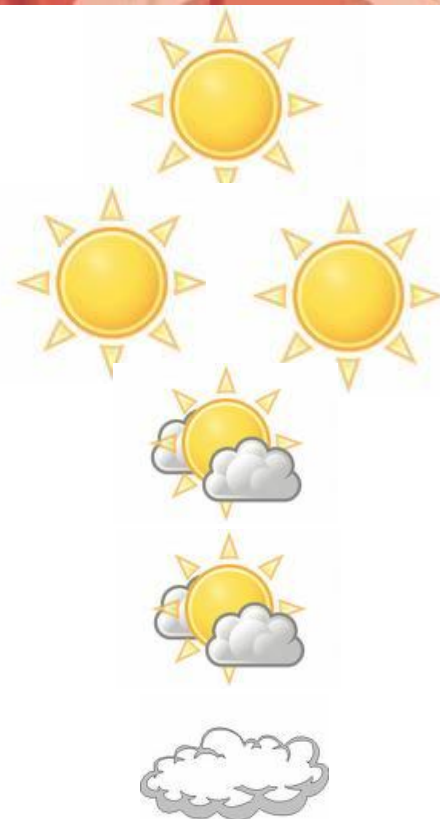
## C. STE in this context

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results  
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### Weather vane as at 30<sup>th</sup> June 2009

Gross rents*	37.1 €	+ 3.2%
Current cash flow*	15.9 M€	+ 50%
NAV (excl. transfer rights) **	72.5 €	- 18%
NAV (excl. transfer rights) before dilution**	76.5 €	- 13.5%
Net consolidated result	- 57.9 M€	n/a



(\*) Progression 30/06/2009 Vs 30/06/2008

(\*\*) Progression 30/06/2009 Vs 31/12/2008



## C. STE in this context

### **In a turgid market, a clear and simple strategy**

- Secure rental streams
- Project marketing
- Developments on hold (Massy, site reserves)
- Selective disposals



## C. STE in this context

### Financial strategy

- Capex optimisation
- Cost cutting
- Debt monitoring
- Maintenance of distribution policy



## C. STE in this context

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results  
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### Highlights

- **Leasing/Renewals: 12 300 m<sup>2</sup>**  
**1.45 M€** in annual rents  
of which Parc des Aigalades, Marseilles 4 000 m<sup>2</sup>  
Parc de l'Espace, Le Bourget 3 000 m<sup>2</sup>
- **Lease extension: 16 500 m<sup>2</sup>** in Plessis Robinson  
**3.8 M€** in annual rents
- **Developments in hand** of which:  
*preleased:* **17 300 m<sup>2</sup>** in Massy Ampère  
**4.7 M€** in annual rents  
  
*speculative:* **26 500 m<sup>2</sup>**  
**4.5 M€** in annual rents
  - Chartres 11 500 m<sup>2</sup>
  - Vélizy, Topaz 15 000 m<sup>2</sup>



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Half-year  
results  
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### Disposals

- **Disposals completed** (Paris, Nantes, Aix-en-Provence)

<b>Global amount</b>	<b>25.5 M€</b>
<b>Variation / values as at 31/12/2008</b>	<b>- 2 %</b>

- **Projected disposals**

<b>Global amount</b>	<b>25 M€</b>
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- **Debt reimbursement: 33 M€**





## C. STE in this context

### Decrease in the financing costs

- Resulting from reduced draw down: - 1.1%
- Resulting from rate reduction: - 19.4%

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Decrease in gross debt cost (-3.7M€): - 20.5%

<b>Average debt cost</b>	<b>4.2 %</b>
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<b>Hedged</b>	<b>95 %</b>
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<b>Of which fixed rate</b>	<b>52 %</b>
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<b>Maturity (years)</b>	<b>3.8</b>
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## C. STE in this context

### Banking covenants

- Debts : 90% mortgage backed
- Substantial ICR improvement
- LTVs relatively stable and with adequate headroom



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## D. Financial results

### Champigny

Lease renewed with Air Liquide  
last December: 14 150 m<sup>2</sup>



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## D. Financial results

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### Current cash flow

in M€	30/06/2009	30/06/2008	Variation
Gross rental income	37.1	36.0	3.1%
Property operating expenses	-3.5	-4.3	-18.6%
Current operating expenses	-3.5	-3.8	-7.9%
Net finance costs	-14.2	-16.8	-15.5%
<b>Current cash flow before tax</b>	<b>15.9</b>	<b>11.1</b>	<b>43.2%</b>





# D. Financial results

## Consolidated result

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in M€	30/06/2009			30/06/2008			Variation
	Recurring activity	Fair value and disposals	Result	Recurring activity	Fair value and disposals	Result	Recurring activity
Gross rental income	37.1		37.1	36.0		36.0	3.1%
Property operating expenses	-3.5		-3.5	-4.3		-4.3	-18.6%
<b>Net rental income</b>	<b>33.6</b>	<b>0.0</b>	<b>33.6</b>	<b>31.7</b>	<b>0.0</b>	<b>31.7</b>	<b>6.0%</b>
Corporate expenses	-3.1	-0.1	-3.2	-3.9	-0.7	-4.6	-20.5%
<b>Current operating income</b>	<b>30.5</b>	<b>-0.1</b>	<b>30.4</b>	<b>27.8</b>	<b>-0.7</b>	<b>27.1</b>	<b>9.7%</b>
Proceeds from disposals		-0.6	-0.6		-0.3	-0.3	
Property fair value adjustment		-65.9	-65.9		3.8	3.8	
Other operating income and expenses	-0.4	-0.6	-1.0	0.1	-1.0	-0.9	
<b>Net current operating income</b>	<b>30.1</b>	<b>-67.2</b>	<b>-37.1</b>	<b>27.9</b>	<b>1.8</b>	<b>29.7</b>	<b>7.9%</b>
Net finance costs	-14.2		-14.2	-16.8		-16.8	-15.5%
Other financial income and expenses		-7.0	-7.0		8.9	8.9	
<b>Net financial result</b>	<b>-14.2</b>	<b>-7.0</b>	<b>-21.2</b>	<b>-16.8</b>	<b>8.9</b>	<b>-7.9</b>	<b>-15.5%</b>
<b>Profit / loss before tax</b>	<b>15.9</b>	<b>-74.2</b>	<b>-58.3</b>	<b>11.1</b>	<b>10.7</b>	<b>21.8</b>	<b>43.2%</b>
Tax		-0.1	-0.1		-0.6	-0.6	
<b>Net profit / loss</b>	<b>15.9</b>	<b>-74.3</b>	<b>-58.4</b>	<b>11.1</b>	<b>10.1</b>	<b>21.2</b>	<b>43.2%</b>
Minority interests	-0.5		-0.5				
<b>Net profit / loss (Group share)</b>	<b>16.4</b>	<b>-74.3</b>	<b>-57.9</b>	<b>11.1</b>	<b>10.1</b>	<b>21.2</b>	<b>47.7%</b>





# D. Financial results

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results  
2009

## Balance sheet

<b>Assets</b>	<b>(in M€)</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
Investment properties		1 017.6	1 077.2
Assets earmarked for disposal		21.4	18.3
Properties		0.5	8.8
Intangible assets		1.9	2.3
Receivables		45.8	54.3
Cash and equivalent		55.8	28.6
<b>Total Assets</b>		<b>1 143.0</b>	<b>1 189.5</b>
<b>Liabilities</b>	<b>(in M€)</b>	<b>30/06/2009</b>	<b>31/12/2008</b>
Share capital and reserves		357.6	418.7
<i>of which Result</i>		<b>-57.9</b>	<b>-16.7</b>
Long term debt		673.1	682.5
Other liabilities		112.3	88.3
<b>Total Liabilities</b>		<b>1 143.0</b>	<b>1 189.5</b>



## D. Financial results

### Distribution 1<sup>st</sup> half year 2009

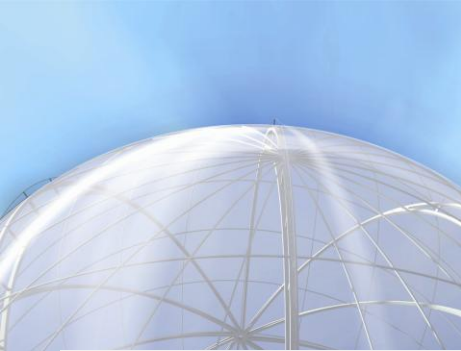
- Current cash-flow: **2.9€/share**
- Share premium reimbursement: **2€/share**
- Required GM: 15<sup>th</sup> October 2009
- Payment in cash: 27<sup>th</sup> October 2009



# E. Calendar 2009

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Half-year

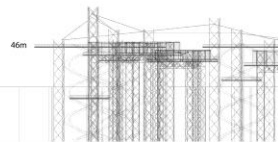


**15<sup>th</sup> October 2009**

**27<sup>th</sup> October 2009**

**15<sup>th</sup> November 2009**

- Ordinary General Meeting
- Payment 2€ / share
- 3<sup>rd</sup> quarter 2009 turnover figures





# Cash Flow

« Lighten the load  
but not  
the shareholding! »»





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## F. Appendices

### Le Domino, Paris – Porte des Lilas



© Paul MAURER 2008

12 350 m<sup>2</sup>  
35% rented  
34% under  
negotiation







# F. Appendices

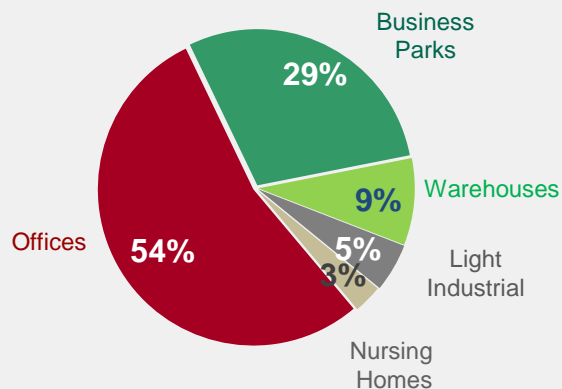
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2009

## Portfolio value and breakdown

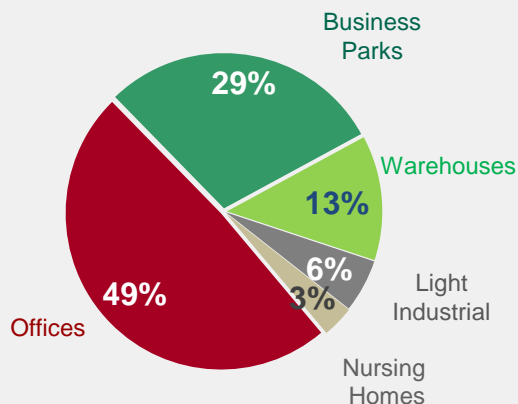
### Commitments as at 30<sup>th</sup> June 2009

#### By value



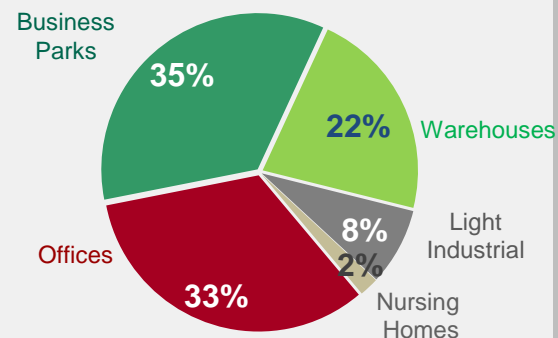
**1 080 M€**

#### By rent



**84 M€**

#### By m<sup>2</sup>



**711 227 m²**

Paris / IdF 592 M€ (55%)

Régions 488 M€ (45%)

43 M€ (51%)

41 M€ (49%)

282 331 m² (40%)

428 896 m² (60%)



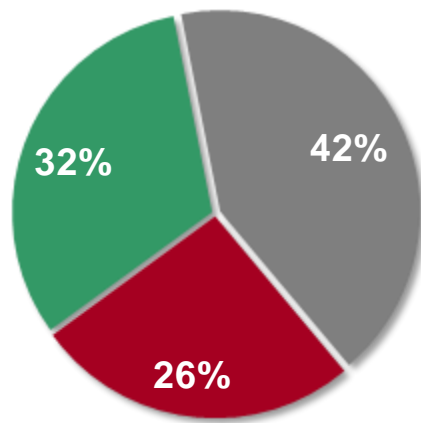
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## A recent portfolio

**Buildings under 10 years of age: 58%**



**New and refurbished properties**



**Buildings - 10 years**



**Buildings + 10 years**



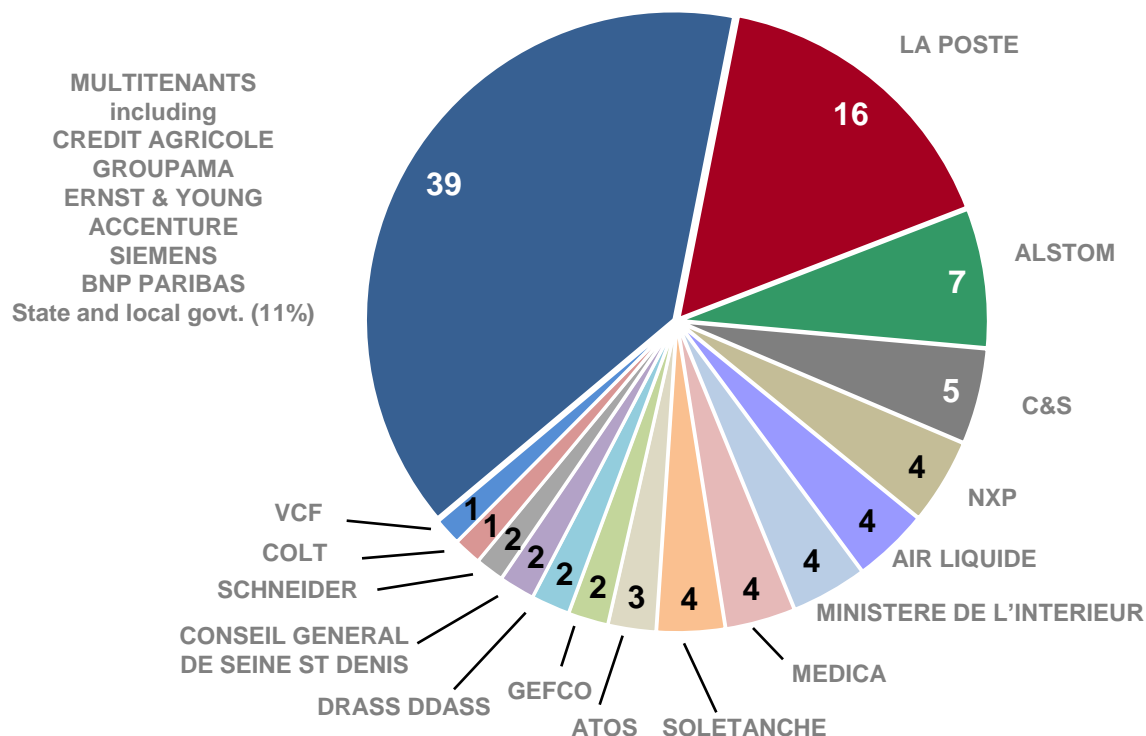
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results  
2009

## A portfolio secured by quality covenants

### Tenant breakdown as a % of total rents



Average rent:  
129 €/m<sup>2</sup>

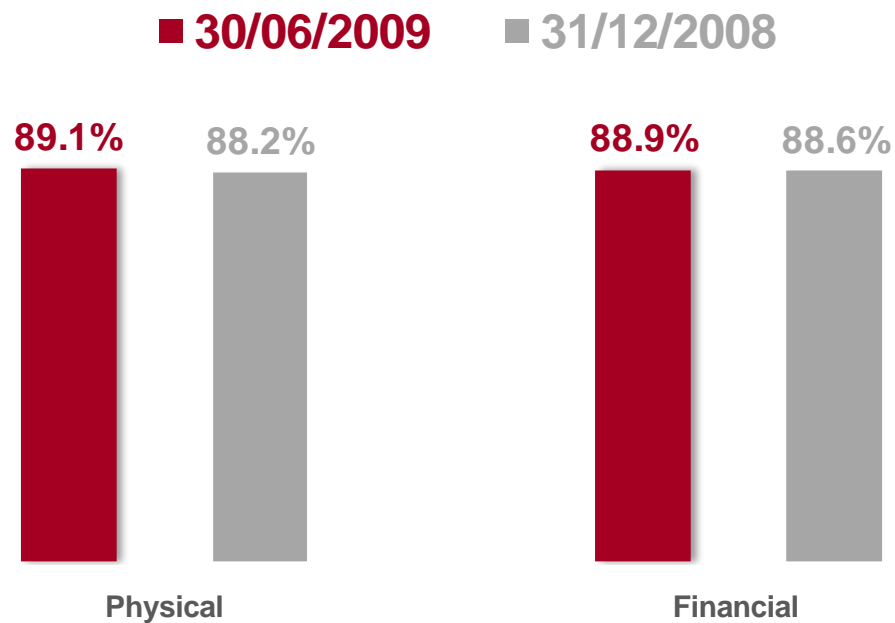


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results  
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### Stable occupancy rates





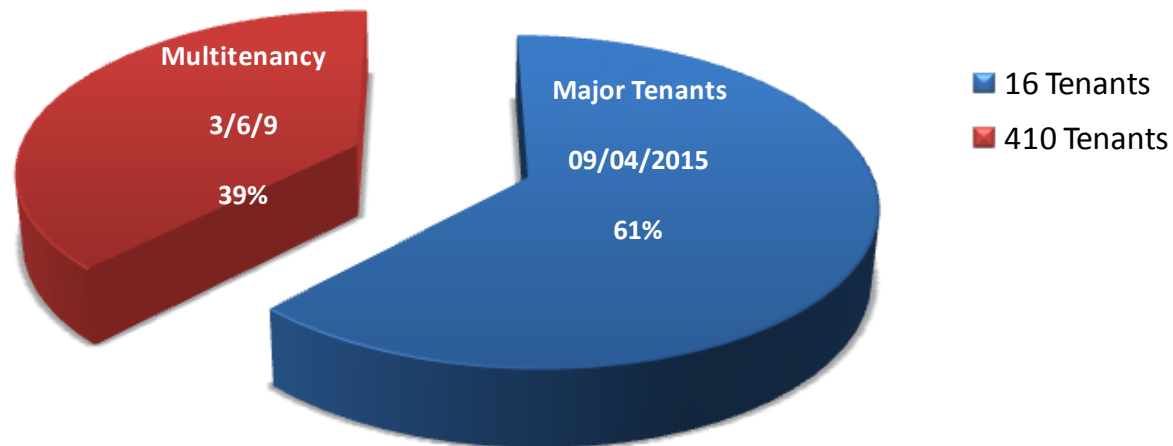
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## Secure rental flow

### Average weighted lease term (% passing rents)







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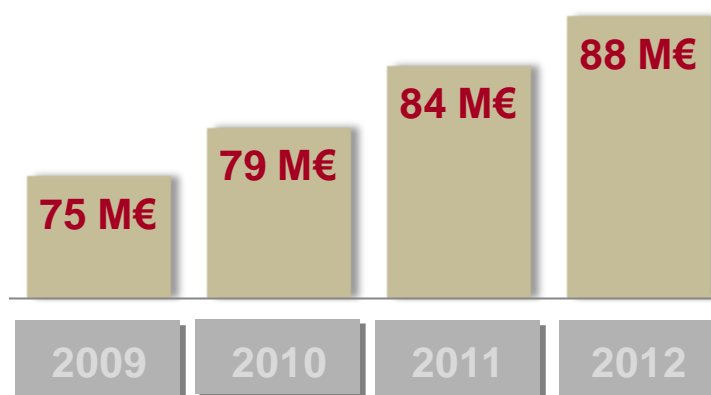
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Half-year  
results  
2009

### Rental projections

Based on the portfolio as at 30/06/2009

Annual rental indexation assumption: 2.5%





# F. Appendices

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Half-year  
results  
2009

## Principal banking covenants

in M€

30/06/2009

Principal covenants

Posted ratio as at 30/06/2009

Drawn  
down  
debt

Maximum  
LTV

Minimum  
ICR

LTV

ICR

Maturity

### MORTGAGE FACILITIES

RBS / AXA / Crédit Foncier / Calyon

142.2

75%

170%

51.7%

341%

15/06/2013

Calyon

59.6

80%

125%

55.0%

361%

15/04/2011

Société Générale/ Crédit Foncier

45.0

65%

110%

n/a

n/a

27/03/2017

Hypo Real Estate (\*)

336.7

72.5%

140%

63.7%

294%

30/06/2013

### CORPORATE LOANS

RBS / AXA / Crédit Foncier / Calyon

76.7

75%

180%

65.5%

277%

31/03/2010



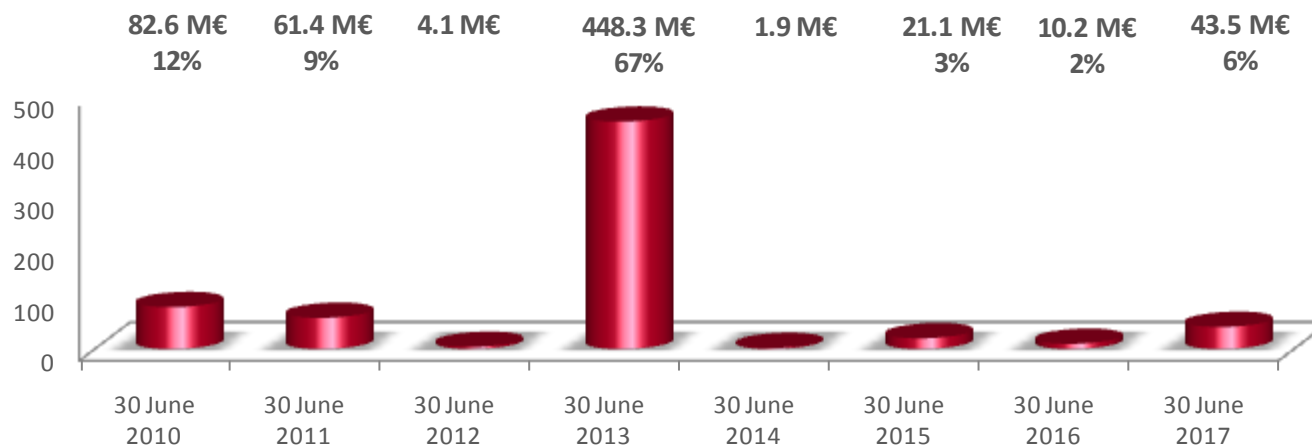
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results  
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## Debt maturity profile

**Drawn down debt as at 30/06/2009 : 673.1 M€**



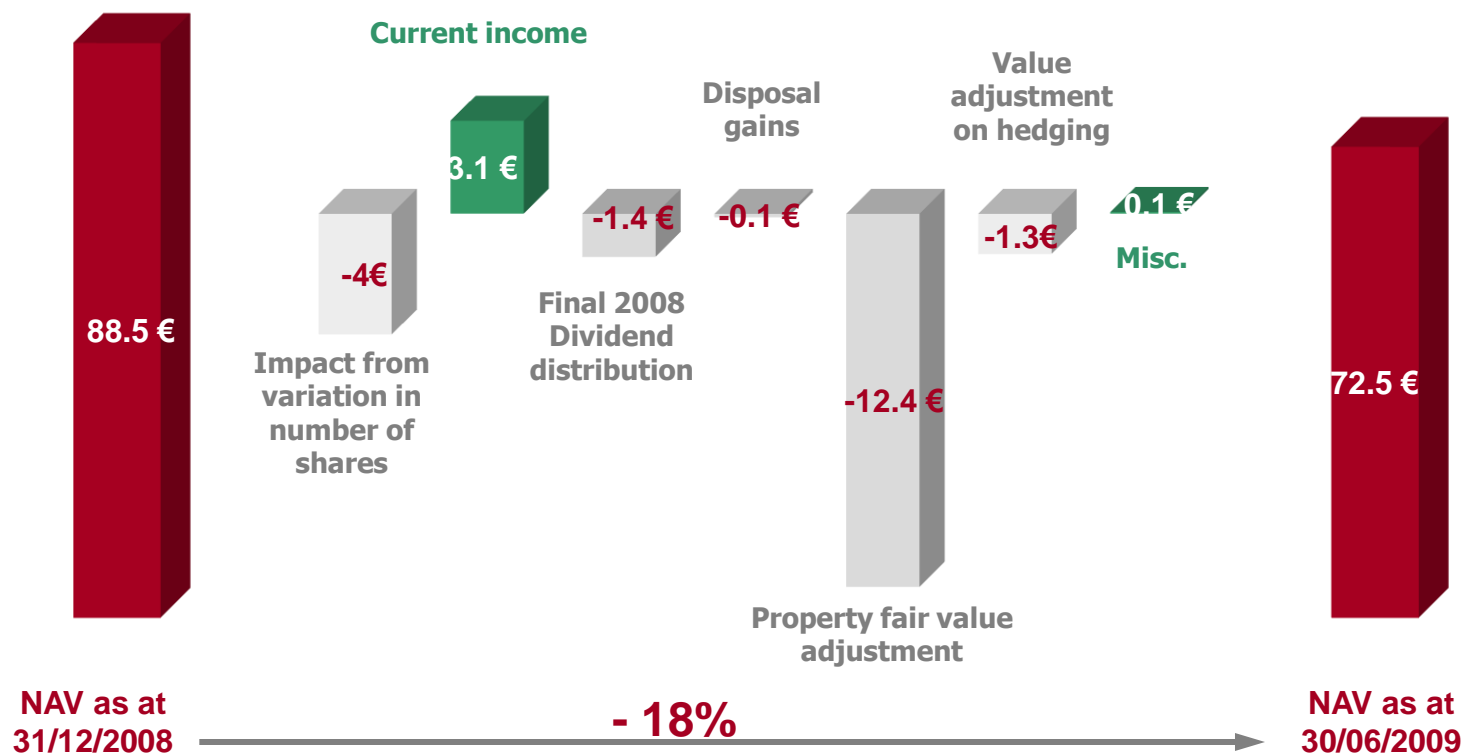


## F. Appendices

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results  
2009

# Evolution of NAV (excluding transfer costs)



NAV incl. transfer costs as at 30/06/2009 : 76.4€ Vs 93.3€ at 31/12/2008



PRESENTATION

# Half-year Results

# 2009

# - End -