SOCIÉTÉ DE LA TOUR EIFFEL

PRESENTATION

Half-year results 2010

29th July 2010

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Economic background

© Paul MAURER 2007

Economic background

Macro economics dominate

A semester of two halves:

- Up to end April, gradual improvement in economic environment, the financial and property markets
- Since the May sovereign debt crisis, uncertainty has returned

  ➔ Prevailing investor sentiment reflects macro economic concerns with scant attention to individual corporate operating performance

2010 half-year results

Massy Ampère

© Cabinet Wilmotte 2010

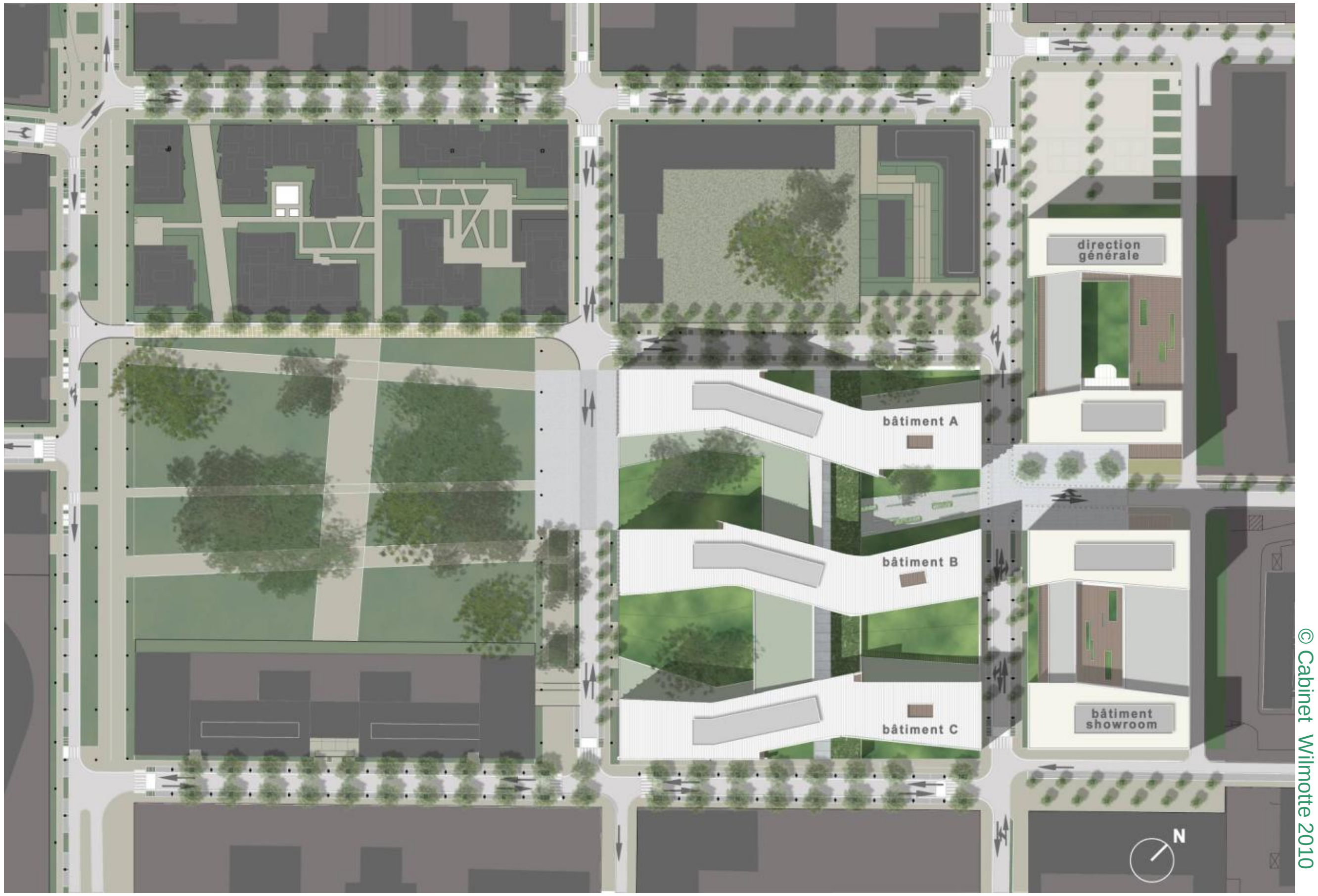
Massy Ampère

The Carrefour saga

- STE was approached at the outset of the year to tender an offer to construct on its Massy Ampère development site a new headquarters complex for Carrefour
- The project was to comprise 85,000 m² offices and ancillary space, showrooms and parkings
  - Investment: 250 M€
  - Projected rental level: 23 M€/an
  - Completion 2014

Massy Ampère

The Carrefour saga



Massy Ampère

The Carrefour saga

- Carrefour have opted for a competing project on an adjacent site owned by Colony Capital, one of their shareholders
- STE was not prepared to commit to such a formidable undertaking based on questionable economics
- The chosen project appears more than ambitious in the light of the prevailing planning status of the locality

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Massy Ampère

Despite the disappointment:

- The choice of Carrefour to locate some 5,000 employees in Massy demonstrates the potential of the locality for office development and will enhance the value of STE's substantial holdings there;
- The various initiatives actionned by the company during the negotiation period with potential financial and operational partners confirmed STE's conviction as to the possibility of progressively unlocking the substantial Massy site reserve potential without recourse to a dilutive rights issue.

2010 half-year results

Real estate background

© Tristan DESCHAMPS 2010

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Real estate background

Office leasing market hesitant

- The leasing market is no longer in decline
- But a slow recovery in the face of weak growth devoid of service industry job creation. Demand still principally motivated by rationalization and cost cutting
- A tangible shortage of quality new space at economic rents can however be foreseen in 2012

Real estate background

Office leasing market hesitant

- Stable supply (3,600,000 m²) and vacancy rate (7%)
- Gross take up increases 26% during 1st half; anticipated take up at 2,000,000 m² for 2010 in line with average outcome of recent years
- Stable average rents in Paris at 305 €/m² and in the regions
- 66% of lettings concern new or refurbished space which accounts for only 26% of supply

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Real estate background

Polarised investment market

- Investment market recovery (€ 4.6 billion transacted 1st half : + 77%) limited to core low-risk situations
- Increase in lot sizes transacted
- Speculative development remains at a standstill
- No evidence of distressed sales or busted loan disposals

2010 half-year results

Key figures

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Key figures

Marked improvement in recurring cash flow

In M€	H1 2010	H1 2009
Gross rental income *	**37,4**	**37,1**
Net operating income *	**30,6**	**30,4**
Net recurring profit *	**18,2**	**16,4**
Fair value adjustments and disposals	+0,4	-73,7
Net consolidated result	**18,2**	**-57,3**
Cash flow	18,7	15,9
Cash flow (€/share)	3,4	2,9
Distribution per share	2 €	2 €
	30/06/2010	**31/12/2009**
Portfolio value	**1 052,30**	**1 044,7**
Liquidation NAV (€/share)	71,8	70,0
Replacement NAV (€/share)	75,8	74,0

(*) progression in spite of disposals and no new investment

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

2010 half-year results

Highlights

© Paul MAURER 2007

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Highlights

Consolidated financial structure

- Refinancing of a 76,5 M€ corporate credit line end Q1 2010
- 207 M€ in hedging instruments (SWAPs and CAPs) contracted, maturity extended from 2010 to 2013
- Disposals: **65.5 M€** of which 34.5 M€ completed and 31 M€ under offer (year's objective: 50 M€)
  - Lyon 8ème
  - La Poste - Champs sur Marne
  - Rue de Charonne – Paris XI
  - Lots in the Parc Eiffel des Tanneries – Strasbourg
  - Rue Pierre Valette – Malakoff

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Highlights

Enhanced lease profile

- Renegotiation of Post Office portfolio
  - Average date break: Q1 2015
  - Average lease term: November 2017
  - 8.8 M€ of annual rent (NB : Champs sur Marne sold 02/07/2010)
- Discussions in hand for leasing on recent deliveries:
  - Topaz: 75%
  - Chartres: 25%
- Leasings and renewals on existing portfolio: 2.4 M€ for 27,000 m²

Highlights

Awon Asset Management becomes Tour Eiffel Asset Management as at 01.09.2010

- Building and clarifying the STE group image
- Modus operandi unchanged
- Improved lisibility

2010 half-year results

STE portfolio performance

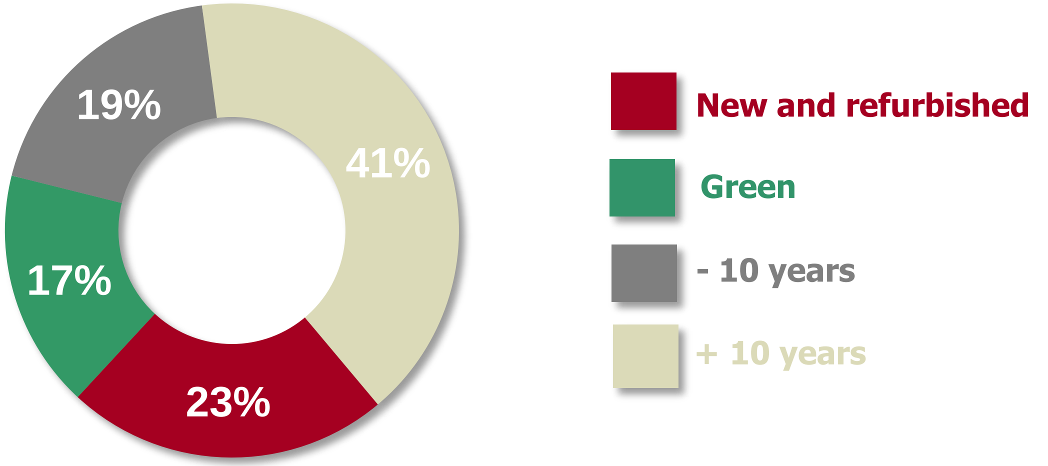
© Paul MAURER 2007

STE portfolio performance

A portfolio tuned to tenant demand

59% under 10 years

Portfolio value
1 052M€



SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

STE portfolio performance

Defensive qualities

IPD Benchmark (*)

STE portfolio performance	**- 0.7 %**
2009 Benchmark IPD	**- 2.4 %**
Out-performance 2009	**+ 1.7 %**
Out-performance 2008	**+ 5.0 %**

(*) source : Investment Property Databank limited

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

STE portfolio performance

… and resistant

- Occupancy rates stable*: 89.5 % physical
  90.1 % financial
- Average data :
  - Reasonable rental level: 136 €/m²
  - Secured rents: 2/3 of leases with term of 28/02/2016
  - Reasonable lot size: 17.5 M€
  - Overall gross yield: 7.8 %

(*) excluding 2010 deliveries

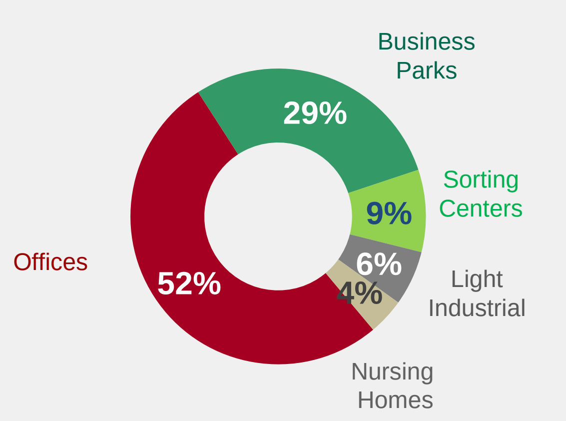
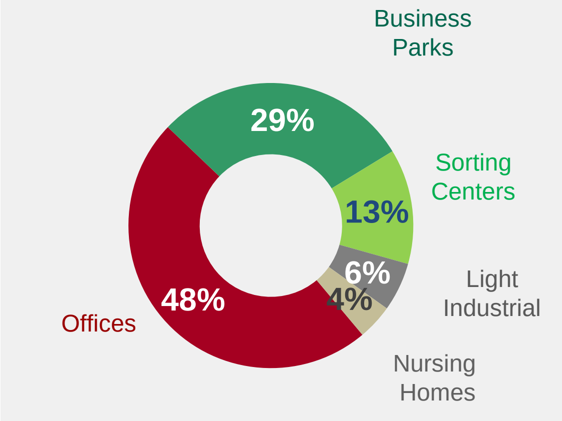
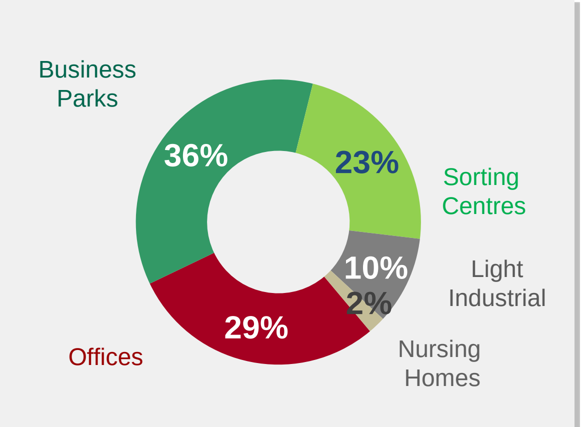
STE portfolio performances

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

Value and breakdown

Portfolio as at 30th June 2010

By value	By secure rent	By m²
		
1 052 M€	75 M€	666 322 m²

	By value	By secure rent	By m²
Paris / IdF	572 M€ (54%)	38 M€ (50%)	241 969 m² (36%)
Régions	480 M€ (46%)	37 M€ (50%)	424 353 m² (64%)

2010 half-year results

Spotlight
Parc Eiffel des Tanneries - Strasbourg

© Mappy 2010

© Paul MAURER 2010

Spotlight

Parc Eiffel des Tanneries - Strasbourg

- Established as the leading business park in Strasbourg, set amidst a luxuriant, 20 hectare landscaped site and strategically located to the south east towards the airport with, in addition, a direct tramway link to the town centre
- However over-dimensioned relative to the local office and business space market
- Since acquiring the park in 2006, STE has implemented a strategy aimed at rationalization and market repositioning of the available space

Spotlight

Parc Eiffel des Tanneries - Strasbourg

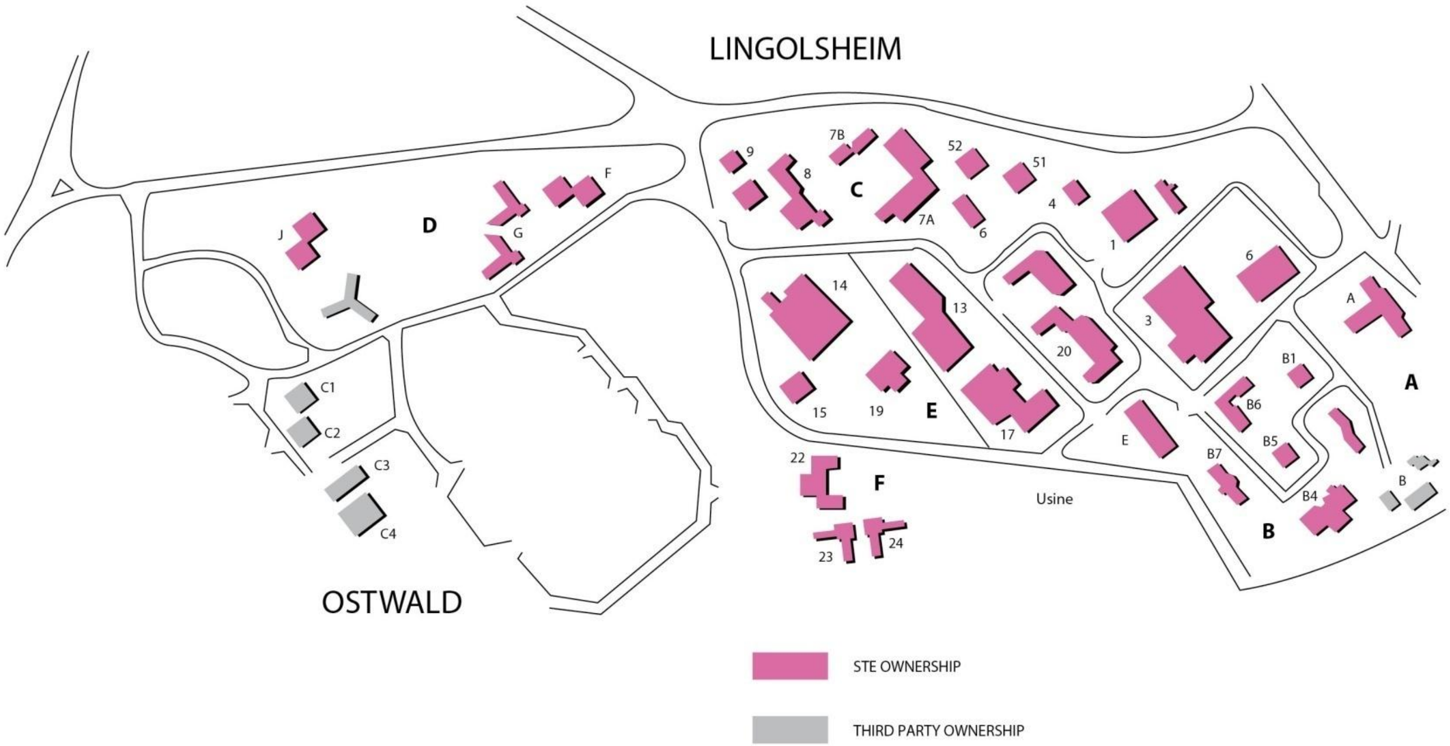
- Development of two new buildings, flanking the park entrance (3,200 m²)
- Renewal of signage and improved traffic irrigation
- Sale of surplus development sites and period buildings suitable for conversion into residential use
- Sale of a commercial site to a Swiss company for construction of its own build-to-suit laboratory facility
- Demolition of obsolete buildings
- Displacement and restacking of certain tenants

Parc des Tanneries - Strasbourg

As at 31/12/2005

Floor area: 60 000 sqm - Occupancy rate: 52 %

Valuation: 31 500 000 €

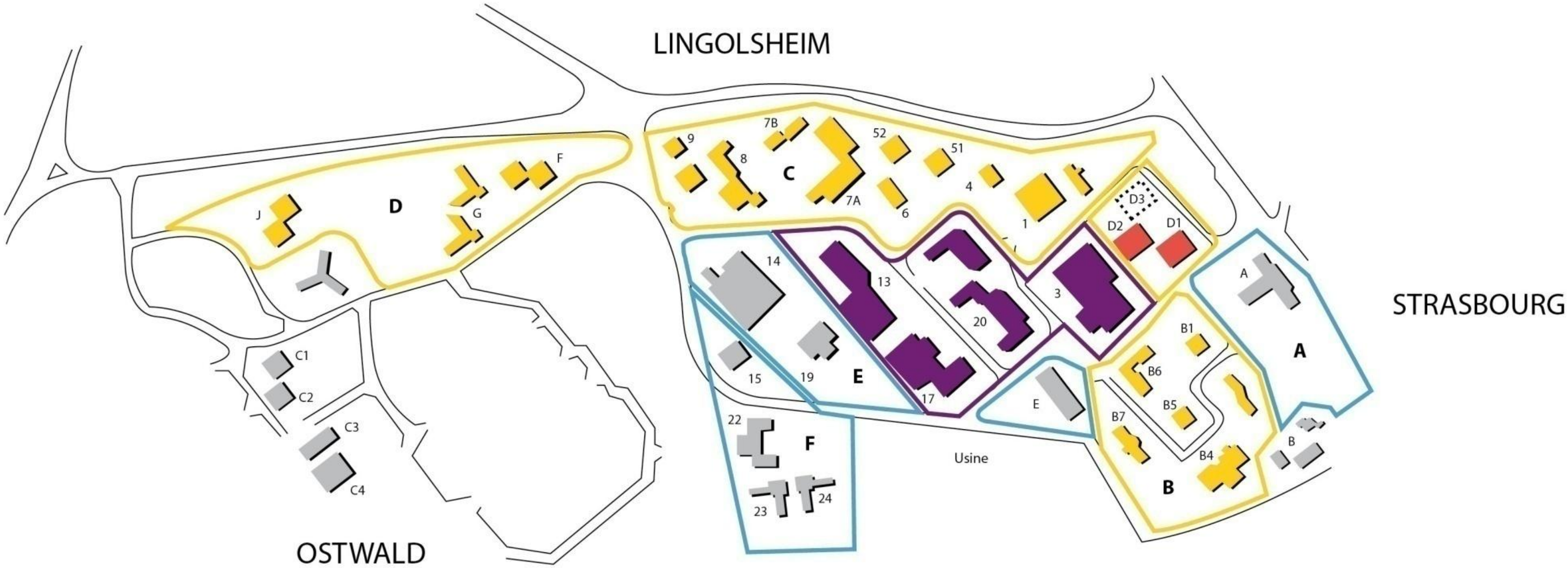


Parc des Tanneries - Strasbourg

As at 01/07/2010

Floor area: 42 810 sqm - Occupancy rate: 55,5 %

Valuation: 34 800 000 €



LOTS CEDED / EARMARKED FOR SALE
- Sale HABITATION MODERNE: "A" building 30/03/2010
- Sale in hand OCTOPHARMA 14 & 19 buildings
- To be ceded late 2010: Lots 15/22/23/24
- "E" building subject to discussion

LIGHT INDUSTRIAL

OFFICES

THIRD PARTY OWNERSHIP

NEW DEVELOPMENT 2009/2010
Floor area: 3 200 sqm

FUTURE DEVELOPMENT

Disposal gains € 7.8 M

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

2010 half-year results

Financial results

© Paul MAURER 2010

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

2010 half-year financial results

Current cash flow

in M€	30/06/2010	30/06/2009	Variation
Gross rental income	37,4	37,1	**0,8%**
Property operating expenses	4,7	4,6	2,2%
Operating expenses	2,0	2,0	-
Net finance costs	12,0	14,2	-15,5%
Non cash adjustments	***0,0***	***-0,4***	-
Cash flow	**18,7**	**15,9**	**17,6%**

2010 half-year financial results

Consolidated result

in M€	30/06/2010			30/06/2009		
	Recurring activity	Fair value and disposals	Result	Recurring activity	Fair value and disposals	Result
Gross rental income	37,4		37,4	37,1		37,1
Property operating expenses	-4,7		-4,7	-4,6		-4,6
Net rental income	**32,7**	**0,0**	**32,7**	**32,5**	**0,0**	**32,5**
Corporate expenses	-2,0	-0,1	-2,1	-2,0	-0,1	-2,1
Current operating income	**30,7**	**-0,1**	**30,6**	**30,5**	**-0,1**	**30,4**
Proceeds from disposals		0,3	0,3		-0,6	-0,6
Property fair value adjustment		0,6	0,6		-65,9	-65,9
Other operating income and expenses		-0,4	-0,4	-0,4	-0,6	-1,0
Net current operating income	**30,7**	**0,4**	**31,1**	**30,1**	**-67,2**	**-37,1**
Net finance costs	-12,5		-12,5	-14,2		-14,2
Other financial income and expenses		-0,4	-0,4		-7,0	-7,0
Net financial result	**-12,5**	**-0,4**	**-12,9**	**-14,2**	**-7,0**	**-21,2**
Profit / loss before tax	**18,2**	**0,0**	**18,2**	**15,9**	**-74,2**	**-58,3**
Tax		0,0	0,0		-0,1	-0,1
Net profit / loss	**18,2**	**0,0**	**18,2**	**15,9**	**-74,3**	**-58,4**
Minority interests	0,0		0,0	-0,5		-0,5
Net profit / loss (Group share)	**18,2**	**0,0**	**18,2**	**16,4**	**-74,3**	**-57,9**

2010 half-year financial results

Balance sheet

Assets (in M€)	30/06/2010	31/12/2009
Investment properties	1 009,6	1 036,6
Assets earmarked for disposal	42,7	8,1
Other fixed assets	1,5	1,9
Receivables	35,4	46,1
Cash and equivalent	11,0	24,9
Total Assets	**1 100,2**	**1 117,6**

Liabilities (in M€)	30/06/2010	31/12/2009
Share capital and reserves	353,2	345,6
of which Result	***18,2***	***-60,1***
Long term debt	663,9	675,6
Other liabilities	83,1	96,4
Total Liabilities	**1 100,2**	**1 117,6**

SOCIÉTÉ DE LA TOUR EIFFEL

Half-year results 2009

2010 half-year financial results

Status and cost of finance: continued fine tuning

- Disposals lead to modest reduction in LTV and debt despite 60,000 m² of development in 2009/10 :
  - gross debt as at 30/06/10: € 663.9M
  - net group LTV: 62%
- Reduction in finance costs (30/06/10 vs 31/12/09)
  - gross finance cost: - 13%
  - average cost: 3.4 % vs 3.9 %
- Hedging: 100%
  - fixed: 51 %
  - caped: 49 %

2010 half-year financial results

2010 interim dividend

- Current cash-flow: **3.4€/share**
- 2010 interim dividend: **2€/share**
- Option of payment in cash or shares; option period: 9th August to 24th September 2010
- Payment: 6th October 2010

2010 Calendar

6 October 2010	Interim dividend pay-out
9 November 2010	3rd quarter 2010 turnover

SOCIÉTÉ DE LA
TOUR EIFFEL

PRESENTATION

Half-year Results 2010

- End -