



SOCIÉTÉ DE LA
TOUR EIFFEL

presentation

Annual results

2011

15th March 2012





- A. Economical, financial and real estate contexts
- B. Key figures, highlights and governance
- C. Financing
- D. Stock market profile
- E. Market environment: 2012 anticipations
- F. Portfolio
- G. Outlook and strategy
- H. Financial results
- I. Calendar

A.

ECONOMICAL, FINANCIAL AND REAL ESTATE CONTEXTS

2011
ANNUAL
RESULTS

Caen Colombelles



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Another year of two halves



1S:

- Gradual return of confidence
- Financial markets more fluid
- SIIC valuation recovery (May 2011, STE quoting practically at NAV)

2S :

- Euro and sovereign debt crisis
- Stock market collapse
- Political uncertainty
- Return of credit crunch but interest rates remain low

The Macro overshadows operational performance

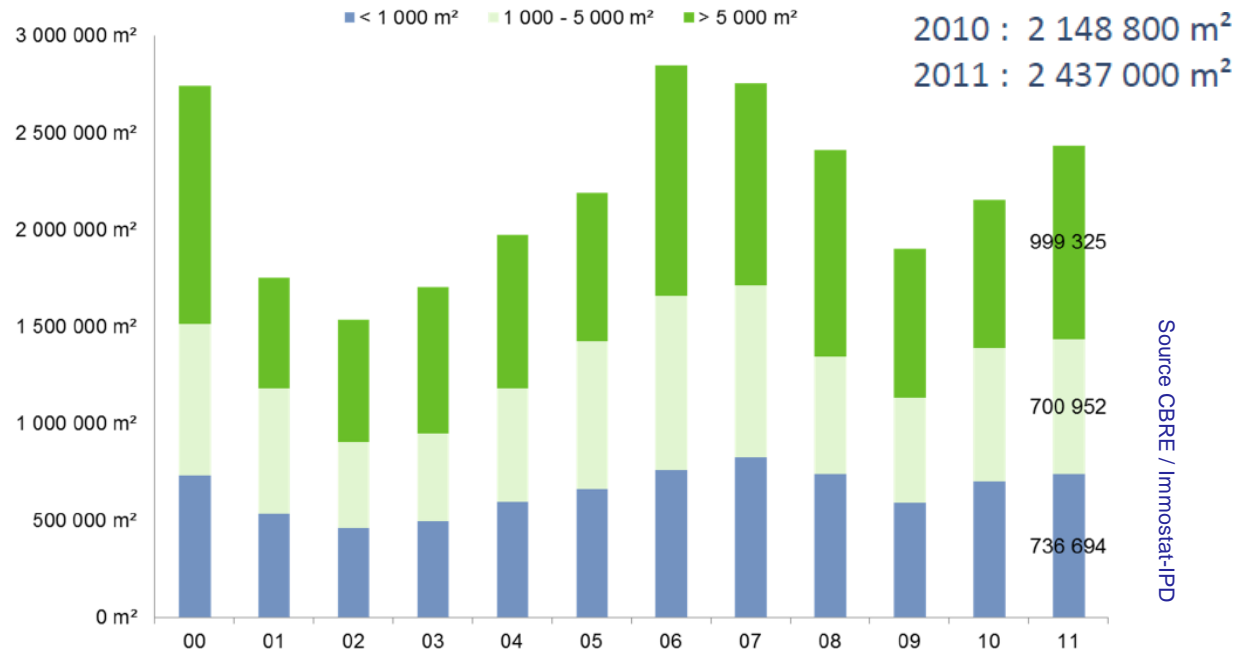
- Macro considerations dominate, disenchantment of listed property
- The **direct property market continued to perform reasonably** however with STE taking full advantage
- As the operating results demonstrate
- Contrary to the depressed share price !



French office market



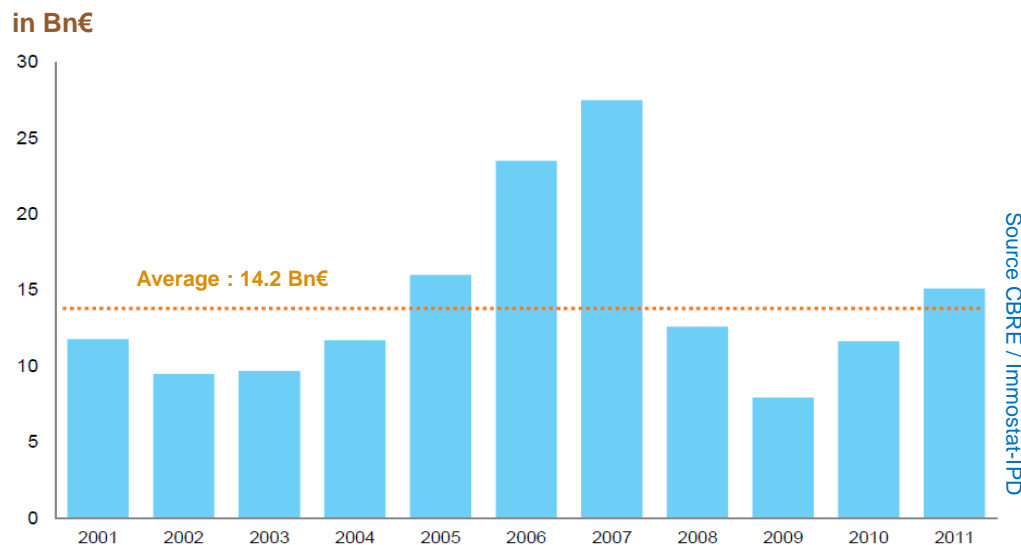
- The Ile-de-France letting market turned in a surprising performance on the back of small and medium-sized deal in Paris and a number of mega commitments in the outer suburbs (SFR, Carrefour, Thalès)



- Regional markets were slightly down (-9%), the average vacancy being 7% in the urban centres

French investment market

- The investment market also rebounded: € 15bn (+ 45%) ; re-emergence of large deals ; accelerated activity in the second half of the year despite the Eurozone crisis



- Equity investors – insurance companies – OPCIs – sovereign funds. Relative retreat of German funds
- Risk aversion continues to dominate («*buy core even more expensively !*»), speculative development market impacted in the wake of August financial hiatus

B.

KEY FIGURES, HIGHLIGHTS AND GOVERNANCE

Parc Eiffel du Golf, Aix-en-Provence



Key figures

Distributive capacity maintained and originating exclusively from recurrent activity



	2011	2010
Consolidated figures		
In M€		
Gross rental income	69.4	72.2
Net operating income	54.2	56.5
EPRA earnings	30.6	31
Value adjustments and disposal results	-0.4	11.8
Net consolidated result	29.5	42.5
Portfolio value excluding transfer costs	999.2	1022.1
In € per share*		
Cash flow	5.8	6.0
EPRA NNNAV **	69.2	68.6
Dividend per share	4,2 ***	4.2
Net LTV	57.6%	60.4%
Financial occupancy rate	91.1%	86%

* Number of shares : 5 736 272 as at 31/12/2011 and 5 592 284 as at 31/12/2010

** NAV : 73.7 € / share in 2011 compared to 73 € / share in 2010

*** € 2.10 interim dividend in September 2011 and € 2.10 final pay-out to be proposed to the AGM on 24th May 2012

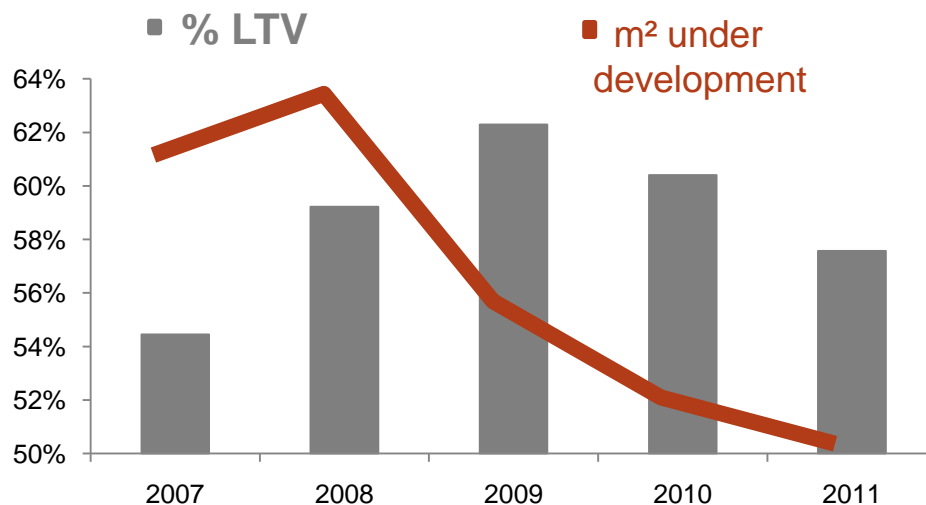
Highlights



- Leasing of Topaz / Vélizy (long-term) to Altran and General Mills : 14,000 m², € 3.3M of annual rents. 4,000 m² subsequently under offer in Energy II / Vélizy
- Future purchase of Montrouge development project. 5,000 m² labelled speculative offices. Delivery 2Q 2013. Investment : € 24M
- Development of labelled 2,160 m² office building for Spie Sud-Est on long lease at Lyon-Vénissieux Parc Eiffel (completion January 2012). Investment : € 3.3M
- Financial occupancy rate: 91.1% (+5.9%)

Highlights (cont.)

- Disposals : € 38.9M at 4% above NAV notably
 - Viseo, leased but isolated regional location
 - Charonne, vacant possession sale for residential redevelopment
- Deleverage : **LTV reduced from 60.4% to 57.6%** at year end, achieved through
 - sales
 - accelerated debt repayment
 - Leasing up of developments



2011
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Champigny



© Emile LUIDER



1S: New non-executive directors: Mercedes ERRA and Richard NOTTAGE

2S:

- Appointment of Renaud HABERKORN as CEO from 1st September 2012
- Confirmation of Jérôme DESCAMPS and Frédéric MAMAN' roles (deputy MD as from 01/09/2012)
- Mark INCH and Robert WATERLAND gradually step back from operations but remain on the board as shareholders

C.

FINANCING



Principal mortgage finance



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At 31/12/2011	Consolidated bank debt in M€	LTV (*)	Maturity
PBB (Deutsche Pfandbrief Bank)	352.2	65.5%	2013 06/13
RBS / AXA / Crédit Foncier / CA CIB	123.0	53.4%	06/13
SUB-TOTAL	475.2		
Société Générale / Crédit Foncier	47.9	49.1%	post 2013 03/17
BECEM / Société Générale	43.2	48.5%	04/18
SUB-TOTAL	91.1		
OTHERS	25.3	61.6%	
TOTAL GROSS DEBT	591.6		
TOTAL NET DEBT	575.3		

- Average debt cost
3.5 %
- Hedging
93 %
- Global net LTV
57.6 %
- Global ICR
238 %

* Latest declared ratios

D.

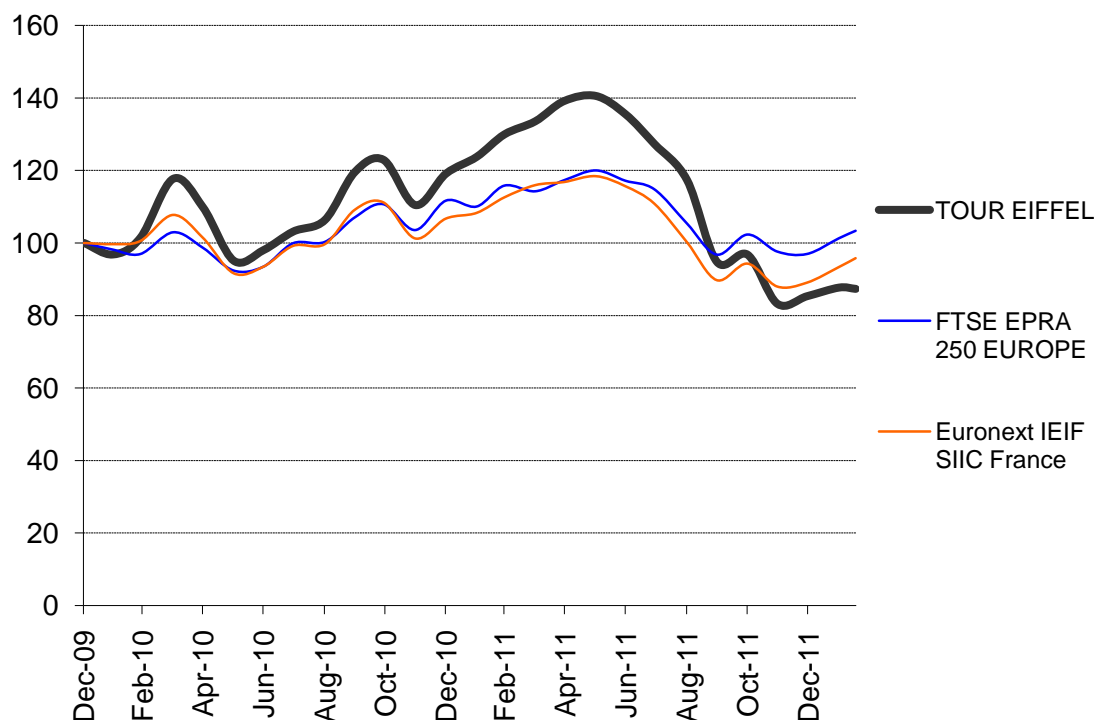
STOCK MARKET PROFILE



Decorrelation from asset value!

Key facts as at 31/12/2011 (Vs 31/12/2010)

Stock & sector-based indices trend from 2010 (100 basis as of 01/01/2010)



- Market capitalisation: € 220.45M (- 32%)
- Share price: € 38.4 (-33.7%)
 - ✓ EPRA Europe : -13.2%
 - ✓ IEIF SIIC France : -16.55%
 - ✓ CAC 40 : - 16.95 %
- Highest share price: € 64.54
- Lowest share price: € 33.01
- Discount to NAV: - 44.5 %
- Shares: 5 736 272
- Free float: 90%
- Annual turnover: 47.7 %
- Share price as at 29/02/2012 : € 39.11

E.

MARKET ENVIRONMENT: 2012 ANTICIPATIONS



Leasing market: unchanged scenario from 2011

- Gross take-up $\pm 2.000.000$ m² but negative absorption
- Vacancy remains stable at 7% whereas inventory reduction, including for new space (70% of enquiries for 23% of supply), tempered by incidence of major turn-key projects
- Speculative development again hindered by dearth of finance
- Rents stable / slightly decreasing
- ICC index on the increase
- Cost cutting remains overriding tenant motivation
- Statutory environmental standards will start to bite (Grenelle II)



Investment: soft landing

- Volume unchanged 12-14 Mds €
- Abondant liquidity, clear evidence of investor demand
- Some distressed sales but limited
- Move up the risk curve
- Although variable, values should be maintained overall
- € 200 Bn of Europe real estate debt to be refinanced over 2011-2014

There is **no evidence as yet of a major recession** as predicted by numerous Anglo-Saxon observers.

F.

PORTFOLIO

Communal restaurant, Parc Eiffel du Moulin à Vent, Lyon-Vénissieux



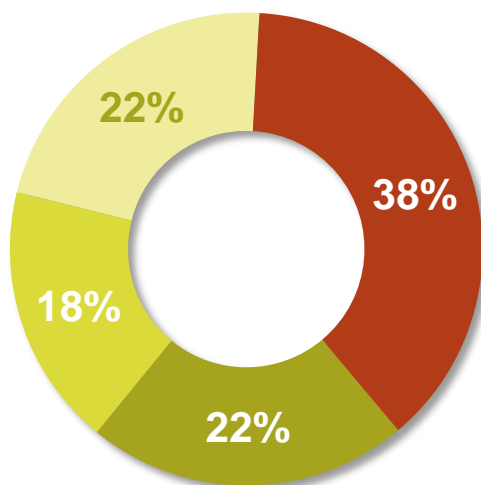


The company's focus on modern, labelled offices situated in emerging locations with affordable rents corresponds to market demand.

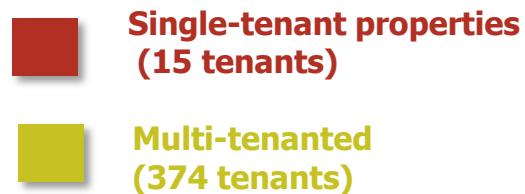
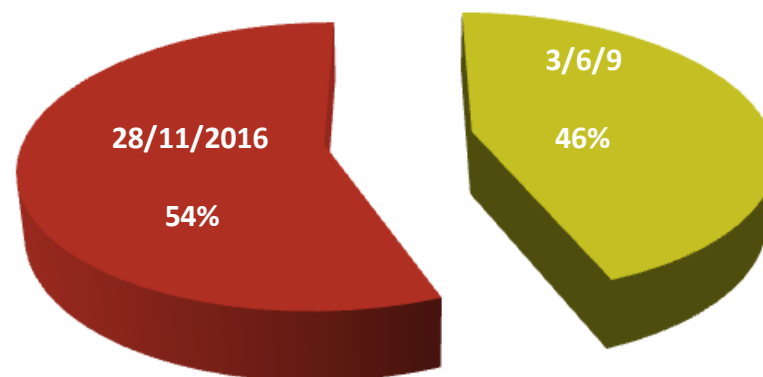
- **62% properties are new or recent, 29% being labelled**
- Limited capex liability
- Financial and physical occupancy rates on the rise (89.1% and 91.1%)
- Average term on long, single lets to end 2016
- Unchanged value (€ 1Bn) despite disposals
- Overall gross return: 7.8%

Portfolio profile

62% recent or new



Average lease term

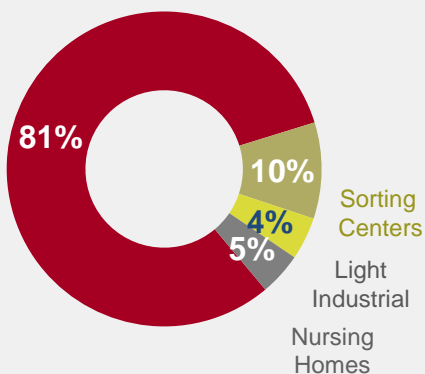




Portfolio of commitments as at 31 December 2011

By value

Offices



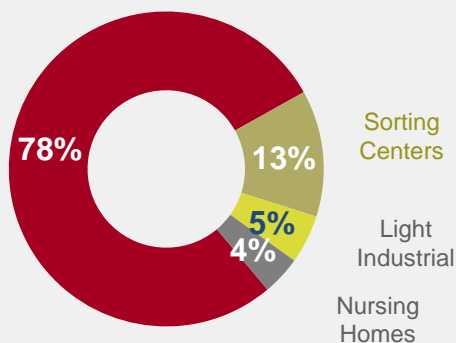
1 013 M€

Paris / IdF 544 M€ (54%)

Regions 469 M€ (46%)

By secure rent

Offices



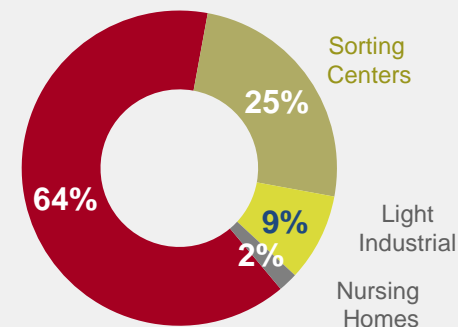
73 M€

36.5 M€ (50%)

36.5 M€ (50%)

By m²

Offices



627 795 m²

220 660 m² (35%)

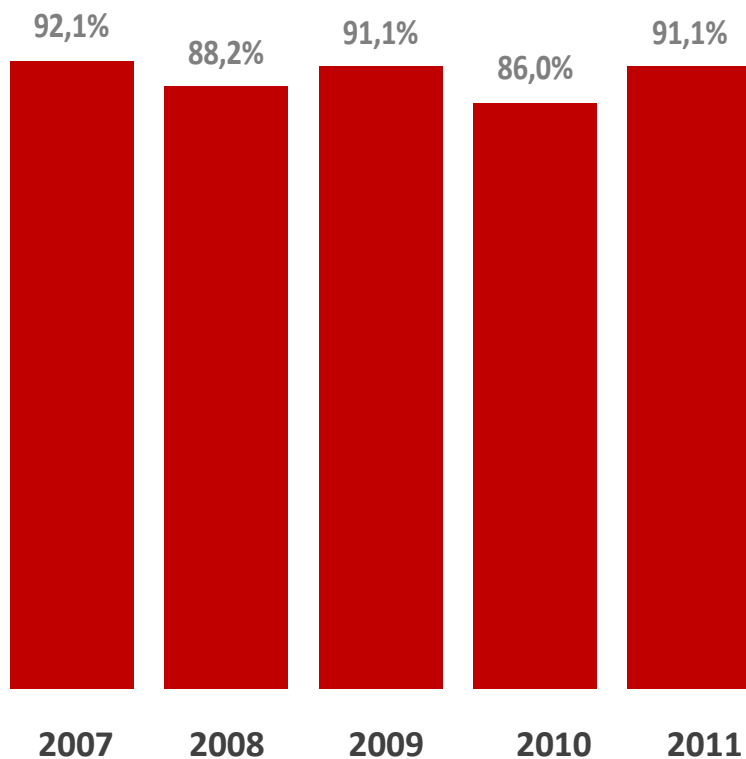
407 135 m² (65%)

Occupancy rate



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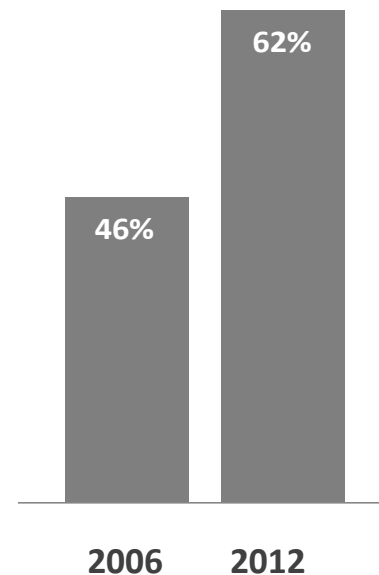
Evolution of the financial occupancy rate



Vacancy (9%)
breakdown

- Strategic: 2%
- Structural: 3%
(Tenant roll-over
on the Parcs
Eiffel)
- Effective vacancy:
4%

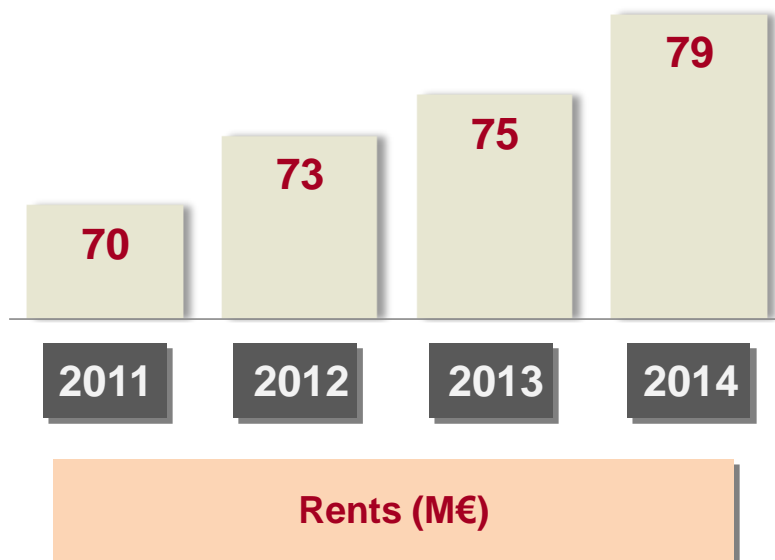
% of new, recent or
renovated properties
in the portfolio



Rental projections



Rents generated by portfolio as at 31/12/2011, **on a like-for-like basis**:



- Indexation assumptions:
 - ✓ 2012 : + 3.5 %
 - ✓ 2013 : + 2%
 - ✓ 2014 : + 2%
- Excl. disposals, new acquisitions and internal growth

G.

OUTLOOK AND STRATEGY



Outlook and strategy

Gear change for the next growth cycle

- **Refinancing** in advance of the 2013 maturities
Medium-term LTV target 40-50%
- **Disposals**
 - Gradual rationalisation in favour of new/recent offices in the Paris region
 - Selective culling of portfolio to facilitate refinancing
- **Existing portfolio**
Mature core portfolio to provide foundations of perpetual revenue stream



- **Develop partnerships for value-added deals**

Substituting dilutive equity calls and diminishing availability of mortgage finance

- Attracting new equity sources
- Market presence/participation
- Exploit TOUR EIFFEL ASSET MANAGEMENT expertise and reputation
- Development of land bank (Massy and parks)



SIICs in question ?

Despite the current stock market negativity towards listed property companies, the SIIC regime continues to offer a competitive edge in terms of flexibility and fiscal advantages compared to the alternative structures (OPCIs, SCPIs, private equity, etc)

Will this be recognised by the markets in due course?

H.

FINANCIAL RESULTS

Parc Eiffel des Tanneries, Strasbourg



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Cash-flow



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in M€	2011	2010	Variation
Gross rental income	69.4	72.2	-3.8%
Property service charges	10.3	10.9	-5.5%
Operating expenses	4.8	4.7	2.1%
Net finance costs	21.3	23.2	-8.2%
Cash flow	33.0	33.4	-1.1%
in €/share *			
Cash flow	5.8	6.0	-3.6%

Earnings ratio
cash flow
/ share price
x 6.7

Cash-flow /
EPRA NNAV
8.4%

* Dilution of 2.5% due to the payment of the dividend in shares

Number of shares: 5 736 272 as at 31/12/2011 and 5 592 284 as at 31/12/2010

Consolidated result



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in M€

	2011			2010		
	Recurring activity	Non recurring activity	Result	Recurring activity	Non recurring activity	Result
Gross rental income	69.4		69.4	72.2		72.2
Property operating expenses	-10.3		-10.3	-10.9		-10.9
Net rental income	59.1	0.0	59.1	61.3	0.0	61.3
Corporate expenses	-4.8	-0.1	-4.9	-4.7	-0.1	-4.8
Current operating income	54.3	-0.1	54.2	56.6	-0.1	56.5
Proceeds from disposals		1.5	1.5		-1.7	-1.7
Property fair value adjustment		-3.1	-3.1		8.1	8.1
Other operating income and expenses		-0.8	-0.8		-0.4	-0.4
Net current operating income	54.3	-2.5	51.8	56.6	5.9	62.5
Net finance costs	-22.6		-22.6	-24.8		-24.8
Other financial income and expenses		0.3	0.3		5.1	5.1
Net financial result	-22.6	0.3	-22.3	-24.8	5.1	-19.7
Profit / loss before tax	31.7	-2.2	29.5	31.8	11.0	42.8
Tax	-0.1		-0.1	-0.3		-0.3
Net profit / loss	31.6	-2.2	29.4	31.5	11.0	42.5
Minority interests	0.0		0.0	0.0		0.0
Net profit / loss (Group share)	31.6	-2.2	29.4	31.5	11.0	42.5

Net Asset Value



in € per share	2011	2010
Replacement NAV (transfer costs incl) *	77.6	77.0
Liquidation NAV (excl transfer costs) *	73.7	73.0
Adjustment for transfer costs	-4.1	-4.2
Diluted shares impact	-0.4	-0.2
EPRA NNAV **	69.2	68.6

* Number of shares end of period (net of treasury shares) : 5 642 622 in 2011 and 5 496 243 in 2010

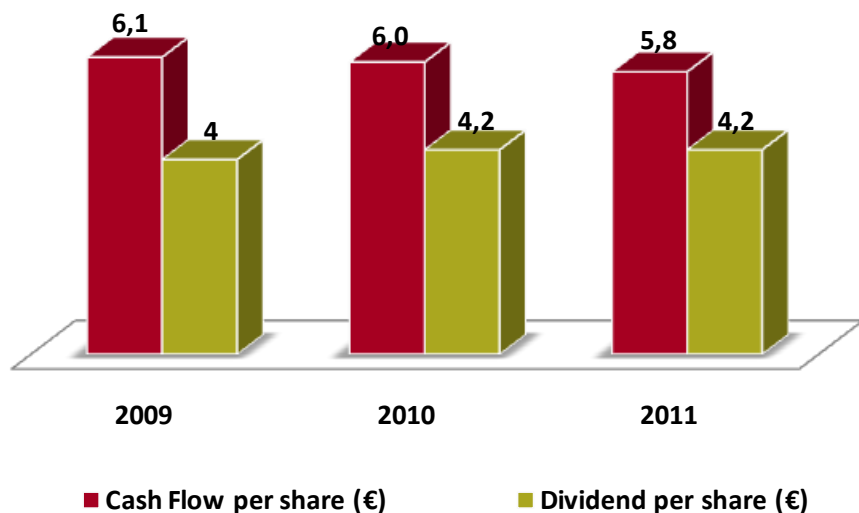
** Number of shares diluted end of period: 5 678 114 in 2011 and 5 511 160 in 2010

Consolidated balance sheet



TOUR EIFFEL

Assets	(in M€)	31/12/2011	31/12/2010
Investment properties		990.3	1 004.8
Assets earmarked for disposal		8.9	17.3
Other fixed assets		0.4	1.1
Receivables		27.3	31.8
Cash and equivalent		16.4	10.3
Total Assets		1 043.3	1 065.3
Liabilities	(in M€)	31/12/2011	31/12/2010
Share capital and reserves		387.2	373.4
<i>of which Result</i>		29.4	42.5
Long term debt		591.6	627.7
Other liabilities		64.5	64.2
Total Liabilities		1 043.3	1 065.3



- 2011 Dividend : 4.20 € per share (unchanged)
 - € 2.10 interim dividend paid out in September 2011
 - € 2.10 final dividend proposed to AGM of 24/05/2012
- 72% of current cash flow
- Yield: 10.7 % on 29/02/2012 share price

I. 2012 Calendar



TOUR EIFFEL

24th May 2012

➤ **Annual General Meeting**

25th June 2012

➤ **Final 2011 dividend**

26th July 2012

➤ **2012 half-year results**

October 2012

➤ **2012 interim dividend**



PRESENTATION

2011 annual results

- END -