

ANNUAL REPORT 2012

RELOADED



**SOCIETE
DE LA
TOUR EIFFEL**

588,899 sq. m of offices, business parks, light industrial, parcel depots/warehouses and nursing homes

€919 M Commitments portfolio

€34 M EPRA earnings

€35.7 M Recurring cash flow

92% EPRA occupancy rate

€69.5 M Rental income

-€6.1 M Net profit (group share)

€4.20 Dividend per share



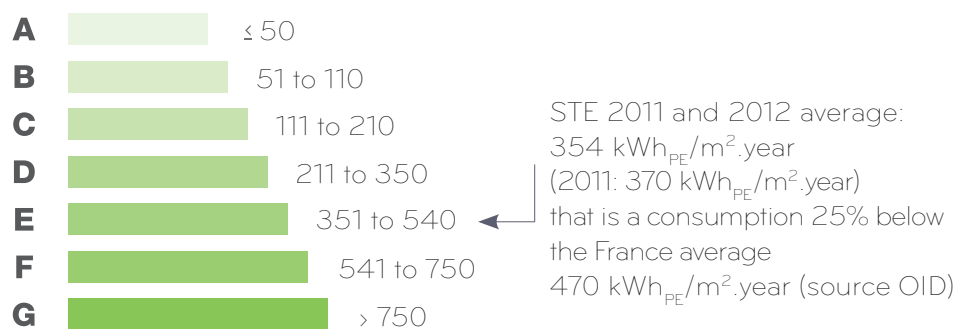
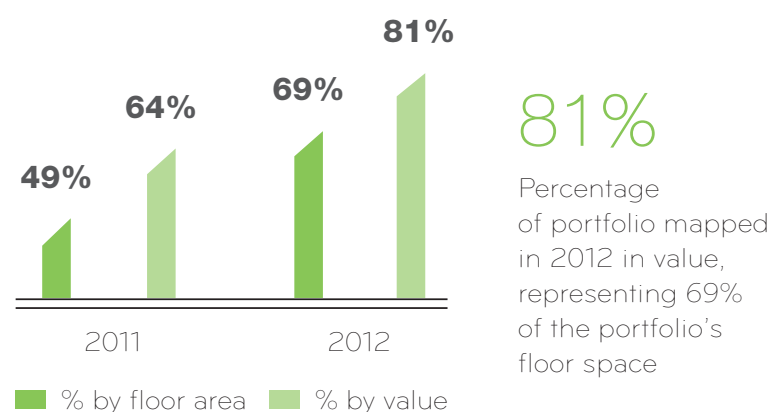
SPOTLIGHT ON OUR CORPORATE SOCIAL RESPONSIBILITY



“Société de la Tour Eiffel has appropriated proven means to maintain organised and ambitious progress in sustainable development in an organised and ambitious way. Over and above our in-house activity, our aim is to participate in the benchmarking for other market

players. Such teamwork is essential to the success of any responsible growth strategy.”

Nicolas de Saint-Maurice, Development Director.



3 t CO₂e

per person / Corporate carbon footprint in 2012 embracing 27 employees, i.e. a decrease of 50% compared with 2011.

One of the cardinal points of Société de la Tour Eiffel strategy, sustainable development was taken one step further in 2012 with the development of an analytical and action capacity. In so doing, STE has underlined its progress in the field, to the great satisfaction of users seeking energy savings.

After an initial analysis of the environmental indicators of our portfolio during 2011, this year we have forged a genuine roadmap in order to improve our environmental impact. Among the basic tools that have been developed, environmental mapping has been extended to cover 81% of the portfolio by value, or 68% of its floor space. Also covered are the intrinsic energy performance of all the various assets held and of all the tenants whose leases must include an environmental rider.

EFFICIENT MONITORING TOOLS

At the operational level, we are implementing an ambitious, monitored action plan for the next 3 years. Focusing on three major areas, it demonstrates the commitment of Société de la Tour Eiffel to establish a pro-active, exemplary policy on social, societal and environmental issues.

Environmental factors are amongst the guidelines for the strategy to refocus the portfolio, also being applied to each asset in the portfolio through proactive, pragmatic initiatives on the part of the asset managers and their property managers.

Commitments	Scope	Actions carried out in 2012
FOCUS 1 - CORPORATE		
Maximize the company's extra-financial transparency	STE	Application of GRI CRESS guidelines and follow-up of EPRA recommendations Validation of data by an outside third party Report compliant with GRI level B+
Motivate employees	STE	Training on sustainable real estate for all Tour Eiffel Asset Management teams
Controlling the environmental impact of head office	STE	Production of a Carbon footprint for the second year
Continue to develop the Société de la Tour Eiffel Foundation	STE	Decision to extend the activity of the Foundation for five years
Involve stakeholders outside the group	STE and third-party service providers	Drafting of a charter with the property managers
Be involved in think tanks and marketplace initiatives	STE	Involvement of STE in the following organisations: OID, IPD, FSIF, EPRA
FOCUS 2 - PORTFOLIO		
REFOCUS OUR STRATEGY ON A PORTFOLIO WITH HIGH ENVIRONMENTAL QUALITY		
Control and monitor the environmental impact of the portfolio	Portfolio	80% of the property portfolio mapped
Develop 100% green buildings (approved and certified) and control the overall impact of constructions	Offices	Montrouge development under way and study of new certified projects
Develop 100% of new buildings using a verified environmental management system	Parcs	Delivery of the Air building in Vénissieux (LEB)
Hold 25% green assets (approved or certified)	Offices	Divest properties at risk
Reduce energy consumption and emissions of greenhouse gases	Offices & Parcs	20% of green CAPEX (including R22 and asbestos removal)
Mainstream the signature of green leases	Offices & Parcs	Legal and operational structure of environmental appendices with tenants
Mainstream the signing of facility management contracts including environmental clauses	Portfolio	Integration in 2012 of specific clauses in the mandate of a property manager
FOCUS 3 - ASSETS		
APPLY THE OBJECTIVES OF THE PORTFOLIO TO EACH ASSET THROUGH ACTIVE MANAGEMENT TO CREATE VALUE		
Audit high energy-consuming buildings	Offices	Energy audit of the Colombelles building
Set up monitoring	Offices & Parcs	Engage a specialised consultant to identify the Office and Parcs solutions to be deployed
Certify assets in service	Offices & Parcs	Identify relevant assets and tenants for the deployment of BREEAM-In-Use certification
Eradicate risk refrigerants	Portfolio	Audit R22 facilities on the sites, and establish the eradication procedure, appoint staff. Construction of the Quai Aulagnier site (Asnières)
Ensure accessibility of buildings for the disabled	Offices	
Facilitate waste management	Portfolio	
Control the use of water	Parcs	
Protect biodiversity in business parks	Portfolio	Install bee-hives to favour the pollination of plants



Scheduled actions	Reference CSR Report 2012	Measuring the objective	Status	Ref
ESS				
Report compliant with GRI level A+	p. 2		<div></div>	1.1
Drafting of an internal responsibility charter Employee awareness campaign	p. 10		<div></div>	1.2
Carbon footprint monitoring and implementation of an internal responsible procurement policy	p. 12		<div></div>	1.3
Facilitation and monitoring Foundation activity	p. 11		<div></div>	1.4
Integration of the PM charter for new mandates General use of a charter of sustainable commitments for service providers	p. 24		<div></div>	1.5
GRESB, GRI Reporting Circle of exchanges with users	p. 3		<div></div>	1.6
2013: Continue mapping, Automation and formalization of an environmental management platform for the portfolio Ultimately, extension of reported indicators and general use of BREEAM-In-Use scoring	p. 5 to 8 and 17	% of surface area mapped	<div></div>	2.1
Delivery of the Montrouge building (LEB and BREEAM)	p. 22	% of assets certified	<div></div>	2.2
Design of several new buildings in the parks, on the basis of a monitored environmental management scheme	p. 22	% of assets certified	<div></div>	2.3
Environmental rating procedure of sites studied on acquisition (present performance, potential for improvement)		% value of assets	<div></div>	2.4
25% of green CAPEX (including R22)	p. 5 to 8 and 17	% reduction in energy indicators and GGE	<div></div>	2.5
100% environmental appendices for tenants for leases of more than 2,000 sq. m	p. 23 to 25	% of green leases	<div></div>	2.6
Inclusion of specific clauses for any new property management mandate			<div></div>	2.7
In 2013: audits of at least the sites in Asnières, Aubervilliers and Massy		% of assets audited	<div></div>	3.1
In 2013: Facilities for Aygalades - B9 (Marseille), Tanneries - D1 (Strasbourg) and Topaz (Vélizy)		% of assets equipped	<div></div>	3.2
In 2013: Implement BREEAM-In-Use certification for the Domino (Paris) and Citizen (Rueil) sites		Number of certifications	<div></div>	3.3
In 2013: withdraw equipment using R22 up to 30% of the identified volumes	p. 18	% weight of risk refrigerants	<div></div>	3.4
Audit the relevant assets and establish a work program		% surface area accessible	<div></div>	2.6
Identify all the provisions for selective waste collection at the local level	p. 18	% surface area of selective waste collection	<div></div>	3.6
Study the installation of sub-meters Installation of water-saving equipment	p. 18	% surface area equipped	<div></div>	3.7
Join in a certification initiative for management work of green spaces	p. 18		<div></div>	3.8

FORMAL ACTION

To demonstrate our commitment, this year we shall not hesitate to benchmark our undertakings in, social, societal and environmental responsibility.

As a result, our 2012 Corporate Sustainability Report is compatible with the EPRA reference system and our data have been consolidated by IPD. In addition, to underline our commitment and the transparency of our communication, we have complied with the directives issued by the GRI and have thus reached the level B+. Finally, to reach our aim to

see the market develop a recognised, reliable evaluation method, we are actively engaged in the development and expansion of the Sustainable Real Estate Observatory (Observatoire de l'Immobilier Durable, OID).

With SINTEO our service provider, in anticipation of the regulations, we have also had our CSR checked by PricewaterhouseCoopers. This illustrates our commitment to oblige our teams, to attest to the reliability of the indicators we publish and of the data collected from tenants and partners.



Scope	Reference	Reliability	Unit	Indicators	
				Year % of the portfolio mapped	
GLOBAL	GRI CRESS - EPRA	Coverage rate (2012)		2012 69%	2011 49%
ENERGY					
CarbonScreen® rating - intrinsic performance	-	100%	/100	54	55
Total energy consumption	EN 3 & 4	71%	MWh _{FE}	55,460 ✓	35,345
Fossil	EN 3		MWh _{FE}	1,510	1,311
Electricity	EN 4		MWh _{FE}	48,892	31,869
Urban network	EN 4		MWh _{FE}	5,058	2,165
... Per m²	CRE 1		kWh _{FE} /m²	148 ✓	152
	CRE 1		kWh _{PE} /m²	354 ✓	369
GGE					
Total emissions	EN 16	71%	T CO ₂ e	5,545 ✓	3,444
Direct	EN 16		T CO ₂ e	353	307
Indirect	EN 16		T CO ₂ e	5,191	3,137
... Per m²	EN8		kg CO ₂ e/m²	15	15
WATER					
Total consumption	EN8	61%	m³	56,815 ✓	48,699
... Per person	CRE3		m³/ nbETP	5.8	5.4
WASTE					
Total tonnage	EN22	32%	T	550	662
... Per person	-		kg/nbETP	91.5	168.5
% waste recovered or recycled*	EN22		%	87%	75%

✓ Indicators audited by Pricewaterhouse Coopers.

* Waste collected according to type (CIW/household, paper, cardboard, etc.)

2012, LAUNCH OF A NEW ERA

Société de la Tour Eiffel is a SIIC status, listed French property company (French REIT), specialising in office properties, with a portfolio close to 600,000 sq. m. valued at 915 million euros. Its DNA: anticipating tenant needs through property investment tailored to demand, creating value, and providing recurring returns to shareholders. The company decided in 2012 to gradually focus its activity on the Paris region, the leading European commercial real estate market.

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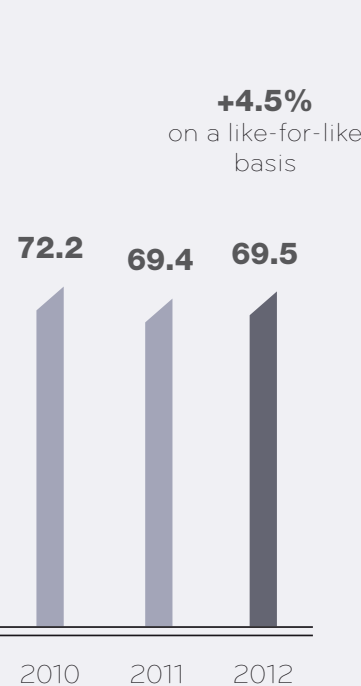


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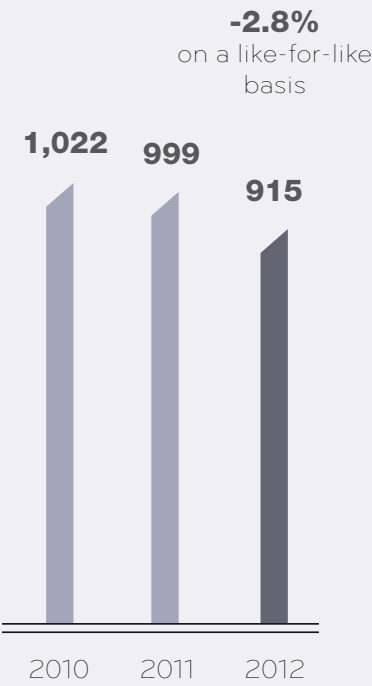


- 38 PORTFOLIO SUMMARY**

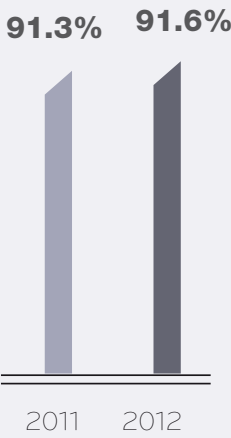
REAL ESTATE



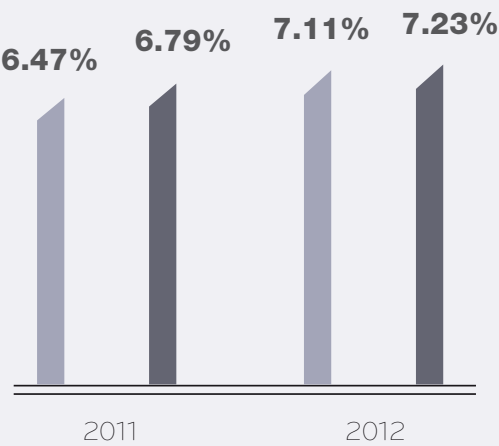
RENTAL INCOME
in millions of euros



PORTFOLIO VALUE
in millions of euros

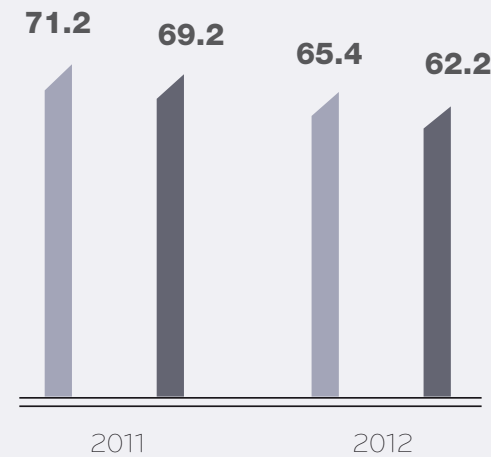


EPRA OCCUPANCY RATE



■ EPRA Net Initial Yield
■ EPRA Topped-up Yield

YIELD

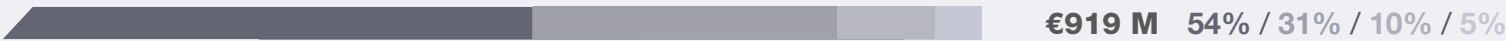


■ EPRA NAV ■ EPRA NNNNAV

EPRA NAV
in euros per share

COMMITMENTS PORTFOLIO

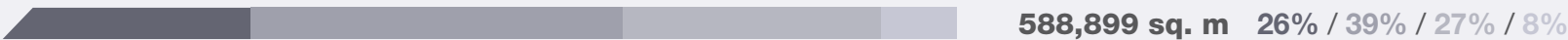
VALUE



SECURED RENTS



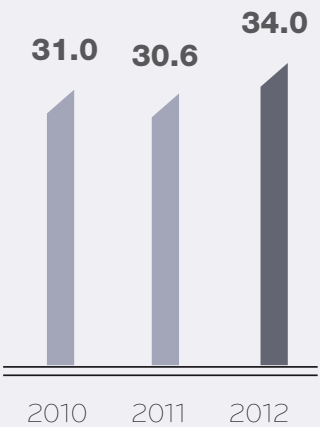
FLOOR AREA



Offices Business parks Warehouses Light Industrial



CASH FLOW
in euros per share

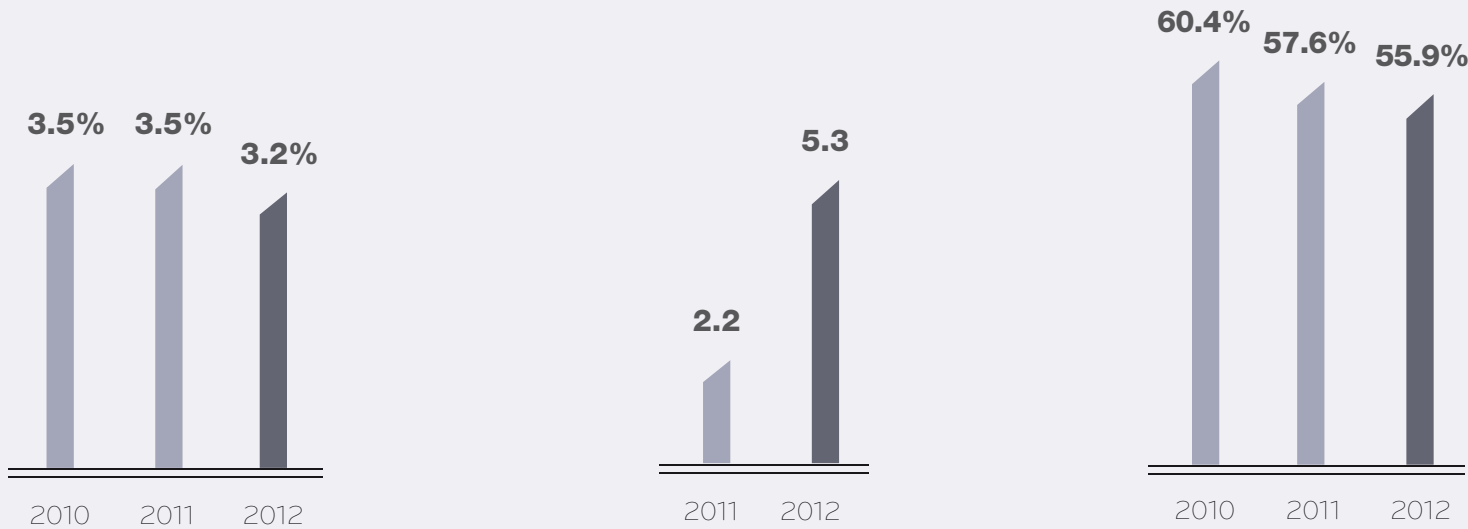


EPRA EARNINGS
in millions of euros



FINANCIALS

FINANCING



AVERAGE COST OF DEBT

AVERAGE MATURITY OF THE DEBT IN YEARS

LTV

SHARE PERFORMANCE



TOTAL SHAREHOLDER'S RETURN

MARKET PRICE
in euros

DIVIDEND EVOLUTION
in euros per share

CSR

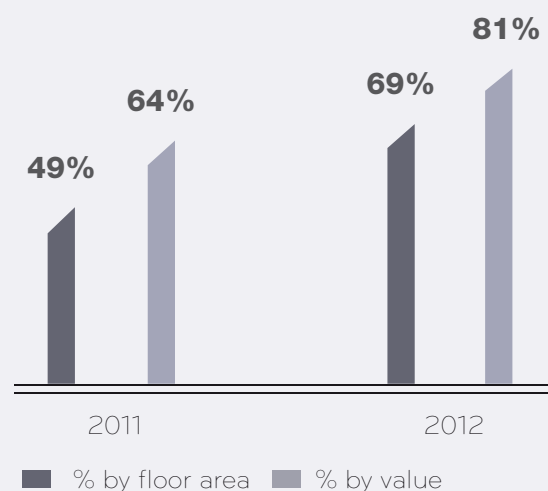
GLOBAL REPORTING INITIATIVE, ONE STEP FURTHER THAN THE FRENCH LEGISLATION

Société de la Tour Eiffel has adopted the 3.1 guidelines issued by the GRI to prepare its Corporate Sustainability Report. The resulting commitment and transparency have achieved **level B+**, verified by Sinto.

IN ENVIRONMENTAL TERMS

81%

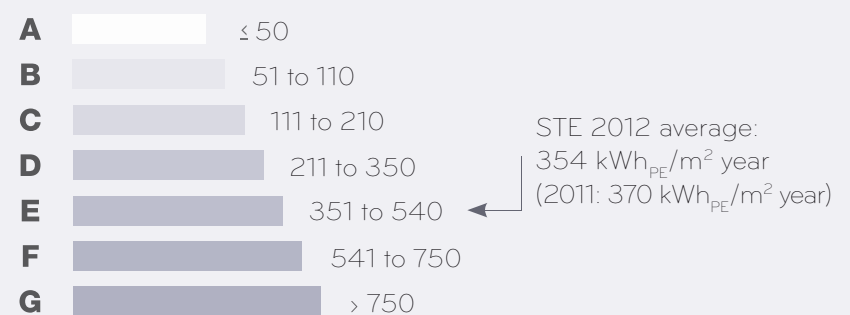
Percentage of portfolio mapped in 2012 in value, representing 68% of the portfolio's floor space



Société de la Tour Eiffel has participated in the creation of the Sustainable Real Estate Observatory.

354 kWh_{PE}/m².year

Average company's portfolio consumption, ie a consumption 25% below the France average 470 kWh_{PE}/m². year (source OID).



Société de la Tour Eiffel has extended the scope of its indicators and uses **international standards**.

IN SOCIAL TERMS

Implementation of a free share allocation plan for employees

- 70%** of Asset Managers are women
- 100%** of employees have permanent contracts
- 45%** of employees attended at least one training course

IN SOCIETAL TERMS

Extension for 5 years of the Société de la Tour Eiffel Foundation and the **appointment of Mercedes Erra** to the Board of Directors

150,000 euros dedicated to the next multiannual action program of the Foundation

FROM THE RENEGOTIATION OF ITS MORTGAGE FINANCE, TO THE SEAMLESS MANAGEMENT TRANSMISSION, THE IMPLEMENTATION OF A NEW STRATEGY, MARKETING SUCCESS AND TENANT LOYALTY... IN 2012 SOCIÉTÉ DE LA TOUR EIFFEL PUT IN PLACE THE REQUISITE RESOURCES TO INITIATE A NEW PHASE OF GROWTH AND BECOME THE BENCHMARK PROPERTY COMPANY FOR PARIS OFFICES.

NEW AMBITIONS



PLOTTING A NEW GROWTH CYCLE



“WE FEEL CONFIDENT THAT WE HAVE MADE THE RIGHT CHOICES FOR THE COMPANY AND ITS SHAREHOLDERS BY INTRODUCING A CHANGE IN GOVERNANCE, WHICH, ALTHOUGH IT OCCURRED DURING A DIFFICULT PERIOD, WILL MAKE IT STRONGER.”

Dear Shareholders,

For Société de la Tour Eiffel, 2012 presented a series of major milestones, all successfully exceeded, even if we must remain modest about what we have achieved against a background of severe economic crisis. The main milestone to be successfully overtaken was the debt wall we were facing. One year ahead of schedule, thanks to the hard work of our teams – whom I commend in passing – we effectively renegotiated our principal mortgage financings on a most acceptable basis. The average maturity of our debt is now 5.3 years, giving us the platform to enter a new phase of development.

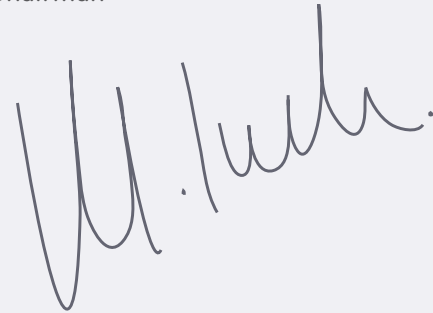
That was the remit entrusted to Renaud Haberkorn, who took over the operational management of the company in September 2012, my partner Robert Waterland and myself taking a step back in our respective roles, while remaining present at his side to ensure continuity and a smooth handover. We feel confident that we have made the right choices for the company and its shareholders by introducing a change in governance, which, although it occurred during a difficult period, will make it stronger.

This strategy is fully in line with our fundamentals: financial strength, performance and transparency. It must also unite the shareholders around a clear plan, in line with the demands and challenges of our time. We entered the crisis with an LTV of 65%: it should be less than 50% at the end of 2013. Reducing our financial exposure to a minimum is an expectation of the market and shareholders, and implies that we adjust our dividend accordingly at the issue of this transition period. This does not imply that our earnings are less satisfactory, but rather the company now seeks to create more value. The decrease therefore is a consequence of our reduced level of gearing. We naturally maintain the very essence of a SIIC, i.e. the payment to shareholders of a significant dividend in percentage terms that is regular and recurring from revenue based on rental income. Ultimately, we believe it is essential to give shareholders the performance that allows the company to offer them the financial income they expect.

For while our assets have retained their consistency and rental income, while our core business – Parisian offices – remains more than ever a source of value and while our stock price regained 15.9% in 2012, it is clear that the real estate sector has suffered at the hands of the markets in recent years. Like our shareholders, we have endured the stock market sanction with a feature specific to Société de la Tour Eiffel: having a true free float. Some of our international shareholders have sometimes struggled to remain shareholders of a company which, even if they liked it, had to be sacrificed on the altar of asset management.

By clearly defining our strategic goals, by acquiring the means to revive investment, by further improving our governance, our position today is such that we can return to a growth path and reduce our share price discount as of 2013.

Mark Inch, Chairman



SOCIÉTÉ DE LA TOUR EIFFEL MORE THAN 130 YEARS OF EXPERIENCE

1889-1979

The monument

Founded in 1889 by the avant-garde Gustave Eiffel to construct Paris' most famous landmark, Société de la Tour Eiffel managed the edifice until 1979, when its exploitation was handed back to the City of Paris.

2003-2011

The renaissance

From a state of slumber on the stock market, Société de la Tour Eiffel was taken over by Mark Inch and Robert Waterland, backed by a Soros managed real estate fund. It became the first new SIIC (French REIT) in January 2004.

2012-...

The reloading

With a portfolio of offices worth nearly €1 billion, Société de la Tour Eiffel has become a notable French listed property company. In 2012 it initiated a new phase in its history with the management handover of its two directors/architects of its renaissance.

BECOME A PURE PLAYER IN PARISIAN OFFICES

Appointed in September 2012, Renaud Haberkorn is well acquainted the company having been a director from 2004 to 2006 and again since 2009. He reviews the highlights of the past year and outlines the new strategy he has defined going forward for 2013-2016.

WHAT IS YOUR ASSESSMENT OF 2012?

It was an important year in which we set ourselves five goals, all of which were met with success: the renegotiation of our mortgage financings, maintaining a high occupancy rate in our properties, the management succession of the founding directors, the satisfactory disposal of non-strategic assets and the inception of a four-year business plan.

HOW DID THE MANAGEMENT HANDOVER OPERATE UPON YOUR ARRIVAL AS MANAGING DIRECTOR?

It was a seamless transition, the aim being to reinvigorate the company with a new development plan. It was seamless because I have known Mark Inch and Robert Waterland since 1999, when I represented the Soros fund which took an equity stake in Awon, the company they had founded. Together we undertook a number of value-added operations in the Paris area. We then took over and developed Société de la Tour Eiffel working closely together until Soros withdrew from the company in 2006. I returned to the board in 2009 and the decision to organise the succession

was taken in 2011. The plan has therefore involved well acquainted individuals with mutual appreciation.

WHAT IS YOUR VISION OF THE OFFICE MARKET?

2012 was a difficult year for tenants because the growth of the French economy remained sluggish and they sought to rationalize their costs, including in real estate. The goal remains to achieve optimal occupation at the lowest cost. Our brand of assets meets current needs: they are economically competitive and efficient, which explains why they have withstood the financial crisis fairly well.

In terms of investment, there is still plenty of appetite, but with a strong focus on the prime segment of the market where we have had little involvement in the past.

WHY HAS THE ASSET VALUE OF THE COMPANY DECREASED?

We recorded a drop of 2.8% in the value of our assets in 2012 on a like-for-like basis. This is mainly due to the impairment recorded on certain types of properties, such as warehouses, business parks or older properties. On the other hand, the value of our Parisian portfolio comprising more substantial modern assets remained stable. Ultimately there was little impact from the € 70 million of disposals completed in 2012, most of them at their fair value, thanks to proactive upstream asset management.



**YOU SUCCESSFULLY RENEGOTIATED
YOUR MORTGAGE FINANCINGS DESPITE
A CHALLENGING ECONOMIC ENVIRONMENT...**

It was a priority for the company. The € 500 million of loans outstanding at the outset of the year and maturing in mid-2013 were successfully renegotiated in 2012. The first tranche of RBS debt was reimbursed with a new competitive 7-year mortgage loan (for € 117 million) from the SAAR LB. Subsequently, we negotiated the refinancing of the Deutsche Pfandbriefbank debt which, partnering with three French banks, arranged a new 5-year credit line of € 287 million, also on a satisfactory basis. The balance of our commitments was funded through the disposal of assets allowing us to reimburse € 63 million, an illustration of our commitment to reducing borrowings.

Our two most significant maturity dates have now been extended for the next 5 to 7 years, and our total financing cost is less than 4%. We intend to continue reducing borrowings with a 18 to 24 months LTV target of around 45% against 56% at year-end 2012.

**WHAT ABOUT THE OPERATING PERFORMANCE
OF THE COMPANY?**

Our operating results are excellent including an EPRA (European Public Real Estate Association) occupancy rate of 92%, one of our highest levels ever.

This performance is largely due to the endeavour of Tour Eiffel Asset Management (TEAM), which scored a number of noteworthy successes such as the arrival of Altran at Topaz in Velizy and on one floor of

“OUR TWO MOST
SIGNIFICANT MATURITY
DATES HAVE NOW BEEN
EXTENDED FOR THE
NEXT 5 TO 7 YEARS ON
A COMPETITIVE BASIS,
SINCE OUR TOTAL
FINANCING COST IS LESS
THAN 4%.”



Robert Waterland, former Managing Director and Board member

WHAT IS YOUR ROLE TODAY IN SOCIÉTÉ DE LA TOUR EIFFEL?

Having provided the principal inspiration behind the profile of the company's property portfolio, my role as an experienced advisor is to pass the mantle. As the head of the Investment Committee, I can call upon the knowledge I have gained of the Paris office market since 1973. My precedent responsibility of managing a large agency such as Jones Lang Wootton offers a great perception. From this position, you can see everything: the demand, the strengths and weaknesses of market players but also the needs of investors. As Winston Churchill said, *"he farther backward you can look, the farther forward you are likely to see"*!

WHAT ARE YOUR GOLDEN RULES?

The main one is probably to seek to understand the world around us in order to keep pace with the changes. This is reflected by the anticipation of the transition from vertical to horizontal buildings, and the increasing attention to environmental issues. In recent decades, we have had to integrate developments in transportation, technology and safety with wide-reaching legal and fiscal changes. Secondly is to never lose sight of the supply and demand equation fundamental to property markets.

Energy 2, or the signing of an 18-year lease with SCAEL for our business park in Chartres, the occupancy rate for which increased from 14% to 55%. Maintaining tenants is our primary objective and we are already looking to the extension of leases that expire in 2014-2015.

TEAM has also orchestrated the disposals in a highly professional manner, allowing us to divest a dozen assets for € 70 million with close to € 43 million under contract at the outset of 2013.

TELL US ABOUT THE NEW STRATEGY...

Société de la Tour Eiffel has decided to focus on the basis of its DNA: our knowledge of the office market in Paris, where TEAM has been successfully operating since the 1990s. This strategy is based on solid foundations: our expertise, the depth of the leasing market, which represents 80% of the office market in France, and the attractiveness of Paris as one of the select capitals for international investors in particular. We are therefore going to move towards becoming pure player in Paris offices with assets that meet tenants' requirements: buildings that are sustainable development-certified or qualify for certification in accordance with international development standards, at a rental range of € 250 to 450 per square meter. The parameters cover more than half of what is Europe's largest market. We aim for a portfolio comprising 85-95% of assets with recurring returns and 5-15% of riskier assets capable of creating value (development or renovation projects).

HOW WILL YOU IMPLEMENT THIS STRATEGY?

50% of our portfolio by value already consists of properties that meet these criteria. For those assets that no longer correspond to this strategy, it should be recalled that we have a 4-year plan of gradual disposal, concerning properties where we consider there remains no potential for value enhancement (long leases, high occupancy rates). The resources from these divestments will be used to reduce the debt LTV as announced to 45%, and then redeployed to investments in the Paris region.

The combined effects of the plan are a qualitative improvement in the property portfolio coupled with a decrease in the debt ratio, which arithmetically results in a decrease in the cash flow per share but will be offset by a reduced financial risk and opportunities to create value.

“WE ARE THEREFORE GOING TO MOVE TOWARDS BECOMING PURE PLAYER IN PARIS OFFICES WITH ASSETS THAT MEET TENANTS’ REQUIREMENTS.”

ANTICIPATING THE NEEDS OF TENANTS REMAINS YOUR TRADEMARK?

We have been anticipate the changing demands of tenants since 2006, with campus-style rather than high rise assets, top quality properties with competitive rent ranges. This has paid off, with a series of investments such as CityZen in Rueil Malmaison, Domino at Porte des Lilas in Paris, Topaz in Velizy, Montrouge or Massy. Today, tenants’ requirements remain unchanged: rational and pleasant work space, HEQ certified and at an acceptable cost (rent and operating costs), with proximity to public transport. With this in mind, we are submitting a planning application for a new phase of the Massy site, located between the turnkey building we recently built for Alstom Power and Carrefour’s new head office.

WHAT ROLE DOES SUSTAINABILITY PLAY IN YOUR BUSINESS?

As a quoted company, we must pay attention to sustainability, notably the carbon footprint of our assets. This plays out on two levels, macro and micro. From a macro point of view, we seek to extend that part of our portfolio that is certified, and on the other hand to dispose of poorly performing buildings in terms of energy consumption. From the micro view point, we are actioning a 7-year improvement plan for each asset. Notwithstanding the ecological and economic consequences I would confirm that this issue is a motivating factor for the entire business both from a professional and personal point of view.

WHAT SHOULD SOCIÉTÉ DE LA TOUR EIFFEL SHAREHOLDERS EXPECT?

We are implementing a strategy to create value over time, refocusing on our core business and on reducing our debt. This strategy mechanically implies a lower dividend, which we ultimately aim to secure at 70 to 80% of the cash flow from operations. The consequent reduction in our financial risk should on the other hand have a positive effect on our cost of capital. Implementing that strategy requires a balance sheet restructuring phase during which the reduced dividend objective of € 3.20 per share should be paid in cash. This adjustment is not retroactive and the dividend for 2012 remains € 4.20 per share, the balance of which, € 2.10, will be paid in cash or shares at the shareholders discretion.

HOW DO YOU SEE THE FUTURE?

2013-2014 will remain difficult for offices but will also create real opportunities. Our main focus is to retain our tenants by responding to their requirements. 2013 is the first year of implementing our new strategy with a phase during which we shall reduce borrowings and debt by divesting assets, targeting an LTV of around 45% by end 2014. As we approach this goal we shall enter a more dynamic phase being poised to seize opportunities when the inevitable market upswing occurs. In early 2013, our main focus is the marketing of the Eiffel O₂ development in Montrouge.

A SIMPLIFIED, STRONGER CORPORATE ENTITY

TODAY

GEOGRAPHY



Properties equally located throughout the Paris Region and the Provinces

PRODUCT



An opportunistic portfolio consisting of offices, business parks, warehouses, and nursing homes

DEBT



An aggressive debt ratio which represented an LTV of around 60% at year-end 2011

YIELD



High leveraged cash flows and dividends

SUSTAINABILITY



20% of the property portfolio is HEQ / LEB certified

TOMORROW

GEOGRAPHY



Properties concentrated in the Paris region

PRODUCT



Primarily office properties

DEBT



Moderated debt targeting an LTV of 45% in 2014

YIELD



A stable recurring return representing 70-80% of the distributable cash flow from operations

SUSTAINABILITY



An increasing majority of recent buildings with HEQ / LEB or equivalent certification, or qualifying for certification after renovation.

THE YEAR 2012, A TURNING POINT



NEARLY € 500 MILLION OF REFINANCING

As promised, in 2012 the company completed its ambitious refinancing program, involving some € 500 million in loans. Completed one year ahead of schedule, the renegotiation was concluded on a competitive basis, despite a difficult market, with a total cost of less than 4%. Two main lines of mortgage backed-loans were refinanced over the year. One concerned a new loan of € 117 million, underwritten by SAAR LB. The other represented € 287 million of refinancing arranged by Deutsche Pfandbriefbank PBB, which embraced the participation of three French banks: Crédit Foncier de France, Société Générale and Crédit Agricole Corporate & Investment Bank. The success of these refinancings and the participation of new banking partners attest to the quality of the real estate involved. The average debt maturity now extends to 5.3 years.



Philippe Duvergne, Managing Director, Head of REF International France, Deutsche Pfandbriefbank PBB

HOW WAS THE REFINANCING MANAGED WITH SOCIÉTÉ DE LA TOUR EIFFEL?

We know the portfolio concerned by this transaction well, since we have been financing the subject property since 2001. The refinancing took more than a year to complete because we had to lower the LTV to meet the current market criteria for a transaction involving € 400 million. It required a genuine effort on the part of our client who was perfectly capable of managing the issue and thus enabled new partnerships to be set up with French banks, represented by experienced professionals familiar with the French property market.

WHAT IS THE PRINCIPLE OF PFANDBRIEFE WHICH SERVED AS THE BASIS FOR THIS REFINANCING?

The Pfandbriefe can be assimilated to a covered bond. It is a secure bond, the reimbursement of which is backed by a loan portfolio. They are a very substantial source of funds, since their loans outstanding are estimated to be worth approximately 600 billion euros! In the case of this specific refinancing even if the number of assets constituted a constraint for the Pfandbriefe in general, the subject portfolio offered all the necessary characteristics to assure a secure cash-flow and a valuation via (i) geographical diversity (a good balance between Ile-de-France and the provinces), (ii) the spread of tenants and (iii) absence of rental volatility. Naturally, the asset management is an essential element in nurturing and maintaining the portfolio value over time.



MAJOR PROPERTIES MARKETED

The leasing of Topaz in Velizy and of the Air building, Parc Eiffel in Lyon Vénissieux, both of which are new HEQ buildings, illustrated the relevance of our market positioning. Topaz was chosen by the French consulting firm Altran for its head office, extending to more than 10,000 sq. m. In Lyon, the regional management of the Spie engineering group has decided to make its new regional headquarters of 2,300 sq. m a showcase demonstrating its know-how combining technology and energy savings.

€70 MILLION OF DISPOSALS

As projected, the Company pursued a dynamic divestment policy for non-strategic assets with € 70 million of disposals and a further € 40 million under contract at year-end 2012. The disposals concerned principally four nursing homes (located in La Crau, Cogolin, Lyon and Bourg-en-Bresse), which were sold to BNP Paribas REIM France for more than € 40 million, in addition to smaller isolated assets in the provinces. On average, these divestments were achieved at appraisal value giving credence to the validity of the company's portfolio.



LAUNCH OF THE OID

True to its pioneering approach, Société de la Tour Eiffel was one of the founders of the Sustainable Real Estate Observatory (Observatoire de l'Immobilier Durable, OID) with other market participants equally committed to promoting this new commercial property performance yardstick. The objective of the OID is to create and develop the framework for assessing and scoring of the energy and environmental performance rating of its participants buildings. An initial annual survey was published on the occasion of the SIMI 2012. To date, the members of the OID represent 5 million sq. m of commercial property.



GROUNDBREAKING IN MONTROUGE

Early in 2012, the Company celebrated the groundbreaking of Eiffel O₂, its new office development is located in Montrouge. The building of 5,000 sq. m, which is LEB-certified and BREEAM rated, and located in the immediate Paris suburbs adjacent to Evergreen, the new headquarter of Crédit Agricole, represents an investment for the Group of € 25 million. Scheduled for delivery in April 2013, it also benefits from an energy performance contract from the construction company (Vinci Group).





A modern office lobby with a large palm tree in a silver pot, two blue armchairs, and a white coffee table. The background features a glass wall and a blue wall.

GROWTH DRIVERS

AN EXPERIENCED TEAM WITH RECOGNIZED EXPERTISE OPERATING IN THE LARGEST EUROPEAN OFFICE MARKET: SOCIÉTÉ DE LA TOUR EIFFEL POSSESSES ALL THE REQUISITE ATTRIBUTES TO EFFECTIVELY DEPLOY ITS NEW STRATEGY, ANTICIPATING ITS TENANTS' REQUIREMENTS AND MEETING ITS SHAREHOLDERS' EXPECTATIONS.

BOARD OF DIRECTORS



Central to the operation and the business model of Société de la Tour Eiffel, governance and transparency are constant concerns for all of its executives. They have continued to strengthen the Board of Directors in recent years and to set up monitoring tools for group decisions.

Consisting of eight members, half of whom are independent directors, the Board of Directors was partially renewed in 2012 following the appointment of Frédéric Maman as Deputy Managing Director of the company, and the resignation of Jérôme Descamps (in December). As part of the succession plan decided in 2011 and implemented on 1 September 2012, the functions of Chairman

and Managing Director were separated for improved governance, with Mark Inch retaining his position as Chairman of the Board, and Renaud Haberkorn becoming Managing Director of the company. Robert Waterland resigned from his position as Deputy Managing Director and now chairs the Investment Committee.

During 2012, the Board of Directors met 8 times with an average attendance rate of 98.44%.

1 - Mark Inch, Chairman

After beginning his career with Jean-Claude Aaron, Mark Inch (Oxford and Sciences Po Paris) joined the Banque Arabe et Internationale d'Investissement (BAII) in 1979 where he initiated numerous transactions (Félix Potin, Les Trois Quartiers, etc.). He founded Awon Group with Robert Waterland in 1999 before, with the backing of a George Soros managed real estate fund, taking over Société de la Tour Eiffel in July 2003.

2 - Renaud Haberkorn, Chief Executive Officer

Managing Director of Société de la Tour Eiffel since September 2012, Renaud Haberkorn (ESTP, Ms Essec) has more than fifteen years of experience in real estate and international finance. After commencing his career at Goldman Sachs, he joined Soros Real Estate Partners, which he represented in 2003 during the takeover of Société de la Tour Eiffel alongside Awon Group. He was subsequently a director of Société de la Tour Eiffel from 2004 to 2006 and again from 2009.

3 - Frédéric Maman, Chief Operating Officer

After joining Awon Asset Management (now Tour Eiffel Asset Management) in 1999, Frédéric Maman (ISC Paris) became Managing Director of the service company in 2007, before being appointed Deputy Managing Director of Société de la Tour Eiffel in 2012, responsible for asset management. He previously worked at the Consortium de Réalisation, the defeasance structure for the Crédit Lyonnais, after beginning his career with Barclays Bank.

4 - Jérôme Descamps, Chief Financial Officer*

Jérôme Descamps (ESG) commenced his career with the ISM group before joining Bail Investissement. His responsibilities cover financial management in the broad sense: finance, legal, administration, financial communication. He is responsible for liaising with the Group's various investment, asset management and property management teams.

5 - Robert Waterland, Director

One of the leading recognised experts in the French real estate market, Robert Waterland (Frics) spent a major part of his career at Jones Lang Wootton, becoming head of the Paris office in 1985 and a member of the "international board" of the group. With Mark Inch, he founded Awon Group in 1999 prior to linking up with a George Soros managed fund in 2003 to take over Société de la Tour Eiffel of which he was Managing Director until 2012.

6 - Philippe Prouillac, Independent Director

Consultant to a German investment fund for its activities in France since 2008, Philippe Prouillac (MRICS) was previously Chairman of Atisreal Expertise and Atisreal Consult. He has also held positions as Marketing Director for ImmoBail, Managing Director of the Caisse Centrale des Banques Populaires in charge of property and financing investments, Director of the property development department of France Telecom leading up to the outsourcing of its real estate assets and then Managing Director of Aareal Bank France.

7 - Aimery Langlois-Meurinne, Independent Director

Vice-Chairman and referring independent Director of Imerys, Aimery Langlois-Meurinne (IEP, ENA) has been also Chief Executive Officer and Managing Director of Pargesa Holding SA, Director and Chief Executive Officer of Pargesa Holding group in Geneva. He is now board member of various companies.

8 - Mercedes Erra, Independent Director

Founder of BETC, the leading French advertising agency, and Executive President of Havas Worldwide, Mercedes Erra (HEC, La Sorbonne) is also Honorary President of the HEC Association, Officer of the Legion d'Honneur and the French National Order of Merit. She is also President of the Board of Directors of the National Museum of Immigration History. She holds posts as a director of the Accor and Havas groups and of the France Télévisions Foundation.

9 - Richard Nottage, Independent Director

Founder and director of Genviva, a specialist advisor in the implementation and monitoring of investments in various areas such as high-end hotels or real estate, Richard Nottage has spent most of his career in investment and international private banking in London, Kuwait and France.

* Until 5 December 2012, the date of his resignation from the Board of Directors.

SPECIALISED COMMITTEES

In the interests of transparency and proper operation, the Board of Directors of Société de la Tour Eiffel has an Audit Committee and an Appointment and Remuneration Committee, both of which have an advisory role.

The Audit Committee

Consisting of two members who are independent directors, Philippe Prouillac (Chairman) and Richard Nottage, the purpose of the Audit Committee is to i) oversee the conditions under which the corporate and consolidated financial statements are established, ii) verify that the company is equipped with the requisite means (audit, accounting and legal) to counter risks and anomalies related to the management of the company's business, iii) monitor the development of the financial reporting process, together with the effectiveness of internal controls and risk management.

During 2012, the committee met five times with a 100% attendance rate.

The Appointment and Remunerations Committee

Consisting of two members who are also independent directors, Aimery Langlois-Meurinne (Chairman) and Mercedes Erra, the main tasks of the Appointment and Remunerations Committee are to ensure that executive compensation is consistent with the interests of shareholders and the company's performance, to participate actively in the selection procedure for non-executive directors, as well as establishing an executive succession plan in the event of unforeseen vacancies for submission to the Board. During 2012, the committee met four times with a 100% attendance rate.

A FOUNT OF KNOWLEDGE



Frédéric Maman, Chief Operating Officer
of Société de la Tour Eiffel

HOW DOES TOUR EIFFEL ASSET MANAGEMENT OPERATE?

A team of 20 professionals operate in three departments proactively working on the development of group strategy.

- Investments and Divestments
- Asset management
- Development (new buildings and land reserves)

WHAT IS YOUR ROLE IN THE NEW STRATEGY?

All three departments are deploying our new strategy. Their ability to interact with each other creating value is essential to success: Asset management often relies on the Development Department to meet the tenant requirements, while providing the Investment Department with stabilised, mature properties attractive to the market and therefore liquid. The fruits of this on-going collaboration over the last 15 years, in particular in Paris offices where we have an excellent track record, gives us reason to be highly confident about the future.

WHAT ABOUT YOUR TIMING?

After attending to the company's balance sheet in 2012, TEAM has been relieved of financing issues and can now focus on its assignment: to action a new operational dynamic. This means that in 2013 we shall be able to concentrate our resources on promoting the property portfolio leading to the search for new investment opportunities clearly focusing on offices in Ile de France.

ACHIEVED PROJECTS TO DATE

For over 15 years, Société de la Tour Eiffel's team has multiplied the number of value-added operations in the Paris region, anticipating emerging locations and proposing state-of-the-art solutions to tenants.



2001
Athos - Paris rive Gauche
22,000 sq. m



2002
Equinox
Berges de Seine - Clichy
22,000 sq. m



2003
Jade Landy - Saint-Denis
38,000 sq. m



2003
Centorial - Paris
38,000 sq. m



2008
CityZen - Rueil-Malmaison
6,800 sq. m



2008
Domino - Porte des Lilas -
Paris
12,000 sq. m



2010
Topaz - Vélizy
14,000 sq. m



2013
Eiffel O₂ - Montrouge
5,000 sq. m

Operational for over 15 years, the team of professionals that comprise Tour Eiffel Asset Management (TEAM) has developed expertise with high added value, initially for Awon Group and then exclusively for Société de la Tour Eiffel through quality asset management. That expertise is a major factor in the performance of the company.

ASSET MANAGEMENT IN RELATION TO MARKETING

With 56,500 sq. m of floor space leased in 2012, including 27,000 sq. m of lease renewals, TEAM responded to the expectations of existing or future tenants with drive and pragmatism. Over and above the moderate rents inherent to its portfolio, Société de la Tour Eiffel facilitates flexibility in terms of operating procedures for occupiers. Retaining tenants also depends on introducing them to increasingly sophisticated technical space management, as well as adopting an environmental approach that gradually improves the performance of their properties. As a result, the company enjoys excellent tenant relationships, in particular because it considers it important to agree leases that are economically balanced as well as being a source of value-added services. The approach is starting to bear fruit, the financial occupancy rate of the company having reached 92%.

PROPERTY DEVELOPMENT AS A GROWTH DRIVER

Tenant retention also depends on the ability of Société de la Tour Eiffel to use its land reserves to support their expansion plans.

For example, intensive attention, which continues, has been paid to Massy, with Alstom acting as the real driving force for the future development of the site. In search of additional space following its move to Topaz in Velizy, Altran has taken a further 2,870 sq. m in the adjacent building, Energy II. In September 2012, Spie, an incumbent tenant, conceived its new regional head offices in Lyon on an available site in the Parc du Moulin à Vent where a HEQ-certified building with 2,300 sq. m of floor space was consequently developed in a genuine partnership. This was also the case with Air Liquide in Champigny: Société de la Tour Eiffel was able to deliver two additional buildings of 2,000 sq. m to the tenant, securing a 10-year lease and an attractive return. Finally, the acquisition of a plot of land adjacent to our facility in Aubervilliers enabled the provision of a parking lot to meet a need identified by the occupant Atos Origin, thereby securing their tenancy.

OPTIMAL DISPOSALS

With € 70 million of disposals completed and € 40 million of assets under contract for sale at 31 December 2012, Société de la Tour Eiffel fully met its disposal objectives, generally at appraisal value. The sales of non-strategic assets (nursing homes, isolated buildings in the provinces, etc.) has helped reduce debt and free up resources for the development of the company. This satisfactory outcome was facilitated by upstream preparatory work from TEAM. This requires

confirmation of the technical, legal and rental status of the assets to be sold, but also the preparation of documentation and back up information that is as reliable and transparent as possible. In addition to the sale prices achieved, the result of this preparatory work was the reduced transaction time, with an average period of 4 to 7 months against the market norm of 6 to 12 months, while the sale of the nursing homes (for € 45 million) was completed in just 4 months.



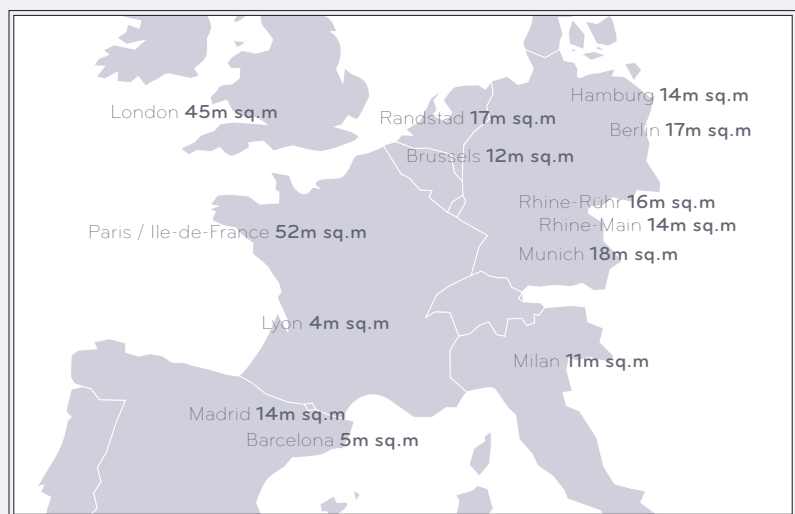
MARKET OPPORTUNITIES

The Société de la Tour Eiffel's primary focus is now on the Paris office market. With over 50 million square meters, it is by far the largest in Europe, ahead of London and the major Eurozone capitals. This pride of place also implies substantial properties: depth and diversity of supply, liquid assets...

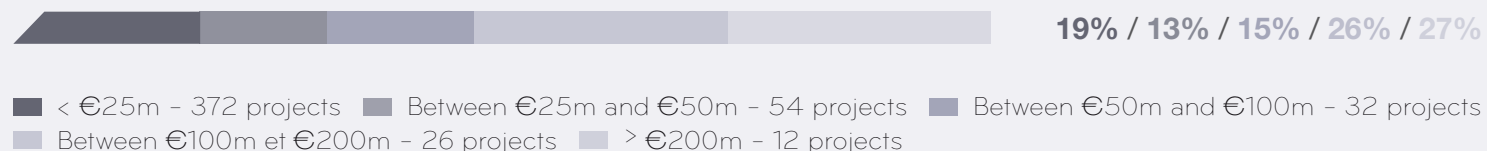
EUROPE'S LEADING MARKET

With a stock exceeding more than 50 million square meters, the Paris office market is by far the largest in Europe, ahead of London (45 million sq. m), Madrid (14.5 million

square meters), Milan or Frankfurt (12 million sq. m). What's more, despite weak overall national growth, Paris and its region have withstood the crisis fairly well, with GDP growth outperforming the provinces. These factors explain why the market in Ile-de-France accounts for almost 80% of investment activity over the long term. It is thus the de facto leader of the European markets, and therefore a prime target for French and international investors, providing depth, diversity and liquidity with a number of transactions over € 50 million and between 400 and 500 transactions for less than € 50 million annually.



INVESTMENT BREAKDOWN IN 2012 BY PROJECT SIZE (AMOUNT)



“Our investment strategy dovetails perfectly with leasing market trends reflecting no less than 60% of the rental transactions in Paris and the Paris region. There is growing tenant interest towards quality assets offering moderate rents and charges. That implies the Paris suburbs, where our expertise and know-how have already been strongly entrenched for over 15 years.”

Nicolas Ingueneau, Investment Director

OFFICES: THE PREFERRED ASSET CLASS

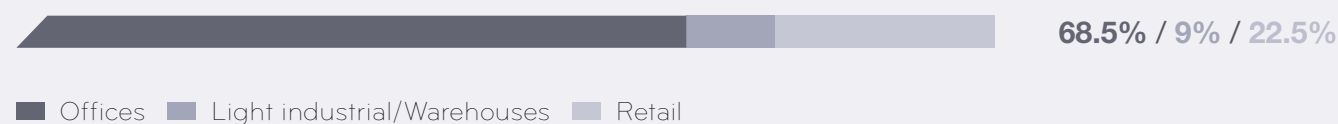
Of the 14.5 billion euros invested in French commercial property in 2012, nearly 70% were for offices, a proportion that approaches 80% over the long term concentrated in the Ile-de-France (on average 75%), which underlines the depth and strength of this segment. The leasing market is correspondingly impressive with Paris posting an annual average

of 2 to 2.5 million sq. m of leasing transactions and a vacancy rate that has remained stable since 2009, at 6.5%.

These high rates of activity partly reflect a fundamental shift toward the suburbs which has accelerated with the crisis and continues to motivate tenants: for economic reasons, they migrate to the inner suburbs where there are quality campus style properties available at moderate rents. The movement

has gathered pace recently with numerous examples of major tenants trimming occupational costs (the Société Générale campus in Fontenay-sous-Bois with 90,000 sq. m of net overall surface area, the SFR head office in Saint-Denis with 130,000 sq. m or the Carrefour site of 85,000 sq. m in Massy).

INVESTMENT BREAKDOWN IN 2012 BY ASSET TYPE (AMOUNT)



Source: CBRE/Immostat

CONTRAST OF INVESTMENT TRANSACTIONS

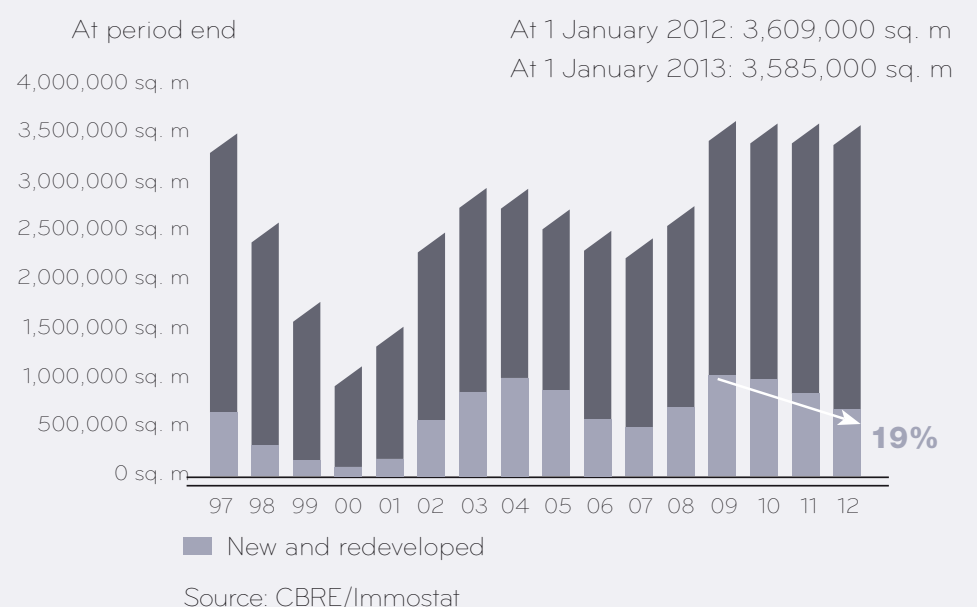
One of the features specific to the Paris – Ile-de-France investment market related to its depth is the contrast between a CBD (Central Business District) sector, which attracts a limited number of large, low yielding, transactions each year, and the more varied suburban picture offering significantly higher returns. The average size of market transactions overall oscillates between € 25 and 30 million, which is by far the core market, with less competition than on the larger deals. This contrast is also reflected by a wide spectrum of prevailing returns between the Paris – CBD (4.25% to 5.75%) and the suburbs (6.25% - 9%).

REAL ESTATE ENGINEERING

By focusing its strategy on medium-sized office properties in Paris outside the core, Société de la Tour Eiffel is addressing 60% of tenant demand, in a market with which it is well acquainted having been highly active over the past fifteen years completing a large number of value-added investments. Nearly half of its existing portfolio already meets its new investment criteria. Thanks to its experience and expertise in real estate engineering, Société de la Tour Eiffel is able to source quality opportunities in the inner suburbs. As demonstrated by its latest developments at the Porte des Lilas, in Rueil-

Malmaison or Vélizy, this approach is atuned to market demand. Furthermore, a relative scarcity of new buildings is expected in the future, the share of new and renovated properties supply in the Paris region having reduced in recent years from 27% to 19%. The evolution heralds a bright outlook for Société de la Tour Eiffel, which has already proved its worth in this respect.

IMMEDIATE SUPPLY



CATERING TO OUR CLIENTS' REQUIREMENTS

Responding to tenants' expectations, anticipating and satisfying their needs: rarely have these issues been so relevant for property companies. Société de la Tour Eiffel has experience and the ability to take on board the comments and observations of tenants, and consequently to adapt if necessary its approach, frequently forging genuine partnerships with its users.

Anticipating the expectations of users first and foremost involves analysing and understanding the changes in their requirements. In recent years, due to adverse economic conditions, the primary motivation of users has been cost savings, principally by centrifugal migration, from Paris to the suburbs, given the significant rent differentials. The strategy of Société de la Tour Eiffel has largely anticipated and accompanied that trend since 2005, offering peripheral offices, where rents have averaged between 150 and 350 euros per sq. m, against 450 to 700 euros per sq. m in Paris.



QUALITY AND PERFORMANCE

However the quest for savings not only involves rents but also a reduction in service charges, which also represent a significant cost. The property company must therefore also respond to another frequent tenant expectation: the quality and efficiency on offer at their new location. This involves various issues, from the ease of fit out to environmental concerns or energy consumption. A new or recent building offers greater economy and flexibility and if, environmentally certified, there may be additional performance enhancement. This is why 100% of the new buildings of Société de le Tour Eiffel are sustainable development-certified and 50% of its offices already meet the RT 2005 thermal regulations, as do the recent projects in Rueil-Malmaison, Porte des Lilas, Velizy and Montrouge. The Montrouge development, which will be available for handover in the first quarter of 2013, has more than one energy performance contract, guaranteeing the quality of the building's facilities for the future occupant.

"BUILDING PLAN" EFFICIENCY

To this quality of performance must be added the modular nature of the building: in the fast-changing world of business, where according to the line of business up to 25% of the workstations in the building may be redundant. For tenants contemplating a move therefore, it is necessary to offer a suitable blend combining a reduction in the number of square meters per workstation and improved ancillary comfort. This is reflected in particular by the development of shared workspace coupled with living and relaxation areas for staff (cafeterias, "telephone booths", «bubbles», small workrooms for two or three people, ergonomic furniture, and so on). All of the latest buildings conceived by Société de le Tour Eiffel perfectly meet these criteria of adaptability and modernity, such as the Topaz building where Altran has established its French head offices, or the AIR building in the Parc Moulin à Vent in Lyon-Vénissieux, an LEB-equivalent building of 2,300 sq. m compliant with the RT 2005 thermal regulations, the result of intelligent cooperation between lessor and lessee.

In all, a move from Paris to a suburban complex as designed by Société de la Tour Eiffel generates average cost savings of between 40 and 50%.

PARTNERSHIP APPROACH

For existing tenants, a genuinely qualitative approach has been implemented for several years, resulting in regular meetings which as often as not mature into a true partnership. Numerous efforts are being made to meet the needs of users, whether in adding to the lease a flexibility clause on the floor area occupied, or by accompanying them in their technical comprehension of the building in order to improve their own management of their comfort and charges, or in environmental terms, by gradually improving the performance of the buildings they occupy (signing environmental appendices, selective waste sorting, control of water consumption, lighting, and so on). At the end of 2012, Société de le Tour Eiffel had launched three certification initiatives of the "BREEAM In-Use" type for its tenants, focusing on three areas: the intrinsic quality of the building, its operation, and the tenant use.



"Société de la Tour Eiffel has chosen to make people central to its relationship with users. We hold regular meetings with our major tenants, at least once every six months. We have known some of our clients for more than ten years! This proactive approach allows our tenants to become acquainted with us, and to express their feelings and their wishes. Through that interaction, we can understand, discuss and respond to the changes in their expectations very early on, and then extend the resulting action across the portfolio."

Odile Batsère, Asset Management Director, Tour Eiffel Asset Management

FOCUS

MONTROUGE, 5,000 SQ. M AT THE GATES OF PARIS

SOUGHT-AFTER ASSETS

- > THE PROXIMITY OF PUBLIC TRANSPORT, INCLUDING THE UNDERGROUND SINCE EARLY 2013
- > AN LEB-CERTIFIED BUILDING COMPLIANT WITH INTERNATIONAL STANDARDS
- > ENERGY PERFORMANCE GUARANTEED BY VINCI
- > MODERATE SIZE

“The investment in Montrouge exemplifies our new strategy: a new building, LEB-certified and functional, in the immediate vicinity of Paris with underground connection.”

Nicolas Ingueneau, Investment Director



Negotiation for
preleasing
of the
LET

VELIZY, THE CENTRE OF A SOUTH WESTERN PARIS BUSINESS HUB



**CONTEMPORARY,
EFFICIENT,
USER-FRIENDLY, VISIBLE**

- > 14,000 SQ. M ON 6 LEVELS WITH DENSE POSITIONING FACILITATED BY MECHANICAL VENTILATION
- > CERTIFIED "HEQ OFFICE BUILDING"
- > A LANDSCAPED SITE AND EXTERNAL CAR PARKING
- > A STAFF CAFETERIA WITH SEATING FOR 270



100% occupation

WHAT LED YOU TO MOVE TO THE TOPAZ BUILDING IN VELIZY?

Altran has grown over 30 years to become an international group with 18,000 employees, including 9,000 in France. Faced with the growing complexity of our customers' expectations, and to boost our development, we have defined a new strategy in terms of location. We sought both a closer proximity to our industrial clients and the ability to generate cost savings. The decision to locate our French business plus the operational management of industrial activities in Velizy was based on an internal study of a hundred buildings in terms of location, transportation, rent and facilities.

HOW DID YOU ORGANISE THE MOVE?

It was achieved in record time, since the process took just over six months thanks to the creation of a project team under a designated leader tasked to oversee the move. We now have an outstanding, modern, highly functional building, a mini campus and the feeling of well-being. This was handled in a convivial and professional way by the Société de la Tour Eiffel team, who continually demonstrated their flexibility and reactivity. The bottom line is that Topaz has improved our image as industrial consultants among our clients.

Cyril Roger, Deputy Managing Director of Altran



A photograph of a modern interior space, likely a multi-story office or public building. The image shows a glass railing on a balcony or walkway, with a wooden ceiling and recessed lighting. The overall aesthetic is clean and contemporary.

SHAREHOLDER COMMITMENTS

WITH THE RENEGOTIATION OF OUR MORTGAGE FINANCINGS AND A RESULTING AVERAGE TERM NOW OF 5.3 YEARS, SOCIÉTÉ DE LA TOUR EIFFEL IS POSITIONED FOR A NEW PHASE OF GROWTH. IT CAN RELY ON SOLID REAL ESTATE FUNDAMENTALS WITH GOOD OPERATIONAL PERFORMANCE RESULTING IN HIGH OCCUPANCY RATES AND A SECURE LEVEL OF CASH FLOW.



FINANCIAL INFORMATION / CONSOLIDATED BALANCE SHEET

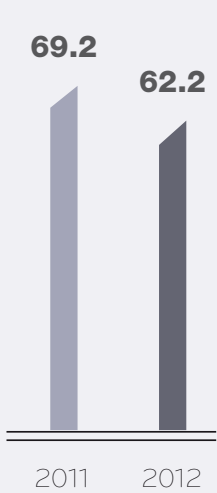
At December 31 (in thousands of €)	2012	2011	2010
NON CURRENT ASSETS	875,169	991,513	1,009,357
Tangible assets	356	410	369
Investment properties	872,789	990,296	1,004,809
Goodwill	-	-	-
Intangible assets	24	19	764
Loans and receivable	1,438	422	1,547
Derivatives at fair value	240	44	1,546
Deferred tax debit	322	322	322
CURRENT ASSETS	79,565	51,764	55,899
Properties under promise or mandate of sale	42,600	8,916	17,320
Trade receivables and related accounts	23,642	18,686	22,327
Tax receivables	3,949	4,689	4,058
Other receivables	6,217	3,110	3,002
Investment securities	2	8,900	119
Cash	3,155	7,463	9,073
TOTAL ASSETS	954,734	1,043,277	1,065,256
SHAREHOLDER'S EQUITY (GROUP SHARE)	370,693	387,211	373,430
Capital	30,553	28,681	27,961
Share premium	52,877	41,947	34,478
Legal reserve	2,868	2,796	2,717
Consolidated reserves	290,466	284,437	265,787
Consolidated net profit	-6,071	29,350	42,487
Minority interests	-	-	-
TOTAL SHAREHOLDERS' EQUITY	370,693	387,211	373,430
NON CURRENT LIABILITIES	528,776	594,309	584,131
Long-term borrowings	499,246	571,268	558,739
Derivatives at fair value	20,275	12,290	15,098
Rental deposits and guarantees received	8,655	10,167	9,734
Long-term provisions	309	294	233
Tax liabilities	-	-	-
Deferred tax liabilities	-	-	-
Others liabilities	291	290	327
CURRENT LIABILITIES	55,265	61,757	107,695
Borrowings and financial debts (less than one year)	16,752	22,018	69,710
Trade payables and equivalent	29,367	31,494	29,537
Tax and social security liabilities	9,146	8,245	8,448
Short-term provisions	-	-	-
TOTAL LIABILITIES	954,734	1,043,277	1,065,256

FINANCIAL INFORMATION / CONSOLIDATED INCOME STATEMENT

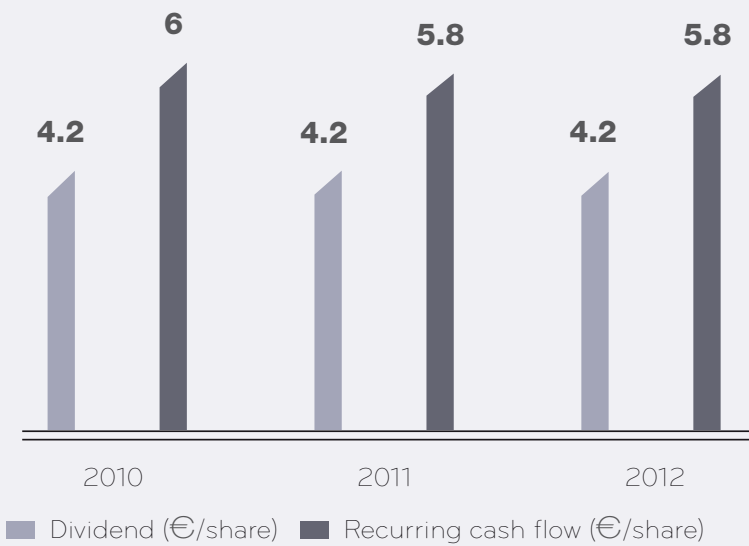
(in thousands of €)	2012	2011	2010
Gross rental income	82,371	82,314	85,752
Property tax	-9,528	-9,327	-8,983
Other property operating expenses	-8,130	-8,143	-8,671
Net rental income	64,713	64,844	68,098
Corporate expenses	-12,437	-10,630	-11,566
CURRENT OPERATING PROFIT	52,276	54,214	56,532
Depreciation and operating provision	364	-445	-1,219
Net other income	1,235	-374	759
Proceeds from disposal of investment property	70,926	38,895	50,878
Carrying value of investment property sold	-72,077	-37,420	-52,563
Net profit or loss on disposal of investment property	-1,151	1,475	-1,685
Fair value adjustment to investment properties	-30,026	-3,109	8,052
Goodwill adjustment	-	-	-
Net balance of value adjustments	-30,026	-3,109	8,052
NET OPERATING PROFIT	22,698	51,761	62,439
Financial income	89	152	61
Financial expenses	-19,760	-22,790	-24,818
Net financial costs	-19,671	-22,638	-24,757
Fair value adjustments of derivatives & other financial income and expenses	-8,607	323	5,071
PROFIT BEFORE TAX	-5,580	29,446	42,753
Income tax expenses	-491	-96	-266
NET PROFIT	-6,071	29,350	42,487
Minority interests	-	-	-
NET PROFIT (GROUP SHARE)	-6,071	29,350	42,487
EPRA EARNINGS	33,977	30,638	30,975

FINANCIAL INFORMATION

	2012	2011	2010
Average cost of debt	3.2%	3.5%	3.5%
Hedging	100%	93%	99%
Of which fixed rate & SWAPs	61%	51%	61%
Of which CAPs	39%	49%	39%



EPRA NNNAV
(€/share)



Jérôme Descamps, Chief Financial Officer
of Société de la Tour Eiffel

WHAT WAS THE MAIN FINANCIAL
EVENT OF 2012?

Undoubtedly the refinancing of our bank debt, accomplished at a time when the funding market was less liquid and in an economic downturn. As a result, the negotiations were longer and more intense than usual

but led to a satisfactory outcome. In January 2012, we set ourselves the goal of refinancing € 475 million of debt maturing in 2013 before the end of the year. We completed the renegotiation of three credit lines between June and November, taking advantage of the appetite of German banks, but also by expanding our pool with the inclusion of French banks which demonstrated their equal confidence in our portfolio. The refinancing took place against a background of historically low interest rates hence, due to the astute placing of hedging instruments: in all, our overall cost of debt further decreased in 2012 to 3.2%. At the conclusion of the refinancing exercise, our group is expected to show an average cost of funding of less than 4% over the next 5 years due to our active hedging management. Note that the refinancing was facilitated by asset disposals at prices close to their appraisal value, which allowed us to pay down the debt and reduce our LTV, to 55.9% at December 31, 2012, against 57.6% at year-end 2011.

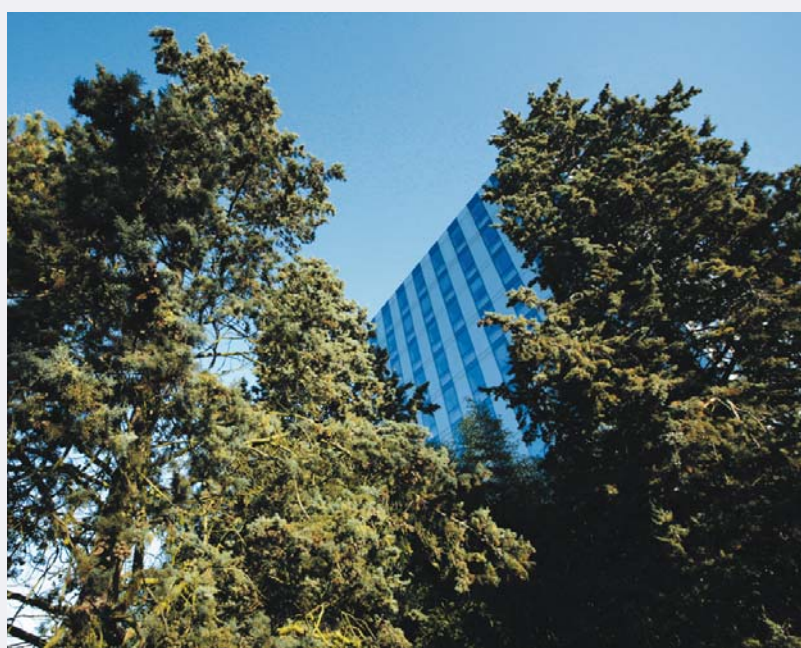
FINANCIAL INFORMATION

WHAT IS YOUR LEVEL OF CASH FLOW?

Despite the disposal of € 40 million of assets in 2011 and € 70 million in 2012, representing 11% of the portfolio, our current level of cash flow actually increased by more than 8% to € 36 million at 31 December 2012 against € 33 million one year earlier. This performance illustrates the fruits of asset management, with stable tenancies and an EPRA occupancy rate of 91.6%, one of our highest ever. This consistency of rental income combined with ring fenced debt and low financing costs underlines the quality of our operational activity. Moreover, our rents increased by 4.5% on a like-for-like basis, while our recurring net income and current cash flow, key performance indicators of a property company, are making good progress.

DESPITE THIS, YOUR NAV FELL...

The decrease in EPRA NNNNAV, from 69.2 euros per share at year-end 2011 to 62.2 euros per share at the end of 2012, is linked to several factors, primarily the decline in value of part of our portfolio. This essentially concerns non-strategic assets, such as provincial business parks and the sorting centres, whose value dropped 6.5% in line with the market average. However, as we demonstrated in 2012, with the benefit of quality asset management, these assets remain liquid and may be sold close to their appraisal value. Other factors also impacted our NAV, such as the dilution of capital via the distribution of the dividend in shares, changes in transfer cost status or depreciation of hedging instruments. In contrast, the quality of our net recurring income was a positive in the resulting value of our NAV. But do not forget that the true measure of our property performance remains the cash flow, confirming the ability to generate revenue from our portfolio.



WHAT IS YOUR VIEW OF SOCIÉTÉ DE LA TOUR EIFFEL?

At the end of 2012, the company is sound, its low cost debts having an average maturity of 5.3 years: Société de la Tour Eiffel is well positioned to resume growth.

EPRA-COMPATIBLE PERFORMANCE INDICATORS

In the preparation of its financial reporting, Société de la Tour Eiffel has decided to comply with all financial performance indicators established by EPRA (European Public Real Estate Association) consistent with the top international standards and acquainted to all investors, as well as the financial community and its partners. These key financial EPRA figures include earnings, NAV, NNNNAV, the vacancy rate and yields.

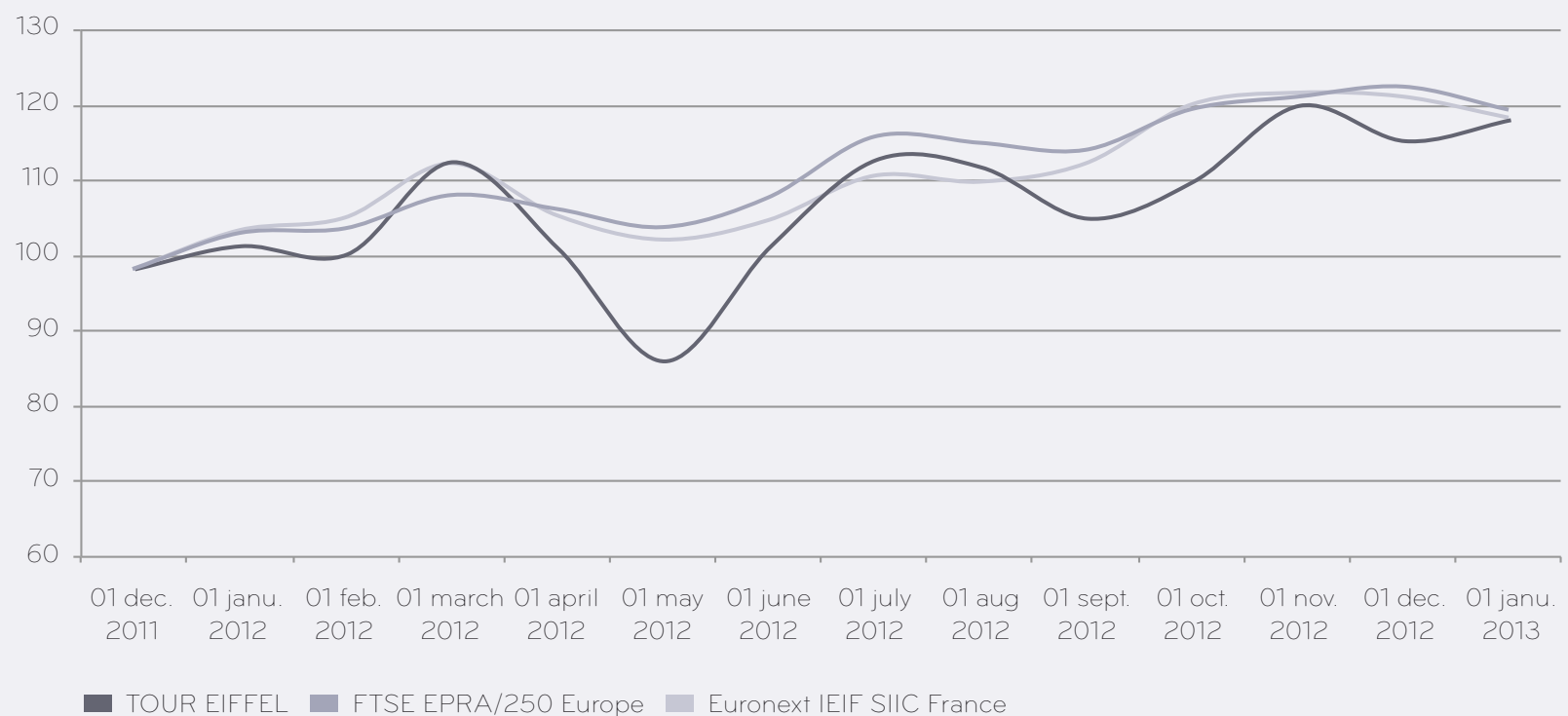


STOCK MARKET

SHARE PRICE

With a gain of more than 15% during the year, Société de la Tour Eiffel outperformed the major indices of the sector buoyed by the market's confidence in the quality of its portfolio and ability to create value while offering recurring returns. As at 31 December 2012, the company's share price had a discount of 28% on its NNNAV EPRA, a significant improvement compared to 2011 (45%).

STOCK & SECTOR-BASED INDICES TREND FROM 2012 (100 BASIS AS OF 01/01/2012)



SHAREHOLDING

Société de la Tour Eiffel is one of the few SIICs to have a true free float and a diversified ownership structure ensuring the alignment of all its shareholders interests and bone fide governance. Only two shareholders hold more than 5% of the capital, whereas none holds more than 10%. The ownership structure of the company is highly varied with 55% of European institutional investors (of which 25% are French), 30% of non-European institutional investors and 15% of individual shareholders.



DIVIDEND YIELD

Since 2004, Société de la Tour Eiffel has distributed generous dividends in relation to its cash flow and net recurring income, making it a high yielding stock. For 2012, the distribution of 4.2 euros per share, identical to 2011, shows a yield of 9.4% (on the basis of the share price as at 31 December 2012).

	Dividend (€/share)	Dividend yield on share price*
2008	5	14.9%
2009	4**	7.6%
2010	4.2	7.2%
2011	4.2	10.9%
2012	4.2	9.4%

* Dividend/share price at 31 December

** Sampling distribution of the premium

SHARE DATA SUMMARY

	Unit	2012	2011	2010
Consolidated net income Group share	€M	-6.1	29.4	42.5
EPRA NNNAV per share	€	62.2	69.2	68.6
Recurring cash flow per share	€	5.8	5.8	6
Share price at 31/12	€	44.5	38.4	58
Dividend per share	€	4.2	4.2	4.2
Market capitalization at 31/12	€M	272	220.5	324.4

COMMUNICATION AND FINANCIAL TRANSPARENCY

Since 2007, Société de la Tour Eiffel has applied the Transparency Directive, which calls for the dissemination of clear, comprehensive real estate and financial information. The initiative is fully respected through the company's policy of information and dialogue with individual and institutional shareholders, financial analysts, journalists and other opinion leaders in France and abroad.

All of the company's financial documents, press releases and other relevant business-related information are also available on its website www.societetoureiffel.com. In addition to its annual report and reference document, the Company issued 15 press releases in 2012. Finally, during the year, senior management took part in 7 roadshows.

A photograph of a modern office hallway. The hallway features glass partitions and red walls. The floor is covered with a dark blue carpet. The lighting is bright and even.

PORTFOLIO SUMMARY

UNDERGOING CONSTANT UPDATING, 61% OF SOCIÉTÉ DE LA TOUR EIFFEL'S PROPERTY PORTFOLIO NOW CONSISTS OF NEW OR SUB-TEN YEAR OLD ASSETS, THE MAJORITY OF WHICH COMPRISE OFFICES AND BUSINESS PARKS. WITH 20% OF ITS BUILDINGS GREEN CERTIFIED (HEQ OR LEB), THE PORTFOLIO IS ONE OF THE "GREENEST" AMONG FRENCH PROPERTY COMPANIES.



OFFICES

154,299 sq. m / 18 ASSETS*



LE PLESSIS
Paris/IDF
16,597 sq. m



**MASSY /
AMPÈRE**
Paris/IDF
16,339 sq. m



**CHAMPIGNY
CARNOT**
Paris/IDF
14,153 sq. m



VÉLIZY / TOPAZ
Paris/IDF
14,106 sq. m



**PARIS PORTE
DES LILAS**
Paris/IDF
12,341 sq. m



**ASNIÈRES
QUAI DERVAUX**
Paris/IDF
10,391 sq. m



**MONTIGNY
LE BRETONNEUX**
Paris/IDF
7,586 sq. m



RUEIL
Paris/IDF
6,829 sq. m



BOBIGNY
Paris/IDF
6,405 sq. m



**VÉLIZY /
ENERGY II**
Paris/IDF
5,444 sq. m



**MONTROUGE /
EIFFEL O²**
Paris/IDF²
5,200 sq. m



**HERBLAY
LANGEVIN**
Paris/IDF
4,778 sq. m



SAINT-CLOUD
Paris/IDF
4,104 sq. m



**CAEN
COLOMBELLES**
Regions
15,782 sq. m



ORLÉANS
Regions
6,470 sq. m



**GRENOBLE
POLYTEC**
Regions
5,133 sq. m



NANCY LOBAU
Regions
2,187 sq. m

* Of which company's share of property held in Roissy (454 sq. m)

BUSINESS PARKS

230,237 sq. m / 11 ASSETS



**ORSAY -
UNIVERSITÉ**
Paris/IDF
17,211 sq. m



**LE BOURGET -
ESPACE**
Paris/IDF
9,692 sq. m



**VÉNISSIEUX / LYON
- MOULIN À VENT**
Regions
36,041 sq. m



**STRASBOURG -
TANNERIES**
Regions
35,259 sq. m



**LILLE -
LES PRÉS**
Regions
24,740 sq. m



**MONTPELLIER -
MILLÉNAIRE**
Regions
23,597 sq. m



**AIX-EN-PROVENCE
- GOLF**
Regions
23,089 sq. m



**MARSEILLE -
AYGALADES**
Regions
17,728 sq. m



**MÉRIGNAC /
BORDEAUX - CADERA**
Regions
16,809 sq. m



**NANTES -
PERRAY**
Regions
14,541 sq. m



**CHARTRES -
BUSINESS PARK**
Regions
11,530 sq. m

LIGHT INDUSTRIAL

46,622 sq. m / 4 ASSETS



AUBERVILLIERS
Paris/IDF
21,802 sq. m



HERBLAY
Paris/IDF
4,721 sq. m



MONTPELLIER
Regions
12,003 sq. m



NANCY LUDRES
Regions
8,096 sq. m

WAREHOUSES

157,742 sq. m / 12 ASSETS



GENNEVILLIERS
Paris/IDF
20,569 sq. m



MITRY-MORY
Paris/IDF
9,756 sq. m



SOCHAUX
Regions
27,571 sq. m



AMIENS
Regions
18,244 sq. m



**TOULOUSE
CAPITOLS**
Regions
13,814 sq. m



**MARSEILLE
VITROLLES**
Regions
15,084 sq. m



SAINT-GIBRIEN
Regions
11,350 sq. m



**LES SOUHESMES
1 & 2 VERDUN**
Regions
9,958 sq. m



**CAEN
MONDEVILLE**
Regions
13,230 sq. m



VANNES
Regions
7,750 sq. m



**LA ROCHE-
SUR-YON**
Regions
5,980 sq. m

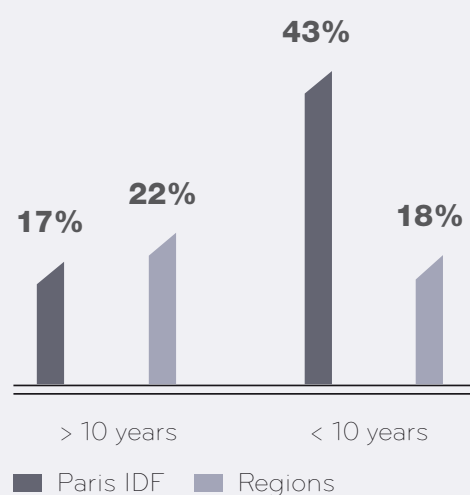


**ORLÉANS/
INGRÉ**
Regions
4,436 sq. m

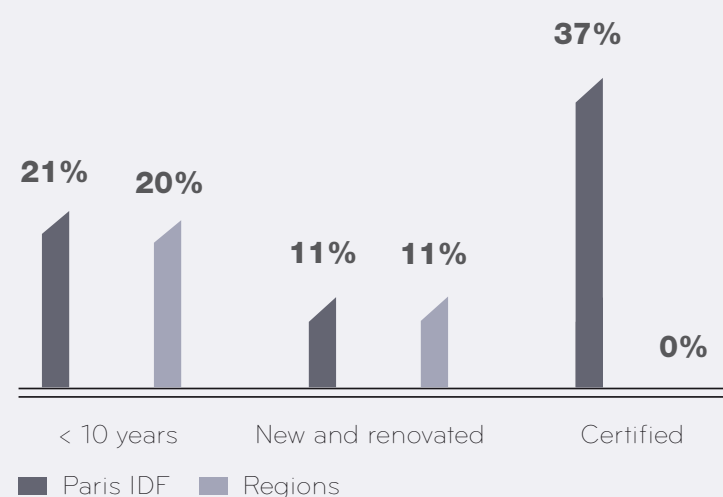
AVERAGE LEASE LENGTH



■ Parcs Eiffel (357 leases) : 3/6/9
 ■ Other assets (69 leases) : 15/06/2016



AGE OF THE PORTFOLIO

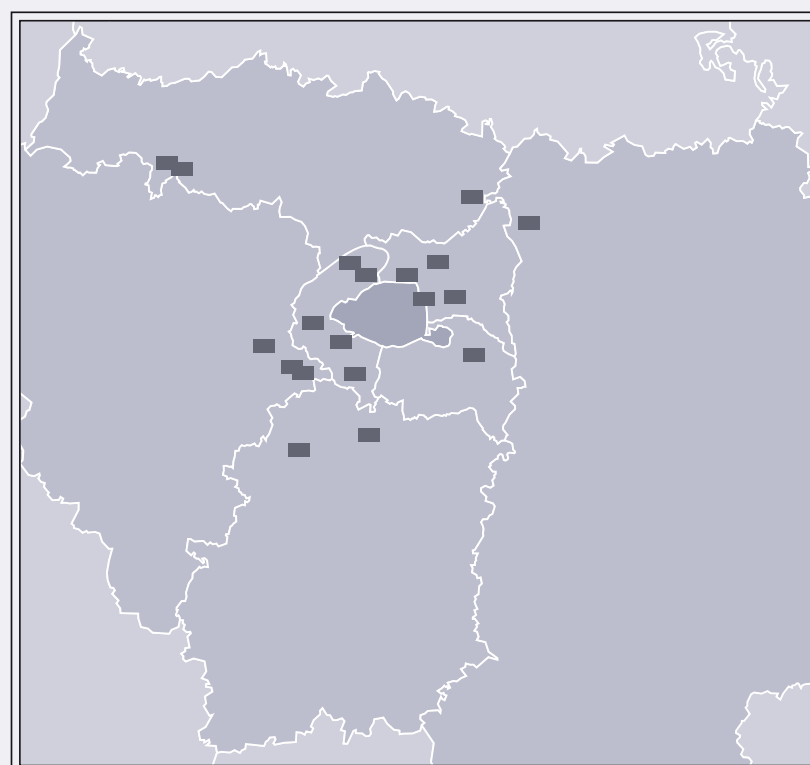


GEOGRAPHICAL BREAKDOWN OF THE UNDER 10-YEAR OLD PROPERTIES

MAJOR TENANTS

Tenants	Income/ Company's total (%)
La Poste	13.8%
Alstom	7.9%
C&S	5.7%
NXP	4.6%
Ministère de l'Intérieur	4.5%
Air Liquide	4.4%
Altran	4.2%
Solétanche	4.1%
Atos	2.9%
Schneider Electric	2.3%
ARS Languedoc-Roussillon	2.3%
Gefco	2.2%
Conseil Général de Seine-St-Denis	2.1%
Centre des Monuments Nationaux	2.0%
Pôle emploi	1.9%
Euro Media France	1.6%
Antalis	1.5%
TOTAL	68.0%

LOCATION OF ASSETS IN ILE-DE-FRANCE



STOCK MARKET LISTING

The shares of Société de la Tour Eiffel
are listed on NYSE Euronext Paris (Eurolist B):
ISIN Code: FR 0000036816
Indexes: IEIF Immobilier France, IEIF Foncières
Reuters: TEIF.PA
Bloomberg: EIFF.FP

FINANCIAL INFORMATION

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FINANCIAL REPORTING

Press releases as well as financial and legal information
are available on the Company's website at:
www.societetoureiffel.com

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Text: Capmot

RELOADED

After 2012, a year in which the company concentrated on restructuring its debt, the management changes and active portfolio marketing, Société de la Tour Eiffel emerged stronger and primed to resume its development.



**SOCIETE
DE LA
TOUR EIFFEL**