

+20%

ONE MOVE
AHEAD

Annual & Sustainability Report

2013



**SOCIETE
DE LA
TOUR EIFFEL**

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+20%

ONE MOVE AHEAD

With a 20% increase of the “core” assets within its portfolio between year-end 2012 and year-end 2013, Société de la Tour Eiffel is one move ahead, once again becoming an office properties specialist in Paris and the Paris region. The listed company under SIIC status (French REIT) now has a portfolio of nearly 400,000 square meters, mainly consisting of buildings that are functional, attractive and located close to transportation hubs. By investing in high potential areas and developing new buildings with the highest standards for major accounts, it has retained an edge in the marketplace. And by providing businesses with office space tailored to the needs of their employees, it is creating value for its shareholders, in compliance with the principles of sustainable real estate.



€701M
OF PORTFOLIO VALUE



31%
OF CERTIFIED ASSETS
(HQE, BREEAM, ETC.)



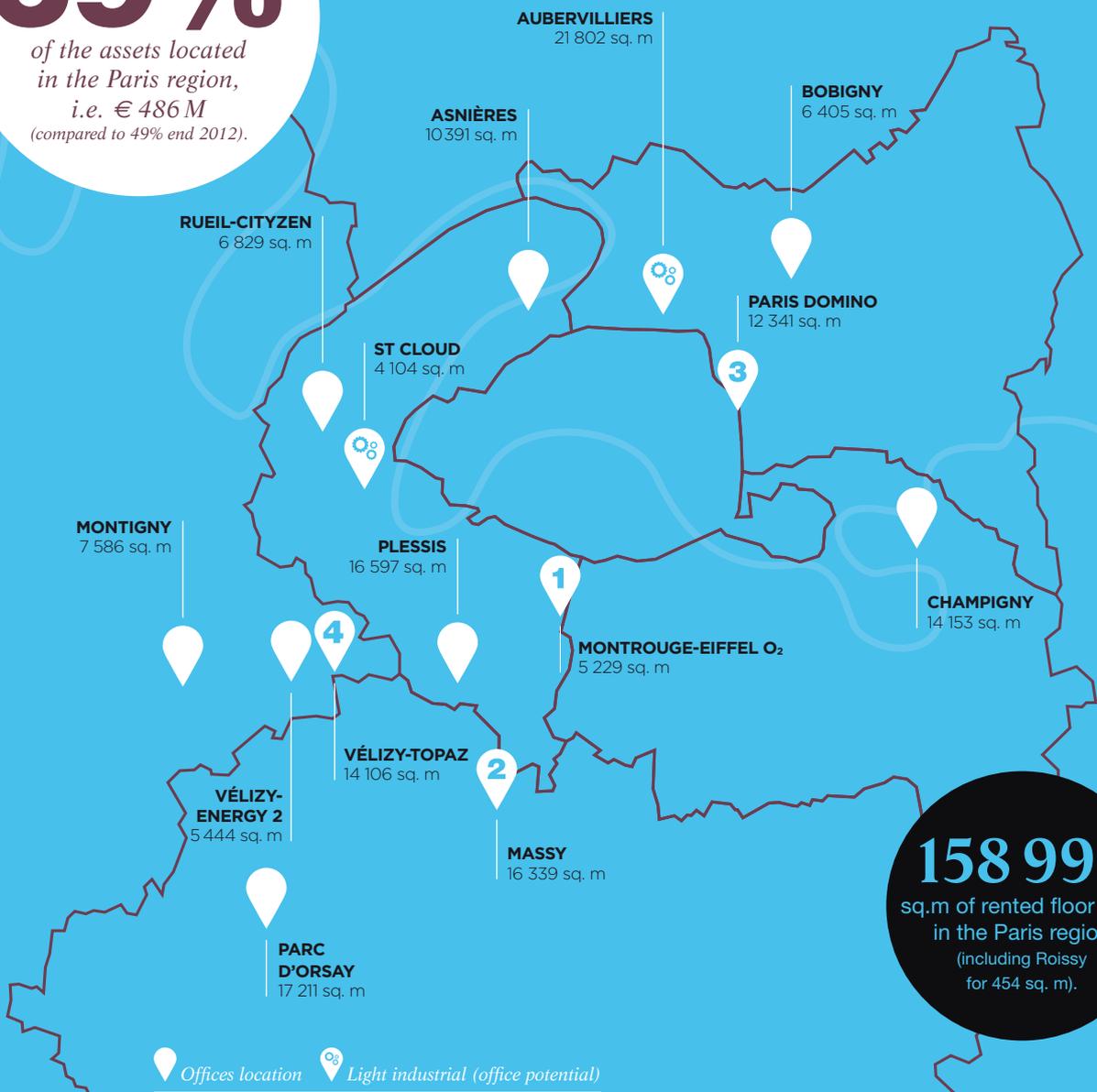
1ST
THE PARIS OFFICE
MARKET TO WHICH
THE COMPANY'S
CORE PORTFOLIO
BELONGS IS THE
LEADING ONE IN
EUROPE.



A PROACTIVE REFOCUSING ON THE PARIS OFFICE MARKET

LOCALISATION MAP

69%
of the assets located in the Paris region, i.e. € 486 M (compared to 49% end 2012).



158 990
sq.m of rented floor area in the Paris region (including Roissy for 454 sq. m).

Offices location Light industrial (office potential)

393 358

sq. m of total
rented floor area
in France



CORE portfolio (mapped on left page)

/ PARKS AND OFFICES IN THE PARIS REGION	In sq. m	in €m
TOTAL	158 990	485.7

NO CORE portfolio

/ PROVINCIAL PARKS AND OFFICES	In sq. m	in €m
PARKS		
Strasbourg-Parc des Tanneries ¹	35 259	
Aix-Parc du Golf	23 089	
Marseille-Parc des Aygalades ²	15 938	
Nantes-Parc du Perray	14 541	
Chartres	11 530	
SUB-TOTAL PARKS	100 357	
PROVINCIAL OFFICES		
Caen-NXP	14 242	
La Poste - Nancy	2 187	
SUB-TOTAL PROVINCIAL OFFICES	16 429	
TOTAL	116 786	141.5

¹Excluding building E (under sale agreement).

²Excluding building 7b et 8 (to be demolished) and building 5 lots C-DEF (sold).

/ AUTRES ACTIFS	In sq. m	in €m
LIGHT INDUSTRIAL		
Montpellier	12 003	
SUB-TOTAL LIGHT INDUSTRIAL	12 003	
WAREHOUSES / PARCEL DEPOTS		
Etupes-Sochaux	27 571	
La Poste - Gennevilliers	20 569	
La Poste - Toulouse	13 814	
La Poste - St Gibrien	11 350	
La Poste - Souhesmes	9 958	
La Poste - Mitry Mory	9 756	
La Poste - La Roche sur Yon	5 980	
La Poste - Orléans Ingré	4 436	
SUB-TOTAL WAREHOUSES / PARCEL DEPOTS	103 434	
RETAIL		
Herblay 8	2 145	
SUB-TOTAL RETAIL	2 145	
TOTAL	117 582	73.8

CORE AND NON CORE TOTAL	393 358	701
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STRONG FUNDAMENTALS, THE BASIS FOR SUSTAINABLE GROWTH

／ CEO INTERVIEW ／

After last year's good operating performance, Renaud Haberkorn, CEO of Société de la Tour Eiffel, reviews the substantive work carried out in 2013, which is now enabling the property company to resume growth on solid foundations.

“OUR AMBITION IS FOR INVESTORS TO CONSIDER US AS THE SIIC FOR FUNCTIONAL OFFICE PROPERTY IN PARIS.”

WHAT IS THE PURPOSE OF THE STRATEGIC PLAN THAT YOU LAUNCHED AT THE BEGINNING OF 2013?

At the end of 2012, we made two observations, that the quality of our property portfolio could be improved and that our assets were highly diverse. Our portfolio included offices as well as business parks and warehouses, which exposed us to certain risks and made us less “understandable” for the market. Finally, due to the economic crisis and difficulties in accessing funding, our debt level was too high. For these reasons, we decided to go back to basics by disposing of assets and thus refocusing on office properties in Paris. Our “core” target today is functional office property which meets the needs of businesses: low-rise buildings (business campuses and 5 to 6-story buildings) designed to accommodate offices that are ideally located close to transportation hubs and are leased at moderate rates.

HOW WILL THE NEW PROFILE OF SOCIÉTÉ DE LA TOUR EIFFEL CREATE VALUE FOR YOUR SHAREHOLDERS?

As a property company, our objective is twofold: to meet the needs of occupiers as well as the expectations of our shareholders. The purpose of an SIIC is to create and distribute value to its shareholders. There are a dozen attractive cities for international investors around the world, and Paris is one of them. We want investors to see us as a highly targeted alternative, the “SIIC for functional office property”, offering higher returns than



€54.8M
*million of rental
income in place*

22
*disposals
in 2013*

premium segment properties in the central business district of Paris.

ARE YOU READY FOR A NEW STRATEGIC STEP?

After the refinancing phase in 2012, 2013 was the year in which we restructured our balance sheet. 2014 should be the year for recovery. The market is currently experiencing low rental demand, resulting in an adjustment of rents. This adjustment could impact the value of properties for sale, so there will be opportunities for us to seize in the next two years. We were ready for the upswing already in 2013, as we had started exclusive negotiations with Patron Capital Partners to carry out an external growth

operation. Due to the doubt created by the reluctance of one of our shareholders about the operation, it was not completed. Nonetheless, we will continue our efforts in 2014 by allocating income from our disposals to the acquisition of new assets and by carrying out – market conditions permitting – external growth

operations funded by our shareholders. Finally, we also have substantial land reserves in Massy, where we have a building permit for 33,000 sq. m of office space, and in the Orsay Parc Eiffel in the centre of the Paris Sud university complex, both of which represent significant potential for creating value.

“AFTER THE REFINANCING PHASE IN 2012, 2013 WAS THE YEAR IN WHICH WE RESTRUCTURED OUR BALANCE SHEET. 2014 SHOULD BE THE YEAR FOR RECOVERY.”



**“CONSTANT
CONCERN FOR
THE GENERAL
INTERESTS OF OUR
SHAREHOLDERS.”**



MARK INCH
Chairman

“**A**t the Annual General Meeting held on 30 May 2013, Robert Waterland, Philippe Prouillac and myself were re-appointed as directors of the company for a three year term. This strong support from our shareholders enabled us to implement our commitment to restructure the company's balance sheet by reducing LTV, one year ahead of schedule, by means of a truly remarkably executed programme of asset disposals and cost reductions. During this period an independent investor, MI 29, significantly increased his stake in Société de la Tour Eiffel, and now controls 29.13% of the issued share capital. However, he has given no indication of his intentions.

In such a situation, it is more important than ever for the Chairman of the Board to ensure that the company's governance be maintained, so as to enable the management to pursue its work, in full transparency and in the interest of all shareholders. We therefore proposed to the new shareholder that he nominates two candidates for the Board and submits them to a vote of the shareholders at the next General Meeting. MI 29 did not accept our proposal.

The main objective of a SIIC is to distribute dividends to its shareholders from predictable, recurring earnings. To achieve this goal, the company must actively manage its property portfolio so as to maximize shareholder returns. Your company's corporate governance and experienced management team are widely respected, and we wish to endure that it remains that way. The result of the 2014 General Assembly will be crucial for the continued development of Société de la Tour Eiffel.”

/ THE AUDIT COMMITTEE

Consisting of two independent directors, Philippe Prouillac, as Chairman, and Richard Nottage, the committee's main tasks are to oversee the conditions under which the corporate and consolidated financial statements are established, and ensure that the Company is equipped with the requisite means (audit, accounting and legal) to prevent risks and anomalies related to the management of the company's business. It therefore also monitors the development of the financial reporting process, and ensures the effectiveness of internal controls and risk management. During 2013, the audit committee met six times with a 100% attendance rate.



/ THE APPOINTMENT AND REMUNERATION COMMITTEE

This committee consists of Aimery Langlois-Meurinne (Chair), Mercedes Erra and Richard Nottage, all of whom are independent directors. It ensures that the remuneration of executive directors evolution is consistent with the interests of the shareholders and the Company's performance. It also helps in the selection of new independent directors. In 2013, the Committee met five times with an attendance rate of 100%.

STRONG GOVERNANCE, GREATER CONFIDENCE

GOVERNANCE

MARK INCH
Chairman



RENAUD HABERKORN
Chief Executive Officer



FRÉDÉRIC MAMAN
Deputy Managing Director



ROBERT WATERLAND
Director



90.6%

Average attendance
of Directors at Board
meetings in 2013

AIMERY LANGLOIS-MEURINNE
Independent Director



RICHARD NOTTAGE
Independent Director



MERCEDES ERRA
Independent Director



PHILIPPE PROUILLAC
Independent Director



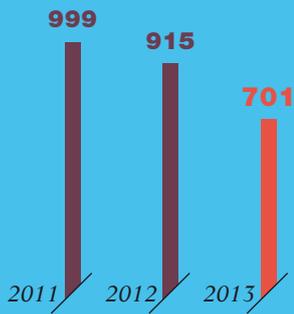
/ THE BOARD OF DIRECTORS

In order to improve the transparency of its governance, as of 1 September 2012 Société de la Tour Eiffel dissociated the functions of Chairman of the Board and Chief Executive Officer. With its 8 members (half of whom are independent directors), the Board determines the Company's business policy.

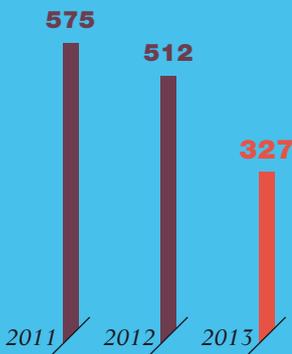


A YEAR OF PERFORMANCE

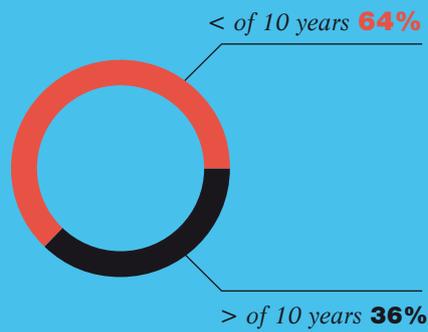
FINANCIAL, REAL ESTATE,
SUSTAINABLE & STOCK MARKET DATA



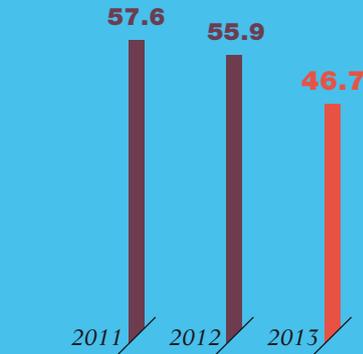
VARIATION OF THE PORTFOLIO VALUE
in million euros



DEBT VARIATION
in million euros



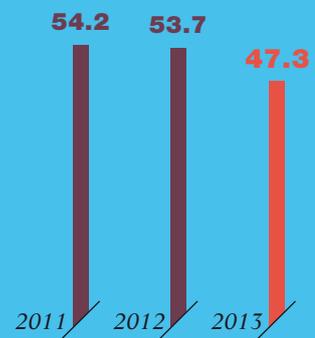
PORTFOLIO AGE PROFILE
as at 31 December 2013



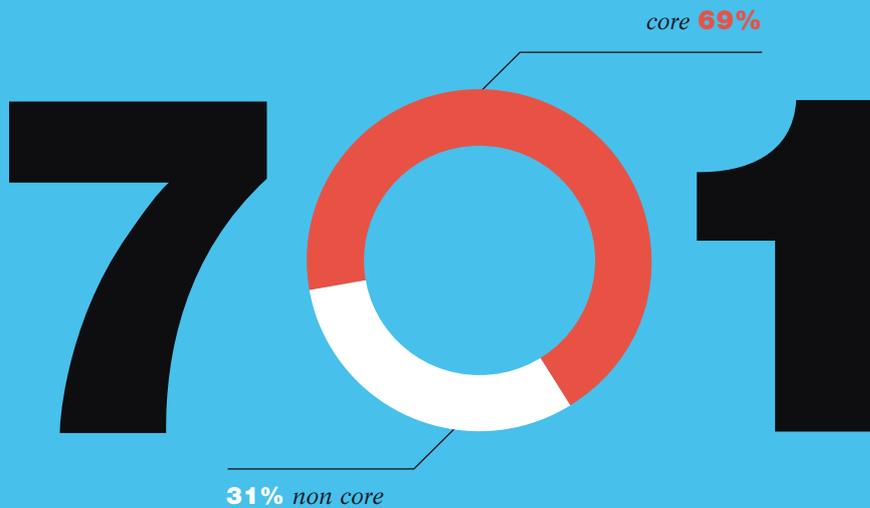
LTV



393 358 sq.m
(FLOOR AREA)



EARNINGS EPRA
in million euros



PORTFOLIO
as at 31 December 2013

€M

+4,5%
on a like-for-like
basis between
2011 and 2012

+3,3%
on a like-for-like
basis between
2012 and 2013



VARIATION OF RENTAL INCOME
in million euros



EPRA OCCUPANCY RATE

16.6%

TOTAL SHAREHOLDER'S RETURN

31/12/2012
44.5

04/03/2013
43.1

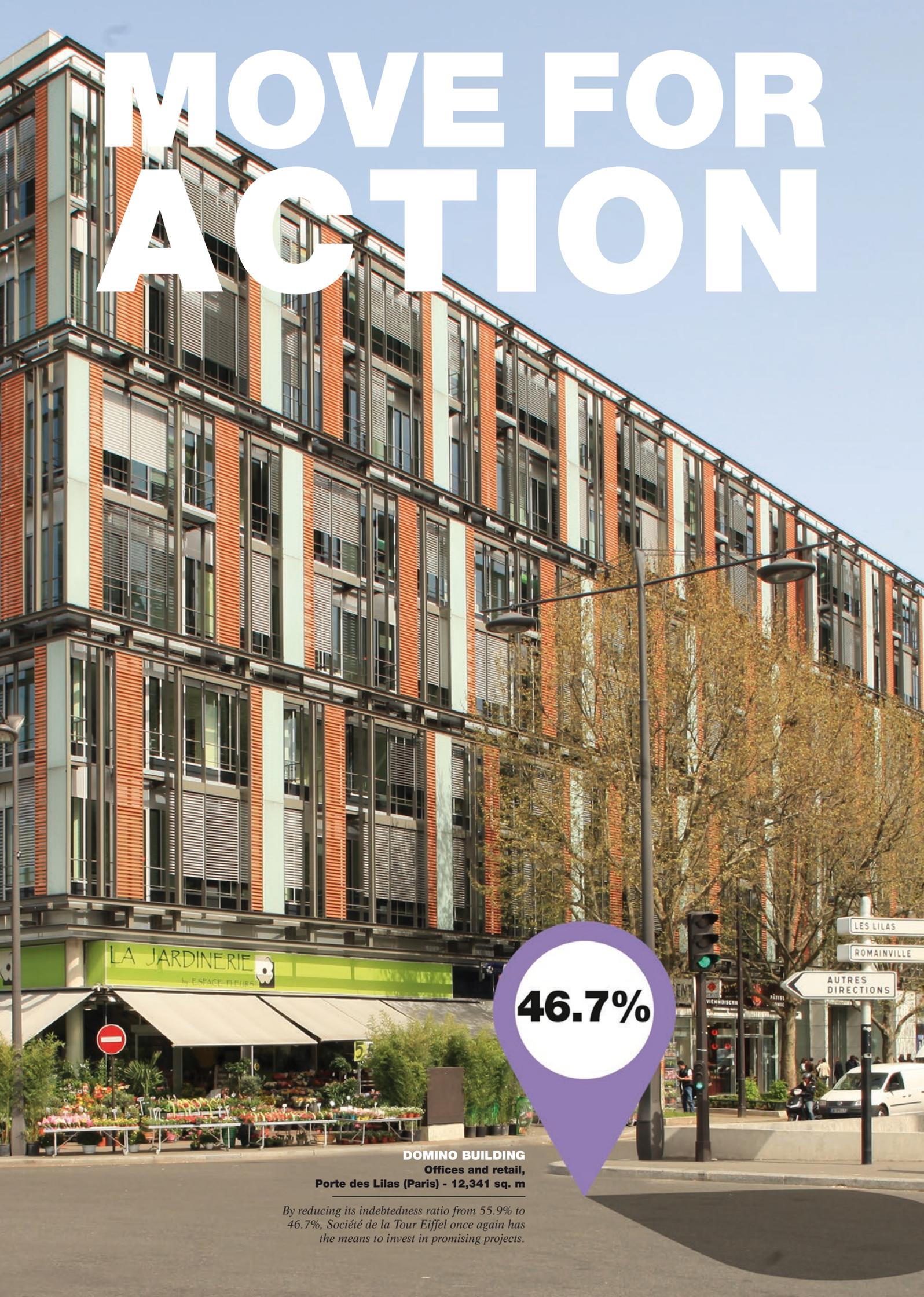
16/10/2013
53.0

31/12/2013
48.57

18/03/2014
50.89

SCHEMATIC SHARE PRICE EVOLUTION
in euros

MOVE FOR ACTION



46.7%

DOMINO BUILDING
Offices and retail,
Porte des Lilas (Paris) - 12,341 sq. m

By reducing its indebtedness ratio from 55.9% to 46.7%, Société de la Tour Eiffel once again has the means to invest in promising projects.

**“LIKE OTHER
PROPERTY COMPANIES
BEFOREHAND, SOCIÉTÉ
DE LA TOUR EIFFEL
HAS SUCCESSFULLY
IMPLEMENTED A
DELEVERAGING
POLICY WHICH SHOULD
GIVE IT THE FLEXIBILITY
REQUIRED TO PURSUE
ITS GROWTH.”**



JEAN DELAMALLE
Senior Banker,
Crédit Agricole CIB

SUCCESSFUL REPOSITIONING IN THE PARIS OFFICE PROPERTY MARKET

STRATEGY

Achieved one year ahead of schedule, the new strategic plan has kept its promises. By refocusing on Paris apart from the CBD (Central Business District) sector and in the inner and outer suburbs, the Company's assets have gained consistency and clarity for investors. After deleveraging, the property company can continue its development under optimal conditions.

schedule. In 2013 they sold non-strategic assets located in the provinces for a total of € 190 million, at no discount to the appraisal value of these assets. As a result, the share of "core" assets, i.e. office buildings in Paris, increased from 49% at year-end 2012 to 69% at year-end 2013. In addition, these disposals allowed Société de la Tour Eiffel to significantly reduce its debt ratio: at year-end 2013, it stood at 46.7% against 55.9% at the end of the 2012 financial period. Finally, the financial occupancy rate of assets reached a record level in 2013 of 93.7%, up 2.1 points compared with 2012.

/ PROSPECTS FOR SUSTAINABLE GROWTH

Despite the reduction in the Company's basis of consolidation, these satisfactory operational results ensured a total shareholder return for the 2013 financial period of more than 16%. Combined with a cost

(continued page 14) ►

701 M€

Valuation at year-end 2013
of the Société de la Tour
Eiffel property portfolio
located mainly in
the Paris region.

Early in 2013, Société de la Tour Eiffel adopted a new strategic plan with three main phases: refocusing its activity on the Paris office property segment, improving its risk profile by reducing its debt load, and finally, carrying out transactions that create value.

/ RAPID, EFFECTIVE DEPLOYMENT

The first two components of this plan were carried out successfully by the property company's teams one year ahead of



Restaurant at Domino (Porte des Lilas, Paris), property leased to three office tenants and to five shops on the ground floor.

“NOW READY TO SEIZE TARGETS, AFTER RESTRUCTURING THE BALANCE SHEET AND IMPLEMENTING MONITORING TOOLS.”



**PHILIPPE
DE TRÉMIOLLES**
CFO,
Société de
la Tour Eiffel

What is your opinion of the 2013 financial period?

Our balance sheet at year-end 2013 is very different from what it was at the end of 2012. Thanks to the disposal of non-strategic assets for € 190 million, our property portfolio is more concentrated, homogeneous and coherent, and our debt ratios have improved very significantly. The deliberate downsizing of our business has allowed us to restore our financial indicators and achieve an LTV ratio of 46.7% at month-end December 2013 against 55.9% at year-end 2012.

Has this deleveraging process gone hand in hand with the development of tools to monitor performance?

We needed to analyse our performance more accurately. To do so we have designed and implemented a quarterly reporting for each asset, derived from accounting data, allowing the financial and asset management teams to speak the same language. A tool for the systematic monitoring of our cash in each quarter at D+5, D+10 and D+30 has also been set up, allowing asset managers and property managers in charge of receivables to take appropriate action.

Is the Company well positioned to resume growth?

Yes, we are in line with our strategic plan for 2013-2016. The first two phases of the plan, refinancing our debt and then deleveraging in order to refocus our portfolio on “core” assets, have been carried out successfully. This puts us in a position once again to consider transactions to create value and growth in Paris and the Paris region.

46.7%

*The Company's LTV at
31 December 2013, vs.
55.9% at year-end 2012.*

+16.6%
*Société de la Tour Eiffel
Total Shareholders' Return
in 2013, reflecting the
good operating result for
the financial period.*

► reduction programme designed to result in a 20% savings in overheads in the second half of 2014 compared to 2012 basis, these strong fundamentals pave the way for new growth transactions. These can take various forms: acquisitions or development of existing land reserves such as in Massy, where the company has a building permit for 33,000 sq. m of office space. They will be backed by the expertise of the asset management teams and their market monitoring and sourcing skills.



**BACK ON
TRACK FOR
SUSTAINABLE
GROWTH
WITH NEW
TRANSACTIONS
THAT CREATE
VALUE**



Topaz-Vélizy property, over 14,000 sq. m fully let to Altran.



ONE MOVE AHEAD FOR TOUR EIFFEL ASSET MANAGEMENT (TEAM)

*“The success of our sales in 2013?
Network and expertise.”*

“As part of our strategy to refocus the portfolio on the Ile-de-France region, in 2013 in record time and with no discount on their appraisal value, we sold almost twenty non-“core” assets in the provinces for a total of € 190 million. In a stereotyped market, in which all the major investors are looking for the same type of

buildings, the expertise and networking of our team made all the difference by inciting genuine interest in our assets. Our experience in managing business parks and knowledge of the investment market anchored our offer and gave us genuine credibility not only with local private investors, such as in Lille or on the outskirts of Bordeaux, but also with nationwide investors, such as in Montpellier with La Française AM or in Lyon-Vénissieux with Perial.”



NICOLAS INGUENEAU
Investment and Disposal
Director

TO OFFER OUR TENANTS QUALITY OFFICES AT COMPETITIVE RENTS



MOVE FOR PERFORMANCE

100%

MONTROUGE EIFFEL O₂
Offices (Montrouge) - 5,229 sq. m

The entire building had been pre-marketed to a single tenant, before delivery in spring 2013.



**“EIFFEL O₂ ALLOWS
US TO MAKE
SUBSTANTIAL
SAVINGS ON RENT
AND OFFER
EXCELLENT
WORKING
CONDITIONS
IN QUALITY OFFICES,
EASILY ACCESSIBLE
BY PUBLIC TRANSPORT.”**



FRANÇOIS DUPUIS
Deputy Regional Director
Ile-de-France,
Poste Immo

ANTICIPATING NEEDS THROUGH A PARTNERSHIP POLICY WITH TENANTS

／ CUSTOMER RELATIONSHIP ／

Closeness, focus, foresight: the sustainability of the relationship between Société de la Tour Eiffel and its tenant-partners is based on solid fundamentals, ensuring a very high occupancy rate. This listening skill and reactivity are key to maintain a high occupancy level.

／ TUNING IN AND FORESIGHTING

Throughout the lease, the Asset Management team keeps close to staff on the ground. They frequently meet the real estate management teams of corporate tenants but also the staff directly responsible for the various assets. Asset managers regularly attend management meetings held with tenants, in order to foresee potential difficulties and helps resolve the everyday problems involving the buildings. Flexibility, focus and foresight of this kind are crucial to maintaining a high occupancy rate.

／ FLEXIBLE SOLUTIONS

In line with the expectations of their tenants, Société de la Tour Eiffel teams have the flexibility to provide a suitable response to corporate changes. Thanks to the modularity of its buildings and business parks, the property company can put forward suitable solutions to companies

(continued page 20) ►

93.7%

Record EPRA occupancy rate achieved by the assets of Société de la Tour Eiffel in 2013.

As a long-term partner with its tenants and customers, Société de la Tour Eiffel builds a close relationship with each of them at every stage in their business. When a new tenant moves into one of its building, the Société de la Tour Eiffel teams ensure upstream that the fitting-out work corresponds to the needs of the future occupiers. They are also frequently present during the move, a delicate phase for the employees, the Real Estate and Human Resources departments of the tenant company.



Inside view of Eiffel O₂ (Montrouge), property leased to a single tenant, Poste Immo.

“THANKS TO THEIR POSITIONING MARKET, OUR ASSETS ARE EXTREMELY APPRECIATED BY TENANTS AND INVESTORS ALIKE.”



**FRÉDÉRIC
MAMAN**

Deputy Managing
Director and
Director,
**Société de
la Tour Eiffel**

How do tenants benefit from your active asset management?

We offer quality properties, accessible both in terms of prices and transport. These are key features for occupiers on today's market, as evidenced by the very high occupancy of our assets and the rate of renewal of our leases. In 2013, our teams renewed or negotiated leases worth € 11 million, representing approximately 20% of the Company's total annual rental income.

So you seek a genuine partnership with your tenants?

Our staff, who have long-standing experience of the market, are capable of identifying opportunities for creating value in our property portfolio and leveraging that expertise for the benefit of our clients. For example, we can extend a lease or introduce an additional source of rental income, to anticipate the needs of a tenant who wishes to adjust its business operations. In this way, we really do make life easier for companies. In Orsay, with our business park concept, we helped a fast-growing start-up find suitable premises for its needs, combining built-to-suit technical test areas and office space.

Were the right property mix and the ability to create value decisive for successful disposals in 2013?

We have completed all our scheduled disposals, which means that buyers were willing to buy our assets at their appraisal value, illustrating their attractiveness. Our assets are liquid since they are well located and worth less than € 50 million. This transaction segment doubled in 2013, while large transactions – between 150 and 200 million euros – marked time.

11 M€

*Value of the number
of negotiated new lease
or renewals in 2013.*



▶ facing a downturn in activity or on the contrary seeking to develop or consolidate business units within the same building. From a complete floor for call centres to conventional partitioned office areas, a full range of facilities is possible. This flexibility is also reflected in terms of leases, with negotiations that help achieve balanced rents corresponding to the market value.

Finally, this fieldwork provides valuable market information and enables the rapid commercialisation of the assets. Through careful monitoring of the property portfolio and their operating budgets, asset managers can quickly respond to any letting opportunities that may arise.



ASSISTING COMPANIES IN THEIR REAL ESTATE STRATEGY AT EVERY STAGE IN THEIR BUSINESS



Société de la Tour Eiffel has met the demand of its tenant Air Liquide by delivering two 2,000 sq.m buildings at Champigny.



ONE MOVE AHEAD FOR TOUR EIFFEL ASSET MANAGEMENT (TEAM)

“Our relationship with tenants gains more substance.”

“We are very close to our tenants and highly active on the ground, supporting their needs and optimising property operating expenses in particular. This is also true upstream of new projects. We work with interior architects and present the drawings to the real estate department to make sure that the

layout meets the needs of occupiers. Our buildings are modular and the density of occupancy can easily be increased or split, which is a definite asset. The signature of green leases has also given a new impetus to discussions with our tenants. Demand is high and they are often closely involved in the steps required to optimise the level of charges. In 2013 this close relationship allowed us to renew a large number of leases and achieve a satisfactory economic balance.”



CINDY DRIEU
 Co-Head
 for Asset Management

40%

*Average of savings for
a move to a building
near Paris*



Attractive
locations around
Paris



Flexible
partnership
approach



Quality relationships
with tenants
for better working
conditions



Modular spaces
capable of evolving
in tune with
the business



Rigorous
cost control

**DEVISING
SOLUTIONS
TAILORED FOR
PROJECTS AND
CORPORATE
REQUIREMENTS**

MOVE FOR OPPORTUNITIES

80%

MASSY POWER PARK
33,000 sq. m

Today, 80% of office investments made in France are in the Paris / Ile-de-France region.



**“BEYOND THE CENTRAL
BUSINESS DISTRICT,
PARIS AND THE PARIS
REGION NOW OFFER
EXCELLENT
INVESTMENT
OPPORTUNITIES
AND PROSPECTS
FOR VALUE CREATION.”**



LAURENT BOUCHER
Deputy Managing Director -
Advisory France,
BNP Paribas Real Estate

RESPONSIBLE PROPERTY MANAGEMENT ON BEHALF OF OCCUPIERS

SUSTAINABLE COMMITMENT

A pioneer in sustainable real estate, Société de la Tour Eiffel has levered the initiative to improve the quality and the environmental profile of its property portfolio. The approach is designed to make asset management increasingly efficient, in consultation with and for the well-being and comfort of occupiers.

/ AN INCREASINGLY “GREEN” PORTFOLIO

Today 64% of the property portfolio of Société de la Tour Eiffel consists of assets less than 10 years old, more than 30% of which are HQE (High Environmental Quality) certified. Through an active disposals policy, the company continues to optimise its portfolio, by selling older assets on the one hand and by integrating “green” criteria in the selection of its acquisitions on the other. The company is also at work on improving the green value of its assets, by scheduling, in consultation with its tenants, work campaigns after audits on the buildings’ centralised technical management systems in particular, or by setting up monitoring. Finally, all new projects are systematically HQE certified.

(continued page 26) ►

64%

of the portfolio
comprises less than
10-year old assets.

Société de la Tour Eiffel launched its sustainable real estate initiative several years ago. In 2013, it was one of the first market players to sign the *Charter for the energy efficiency of public and private commercial buildings*. The charter, which is one of the cornerstones of the sustainable Building Plan, is designed to develop a general movement in favour of energy efficiency, the welfare of occupiers and economic activity in the building and real estate sector. A founding member of the Sustainable Real Estate Observatory (Observatoire de l’Immobilier Durable, OID), the property company is also helping to develop a monitoring system useful for all market participants by providing its statistical data on sustainable real estate. In 2013 as a result of that commitment, the property company received the EPRA BPR Bronze Award and was included in the Novethic index and the GRESB survey.



Massy Power Park project of which planning permission was obtained for 53,000 sq.m of offices.

“THE GREEN VALUE OF AN ASSET IS DIFFICULT TO QUANTIFY BUT IT DOES EXIST.”



ODILE BATSÈRE
Property and
Environmental
Management
Director,
**Société de
la Tour Eiffel**

Where does Société de la Tour Eiffel stand in terms of sustainable real estate?

We have been precursors, in particular by participating in the creation of the Sustainable Real Estate Observatory (OID). Today, 31% of our assets are HQE-certified and we continue increasing the proportion of green assets in our portfolio. Through the 2013 disposal program, we sold many of the “non-green” buildings in our portfolio. Furthermore, we have integrated environmental criteria into our acquisition strategy. The proximity of a building to public transport services is an example of these “green” criteria. Finally, we are continuing our certification policy: five of our buildings are currently undergoing BREEAM rating.

What progress did you make in 2013?

We signed all but two of the environmental annexes, and 100% of the steering committees relating to them have been set up, a success that is due to our close relationships with our tenants. In two of our buildings, in Rueil and at Porte des Lilas, we have also launched a “BREEAM In Use” initiative, allowing us to highlight the intrinsic environmental performance and operation of these buildings. Finally, on some of our assets, we have set up monitoring in order to track their performance. We want to improve our reporting even further so that it can be used

as a genuine tool for decision-making and control of the operational performance of our portfolio.

What is the reaction of your tenants to these initiatives?

In difficult times, they are keenly aware of the importance of efforts to improve the daily operation of buildings, because they have a genuine economic interest in doing so. Above all, for the first time the environmental initiatives allow all the stakeholders – tenants, technical managers, service providers, property managers and asset managers – to gather around a common goal: fine-tuning the control of the building. The green value of an asset is difficult to quantify but it exists, and we are starting to have more and more indicators allowing us to identify and define that value, such as a building’s carbon footprint, water consumption and energy consumption, and in the near future we will consider other factors such as air quality, acoustics, and so on.

95%

Proportion of environmental annexes signed on leases subject to Grenelle II legislation.

100%
of core assets in the property portfolio have been subject to energy mapping.

/ DAILY WORK

In addition to optimising its portfolio, the property company is also at work in close partnership with its tenants to improve the performance of its assets in service. The signature in 2013 of 95% of the environmental annexes to its leases meant a further step in that direction. Steering committee meetings have increased exchanges with stakeholders around the life of the

buildings and the various indicators available (such as water and energy consumption, waste management, air quality, etc.). The “BREEAM In Use” certification in 2013 of CityZen in Rueil and Domino at Porte des Lilas/Paris, two major assets for the property company, is also part of the value creation approach. It helped raise tenant awareness about the impact of responsible operation on building performance.



CityZen – Rueil-Malmaison, «BREEAM-in-Use» certified since 2013.

**TAKING ACTION
TO IMPROVE
THE ENERGY
EFFICIENCY OF
OUR ASSETS AND
PROMOTE THE
EMERGENCE OF
A SUSTAINABLE
REAL ESTATE**



ONE MOVE AHEAD FOR TOUR EIFFEL ASSET MANAGEMENT (TEAM)

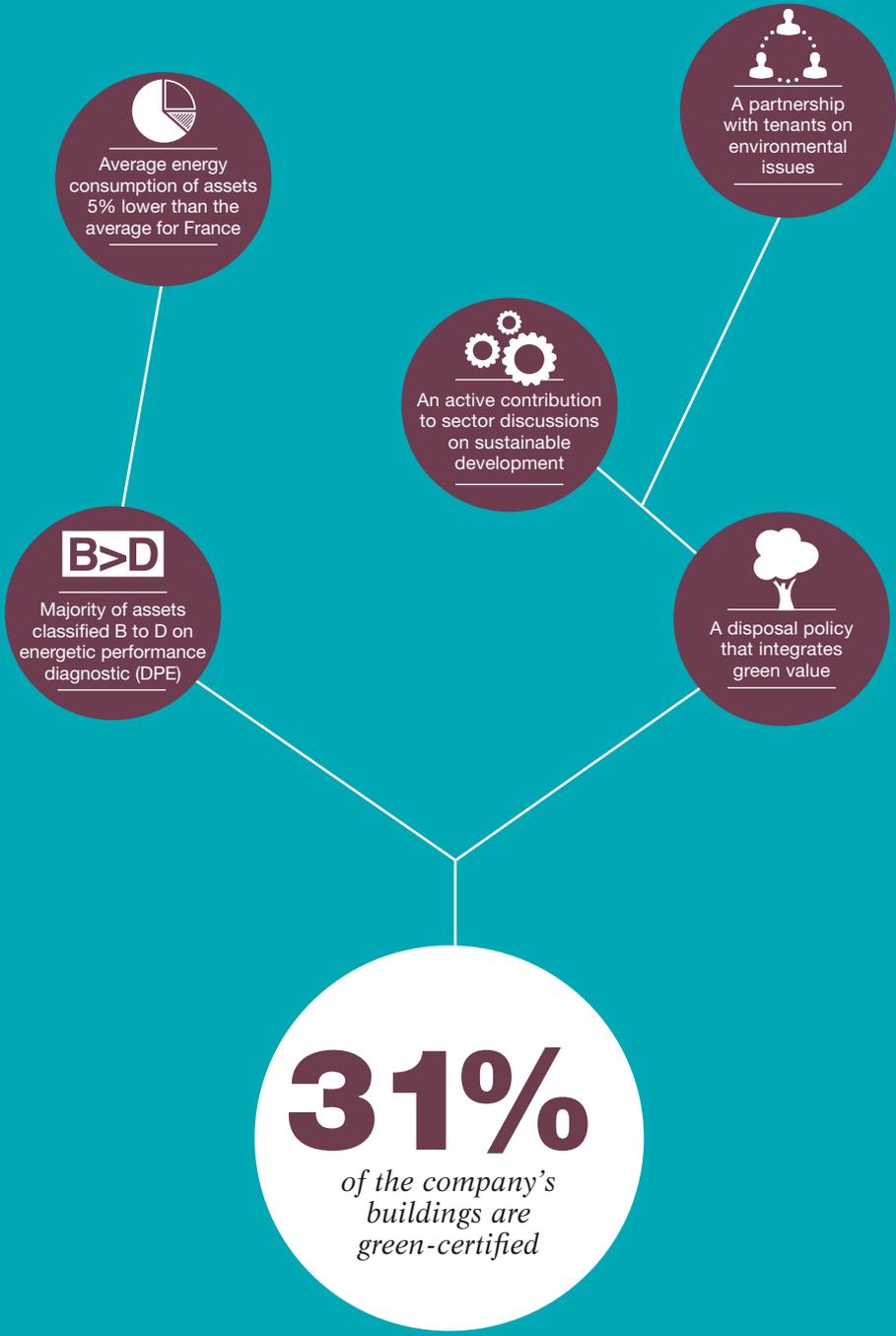
“The environmental approach is becoming increasingly important.”

“Real estate represents the second most important cost item for companies, and is therefore a major lever for savings, which is why we have seen head offices moving to the outskirts of Paris in recent years. Our acquisition strategy is in line with that trend. Our teams constantly endeavour to identify and evaluate assets likely to correspond to that trend. We were pioneers in the acquisitions prior

to completion in Rueil, we are present in Vélizy, Montrouge and in many suburbs in the west of Paris. Each case is unique and analysed on the basis of various criteria: price, tenancy schedules, work required, administrative issues but also environmental performance. “Green” factors are growing in importance. They have an increasing impact on corporate decisions and are a good means of retaining our tenants. Given that 64% of our buildings are less than 10 years old and 31% are sustainable development-certified, we have powerful sales arguments.”



THOMAS CHARTIEZ
Co-Head
for Asset Management



COMMITTING TO SUSTAINABLE REAL ESTATE



SUMMARY FINANCIALS

CONSOLIDATED P&L

Société de la Tour Eiffel established a voluntary programme to divest non-core assets in 2013. This mechanically resulted in a lower level of activity. The impact of this decrease has partially been offset by an increase in rents on a LFL basis (+3.3%) and an improvement in

the financial occupancy rate which reached a record level of 93.7%. Operating performance excluding non-recurring items remained virtually unchanged from the operating margin of 77%, despite the reduction in rental stock.

In €m	31/12/2013		
	EPRA recurring result	Non recurring	IFRS result
Rents	61.5	-	61.5
Property operating expenses (*)	-9.6	-1.8	-11.4
Corporate expenses	-4.6	-1.8	-6.4
Current operating income	47.3	-3.6	43.7
% rents	77.0%	-	71.1%
Proceeds from disposals	-	0.5	0.5
Property fair value adjustment	-	-35.0	-35.0
Other operating income and expenses	0.0	0.2	0.2
Operating income	47.4	-38.0	9.3
% rents	77.1%	-	15.2%
Net finance costs	-19.3	-	-19.3
Other financial income and expenses	-	8.2	8.2
Net financial result	-19.3	8.2	-11.1
Tax	-0.1	-	-0.1
NET PROFIT/LOSS (GROUP SHARE)	28.0	-29.9	-1.9
% rents	45.5%	-	-3.1%

(*) Including Asset Management costs.

77%
of operating margin
(excluding non-recurring activity)

31/12/2012			Var. EPRA (%)
EPRA recurring result	Non recurring	IFRS result	
69.5	-	69.5	-11.5%
-10.7	-0.4	-11.1	
-5.1	-1.0	-6.1	
53.7	-1.4	52.3	-11.9%
77.3%	-	75.3%	
-	-1.2	-1.2	
-	-30.0	-30.0	
0.2	1.4	1.6	
53.9	-31.2	22.7	-12.2%
77.6%	-	32.7%	
-19.7	-	-19.7	
-	-8.6	-8.6	
-19.7	-8.6	-28.3	-2.1%
-0.2	-0.3	-0.5	
34.0	-40.1	-6.1	-17.6%
48.9%	-	-8.7%	

BALANCE SHEET

CONSOLIDATED BALANCE SHEET

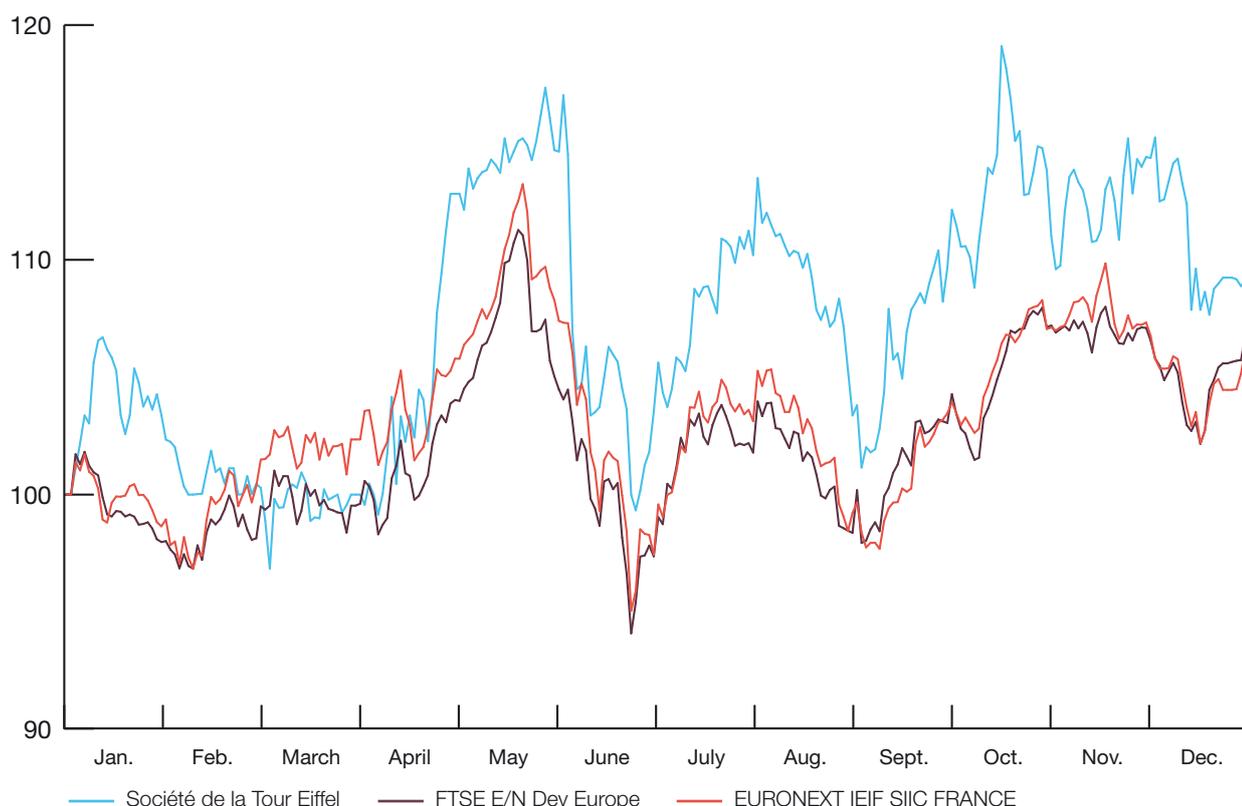
in thousands of €	31/12/2013	31/12/2012	31/12/2011
NON CURRENT ASSETS	696,448	875,169	991,513
Tangible assets	121	356	410
Investment properties	692,376	872,789	990,296
Goodwill	-	-	-
Intangible assets	14	24	19
Loans and receivable	3,615	1,678	466
Deferred tax debit	322	322	322
CURRENT ASSETS	62,020	79,565	51,764
Properties under promise or mandate of sale	8,630	42,600	8,916
Trade receivables and related accounts	20,786	23,642	18,686
Other current liabilities	10,916	10,166	7,799
Cash	21,688	3,157	16,363
TOTAL ASSETS	758,468	954,734	1,043,277

in thousands of €	31/12/2013	31/12/2012	31/12/2011
SHAREHOLDER'S EQUITY (GROUP SHARE)	356,156	370,693	387,211
Capital	31,270	30,553	28,681
Share premium	58,438	52,877	41,947
Legal reserve	3,055	2,868	2,796
Consolidated reserves	265,284	290,466	284,437
Consolidated net profit	-1,892	-6,071	29,350
Minority interests	-	-	-
NON CURRENT LIABILITIES	347,340	528,776	594,309
Long-term borrowings	334,856	500,106	572,131
Rental deposits and guarantees received	11,515	28,070	21,594
Long-term provisions	255	309	294
Others liabilities	715	291	290
CURRENT LIABILITIES	54,972	55,265	61,757
Borrowings and financial debts (less than one year)	14,414	16,752	22,018
Accounts payable	23 639	28 507	30 630
Others current assets	4 562	860	864
Tax and social liabilities	12,358	9,146	8,245
Short-term provisions	-	-	-
TOTAL LIABILITIES	758,468	954,734	1,043,277

STOCK MARKET

／ DIVIDEND AND MARKET PERFORMANCE ／

SHARE PRICE EVOLUTION IN 2013 (100 basis as at 31/12/2012)



The level of dividend and market performance ensured a return of 16.6% to Société de la Tour Eiffel shareholders in 2013.

	Market performance ⁽¹⁾	Dividend yield ⁽²⁾	Total Shareholder's Return ⁽³⁾
2009	56.8%	10.4%	67.2%
2010	10.0%	7.6%	17.6%
2011	-33.7%	7.4%	-26.3%
2012	15.8%	10.9%	26.7%
2013	9.1%	7.4%	16.6%

(1) (Share price 31/12/N) / (Share price 31/12/N-1).

(2) (Dividend paid during the calendar year (balance N-1 and interim N) / (Price 31/12/N-1)).

(3) Market performance + dividend yield.

Source: share price Rothschild 25 March 14.

EPRA INDICATORS

PERFORMANCE ANALYSIS

	31/12/2013	31/12/2012	31/12/2011
EPRA EARNINGS	€ 28.0m	€ 34.0 m	€ 30.7 m
EPRA net initial yield	7.0%	7.1%	6.5%
EPRA topped-up net initial yield	7.4%	7.2%	6.8%

	31/12/2013	31/12/2012	31/12/2011
EPRA VACANCY RATE	6.3 %	8.4%	8.7%
NAV per share	€ 59.6	€ 65.4	€ 71.2
NNNAV per share	€ 58.1	€ 62.2	€ 69.2

HIGHLIGHT

Société de la Tour Eiffel has established EPRA indicators to analyse its performance compared with common reporting



standards for the property sector in Europe. Regular, constructive dialogue started this year with the EPRA teams, who rewarded the Company in 2013 with a Silver Award for its financial reporting.

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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**SOCIETE
DE LA
TOUR EIFFEL**