47%

OF NET LTV DEBT RATIO ON ASSET BASE VALUE

Financial report **2013**

SOCIETE
DE LA
TOUR EIFFEL

CONTENTS

"BALANCE SHEET RESTRUCTURING AND IMPLEMENTATION OF NEW MONITORING TOOLS: AN ACTION-PACKED YEAR."

MESSAGE FROM THE CFO

Philippe de Trémiolles

2013 was an action-packed year for Société de la Tour Eiffel. A pivotal year in the 2012/2015 strategic plan, it was first marked by the establishment of a pro-active programme to refocus on the property portfolio of office buildings in the Île-de-France region (referred to as the core portfolio). This programme, announced at the start of the year, was designed both to deleverage the Company but also to focus its activities by the end of 2014. These objectives were virtually achieved in one year instead of two, with €190 million of non-core assets sold in 2013 resulting in a major impact on two levels: the Company's indebtedness ratio ("loan-to-value") decreased from 56% to 47% and the Company's core assets represented 69% of the portfolio against 49% one year earlier.

These disposals were made at very satisfactory price levels, with minimum discrepancy in relation to the evaluations made by external experts every half-year. They also resulted in a mechanical improvement in the financial occupancy rate of our buildings, which reached 94%, i.e. its highest level ever, since the transferred assets were comparatively less occupied.

Operational performance in this rapidly changing environment was particularly remarkable with on the one hand, a 3.3% rental income increase on a like-for-like basis, and on the other hand our recurring EBIT margin remained steady at 77%.

In addition, 2013 provided an opportunity to establish a new set of tools for monitoring performance, such as a quarterly reporting of the profit and loss statement by asset, a Company-wide monitoring of quarterly cash receipts or a more detailed monitoring of financial debt.

The external environment also had a relatively significant impact, with part of asset evaluations driven down by a complex rental market but also by a major change in the ownership structure of the Company.

MANAGEMENT REPORT

1. BUSINESS AND HIGHLIGHTS

1.1 Implementation of the strategic plan

The 2013 financial period was marked by the implementation of the second phase of the strategic plan initiated in 2012.

As a reminder, it includes three parts:

- 2012: risk reduction achieved in particular through (i) the refinancing of long-term debt, effective at the end of 2012, (ii) reduction of the loan-to-value ratio ("LTV"), *i.e.* the net financial debt related to the valuation of the asset base) from 57.6 to 55.9% through the sale of €70 million of non-Parisian assets (hereinafter referred to as "non-core") during fiscal 2012 and (iii) the establishment of a new governance and the arrival of Renaud Haberkorn as Chief Executive Officer on 1 September 2012;
- 2013/2014: balance-sheet restructuring, and in particular deleveraging and portfolio restructuring;
- After 2014: growth.

Against this background, fiscal 2013 focused on the following five objectives:

1. Securing rental income;
2. Disposal of non-strategic assets;
3. Reduction of the debt load, with an LTV ratio of less than 50%;
4. Creation of a pool of acquisition and development targets;
5. Reduction of operating expenses.

1.1.1 Securing rental income

2013 was marked by the signing of major leases with quality tenants. The table below shows the details of these leases, which underpin the tenant sustainability on property owned and managed by the Group.

Main rental transactions

- **Montrouge Eiffel O_2:** €1.8 million—5,300 sq.m (fixed-term 6-year lease)
  - Poste Immo
- **Other new tenants:** €1.9 million—19,000 sq.m
- **Lease renewals:** €7.3 million—73,000 sq.m
  - Atos—Aubervilliers (7 years)
  - Eurial—Nantes (6 years)
  - La Poste—Vannes (6 years)
  - La Poste—Les Souhesmes (6 years)
  - PTC—Aix (6 years)
  - Veritas—Aix (4 years)
  - Leosphère—Orsay

Given this highly satisfactory operating performance in fiscal 2013, the EPRA vacancy rate significantly improved at 31 December 2013 to 6.3% against 8.4% at 31 December 2012.

The Group also recorded an improvement of 3.3% in rental income on a like-for-like basis, reflecting its ability to optimize the yield of its assets.

1.1.2 Disposal of non-strategic assets

As part of the active management of its property, and in line with the strategy of refocusing the portfolio on recent buildings and offices at moderate rents in the Paris region, the Company completed more than €190 million of disposals during fiscal year 2013, as detailed below:

- on 11 January, the *Parc de l'Espace* in Le Bourget;
- on 18 and 31 January, two buildings in the La Poste portfolio, respectively located in Vitrolles and Orleans);
- on 21 March, the building in Amiens;
- on 28 March, the building in Ludres;
- on 13 May, the reception building for the NXP campus in Caen Colombelles;
- on 15 May, the *Parc du Millénaire* in Montpellier (except for buildings 8 and 29);
- on 17 May, the CEFGHI buildings of the *Parc Cadéra Sud* in Mérignac;
- on 30 May, the building in the La Poste portfolio in Caen Mondeville;
- on 25 June, building 8 of the *Parc du Millénaire* in Montpellier;
- on 19 July, building 12 in Herblay;
- on 22 July, buildings B1, B2, B4, 1, 2, P1, T, U of the *Parc Cadéra* in Mérignac;
- on 19 September, building 29 of the *Parc du Millénaire* in Montpellier;
- on 24 September, the Grenoble Polytec building;
- on 1 October, the *Parc du Moulin à Vent* in Lyon;
- on 6 November, the 5DEF buildings of the *Parc des Aygalades* in Marseille;
- on 3 December, the building in the La Poste portfolio in Vannes;
- on 9 December, building 5C of the *Parc des Aygalades* in Marseille;
- on 18 December, the Herblay buildings 6 and 6 *bis;*
- on 20 December, the *Parc des Prés* in Villeneuve-d'Ascq.

1.1.3 Financial debt reduction, with an LTV ratio below 50%

The Group has undertaken to continue to reduce its indebtedness ratios and in particular its LTV ratio in order to be closer to market best practices.

The ratio was 55.9% at 31 December 2012 against 57.6% one year before and continued to improve in 2013 to reach 46.7% at 31 December 2013. This improvement is a direct consequence of the selective disposal policy implemented by the Group since 2012.

1.1.4 Creation of a pool of acquisition and development targets

In 2013, the Group considered several investment opportunities involving recent office buildings at moderate rents in the Paris region.

Furthermore, the Eiffel O_2 building in Montrouge as part of a purely speculative acquisition prior to completion in March 2011 (almost 5,100 sq.m with LEB and BREEAM Very Good certification and a car park for 114 vehicles) was delivered on 2 May 2013. It was pre-let to a single tenant (Poste Immo, with a 6-year lease) just before delivery, confirming its attractiveness and the quality of the asset management and development work carried out by the Group.

Finally, the studies to redevelop land reserves available in Massy continued as did prospective marketing in 2013, resulting in particular in a building permit being obtained in December 2013; construction, however, will only be launched in the event of pre-leasing.

1.1.5 Reduction of operating expenses

In 2013, particularly in the second quarter, a comprehensive analysis of operating expenses was carried out to accompany phases 1 and 2 of the strategic plan, resulting in a temporary contraction of the asset portfolio and, *ipso facto,* of rental income.

A range of cost reduction opportunities were identified. The implementation of these options is well under way but their full impact is not expected before mid-2014, due to the notice periods required to terminate existing contracts or agreements.

1.2 Other highlights

1.2.1 Distribution

The General Shareholders' Meeting of 30 May 2013 moved to distribute a remaining dividend of €2.10 per share. Shareholders chose between payment in cash or in shares.

On 17 September 2013, the Board of Directors decided to distribute an interim dividend of €1.20 per share on account of the dividend for fiscal 2013, with a payment entirely in cash.

1.1.2 Capital increases

The share capital was increased twice during 2013:

1) following the option by certain shareholders for share-based payment of 2012 dividend decided by the Annual General Shareholders' Meeting of 30 May 2013. The capital was increased for the first time on 24 June 2013 in the amount of €583,035 (or 116,607 shares of €5);

2) following the exercise of a stock option plan between 22 November and 4 December 2013. The recipients of Plan No.7 of 11 December 2008 exercised 26,698 options and 26,698 new shares were therefore subscribed. These new equity securities, issued at a price of €32.87, were released in full in cash upon subscription, thereby causing an increase in the share capital of €133,490 to bring it to €31,269,580. It is divided into 6,253,916 shares of a single class of €5 each, fully paid in.

1.1.3 Share buy-back programme—liquidity contract

At 31 December 2013, Société de la Tour Eiffel held 72,594 treasury shares acquired through the share buy-back programme. It does not hold any treasury shares under the liquidity contract.

The liquidity contract entrusted to Natixis on 21 June 2012 was discontinued and replaced by a similar contract with Rothschild on 16 April 2013.

Pursuant to the 10th resolution passed in the General Meeting on 30 May 2013, the contract was discontinued on 30 January 2014, after SMABTP filed a draft tender offer with the AMF on the shares of the Company.

1.1.4 Governance

Since the directorships of Messrs. Mark Inch, Robert Waterland and Philippe Prouillac were to expire, they were renewed for three years by the General Shareholders' Meeting of 30 May 2013.

Mr Richard Nottage was named a member of the Appointment and Remuneration Committee on 25 April 2013.

A proposal to change the Company's corporate governance to include two directors on the Board representing *Maison d'Investissement* MI 29, the Company's largest shareholder with 29% of its capital, was rejected by MI 29 in December 2013.

1.1.5 Internal reorganisation

SCI de Brou, which no longer held any assets, was dissolved without liquidation during fiscal year 2013.

1.1.6 Other events

The 2012 annual report of the Company received a Silver Award from the EPRA (European Public Real Estate Association) as part of the Association's assessment of our Company's compliance with its financial reporting Best Practice Recommendations (BPR).

Similarly, the 2012 Corporate Social and Environmental Responsibility Report was awarded the EPRA Bronze Award for the scope and transparency of sustainable development information issued by the Company.

2. ECONOMIC AND FINANCIAL RESULTS

2.1 Consolidated financial statements

2.1.1 Principles and accounting methods

The consolidated financial statements of the Société de la Tour Eiffel group were prepared at 31 December 2013 in accordance with IFRS standards as adopted by the European Union and applicable on the date of preparation.

The accounting methods and rules applied are the same as those implemented to produce the annual financial statements closed on 31 December 2012.

At financial year end, the scope of consolidation included 17 companies, consolidated using the method of global consolidation, against 18 as at 31 December 2012, further to the Transfer of Assets of SCI de Brou to SAS Locafimo in November 2013.

2.1.2 Analysis of Consolidated Results

a) Consolidated income statement

The consolidated turnover of Société de la Tour Eiffel, consisting of rents and rental income on investment properties amounted to €73.9 million in 2013, compared with €82.4 million in 2012, including respectively €61.5 and 69.5 million in rents, a decrease caused by the sale of more than €260 million of properties over the 2012/2013 period.

The change in rental income is due to the property disposals recorded during the period (-€9.9 million in rent), offset by net relettings (€0.2 million) and the indexation of existing rents (+€1.7 million).

On a like-for-like basis, rents increased by 3.3%.

Other rental income, namely property charges invoiced to tenants, remained stable between 2012 and 2013 despite the sales (€12.5 million in 2013 against €12.9 million in 2012).

Operating expenses, which amounted to €30.2 million at year-end 2013 against €30.1 million at year-end 2012, remained stable despite a marked increase in non-recurring items linked in particular to the expenses relating to asset disposals. They mainly consist of the following:
- duties and property taxes (€23.8 million against €24 million at year-end December 2012);
- operating expenses (€6.4 million against €6.1 million at year-end December 2012).

The net result of adjustments in value (-€35.0 million) corresponds to the change in fair value of existing assets in 2013, after taking into account the costs of upgrading work ("Capex") undertaken during the year (€10.8 million).

After inclusion of a net capital gain on the sale of assets (€0.5 million) and of other products and operating expenses (€0.2 million) operating income on ordinary activities stood at €9.3 million in 2013 compared with €22.7 million in 2012.

The change in financial income during the period, from -€28.3 million to -€11.1 million was mainly due to:
- the significant change in other financial income and expenses (€8.2 million at year-end 2013 against -€8.6 million at year-end 2012) can be attributed to the revaluation of hedging instruments in a rising interest rates environment;
- the decrease in absolute terms of financial indebtedness of 2% (from €19.7 million to €19.3 million), impacted primarily by an increase in the average lending rate (3.8% in 2013 against 3.2% in 2012) due to the increase of the share of the debt for which the rate is hedged by swaps, and the impact of accelerated repayments (due to loan reimbursements in 2013) of borrowing costs, partially offset by lower loan outstandings related to disposals and early repayments during the fiscal year.

Given these factors, the Group's consolidated net result (Group share) came to €1.9 million loss at 31 December 2013 as against a loss of €6.1 million on 31 December 2012.

Analysis of consolidated income by recurring and non-recurring business activities

The consolidated income statement below highlights the revenues, expenses and intermediate results distinguishing the recurrent business involved in operating the property portfolio from the non-recurring items affecting consolidated income, such as value adjustments to assets and liabilities, capital gains and losses, as well as non-operating and/or non-recurring income and expenses.

In 2013, non-recurring expenses were particularly significant for two reasons:

a) asset disposals resulted in a high level of non-recurring operating expenses of c. €1.8 million;

b) costs related to the transition of governance and those related to a change in the ownership structure, representing €1.8 million over the year.

	31/12/2013			31/12/2012		
(in millions of Euros)	EPRA earnings	Non-recurring business	Net profit (loss)	EPRA earnings	Non-recurring business	Net profit (loss)
Gross rental income	61.5		61.5	69.5		69.5
Property operating expenses	(9.6)	(1.8)	(11.4)	(10.7)	(0.4)	(11.1)
Corporate operating expenses	(4.6)	(1.8)	(6.4)	(5.1)	(1.0)	(6.1)
Operating income on ordinary activities	**47.3**	**(3.6)**	**43.7**	**53.7**	**(1.4)**	**52.3**
Income from disposals		0.5	0.5	(1.2)	(1.2)	
Change in fair value of buildings		(35.0)	(35.0)	(30.0)	(30,0)	
Other operating income and expense	0.0	0.2	0.2	0.2	1,4	1,6
Operating profit	**47.4**	**(38.0)**	**9.3**	**53.9**	**(31.2)**	**22.7**
Net cost of indebtedness	(19.3)		(19.3)	(19.7)		(19.7)
Other financial income and expense		8.2	8.2	(8.6)	(8,6)	
Net financial profit (loss)	**(19.3)**	**8.2**	**(11.1)**	**(19.7)**	**(8.6)**	**(28.3)**
Tax	(0.1)		(0.1)	(0.2)	(0.3)	(0.5)
Net profit (loss)	**28.0**	**(29.9)**	**(1.9)**	**34.0**	**(40.1)**	**(6.1)**
Minority interests	0.0		0.0	0.0		0.0
NET PROFIT (LOSS) (GROUP SHARE)	**28.0**	**(29.9)**	**(1.9)**	**34.0**	**(40.1)**	**(6.1)**
Net profit (Group share) per share [(1)]	*4.5*	*(4.8)*	*(0.3)*	*5.6*	*(6.6)*	*(1.0)*

(1) Number of shares: 6,253,916 as at 31 December 2013 compared with 6,110,611 as at 31 December 2012.

After adjusting for the valuation of assets and liabilities as well as the divestment of assets and non-recurring items, operating income on ordinary activities stood at €47.3 million for 2013 and EPRA earnings at €28 million, compared with €53.7 million and €34 million respectively in 2012.

The operating margin remained stable at 77.0% of rents against 77.3% in 2012.

b) Consolidated balance sheet

The total balance sheet of Société de la Tour Eiffel at 31 December 2013 amounted to €758.5 million *versus* €954.7 million at 31 December 2012.

The main changes are summarised below:

Assets:

- The net decrease of €214.4 million in investment properties and assets for disposal (down from €915.4 million to €701.0 million) is mainly due to:

Fair value of portfolio at 31 December 2012	**915.4**
Investment property	*872.8*
Assets for disposal	*42.6*
Acquisitions and subsequent expenditure	10.8 [(1)]
Divestments	(190.1) [(2)]
Projects abandoned	(0.1)
Fair value effect	(35.0)
Fair value of portfolio at 31 December 2013	**701.0**
Investment properties	*692.4*
Assets for disposal	*8.6*

(1) Including €4.3 million of construction on the office building project in Montrouge.
Including €1.7 million in costs of upgrading work ("Capex") spent on the Parc du Moulin à Vent in Vénissieux.

(2) Parcs Eiffel (€137 million), La Poste warehouses (€32 million), asset in Grenoble (€10 million), assets in Amiens (STE) Ludres (Arman F02) and Caen (Caen Colombelles) (€10.5 million).

- The increase in the level of cash of €18.5 million is related to disposals in 2013.

Liabilities:

- The decrease in equity of €14.5 million is mainly due to:
  - the decrease in consolidated reserves of €25.2 million (due to the impact of consolidated net income in 2012 (loss of €6.1 million), dividends (-€20.0 million), and the impact of incentive instruments (€1.0 million);
  - partially offset by:
    - the capital increase of 24 June 2013 following the distribution of the balance of the 2012 dividend in shares (€583 thousand) and the increase in additional paid-in capital due to the share premium (€5.4 million),
    - the capital increase after the exercise of the share subscription option (Plan 11 December 2008) (€133.5 thousand) and the increase in additional paid-in capital due to the share premium (+€744 thousand),
    - the improvement in earnings for the year, dropping from a loss of €6.1 million to a loss of €1.9 million.
- The reduction in net bank borrowing (-€166 million) related to the disposals during the year and the policy to reduce the LTV ratio in place since 2012.
- The decrease in other operating liabilities (€53.2 million at year-end 2013 against €67.2 million at year-end 2012), mainly comprising the negative fair value of hedging instruments (-€9.8 million at year-end 2013 against -€20.3 million at year-end 2012), the deposits received from tenants (down €2.4 million),

tax and social security liabilities (€12.4 million at year-end 2013 against €9.1 million at year-end 2012), as well as prepaid income from rents in the first quarter of 2014 receipted before 31 December 2013 (down €3.7 million).

c) Cash flow statement

The Group's cash flow statement includes three flow categories:

- Cash flow from operating activities, which decreased from €50.1 million at year-end 2012 to €38.0 million. The decrease was primarily due to:
  (i) a decrease in rents;
  (ii) controlled operating expenses;
  (iii) the increase in the change in working capital requirement linked to operations (+€6.0 million).
- Net cash flow linked to investment transactions: the change between 2012 and 2013 (€136.2 million) from €46.7 million to €183.0 million is mainly due to the increase in the disposal of buildings (€198.2 million in 2013 against €66.7 million in 2012) as part of the refocusing implemented by the Company, and reduced investment (construction and costs of upgrading work—"Capex") on the Group portfolio during the year (-€5.7 million);
- Cash flow linked to financing transactions: these flows totalled -€202.6 million in 2013 against -€110.0 million in 2012, primarily due to net repayments of loans made during the year for a net balance of €168.5 million in 2013 against €78.7 million in 2012, as well as lower cash dividends of €4.0 million, offset by lower capital increases caused by exercising the option for payment of the dividend in shares (no option for payment in shares for the 2013 interim dividend) and net interest paid which rose €1.0 million;

Thus the net total cash of the Group increased from €3.1 million at 1 January 2013 to €21.4 m at 31 December 2013, *i.e.* a positive variation of €18.3 million over the financial period.

d) Current cash flow

(in millions of Euros)	31/12/2013	31/12/2012	Variation
Gross rental income	61.5	69.5	-11.5%
Property operating expenses	(9.6)	(10.7)	-10.9%
Overheads	(3.6)	(5.1)	-28.7%
Net financial interest paid	(18.8)	(18.0)	4.3%
CURRENT CASH FLOW	**29.5**	**35.7**	**-17.3%**

Per share (in Euros)			
Cash flow from current operations after dilution (1)	**4.7**	**5.8**	**-19.2%**
Cash flow from current operations before dilution (1)	**4.8**	**6.2**	**-17.3%**

(1) Dilution further to the capital increases as a result of the distribution of the remaining dividend for 2012 and the stock-options strikes for 2013 (creation of 143,305 new shares).

The current cash flow amounted to €29.5 million in 2013 against €35.7 million in 2012, down 17.3% under the combined effect of lower net rents (divestitures) and the increased cost of funding (higher average financing rate).

2.2 *Financial resources*

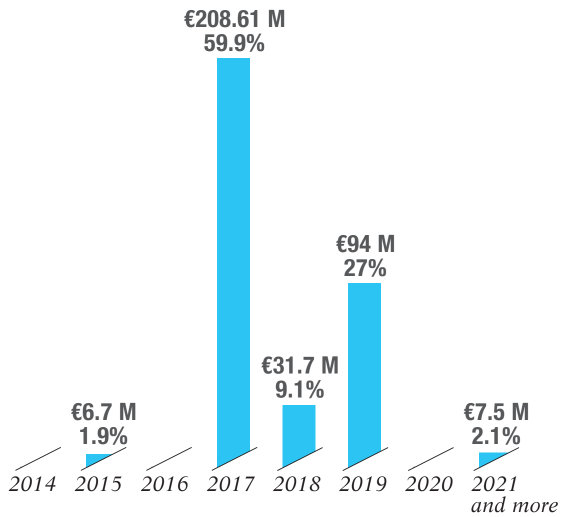
Global gross debt as at 31 December 2013 stood at €348.5 million, against €514.6 million as at 31 December 2012.

Net debt recorded on the balance sheet, obtained by deducting from the global debt all invested cash reserves, the available assets of the Group's subsidiaries, amounted to €327.1 million at year-end 2013 *versus* €511.5 million at year-end 2012:

Debt structure *(in millions of Euros)*	31/12/2013	31/12/2012
Gross financing debt	348.5	514.6
Invested cash reserves	(1.7)	0.0
Liquidity	(19.8)	(3.2)
Financial investments (pledged cash)	0.00	0.00
NET DEBT ON BALANCE SHEET	**327.1**	**511.5**

Thus, the LTV ratio at 31 December 2013 represented 46.7% of property assets, valued at €701 million, against 55.9% at 31 December 2012.

The bank financing drawn by Société de la Tour Eiffel at 31 December 2013 of €348.5 million is shown, per maturity date, in the chart below:



Further to the refinancing in 2012, the average life of the Group's debt as at 31 December 2013 stood at 4.4 years, compared with 5.3 years at year-end 2012.

The average cost for Group refinancing was 3.8% in 2013 compared with 3.2% in 2012.

The Company's debt ratios are summarized in the table below:

Debt ratios	2013	2012
Consolidated equity *(in millions of Euros)*	356.2	370.7
Net financial debt *(in millions of Euros)*	327.1	511.5
Net financial debt / Consolidated equity	92%	138%
Net banking debt / Total property assets (Loan to Value)	46.7%	55.9%

Financing ratios	2013	2012
Average cost of debt	3.8%	3.2%
Fixed or capped rate borrowings	100%	99%
Debt by maturity date	4.4 years	5.3 years
Coverage of financial expenses by EBITDA [1]	2.3	2.7

(1) *EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = operating income before value adjustments, depreciation and amortization allowances or net reversal and other operating income and expenses.*

Loan covenant ratios

The status relative to financial ratios that the Group has committed to respect as part of its bank financings is summarised in the table below, for amounts posted at 31 December 2013 per bank.

The table compares the last ratios, LTV and ICR, communicated to the banks to those the Group pledged to respect for the main financing contracts in question.

Banking financing and main covenants at 31 December 2013

	31/12/2013 *(in millions of Euros)*	Bank covenants			
	Consolidated financial debt	Maximum LTV	Minimum ICR	Maturity date	Building financed
Société Générale / BECM	19.2	65%	145%	15/04/2018	"La Poste" portfolio
Société Générale (50%) — Crédit Foncier (50%)	44.9	65%	110%	28/03/2017	Massy Ampère & Montpellier
Société Générale	6.7	NA	110%	14/01/2015	St Cloud
Pool PBB-CFF-SG-CACIB	163.7	60%	120%	13/11/2017	Locafimo
SAAR LB	7.0	72%	176%	26/06/2019	Berges de l'Ourcq
	16.2	53%	192%	26/06/2019	Comète-Plessis
	19.8	63%	159%	26/06/2019	Champigny Carnot
	12.1	58%	178%	26/06/2019	Jean Jaurès
	11.6	52%	233%	26/06/2019	Caen Colombelles
	9.6	70%	148%	26/06/2019	Étupes de l'Allan
	17.6	56%	150%	26/06/2019	Rueil National
Crédit Agricole IdF	7.5	70%	115%	29/06/2022-29/06/2027	Vélizy Energy II
Crédit Foncier	12.5	65%	110%	30/06/2018	Montrouge Arnoux
TOTAL	**348.5**				

The level of ratios under loan covenants at 31 December 2013 complies with all of the Group's commitments contained in its financing agreements.

Over the next 12 months the Group has the financial capability to meet its financial outflows under normal business circumstances.

2.3 Group property assets

All the property assets of the Société de la Tour Eiffel group were appraised at 31 December 2013 by one or the other of the following independent valuers: BNP Paribas Real Estate Valuation, Savills, Cushman & Wakefield Expertise and Crédit Foncier Expertise.

During the fiscal period, the Group rotated valuers for seven of its property assets *i.e.* 20.1% of the portfolio value. Attributions between firms are determined by the geographical location and nature of the properties appraised.

The Group's property assets stand at €701.0 million, excluding transfer duties and expenses, of which €692.4 million represent investment properties and €8.6 million represent assets for disposal.

In compliance with the recommendations of *Autorité des Marchés Financiers* (France's Financial Markets Regulator), these appraisals are undertaken annually with a standardised framework based on net selling prices, *i.e.* excluding transfer costs.

Changes in assets at 31 December 2013

(in millions of Euros)	31/12/2013	31/12/2012	Variation 2013/2012	Var. in %	% portfolio as at 31/12/2013
Paris-IdF offices	485.7	495.5	-9.8	-2.0%	69.3%
Core	**485.7**	**495.5**	**-9.8**	**-2.0%**	**69.3%**
Offices in the Regions	141.6	308.6	-167.0	-54.1%	20.2%
Other assets	73.8	111.3	-37.6	-33.7%	10.5%
Non core	**215.3**	**419.9**	**-204.6**	**-48.7%**	**30.7%**
TOTAL PORTFOLIO	**701.0**	**915.4**	**-214.4**	**-23.4%**	**100.0%**

2.3.1 Methodology retained by the valuers

The general principle of valuation retained by the valuers is based on the application of two methods: the capitalisation method, cross-checked with the comparison method. The value is estimated by the valuers on the basis of the values resulting from both methodologies.

The results obtained are also cross-checked with the initial yield and market values per sq.m.

The capitalisation method consists in capitalising a net passing income or a market rent at a suitable rate of return taking into account discounted adjustments for future rental increments or shortfalls.

This method is based on the rental value (market rent) of the assets, compared with the passing rent. When the net rent is close to the rental value, the rent is capitalised on the basis of a market rate of return, reflecting in particular the quality of the building, its location, the tenant, and the remaining fixed lease term.

The adopted rate of return (net income [(1)] of the building over gross market value, including taxes) is determined by comparing the rates of return arising from other transactions occurring on the market. If the net rent is significantly higher or lower than the rental value, the difference in rent updated until the next triennial term is added or subtracted from the rental value capitalized according to the rate of return retained, updated until the lease expires.

For space which is vacant at the time of the valuation, the rental value is capitalised at a market rate of return plus an allowance for risk, and then the loss of rent for the estimated marketing period deducted. Vacant premises are valued on a weighted basis by the experts using market rental values, after deducting the carrying costs related to the lead-time for marketing the premises as assessed by the valuers, and after deducting any commercial incentives that may be granted to potential tenants.

Within the framework of the appraisals at 31 December 2013, the rates of return chosen by the property experts range from 6.0% to 9.25% and are determined by the valuers according to the risk posed by a particular asset class and comprise the impact of vacant premises.

For assets with residual land value, the experts issue a special valuation.

For assets with no residual land value, the overall property value includes the site.

2.3.2 Net Asset Value

EPRA Triple Net Asset Value

EPRA Triple Net Asset Value corresponds to the consolidated shareholders' equity at 31 December 2013, plus the unrealised gains on goodwill after taxes on intangible assets corresponding to the value of SNC Tour Eiffel Asset Management.

The EPRA triple net NAV stood at €58.1 per share at 31 December 2013, against €62.2 at 31 December 2012, a decrease of 6.6%. Excluding the dilution effect (see the definition of the diluted number of shares, cf. Glossary in Section 8), the NAV stood at €59.5 per share as at 31 December 2013, *i.e.* a decrease of 4.3% compared with 31 December 2012.

EPRA Net Asset Value

The EPRA NAV in turn corresponds to the Group's consolidated equity at 31 December 2013:
- plus the unrealised gains on goodwill after taxes on intangible assets corresponding to the value of SNC Tour Eiffel Asset Management;
- excluding the fair value of the financial instruments;
- excluding assets and liabilities deferred tax.

The EPRA Net Asset Value stood at €59.6 per share at 31 December 2013, against €65.4 at 31 December 2012, *i.e.* a decrease of 8.9%.

(1) For buildings subject to rental vacancy, net income is increased by the market rental value of vacant properties.

Calculation of EPRA Triple Net Asset Value based on taxes from consolidated shareholders' equity

(in millions of Euros)	31/12/2013	31/12/2012	Var. in %
Shareholders' equity (Group share)	**356.2**	**370.7**	**-4.2%**
Unrealised gains on goodwill	5.6	5.6	
Restatement of the fair value of financial instruments	9.6	20.0	
Assets	(0.2)	(0.2)	
Liabilities	9.8	20.2	
Restatement Deferred taxes	(0.3)	(0.3)	
Restatement of transfer fees deducted from assets for disposal	-	1.8	
EPRA NAV	**371.0**	**397.8**	**-7.0%**
Restatement of the fair value of financial instruments	(9.6)	(20.0)	
Restatement Deferred taxes	0.3	0.3	
EPRA NNNAV	**361.8**	**378.1**	**-4.6%**
Number of diluted shares at end of period	6,227,986	6,079,909	2.4%

Per share *(in Euros)* (1)			
EPRA NAV per share after dilution	59.6	65.4	-8.9%
EPRA NAV per share before dilution	61.0	70.1	-6.7%
EPRA Triple Net NAV per share after dilution	58.1	62.2	-6.6%
EPRA Triple Net NAV per share before dilution	59.5	66.6	-4.3%

(1) Number of diluted shares: 6,227,986 at 31 December 2013 against 6,079,909 at 31 December 2012.

Change in EPRA Triple Net NAV from 31 December 2012 to 31 December 2013

	In millions of Euros	Per share *(in Euros)*
EPRA Triple Net NAV as at 31 December 2012	**378.1**	**62.2**
Impact of the change in numbers of shares		(1.5)
EPRA earnings	28.0	4.5
Distribution of dividends	(13.7)	(2.2)
Capital gains & losses from disposals	0.5	0.1
Valuation of property assets	(35.0)	(5.6)
Valuation of hedging instruments	10.5	1.7
Other	(6.5)	(1.0)
EPRA TRIPLE NET NAV AS AT 31 DECEMBER 2013	**361.8**	**58.1**
Number of diluted shares at 31 December 2013	*6,227,986*	
Number of diluted shares at 31 December 2012	*6,079,909*	

2.4 EPRA performance indicators

EPRA earnings

EPRA earnings are defined as recurring earnings from ongoing operations.

		2013	2012	Variation	Variation %
EPRA earnings	*(in millions of Euros)*	28.0	34	-6.0	-17.6%
EPRA earnings / share (1)	*Per share (in Euros)*	4.5	5.6	-1.1	-19.5%

(1) Dilution further to the capital increases as part of the distribution of the remaining dividend for 2012 and the delivery of 26,698 shares under the stock option plan of 11 December 2008 (creation of a total of 143,305 new shares).

The decrease in EPRA earnings is mainly due to lower net rents caused by disposals in 2012 and 2013.

EPRA NAV and EPRA NNNAV

		2013	2012	Variation	Variation %
EPRA NAV after dilution	*(in millions of Euros)*	59.6	65.4	-5.9	-8.9%
NAV before dilution	*(in millions of Euros)*	61.0	-	-4.4	-6.7%
EPRA Triple Net NAV after dilution	*Per share (in Euros)*	58.1	62.2	-4.1	-6.6%
Triple net NAV before dilution	*Per share (in Euros)*	59.5	-	-2.7	-4.3%

NAV 2013 was severely impacted by the change in fair value of property assets (-€35.0 million), partially offset by the revaluation of fair value of derivative instruments (€10.5 million).

EPRA Yield

		2013	2012	Variation	Variation %
EPRA “Topped-up” Net Initial Yield (1)	*(in %)*	7.44%	7.23%	21 bp	2.8%
EPRA Yield (2)	*(in %)*	6.95%	7.11%	-16 bp	-2.3%

(1) Annualized rent at 31 December, after adding back adjustments of current rent, net of expenses, divided by the property value, including transfer costs.
(2) Annualized rent at 31 December, including adjustments of current rent, net of expenses, divided by the portfolio value, including transfer costs.

EPRA vacancy rate

The EPRA vacancy rate is defined as the ratio between the market rent of vacant space and the market rent of the total area (leased and vacant).

	31/12/2013	31/12/2012	Variation 2013/2012	In %
Paris-IdF offices	2.2%	4.1%	-1.9%	-46.9%
Core	**2.2%**	**4.1%**	**-1.9%**	**-46.9%**
Offices in the Regions	21.2%	17.2%	4.0%	23.2%
Other assets	0.0%	0.4%	-0.4%	-100.0%
Non core	**12.9%**	**11.4%**	**1.6%**	**13.9%**
TOTAL PORTFOLIO	**6.3%**	**8.4%**	**-2.1%**	**-24.6%**

2.5 *Corporate financial statements*

The total balance sheet of Société de la Tour Eiffel at 31 December 2013 amounted to €364.6 million *versus* €377.3 million at 31 December 2012.

Assets

Fixed assets include, on the one hand, the buildings in Vélizy acquired at year-end 2006 and in Saint-Cloud (acquired in early 2008) (total net book value of €21.9 million at 31 December 2013) and, on the other hand, the equity interests in subsidiaries (€223.6 million) and related receivables (€60.1 million).

The decrease of €3.7 million in fixed assets is further to the sale of the building in Amiens on 21 March 2013.

The decrease of €25.4 million in financial assets is mainly due to the depreciation of Locafimo securities. The book value of Locafimo securities being greater than the NAV value of the Locafimo sub-consolidation level, an impairment of Locafimo securities was recognized on 31 December 2013 totalling €25.9 million.

Furthermore, the receivables related to equity interests, representing permanent financing from the parent company to its subsidiaries, increased in 2013 from €59.1 million to €60.1 million, mainly due to the receipt of dividends from subsidiaries.

Current assets amounted to €58.7 million at 31 December 2013 against €42.3 million at year-end 2012. This change is mainly due to the increase in receivables of €15.3 million related to the increase in advances in current accounts to subsidiaries.

In 2013, the amount of treasury shares obtained through the share buyback programme and the prevailing liquidity contract (72,594 shares at 31 December 2013 *versus* 94,597 at 31 December 2012) posted a net decrease of €0.7 million, related to the delivery of 20,000 bonus shares (see the plan dated 8 December 2011) on 9 December 2013 and the allocation of 1,900 bonus shares (see the plan dated 11 April 2013).

Liabilities

The equity of the Company amounted to €310.0 million at year-end 2013 against €315.1 million at year-end 2012.

The result for the 2012 financial period, a profit of €23,428 thousand, adjusted for retained earnings from the previous year of -€10,550 thousand forming a distributable profit of €12,878 thousand has been assigned:

- to the distribution of an interim dividend for 2012 (€2.1 per share, or €12.2 million) approved by the Board of Directors on 4 September 2012;
- to the allocation to the legal reserve of €187 thousand, to the distribution of the remaining dividend for 2012 (€2.1 per share, or €12.6 million) and to the retained earnings account of €57 thousand in accordance with the resolutions of the Ordinary General Shareholders’ Meeting of 30 May 2013.

An initial capital increase of €583 thousand (116,607 shares) in 2013 resulted from certain shareholders exercising the option to be paid the balance of the 2012 dividend in shares. The difference between the nominal amount of the share and the issue price was allocated to the share premium for €4.8 million.

A second capital increase resulted from the exercise of stock options (plan dated 11 December 2008), for €133 thousand (*i.e.* 26,698 shares). The difference between the nominal amount of the share and the issue price was allocated to the share premium for €744 thousand.

On 17 September 2013, the Board of Directors voted to distribute an interim dividend of €1.2 per share in light of the intermediate balance sheet closed on 30 June 2013, with payment only in cash.

Thus, on 31 December 2013, the share capital of Société de la Tour Eiffel stood at €31.3 million against €30.6 million at year-end 2012. During fiscal 2013, the share premium increased by €5.6 million.

In 2013, Société de la Tour Eiffel repaid €5.6 million of its three bank loans. In addition to the current amortization, the Company prepaid its SG Amiens loan following the sale of the asset (-€3.5 million).

For the rest, the decrease in liabilities mainly concerned the current accounts of its subsidiaries.

Income statement

The turnover of Société de la Tour Eiffel amounted to €8.8 million (compared with €7.6 million in 2012), comprising re-invoicing to subsidiaries (€6.7 million) of various investment, financing and administrative costs, and asset management services (according to the terms of the asset management master agreement entered into with Tour Eiffel Asset Management and paid on their behalf) as well as rental income from the Vélizy, Saint-Cloud and Amiens buildings (€2.1 million).

Following the sale of the building in Amiens, the impairment recorded on 31 December 2012 of €1.7 million was reversed in 2013.

Operating expenses (€11.4 million *versus* €13 million in 2012) are made up of the costs relating to the asset management master agreement entered into with Tour Eiffel Asset Management, certain financing and investment charges, allocations to depreciation of buildings, and Société de la Tour Eiffel's general overheads. The decrease is mainly due to:

- the reduction in remuneration (€0.9 million) related to the transfer of the employment contract of Mr Robert Waterland and part of the remuneration of Mr Renaud Haberkorn to TEAM in 2013;
- the decrease in the net impacts related to the bonus share allocation plans (€1.7 million).

The net operating loss for Société de la Tour Eiffel in 2013 thus amounted to -€0.9 million *versus* -€5.3 million in 2012.

The financial profit, which stood at €11.5 million in 2013 compared with €28.9 million in 2012, mainly comprises dividend income and related receivables, net cash reserve income and financial charges on intra-group debt and corporate bank financing. The significant change during the year was due to higher impairments on securities (-€25.8 million, see the Locafimo and Comète securities), partially offset by lower hedging costs (-€2 million) and the increase in net income from investments.

Given the above and an extraordinary loss of -€-1.8 million (see the capital loss from the transfer of the building in Amiens), this resulted in a net profit of €8.6 million against a profit of €23.4 million at the close of fiscal 2012.

The income statement required under Article R. 225-102 of the French Commercial Code is appended to the present report.

Expenditure on luxuries and non tax-deductible charges

In accordance with the terms of Articles 223 *quater* and 223 *quinquies* of the French Tax Code, we specify that the accounts for the past financial year do not include expenses which are not tax deductible.

2.6 Activities of the main subsidiaries

The business activities of subsidiaries and holdings were presented in our introductory statement on the business activities of both the Company and the Group.

A table presenting our subsidiaries and holdings, presented as an appendix to the balance sheet, shows the key indicators for sales turnover and earnings in 2013.

No shareholdings were acquired during the financial period.

At 31 December 2013, the basis for consolidation of the Société de la Tour Eiffel group encompassed 16 companies (not including Société de la Tour Eiffel), all of which are wholly-owned companies as per the list appended to the consolidated accounts. One of these 16 subsidiaries provides consultancy services (SNC Tour Eiffel Asset Management), the 15 other subsidiaries being property companies.

These subsidiaries do not hold any shares in Société de la Tour Eiffel.

2.7 Research and development

Pursuant to Article L. 232-1 of the French Commercial Code, we inform you that, in the course of the past financial year, the Company did not carry out activities in research and development.

2.8 Payment lead-times

The information required under Article D. 4414 of the French Commercial Code is presented in the following table:

Trade payables *(in Euros)*

2013	Invoices at 30 days	Invoices at 45 days	Invoices at 60 days	Other maturities	Total
2013 Invoices	245,699.93			933,281.45	1,178,981.38
Accounts payable not received				2,672,241.20	2,672,241.20
TRADE NOTES AND ACCOUNTS PAYABLE	**245,699.93**	**0.00**	**0.00**	**3,605,522.65**	**3,851,222.58**

2012	Invoices at 30 days	Invoices at 45 days	Invoices at 60 days	Other maturities	Total
2012 Invoices	253,163.98		2,090.00	3,550.63	258,804.61
Accounts payable not received				2,955,614.39	2,955,614.39
TRADE NOTES AND ACCOUNTS PAYABLE	**253,163.98**	**0.00**	**2,090.00**	**2,959,165.02**	**3,214,419.00**

3. CORPORATE GOVERNANCE

3.1 Composition of the Board of Directors and senior management

Mark Inch, Chairman and director

Business address: Société de la Tour Eiffel

Renaud Haberkorn, Chief Executive Officer and director

Business address: Société de la Tour Eiffel

Frédéric Maman, Deputy Managing Director and director

Business address: Société de la Tour Eiffel

Mercedes Erra, independent director

Address: 7, avenue André-Guillaume, 92380 Garches

Aimery Langlois-Meurinne, independent director

Address: 6, rue Jean-Gabriel-Eynard, 1205 Geneva—Switzerland

Richard Nottage, independent director

Address: 3, rue Eugène-Delacroix, 75116 Paris

Philippe Prouillac, Board member

Address: 6, villa Pauline, 92100 Boulogne-Billancourt

Robert Waterland, director

Business address: Société de la Tour Eiffel

More than half the members of the Board are directors who have no relationship of any kind whatsoever with the Company, its Group or its management that could compromise the exercise of their freedom of decision, in accordance with the recommendation of the AFEP/MEDEF Governance Code for listed companies in its updated version of June 2013.

The directorships of Messrs. Mark Inch, Robert Waterland and Philippe Prouillac were due to expire and they were renewed for three years by the General Shareholders' Meeting of 30 May 2013. The office of Chairman of the Board was also renewed for the duration of his directorship.

Mr Richard Nottage was named a member of the Appointment and Remuneration Committee on 25 April 2013.

Mr Philippe de Trémiolles joined the Company as Chief Financial Officer on 2 April 2013.

3.2 Role and operation of the Board of Directors

The members of the administrative and management bodies are not related to Société de la Tour Eiffel by a contract of employment.

Mr Frédéric Maman has an employment contract with the subsidiary Tour Eiffel Asset Management, under the conditions of remuneration set out in paragraph 3.5 below.

Mr Robert Waterland, director, had an employment contract with the subsidiary Tour Eiffel Asset Management which ended on 28 February 2014.

There is also a contract for services between the Company and Bluebird Investissements, of which Mr Mark Inch is the manager, to assist executives in raising capital and transferring assets, for a fixed annual compensation excluding VAT of €295,000.

Out of a total of eight directors, the Board has four members who have no link of dependence with the Company, from which they do not receive any direct or indirect remuneration apart from the attendance fees mentioned in paragraph 3.5 below.

Given the size of the firm and the fact that its business is concentrated in a single sector, all the strategic issues and decisions are dealt with by the Board of Directors, which nevertheless has appointed an Audit Committee as well as an Appointment and Remuneration Committee, both of which have an advisory role.

3.3 Mandates held by the management in 2013

Renaud Haberkorn

Born on 23 February 1971 in Neuilly-sur-Seine, French nationality

Address: 170, rue de l'Université—75007 Paris

Main function held in the Company:

Chief Executive Officer

Dates of appointment:

Chief Executive Officer: Effective as of 1 September 2012

Board member: 14 May 2009, last renewal 24 May 2012

Year of expiry of the terms of office of Chief Executive Officer and Board member:

2015

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Co-Manager, SNC Tour Eiffel Asset Management

Chairman, SAS Locafimo

Other offices and mandates held outside the Company at 31 December 2013:

Board member, Fédération des Sociétés Immobilières et Foncières

Other effective mandates and functions having expired during the past five years:

Board member, Polish Investments Real Estate Holding II B.V., foreign company (mandate expired in 2013)

Member of the Investment Committee, Redwood Grove International, foreign company (mandate expired in 2012)

Board member, Polish Investments Real Estate Holding B.V., foreign company (mandate expired in 2012)

Board member, Grove International Partners (UK) Limited, foreign company (mandate expired in 2011)

Member of the Investment Committee, Captiva 2 SCA and Captiva SCA, foreign companies (mandate expired in 2011)

Member of the Supervisory Board, Event Hospitality Group BV, foreign company (mandate expired in 2011)

Member of the Supervisory Board, Coöperatieve Redwood Grove International U.A., foreign company (mandate expired in 2011)

Board member, Nowe Ogrody 5 Sp., foreign company (mandate expired in 2011)

Board member, Newswanlake BV, foreign company (mandate expired in 2011)

Board member, Stichting Administratiekantoor Douglasshire International Holding, foreign company (mandate expired in 2011)

Board member / Chairman, SI Real Estate Holding B.V., foreign company (mandate expired in 2011)

Member of the Société de la Tour Eiffel Audit Committee (mandate expired in 2011)

Board member, Cypress Grove International.D Coöperatief U.A. (until 12 November 2010)

Board member, Cypress Grove International.D Coöperatief U.A. (until 12 November 2010)

Board member, Hellenic Land Holding BV (until 9/11/10)

Board member, Progetto Magnolia Srl (until 9 February 2009)

Chairman, Nowe Ogrody 5 Sp. (until 28 January 2009)

Number of shares held as at 31 December 2013:

23,512

Mark Inch

Born 12 February 1950 in Edinburgh (United Kingdom), French nationality

Address: 47, avenue Georges-Mandel, 75116 Paris

Main function held in the Company:

Chairman of the Board of Directors

Dates of appointment:

Chairman of the Board of Directors: appointed 22 July 2003, last renewed 30 May 2013

Board member: appointed 10 July 2003, last renewed 30 May 2013

Year of expiry of the terms of office of Chairman of the Board and Board member:

2016

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Board member, Société de la Tour Eiffel Foundation

Other offices and mandates held outside the Company at 31 December 2013:

Manager, Bluebird Investissements SARL

Director, Emirates REIT Management (Private) Limited, foreign company

Director, Eiffel Holding Limited, foreign company

Other effective mandates and functions having expired during the past five years:

Board member, Fédération des Sociétés Immobilières et Foncières (mandate expired in 2012)

Chief Executive Officer, Société de la Tour Eiffel (until 31 August 2012)

Manager, Bluebird Holding SARL (until 29 December 2009)

Manager, SNC Albion (until 14 January 2009)

Number of shares held as at 31 December 2013:

41,330

Frédéric Maman

Born on 2 August 1967 in Saint-Raphaël (83) French nationality

Address: 4, rue Marietta-Martin, 75016 Paris

Main function held in the Company:

Deputy Managing Director

Dates of appointment:

Board member: appointed on 24 May 2012

Deputy Managing Director: effective as of 1 September 2012

Year of expiry of the terms of office of Deputy Managing Director and Board member:

2015

Other offices and mandates held outside the Company at 31 December 2013:

Director, SNC Tour Eiffel Asset Management

Other effective mandates and functions having expired during the past five years:

Co-manager, SCI Champigny Carnot (until 4 September 2012)

Number of shares held as at 31 December 2013:

5,525

Mercedes Erra

Born on 23 September 1954 in Sabadell (Spain), French nationality

Address: 7, avenue André-Guillaume, 92380 Garches

Main function held in the Company:

Board member

Date of appointment:

18 May 2011

Year of expiry of term of office:

2014

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Member of the Société de la Tour Eiffel Appointments and Remunerations Committee

Board member, Société de la Tour Eiffel Foundation

Other offices and mandates held outside the Company at 31 December 2013:

Managing Director and Supervisory Board member of BETC

Executive President, Havas Worldwide (previously named Euro RSCG Worldwide), foreign company

Board member, Havas, listed company

Chairwoman, BETC Digital (previously named Euro RSCG 4D)

Board member, Havas Worldwide Paris (previously named Euro RSCG C&O)

Board member, BETC London Ltd

Board member, Accor, listed company

Other effective mandates and functions having expired during the past five years:

Managing Director, Havas, listed company (mandate expired in 2012)

Chairwoman of the Board, Euro RSCG (until 29 May 2011)

Number of shares held as at 31 December 2013:

52

Aimery Langlois-Meurinne

Born on 27 May 1943 in Paris, French nationality

Address: 6, rue Jean-Gabriel-Eynard, 1205 Geneva—Switzerland

Main function held in the Company:

Board member

Date of appointment:

15 October 2009, last renewal 24 May 2012

Year of expiry of term of office:

2015

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Chairman of the Société de la Tour Eiffel Appointments and Remunerations Committee

Other offices and mandates held outside the Company at 31 December 2013:

Member of Supervisory Board, Louis Dreyfus Commodities Holding BV, foreign company

Board member and Vice-Chairman, Imerys SA, listed company

Board member, IDI, listed company

Board member, Pargesa Netherlands, foreign company

Board member, E.I. Sturdza Strategic Management Limited, foreign company

Other effective mandates and functions having expired during the past five years:

Member of the Supervisory Board, PAI Partners SAS (mandated expired in 2013)

Chairman, IMERYS SA, listed company (mandate expired in 2011)

Board member and General Manager, Pargesa Holding SA (mandate expired in 2010)

Board member, Groupe Bruxelles Lambert (mandate expired in 2010)

Board member, Pargesa Luxembourg SA (mandate expired in 2010)

Board member, Club Méditerranée (mandate expired in 2009)

Number of shares held as at 31 December 2013:

27,900

Richard Nottage

Born on 10 February 1959 in Wellington, UK, British nationality

Address: 3, rue Eugène-Delacroix 75116 Paris

Main function held in the Company:

Board member

Date of appointment:

18 May 2011

Year of expiry of term of office:

2014

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Member of the Société de la Tour Eiffel Audit Committee

Member of the Société de la Tour Eiffel Appointments and Remunerations Committee

Other offices and mandates held outside the Company at 31 December 2013:

Manager, Genviva Capital SARL

Chairman, Hôtel La Falaise Dinard SAS

Member of the Executive Committee, Hôtel du Parvis de l'Europe SAS

Board member, Société Hôtelière Toulouse Centre SA

Groupe Société Hôtelière Paris les Halles:
- Chairman, Société Hôtelière Paris les Halles SAS
- Member of the Executive Committee, Hôtel de Nantes SAS
- Manager, Elorac SARL
- Director, St James Hotel Limited (UK), foreign company
- Managing Director, The Grand Real Estate B.V. (Netherlands), foreign company
- Sole Director, Samorais Ltée (Canada), foreign company
- Sole Director, 9007-2521 Québec Inc (Canada), foreign company
- Sole Director, 1180 Québec Inc. (Canada), foreign company

Other effective mandates and functions having expired during the past five years:

Board member, WBA Saint-Honoré SA (mandate expired on 31 January 2013)

Number of shares held as at 31 December 2013:

1,613

Philippe Prouillac

Born on 6 April 1953 in Dakar (Senegal), French nationality

Address: 6, villa Pauline, 92100 Boulogne-Billancourt

Main function held in the Company:

Board member

Date of appointment:

12 February 2008, last renewal 30 May 2013

Year of expiry of term of office:

2016

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Chairman of the Société de la Tour Eiffel Audit Committee

Other offices and mandates held outside the Company at 31 December 2013:

Acting Manager, CIPA company

Other effective mandates and functions having expired during the past five years:

Member of the Société de la Tour Eiffel Appointments and Remunerations Committee (mandate expired in 2011)

Number of shares held as at 31 December 2013:

104

Robert Guy Waterland

Born 28 February 1948 in Gravesend (UK), British nationality

Address: 39 *bis,* rue Cortambert, 75116 Paris

Main function held in the Company:

Board member

Date of appointment:

22 July 2003, last renewed on 30 May 2013

Year of expiry of term of office:

2016

Other offices and mandates held within the Société de la Tour Eiffel group at 31 December 2013:

Chairman of the Société de la Tour Eiffel Foundation

Transition Manager, Tour Eiffel Asset Management (mandate expired on 28 February 2014)

Other offices and mandates held outside the Company at 31 December 2013:

Manager, SNC Awon Participations—SNTP

Manager, SC Layla

Other effective mandates and functions having expired during the past five years:

Chairman, SAS Locafimo (mandate expired in 2013)

Manager, SCI du 153, avenue Jean-Jaurès (mandate expired in 2012)

Manager, SCI Arman F02 (mandate expired in 2012)

Manager, SCI Arman Ampère (mandate expired in 2012)

Manager, SCI Caen Colombelles (mandate expired in 2012)

Manager, SCI Cogolin Gaou (mandate expired in 2012)

Manager, SCI Comète (mandate expired in 2012)

Manager, SCI de Brou (mandate expired in 2012)

Manager, SCI de la Crau (mandate expired in 2012)

Manager, SCI des Berges de l'Ourcq (mandate expired in 2012)

Manager, SCI Étupes de l'Allan (mandate expired in 2012)

Manager, SCI Grenoble Pont d'Oxford (mandate expired in 2012)

Manager, SCI Marceau Bezons (mandate expired in 2012)

Manager, SCI Montrouge Arnoux (mandate expired in 2012)

Manager, SCI Nowa (mandate expired in 2012)

Manager, SCI Porte des Lilas (mandate expired in 2012)

Manager, SCI Rueil National (mandate expired in 2012)

Manager, SCI Vélizy Topaz (mandate expired in 2012)

Manager, SCI Malakoff Valette (until 21 July 2011)

Manager, SCI Lyon Genlis (until 23 May 2011)

Manager, SCI Duranne Sud (until 25 May 2010)

Manager, SCI Massy Campus 2 (until 19 October 2009)

Manager, SNC Foncière Eiffel Développement (until 9 March 2009)

Manager, SNC Albion (until 14 January 2009)

Number of shares held as at 31 December 2013:

30,995

3.4 Remuneration Policy

This chapter was prepared with the assistance of the Remuneration Committee.

3.4.1 Remuneration policy for the Board of Directors

As part of the overall package of attendance fees authorized by the General Shareholders' Meeting, the remuneration conditions of Directors are adopted by the Board of Directors further to a proposal by the Remuneration Committee.

The annual remuneration of Directors consists of:

- part of the attendance fees has been allocated to the members of each Committee in proportion to the number of meetings and the presence of its members;
- the Chairperson of each Committee received twice the amount allocated to a member;
- after deducting the amount allocated to the members of each Committee, 60% of the remaining attendance fees were allocated on an equal footing to all the directors listed above;
- the remaining 40% were allocated to the directors listed above according to their rate of attendance at meetings of the Board of Directors.

The Chairman of the Board, the Chief Executive Officer and the Deputy Managing Director do not receive attendance fees.

For the 2013 fiscal period, the amount of attendance fees paid to the Directors pursuant to the terms described above, was €150,000, as decided by the General Shareholders' Meeting of 30 May 2013.

Furthermore, in 2013, Robert Waterland was related to the Company by a fixed-term employment contract with the subsidiary Tour Eiffel Asset Management as Transition Manager, which ended on 28 February 2014.

Table on attendance fees and other remuneration collected by non-management corporate officers

	Allocated in 2012			Allocated in 2013		
Non-management corporate officers	Attendance fees	Employment contract	Total	Attendance fees	Employment contract	Total
Erra Mercedes	€20,400		€20,400	€33,825		€33,825
Langlois-Meurinne Aimery	€24,300		€24,300	€38,725		€38,725
Nottage Richard	€22,000		€22,000	€37,225		€37,225
Prouillac Philippe	€25,800		€25,800	€40,225		€40,225
Waterland Robert (1)	€0	€586,760	€586,760	€0	€315,393	€315,393
Descamps Jérôme (2)	€18,300	€301,439	€319,739	na	na	na
Haberkorn Renaud (3)	€9,200		€9,200	€0		€0
TOTAL	**€120,000**	**€888,199**	**€1,008,199**	**€150,000**	**€315,393**	**€465,393**

(1) Employment contract in 2012 with the Company as property director and with the subdidairy Tour Eiffel Asset Management from 1 March 2013 to 28 February 2014 as Transition Manager.
(2) Employment contract until 31 March 2013 with the subsidiary Tour Eiffel Asset Management as CFO.
(3) Attendance fees paid from 1 January to 31 August 2012 before his term of office as Chief Executive Officer became effective.

3.4.2 Remuneration policy for Executive Directors

1. General policy criteria

The remuneration policy for Executive Directors is determined by the Board of Directors further to a proposal by the Appointments and Remuneration Committee. This policy is regularly reviewed and discussed by the Board of Directors. During fiscal 2013, the Board was required to approve the compensation package for the Chairman of the Board, the Chief Executive Officer and the Deputy Managing Director.

Furthermore, and in accordance with the recommendations of the AFEP-MEDEF Code revised in June 2013 to which the Company refers, the Appointments and Remuneration Committee has always been guided in its analysis by the following fundamental principles:

Completeness and balance

All the items included in the remuneration of Executive Directors are reviewed annually and their respective weight is analysed: fixed remuneration, variable remuneration, the volume and value of any grants of stock options and/or performance shares as well as their conditions, and social security considerations.

As an illustration, the structure of the remuneration of the Chief Executive Officer is as follows:

Overall structure

Fixed remuneration	Variable remuneration	Multi-annual variable remuneration	Value of stock options and performance shares allocated during the financial period
66.67%	33.33%	0%	0%

However, during the first two years after taking office, it was decided in July 2011, upon his recruitment, that the variable compensation paid to Renaud Haberkorn would be a guaranteed sum of €300,000.

Simplicity and consistency

The Board of Directors, on the recommendation of the Appointments and Remuneration Committee, has always sought to implement a remuneration policy for Executive Directors that is simple, understandable and consistent over time. As a reminder, it was decided several years ago not to pay attendance fees to the Executive Directors.

The remuneration of each Executive Director consists of the following items:

- The remuneration of the Chairman of the Board consists solely of a fixed sum, which may be supplemented by an endowment of stock options and/or performance shares fully subject to conditions. In addition, it is recalled that Bluebird Investissements company, whose manager is the Chairman of the Board of Directors, has a service contract with the Company.
- The remuneration of the Chief Executive Officer and the Deputy Managing Director, consists of a fixed part and a variable part, which may be supplemented by an endowment of stock options and/or performance shares fully subject to conditions.

Motivation and performance

In its recommendations to the Board of Directors, the Appointments and Remuneration Committee ensures that the remuneration policy proposed is suitable for the responsibilities of each one and is in accordance with the practices of companies in this sector, both in France and Europe.

The formal recognition of the achievement of objectives related to the variable part of the remuneration is approved by the Appointments and Remuneration Committee and the Board of Directors.

The variable remuneration policy is reviewed regularly to reflect the strategic priorities of the Group.

Benchmark

In its recommendations to the Board of Directors, the Appointments and Remuneration Committee ensures that the remuneration policy proposed is suitable for the practices of listed companies such as the Company, (Eurolist B). Therefore, the Company referred to the remunerations observed for French companies listed on Eurolist B of Euronext Paris, to which it belongs.

Eurolist B companies

The breakdown per portion of the fixed and variable remuneration of corporate officers in Eurolist B companies is as follows:

Fixed remuneration	B compartment	In %	% total
€0K	9	6%	6%
< €200K	57	39%	36%
€201K< RF<€600K	74	51%	46%
€601K< RF<€1,000K	6	4%	10%
RF>€1,001K		0%	2%
TOTAL	**146**	**100%**	**100%**

Variable remuneration	B compartment	In %	% total
€0K	52	36%	36%
< €100K	35	24%	23%
€101K< RV<€200K	24	16%	15%
€201K< RV<€600K	32	22%	18%
€601K< RV<€1,000K	1	1%	6%
RF>€1,001K	2	1%	2%
TOTAL	**146**	**100%**	**100%**

Data from the study by ATH in 2013 "Focus on the remuneration of 400 directors of listed companies"—Appendix 8.

The fixed remuneration of Mr Renaud Haberkorn amounting to €600K at the top of the median peer group which includes 51% of the corporate officers in Eurolist B companies.

It also appears from this data that 22% of the corporate officers in Eurolist B companies receive variable compensation from €201K to €600K. The variable compensation received by Mr Renaud Haberkorn amounting to €300K and is therefore consistent with those remunerations observed in Eurolist B companies.

In addition, the Appointments and Remuneration Committee and the Board of Directors regularly verify that the remuneration policy for Executive Directors is fully consistent with the policy for all the executives in the Company.

2. Fixed part

The amount of the fixed part of the remuneration is determined by taking into account the scope of the positions held by each of the Executive Directors. This analysis is regularly reviewed.

3. Variable part

Several years ago, the Board of Directors defined the calculation procedure for the incentive as the variable part of compensation, based on ambitious and demanding criteria in order to consistently align the financial rewards of Executive Directors with the performance of the Company.

The variable part of the remuneration of the Deputy Managing Director is expressed as a percentage of the annual fixed part.

It was subject in 2013 to the attainment of objectives set by the Board of Directors on 20 March 2013, as follows:

It can amount to 40% of his base salary if all the quantitative and qualitative objectives decided by the Board of Directors on 20 March 2013 are met, as set out below:

- Qualitative criteria: the achievement of each of the following criteria entitles the Deputy Managing Director to 10% of the variable remuneration (40% maximum if all the criteria are met):
  - implementation of the strategy and implementation of strategic roadmaps for each Asset Manager;
  - understanding Company issues and taking decisions or making recommendations accordingly;
  - leading the Tour Eiffel Asset Management team and integration of the new Chief Financial Officer;
  - pipeline of potential acquisitions identified.
- Quantitative criteria: completion of all quantitative criteria gives rise to a maximum of 60% of the variable remuneration in the following proportion:
  - for a maximum of 20% of the variable remuneration: sale of €150 million of assets in addition to the €40 million of assets under sale agreements as at 31 December 2012. Each million of sales over €130 million of assets (in addition to the €40 million of assets under sale agreements) entitles the Deputy Managing Director to 1% of the variable remuneration with a cumulative maximum of 20%;
  - for a maximum of 20% of the variable remuneration: LTV at 31 December 2013 of 48% or less. When the LTV ratio falls below 50%, every 1/10% below this threshold gives rise to 1% of the variable remuneration with a cumulative maximum of 20%;
  - for a maximum of 20% of the variable remuneration: renewal/signing of €10 million of leases expiring in 2013-14-15 in advance and letting of the Montrouge building:
    - letting the Montrouge building for a minimum cost-effective rent of €285/sq.m with a lease for a minimum period of six years (rental guarantee from the developer included) entitles the Deputy Managing Director to 10% of the variable remuneration. Each euro of cost-effective rent exceeding €275/sq.m gives rise to 1% of the variable remuneration with a cumulative maximum of 10% (or 1% for any % of margin in case of disposal),
    - signature or renewal of €10 million of leases in 2013 to replace those maturing in 2013-14-15 (Montrouge and existing land reserves included): Each € million signed over €5 million gives rise to 2% of the variable remuneration with a cumulative maximum of 10%.

For 2014, the variable remuneration of the Deputy Managing Director will represent a maximum of 40% of his fixed remuneration if all of his quantitative and qualitative criteria described below are met. It is subject to the achievement of the criteria fixed by the Board of Directors on 19 March 2014, as follows:

- Qualitative criterion (which can represent 40% of the variable remuneration of Mr Frédéric Maman)
  This criterion takes into account the following:
  - implementation of the disposals policy (*i.e.* disposals to be offset by acquisitions);
  - management of TEAM staff;
  - the performance of Mr Frédéric Maman as an Executive Director.
- Quantitative Operational Criteria (which represent 60% of the variable remuneration of Mr Frédéric Maman)
  This criterion takes into account the following:
  - outperformance of EPRA earnings per share vs. 2014 Business Plan;
  - target LTV (based on IFRS, consolidated and audited, *i.e.* net financial debt/value excluding transfer costs of property assets, according to calculations done every year): 45%;
  - extension of the weighted average duration of lease exit clauses excluding business parks (“WALB”);
  - reduced EPRA structural costs (defined as “corporate” costs excluding non-recurring expenses, plus TEAM staff costs and those of the lease for the rue de la Ville-l’Évêque;
  - improvement in the rental situation as at 31 December 2014.

The variable remuneration of the Chief Executive Officer is guaranteed up to €300,000 gross per annum for the first two years in office, from 1 September 2012 until 31 August 2014.

For 2014, the variable compensation of the Chief Executive Officer may represent up to 50% of his base salary, or €300,000 if all of the quantitative and qualitative objectives as set out below are met, but with a guaranteed amount of €200,000 (acquired proportionally until 31 August 2014, then in full) whatever the result of the analysis of the performance criteria, in accordance with the original contract.

- Qualitative Criterion (representing up to 20% of the variable remuneration of Mr Renaud Haberkorn).
  This criterion takes into account the following:
  - implementation of the disposals policy (*i.e.* disposals to be offset by acquisitions);
  - shareholder communication and relations;
  - the performance of Mr Renaud Haberkorn as an Executive Director.
- Quantitative Criteria (representing up to 80% of the variable remuneration of Mr Renaud Haberkorn):

  a) Quantitative Operational Criteria (representing up to 60% of the variable remuneration of Mr Renaud Haberkorn)

  This criterion takes into account the following:
  - outperformance of EPRA earnings per share vs. 2014 Business Plan;
  - target LTV (based on IFRS, consolidated and audited, *i.e.* net financial debt/value excluding transfer costs of property assets, according to calculations done every year): 45%;
  - extension of the weighted average duration of lease exit clauses excluding business parks (“WALB”);

- reduced EPRA structural costs (defined as “corporate” costs excluding non-recurring expenses, plus TEAM staff costs and those of the lease for the rue de la Ville-l’Évêque;
- improvement in the rental situation as at 31 December 2014.

b) Quantitative Financial Criteria (representing up to 20% of the variable remuneration of Mr Renaud Haberkorn), based on a total shareholder return (TSR) target.

To ensure complete independence and perfect integrity during his term of office, the Chairman of the Board of Directors does not benefit from this variable portion of remuneration.

4. Policy for granting stock options and performance shares

In 2013 no plan to award stock options or performance shares was established for the Executive Directors.

The Board reiterates the following principles that have been specifically enacted with respect to allocations to Executive Directors.

- The remuneration of Executive Directors is subject to performance conditions. These conditions will be reviewed at the next allocation and may be performance conditions, in terms of the economic profitability of the Company in absolute or relative value and/or market performance for shareholders.
- The economic value of the allocation to Executive Directors is commensurate with their degree of individual responsibility and their incentive to work on a long-term basis to align their interests with the corporate interests of the Company.
- The Board requires that Executive Directors retain until the end of their term of office a significant amount of shares resulting from the exercising of stock options and the granting of performance shares.

5. Deferred commitments policy

Within the Company, in terms of fringe benefits there is no conditional supplementary defined-benefit pension scheme.

The Chief Executive Officer is covered by a GAN director’s unemployment insurance policy, the payment of which as of 1 January 2013 was divided between the Company (€5,820) and its wholly-owned subsidiary, T.E.A.M. (€20,360).

6. Individual remuneration of Executive Directors

Summary of compensation, stock options and shares granted to each Executive Director

Renaud Haberkorn, Chief Executive Officer	2012	2013
Compensation due for the year (detailed in table 2)	€322,716	€928,132
Value of options granted during the year (detailed in table 4)	€251,883	€0
Value of performance shares granted during the year (detailed in table 6)	€730,400	€0
TOTAL	**€1,304,999**	**€928,132**

Frédéric Maman, Deputy Managing Director	2012	2013
Compensation due for the year (detailed in table 2)	€269,851	€321,742
Value of options granted during the year (detailed in table 4)	€55,997	€0
Value of performance shares granted during the year (detailed in table 6)	€66,061	€0
TOTAL	**€391,909**	**€321,742**

Mark Inch, Chairman of the Board of Directors (1)	2012	2013
Compensation due for the year (detailed in table 2)	€114,970	€101,751
Value of options granted during the year (detailed in table 4)	€104,951	€0
Value of performance shares granted during the year (detailed in table 6)	€365,200	€0
TOTAL	**€585,121**	**€101,751**

(1) Mr Mark Inch is also a majority shareholder and the manager of Bluebird Investissements, company which is linked to Société de la Tour Eiffel by a service agreement and perceived as such an amount of €295,000 in 2013. The conclusion of the agreement referred to in Article L. 225-38 et seq. of the Commercial Code, was approved by the Board meeting of 5 December 2012 and ratified by the General Shareholders’ Meeting of 30 May 2013. It is described in the Statutory Auditors’ Special Report on regulated agreements and commitments.

Summary of remuneration of each Executive Director

	2012		2013	
Renaud Haberkorn, Chief Executive Officer	**Due**	**Paid**	**Due**	**Paid**
Fixed remuneration (1)	€200,000	€200,000	€600,000	€600,000
Variable remuneration (2)	€100,000	€100,000	€300,000	€300,000
Exceptional remuneration	€0	€0	€0	€0
Attendance fees	€9,200	€9,200	€0	€0
Benefits in kind (3)	€13,516	€13,516	€28,132	€28,132
Including:				
unemployment insurance	*€12,893*	*€12,893*	*€26,179*	*€26,179*
company car	*€613*	*€613*	*€1,889*	*€1,889*
cell phone	*€10*	*€10*	*€64*	*€64*
TOTAL	**€322,716**	**€322,716**	**€928,132**	**€928,132**

	2012		2013	
Frédéric Maman, Deputy Managing Director (4)	**Due**	**Paid**	**Due**	**Paid**
Fixed remuneration	€206,923	€206,923	€240,000	€240,000
Variable remuneration (5)	€60,000	€60,000	€78,000	€78,000
Exceptional remuneration	€0	€0	€0	€0
Attendance fees	€0	€0	€0	€0
Benefits in kind	€2,928	€2,928	€3,742	€3,742
Including:				
company car	*€2,905*	*€2,905*	*€3,702*	*€3,702*
cell phone	*€23*	*€23*	*€40*	*€40*
TOTAL	**€269,851**	**€269,851**	**€321,742**	**€321,742**

	2012		2013	
Mark Inch, Chairman of the Board of Directors	**Due**	**Paid**	**Due**	**Paid**
Fixed remuneration	€113,333	€113,333	€100,000	€100,000
Variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a	n/a	n/a	n/a
Attendance fees	€0	€0	€0	€0
Benefits in kind	€1,637	€1,637	€1,751	€1,751
Including:				
company car	*€1,589*	*€1,589*	*€1,703*	*€1,703*
cell phone	*€48*	*€48*	*€48*	*€48*
TOTAL	**€114,970**	**€114,970**	**€101,751**	**€101,751**

(1) 2012 fixed remuneration: paid for the months of September to December 2012 (four months).
2013 fixed remuneration: €100,000 paid by Société de la Tour Eiffel in respect of the duties of Managing Director, €500,000 paid by Tour Eiffel Asset Management, a controlled company, in respect of the duties of co-manager.
(2) The variable remuneration is guaranteed up to €300,000 gross per annum for the first two years of the term of office of Mr Renaud Haberkorn, paid in 2013 in part by Société de la Tour Eiffel (€100,000) and in part by Tour Eiffel Asset Management (€200,000).
Determination criteria of Mr Renaud Haberkorn's variable portion of his remuneration will be fixed by the Board of Directors at the end of his two years of office.
(3) Amount of benefits in kind paid in 2013 by Société de la Tour Eiffel: €7,772.
Amount of benefits in kind paid in 2013 by Tour Eiffel Asset Management: €20,360.
(4) Compensation paid by the Tour Eiffel Asset Management in respect of the duties of director.
(5) At the Board meeting of 20 March 2013 the Directors decided that the variable remuneration of Mr Frédéric Maman for 2013 could amount to 40% of his base salary subject to meeting the following conditions:
– 40% of the variable remuneration is subject to the achievement of four qualitative criteria, taking into account the issues of the Company in the medium term, each criterion representing 10% of the maximum variable remuneration;
– the remaining 60% are subject to three quantitative criteria based on the sale of assets to reduce the debt load of the Company, and on the early renewal of leases, each criterion representing 20% of the maximum variable remuneration. Levels of attainment of these criteria have been defined.

The table on attendance fees and other remuneration paid to non-executive directors is displayed under Section 3.4 of the management report.

Stock options and stock purchase options granted during fiscal 2013 to each Executive Director by the issuer and by any Group company

Name of Executive Director	Number and date of plan	Type of option (purchase or subscription)	Valuation of options depending on the method used for the consolidated financial statements	Number of options granted during the year	Strike price	Strike period
Renaud Haberkorn	n/a	n/a	n/a	none	n/a	n/a
Frédéric Maman	n/a	n/a	n/a	none	n/a	n/a
Mark Inch	n/a	n/a	n/a	none	n/a	n/a
TOTAL						

Stock options and stock purchase options striked during fiscal 2013 by each Executive Director

Name of Executive Director	Number and date of plan	Number of options striked during the year	Strike price
Renaud Haberkorn	n/a	none	n/a
Frédéric Maman	plan No.7 dated 11/12/2008	3,369	€32.87
Mark Inch	plan No.7 dated 11/12/2008	9,231	€32.87
TOTAL		**12,600**	

Performance shares granted during fiscal 2013 to each Executive Director by the issuer and by any Group company

Name of Executive Director	Number and date of plan	Number of shares granted during the year	Valuation of shares depending on the method used for the consolidated financial statements	Acquisition date	Availability date	Performance conditions
Renaud Haberkorn	n/a	none	n/a	n/a	n/a	n/a
Frédéric Maman	n/a	none	n/a	n/a	n/a	n/a
Mark Inch	n/a	none	n/a	n/a	n/a	n/a
TOTAL						

Performance shares that became available during fiscal 2013 for each Executive Director

Name of Executive Director	Number and date of plan	Number of shares that became available during fiscal 2013	Vesting conditions
Renaud Haberkorn	n/a	none	n/a
Frédéric Maman	n/a	none	n/a
Mark Inch	n/a	none	n/a

History of allocations of stock options and stock purchase options

Information on subscription or purchase stock options which expired in 2013 or were valid at 31 December 2013

	Plan No.7	Plan No.8	Plan No.9	Plan No.10	Plan No.11
Date of General Meeting	29/03/2007	29/03/2007	24/05/2012	24/05/2012	24/05/2012
Date of Board meeting	11/12/2008	15/10/2009	04/09/2012	11/10/2012	11/04/2013
Total number of subscription or purchase stock options a	28,198	28,427	85,000	14,862	14,862
Including the number that can be subscribed to or purchased by officers of the Company or a subsidiary	*28,198*	*28,427*	*85,000*	*14,862*	*0*
Renaud Haberkorn	*n/a*	*n/a*	*60,000*	*0*	*0*
Frédéric Maman (1)	*4,869*	*5,232*	*0*	*14,862*	*0*
Mark Inch	*9,231*	*8,982*	*25,000*	*0*	*0*
Robert Waterland	*9,231*	*8,981*	*0*	*0*	*0*
Jerôme Descamps (2)	*4,867*	*5,232*	*0*	*0*	*n/a*
Stock option exercise date	11/12/2008	15/10/2009	04/09/2012	11/10/2012	11/04/2013
Expiry date	11/12/2013	15/10/2014	04/09/2017	11/10/2017	11/04/2018
Stock purchase or subscription price	€32.87	€45.95	€43.49	€41.54	€44.56
Number of shares subscribed at 31 December 2013	28,198	0	0	0	0
Total number of stock subscription or purchase options cancelled or expired	0	0	0	11,147	0
Stock subscription or purchase options remaining at year-end	0	28,427	85,000	3,715	14,862

(1) Mr Frédéric Maman has been an Executive Director of Société de la Tour Eiffel since 1 September 2012 and of a subsidiary prior to that date.
(2) Mr Jérôme Descamps ceased to be an Executive Director on 5 December 2012.

History of allocations of performance shares

Information on performance shares valid at 31 December 2013

	Plan No.6	Plan No.7	Plan No.8	Plan No.9	Plan No.10
Date of meeting	18/05/2011	18/05/2011	18/05/2011	18/05/2011	18/05/2011
Date of Board meeting	08/12/2011	04/09/2012	11/10/2012	05/12/2012	11/04/2013
Total number of shares allocated	20,000	30,000	1,900	2,100	1,900
Including the number allocated to Executive Directors of the Company or a subsidiary	*18,000*	*30,000*	*1,900*	*0*	*0*
Renaud Haberkorn	*n/a*	*20,000*	*0*	*0*	*0*
Frédéric Maman (1)	*2,000*	*0*	*1,900*	*0*	*0*
Mark Inch	*7,000*	*10,000*	*0*	*0*	*0*
Robert Waterland	*7,000*	*0*	*0*	*0*	*0*
Jerôme Descamps (2)	*2,000*	*0*	*0*	*0*	*n/a*
Acquisition date of shares	08/12/2013	04/09/2014	11/10/2014	05/12/2014	11/04/2015
End date of retention period	08/12/2015	04/09/2016	11/10/2016	05/12/2016	11/04/2017
Performance conditions	(3)	(4)	(4)	none	(5)
Number of shares acquired at 31 December 2013	20,000	0	0	0	0
Cumulative number of shares cancelled or lapsed	0	0	1,425	0	0
Performance shares remaining at year end	0	30,000	475	2,100	1,900

(1) Mr Frédéric Maman has been an Executive Director of Société de la Tour Eiffel since 1 September 2012 and of a subsidiary prior to that date.
(2) Mr Jérôme Descamps ceased to be an Executive Director on 5 December 2012.
(3) Performance criteria achievement was recorded by the Board meeting on 4 December 2013. These criteria were as follows:
– two-thirds of share grants conclusively allocated provided that the equity of the Company be increased and that bank debt (including maturities falling due in 2013) be refinanced in terms favourable to the Company;
– one-third of share grants conclusively allocated provided that the increase in consolidated operating cash flow on a like-for-like basis, adjusted for capital gains or losses on disposals, on the date of the acquisition be at least 5% greater than the average for the last three years.
(4) One-third of share grants conclusively allocated provided that (i) the equity of the Company have been increased and bank debt (including maturities falling due in 2013) has been refinanced under favourable conditions for the Company, (ii) the management team has presented a strategic plan for the Company following the refinancing.
Two-thirds of the bonus shares granted provided that the increase in consolidated operating cash flow on a like-for-like basis, adjusted for capital gains or losses on disposals, for the last financial year closed on the date of the final award be at least 5% higher than the average cash flow for the last three years.
Obligation to purchase shares:
In addition to these criteria, the recipients were required to purchase a number of shares of Société de la Tour Eiffel similar to the number of performance shares allocated to them, at the latest within six months of the award in order to be entitled to all the shares allocated.
(5) One-third of the bonus shares will be definitively granted provided that the equity of the Company has been increased.
Two-thirds of the bonus shares will be definitively granted provided that the increase in consolidated operating cash flow on a like-for-like basis, adjusted for capital gains or losses on disposals, for the last financial year closed on the date of the final award is least 5% higher than the average cash flow for the last three years.
In addition to these criteria, the recipients were required to purchase a number of shares of Société de la Tour Eiffel similar to the number of performance shares allocated to them, at the latest within six months of the award in order to be entitled to all the shares allocated.

Employment contract/supplementary pension scheme/benefits

Executive directors	Employment contract Yes	Employment contract No	Supplementary pension scheme Yes	Supplementary pension scheme No	Allowances or benefits due or likely to be due for termination or a change in position Yes	Allowances or benefits due or likely to be due for termination or a change in position No	Compensation relating to a non-competition clause Yes	Compensation relating to a non-competition clause No
Renaud Haberkorn Chief Executive Officer Term of office start date 2012 Term of office end date 2015		X		X	X (1)			X
Frédéric Maman Deputy Managing Director Term of office start date 2012 Term of office end date 2015	X (2)			X		X		X
Mark Inch Chairman of the Board Term of office start date 2003 Term of office end date 2016		X		X		X		X

(1) In 2013, Mr Renaud Haberkorn was entitled, in the case of forced departure, to severance pay set at €1,200,000, or two years' fixed remuneration in respect of the duties of Chief Executive Officer of Société de la Tour Eiffel and those of co-manager of Tour Eiffel Asset Management, and subject to the performance criteria set by the Board of Directors of Société de la Tour Eiffel at its meeting of 23 September 2011, i.e. a cash flow from operations before cost of financial debt and taxes adjusted for non-recurring items of €52 million for 2012.
As of 2014, Mr Renaud Haberkorn will be entitled to severance pay in case of forced departure for any reason whatsoever other than gross negligence or misconduct on his part, in respect of the duties of Chief Executive Officer of the Company and/or Manager of Tour Eiffel Asset Management, to one year's fixed remuneration and variable remuneration paid by the Company and by Tour Eiffel Asset Management in the year preceding his departure. The payment of this compensation, also approved by Tour Eiffel Asset Management by the decision of 22 May 2013, in accordance with Article L. 225-42-1, paragraph 2 of the Commercial Code, will be subject to the achievement of the performance criteria for the Company, set by the Board of Directors at their meeting of 25 April 2013 as follows:
– performance criterion in the event of a forced departure in 2014: an LTV lower than or equal to 50% at year-end 2013 and a recurring cash flow greater than or equal to €28.5 million in 2013;
– performance criterion in the event of a forced departure in 2015: a LTV lower than 46.5% at year-end 2014 and a recurring cash-flow greater than or equal to €24.5 million for 2014;
– in the case of a forced departure in 2016 and beyond: the Board of Directors will establish new criteria, and if not, the criteria applicable in the case of a forced departures in 2015 will continue to apply.
In addition, the non-renewal of any term of office of Mr Renaud Haberkorn as Chief Executive Officer of the Company and/or as Manager of T.E.A.M. or a drop in the overall base salary in respect of his duties as Chief Executive Officer of the Company and as Manager of T.E.A.M. are deemed to be equivalent to a forced departure entitling him to compensation.
(2) With Tour Eiffel Asset Management, a controlled company.

3.4.3 Compensation package due or awarded for fiscal 2013 to each Executive Director of the Company, submitted to the shareholders' for opinion

In accordance with the recommendations of the AFEP-MEDEF Code revised in June 2013 (Article 24.3), to which the Company refers, the following compensation package due or awarded for fiscal 2013 to each Executive Director of the Company must be submitted to the shareholders for opinion:

- the fixed remuneration;
- the variable annual portion and, where appropriate, the multiannual variable portion with the objectives used to define the variable;
- exceptional remuneration;
- the stock options, performance shares and any other long-term compensation package;
- the benefits associated with taking up or terminating duties;
- the supplementary pension scheme;
- all other benefits.

The General Shareholders' Meeting convened to approve the financial statements for 2013 is invited to issue an opinion on the compensation package due or awarded for the period to each Executive Director of the Company, namely:

- Mr Mark Inch, Chairman of the Board of Directors;
- Mr Renaud Haberkorn, Chief Executive Officer;
- Mr Frédéric Maman, Deputy Managing Director.

Accordingly, the General Shareholders' Meeting is invited to issue a favourable opinion on the compensation package due or awarded for fiscal 2013 to Mr Mark Inch, Chairman of the Board of Directors:

Compensation package due or awarded for fiscal 2013 to Mr Mark Inch, Chairman of the Board of Directors

Submitted to the shareholders for opinion (9th resolution)

Compensation package due or awarded for fiscal 2013	Sums or book value subject to vote *(in Euros)*	Presentation
Fixed remuneration	100,000	Fixed remuneration of €100,000 in respect of 2013 adopted by the Board of Directors on 4 September 2012 further to the proposal of the Appointments and Remuneration Committee and confirmed by the Board of Directors on 30 May 2013.
Variable remuneration	N/A	Mr Mark Inch receives no variable remuneration.
Attendance fees	N/A	Like all Executive Directors of the Company, Mr Mark Inch, Chairman of the Board of Directors is not paid attendance fees.
Stock options, performance shares and any other long-term compensation package	None	Not applicable: no such allocation occurred during fiscal 2013.
All other benefits	1,751	Mr Mark Inch has a Company car (Mercedes Smart) and a mobile phone.

The General Shareholders' Meeting is invited to issue a favourable opinion on the compensation package due or awarded for fiscal 2013 to Mr Renaud Haberkorn, Chief Executive Officer:

Compensation package due or awarded for fiscal 2013 to Mr Renaud Haberkorn, Chief Executive Officer

Submitted to the shareholders for opinion (10th resolution)

Compensation package due or awarded for fiscal 2013	Sums or book value subject to vote *(in Euros)*	Presentation
Fixed remuneration	600,000	Gross fixed remuneration for 2013 of €600,000 approved by the Board of Directors on 27 July 2011 further to the proposal of the Appointments and Remuneration Committee, of which, by a decision of the Board of Directors dated 17 January 2013 further to the recommendation of the Appointments and Remuneration Committee, €100,000 was to be paid as of 1 January 2013 by the Company in respect of Mr Haberkorn's duties as Chief Executive Officer, and €500,000 was to be paid by T.E.A.M. in respect of his duties as Manager. From 1 September 2012 to 31 December 2012 the fixed remuneration of €200,000 was paid prorata temporis by the Company alone.
Annual variable remuneration	300,000	Renaud Haberkorn is paid a variable remuneration consisting of a bonus. By a decision of the Board of Directors dated 27 July 2011, Mr Haberkorn was guaranteed a remuneration of €300,000 for the first two years after taking office. By a decision of the Board of Directors dated 17 January 2013 further to the recommendation of the Appointments and Remuneration Committee, a bonus of €100,000 was to be paid to Mr Haberkorn by the Company in respect of his duties as Chief Executive Officer, and a bonus of €200,000 was to be paid by T.E.A.M. in respect of his duties as Manager. These bonuses were payable on 31 December 2013. From 1 September 2012 to 31 December 2012 the variable remuneration of €100,000 was paid prorata temporis by the Company alone.
Deferred annual variable remuneration	N/A	No provision has been made for the allocation of a deferred variable remuneration.
Multiannual variable remuneration	N/A	Mr Renaud Haberkorn receives no multiannual variable remuneration.
Attendance fees	N/A	Like all Executive Directors, as Chief Executive Officer Mr Renaud Haberkorn receives no attendance fees.
Exceptional remuneration	N/A	No exceptional remuneration was posted.
Stock options, performance shares and any other long-term compensation package	None	No such allocation occurred during fiscal 2013.
Compensation for loss of office	No amount due for fiscal 2013	In the event of a forced departure, Renaud Haberkorn would receive compensation for 2013 of two years' fixed remuneration. In accordance with the regulated agreements procedure, this commitment was authorized by the Board meetings of 27 July 2011 and 23 September 2011 and approved by the General Shareholders' Meeting of 24 May 2012 (6th resolution). For information, this compensation was reduced in 2014 to one year's fixed remuneration and variable remuneration paid in the previous year by the Company and by T.E.A.M.
Non-competition compensation	N/A	There is no non-competition clause.
Supplementary pension scheme	N/A	Mr Renaud Haberkorn is not eligible for a supplementary pension scheme.
All other benefits	28,132	Mr Renaud Haberkorn is covered by a GAN director's unemployment insurance policy, payment of which in 2013 was divided between the Company (€5,820) and T.E.A.M. (€20,360). Mr Renaud Haberkorn has a Company car (Toyota IQ type) and a mobile phone.

The General Shareholders' Meeting convened to approve the financial statements for 2013 is invited to issue a favourable opinion on the compensation package due or awarded for the period to Mr Frédéric Maman, Deputy Managing Director:

Compensation package due or awarded for fiscal 2013 to Mr Frédéric Maman, Deputy Managing Director

Submitted to the shareholders for opinion (11th resolution)

Compensation package due or awarded for fiscal 2013	Sums or book value subject to vote *(in Euros)*	Presentation
Base salary	240,000	In respect of his employment contract with Tour Eiffel Asset Management.
Annual variable remuneration	78,000	In respect of his employment contract with Tour Eiffel Asset Management In 2013 it could amount to 40% of his base salary if all the quantitative and qualitative objectives decided by the Board of Directors on 20 March 2013 were met, as set out below: **Qualitative criteria: the achievement of each of the following criteria entitles the Deputy Managing Director to 10% of the variable remuneration (40% maximum if all the criteria are met)** 1. Implementation of the strategy and implementation of strategic roadmaps for each Asset Manager 2. Understanding Company issues and taking decisions or making recommendations accordingly 3. Leading the Tour Eiffel Asset Management team and integration of the new Chief Financial Officer 4. Pipeline of potential acquisitions identified **Quantitative criteria: completion of all quantitative criteria gives rise to a maximum of 60% of the variable remuneration in the following proportion:** 1. For a maximum of 20% of the variable remuneration: sale of €150 million of assets in addition to the €40 million of assets under sale agreements as at 31 December 2012. Each million of sales of assets over €130 million (in addition to the €40 million of assets under sale agreements) entitles the Deputy Managing Director to 1% of the variable remuneration with a cumulative maximum of 20%. 2. For a maximum of 20% of the variable remuneration: LTV at 31 December 2013 of 48% or less. When the LTV ratio falls below 50%, every 1/10% below this threshold gives rise to 1% of the variable remuneration with a cumulative maximum of 20%. 3. For a maximum of 20% of the variable remuneration: renewal/signing of €10 million of leases expiring in 2013-14-15 in advance and letting of the Montrouge building. - Letting the Montrouge building for a minimum cost-effective rent of €285/sq.m with a lease for a minimum period of six years (rental guarantee from the developer included) entitles the Deputy Managing Director to 10% of the variable remuneration. Every euro of cost-effective rent over €275/sq.m entitles the Deputy Managing Director to 1% of the variable remuneration with a cumulative maximum of 10% (or 1% for every % margin in case of sale) - Signature or renewal of €10 million in leases in 2013 to replace those expiring in 2013-14-15 (Montrouge and existing property included): each € million each signed over €5 million entitles the Deputy Managing Director to 2% of the variable compensation with a cumulative maximum of 10%.
Deferred annual variable remuneration	N/A	No provision has been made for the allocation of a deferred variable remuneration.
Multiannual variable remuneration	N/A	Mr Frédéric Maman receives no multiannual variable remuneration.
Attendance fees	N/A	Like all Executive Directors, as Deputy Managing Director Mr Frédéric Maman receives no attendance fees.
Exceptional remuneration	N/A	No exceptional remuneration was posted.
Stock options, performance shares and any other long-term compensation package	None	No such allocation occurred during fiscal 2013.
Compensation for loss of office	N/A	Mr Frédéric Maman does not receive compensation for loss of office over and above the legal compensation reflecting his seniority due at the end of his contract of employment.
Non-competition compensation	N/A	There is no non-competition clause.
Supplementary pension scheme	N/A	Mr Frédéric Maman is not eligible for a supplementary pension scheme.
All other benefits	3,742	Frédéric Maman has a mobile phone and a Company car (VW Golf).

4. PROSPECTS AND RISK MANAGEMENT

4.1 Post-closing events

The following events occurred between 1 January 2014 and the approval of this document by the Board of Directors:

- sale of the building leased to La Poste in Souhesmes on 7 February 2014;
- signature of the sale agreement to Cogedim Résidence of a building plot constituting plot 5K3 in the Massy Ampère designated development zone (ZAC), and the rights to build a construction programme for housing representing a floor area ranging between a minimum of 13,500 sq.m and 15,000 sq.m on 31 January 2014;
- resignation of Mr Robert Waterland of his duties as Chairman of the Investment Committee and end of his employment contract with the subsidiary Tour Eiffel Asset Management as of 28 February 2014;
- opening on 7 March 2014 of the tender offer for the shares of the Company, the draft for which was filed with the AMF by SMABTP on 29 January 2014.

To the best of the Company's knowledge, no other significant change in the financial or trading position of the Company has occurred since the end of fiscal 2013.

4.2 Prospects and new strategic plan

In 2014 the Company will launch the third phase of the strategic plan initiated in 2012, *i.e.* the resumption of investments in office property in Paris and Île-de-France region to generate growth based on a deleveraged financial structure. This phase does not preclude the disposal of other assets that do not correspond to our strategic priorities, in particular the business parks in the provinces, but these sales will intervene in exchange for equivalent investments on core assets in order to maintain the generation of cash flow by the Company.

4.3 Risk factors and insurance

4.3.1 Risk factors

These risks are those the occurrence of which could have a material adverse effect on the Group, its business, financial standing, earnings or the share price of the Company and which are important in making an investment decision.

Attention is drawn to the fact that the list of risks presented below is not exhaustive and that other risks may exist that are either unknown or the occurrence of which is not considered likely to have an adverse effect on the Group.

The risk factors are detailed in the Company's reference document, the latest version of which is on its website.

Rental risks

Marketing the Group's property assets is overseen by the Tour Eiffel Asset Management company. The objectives related to marketing (price, time, target) are defined in conjunction with the Tour Eiffel Asset Management staff, who also ensure the creditworthiness of tenants. Draft lease contracts are written by lawyers based on standard leases.

The main tenants of properties owned by the Group are either leading businesses or public bodies, a priori thereby reducing the risk of insolvency.

At the signing of leases, the Group requires its tenants to constitute or allocate financial guarantees in the form of deposits, first demand guarantees or sureties representing three months' rent.

However, as part of its development, the Group has acquired companies whose rental portfolio did not meet the same selection criteria, in particular with regard to the profiles of tenants or the guarantees or collateral they provide, which is notably the case of the rental portfolio of the Locafimo Group. This could have a certain impact on the Group's exposure to the risk of insolvency of tenants and more generally on the performance, growth, business and future results of the Group.

Invoicing of the financial items of leases signed by Group companies is carried out by external property management service providers exclusively authorized by the Company. The organization and control of the invoicing and collection of rents and charges are centralized.

Certain operating expenses of the properties held by the Group are invoiced to tenants. They mainly consist of services provided under annual contracts.

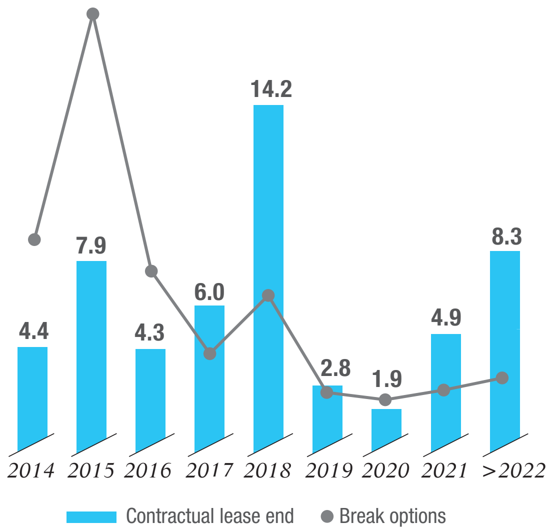
Late payments systematically give rise to reminder letters and may be associated with penalties. These delays are tracked by the Tour Eiffel Asset Management team who decide, as appropriate, on the pre-litigation or litigation required.

At 31 December 2013, the dependence of the Group in respect of its clients was as follows:

Tenants	Secure annualized rent at 31/12/2013 *(in Euros)*	% total of secure annualized rent at 31/12/2013
Multi-tenant	12,319,712	22.5%
La Poste	7,854,760	14.3%
Alstom	5,021,632	9.2%
C&S	3,924,123	7.2%
Air Liquide	3,228,810	5.9%
Ministry of the Interior	3,159,311	5.8%
NXP	2,957,797	5.4%
Altran	2,927,708	5.3%
Solétanche	2,882,092	5.3%
Atos	1,950,000	3.6%
Gefco	1,569,745	2.9%
General Council of Seine-Saint-Denis	1,521,072	2.8%
Centre for National Monuments	1,380,494	2.5%
Pôle Emploi	1,267,428	2.3%
Antalis	1,091,382	2.0%
Euro Media France	986,649	1.8%
Schneider Electric	792,347	1.4%
	54,835,061	**100%**

The overall rental situation at 31 December 2013 shows that nearly 78% of aggregate rent was secured by 16 quality tenants, the balance of rents being from multi-tenant buildings (169 leases of the 3/6/9-year type). The average lease term is the second quarter of 2016.

Maturity of portfolio leases in millions of Euros of rent



Finally, in general, it should be noted that in France, the legal framework on commercial leases imposes a number of constraints on lessors. In particular, the contractual provisions relating to the duration, termination, renewal or indexation of rents, which are regulated by law, limit rental increases by decorrelating them from market evolutions. It should also be noted that tenants have the right to vacate the premises on the date of expiry of the lease.

Changes in the rules governing commercial leases, particularly in terms of duration, indexing and capping of rents could have negative consequences on the valuation of the assets, earnings, business or financial standing of the Company. The ongoing discussions concerning the Pinel bill of law, devoted in particular to the modification of the status of commercial leases, are subject to careful monitoring by the Company and its peers.

Market risks

Société de la Tour Eiffel is affected by the market risk resulting from changes in interest rates, which affect the loans taken out by the Group to finance its investment policy and to maintain the level of financial liquidity it requires.

The purpose of the interest risk management policy of Société de la Tour Eiffel is to limit the impact of a significant change in interest rates on the Group's consolidated results and thus minimize the overall cost of its debt.

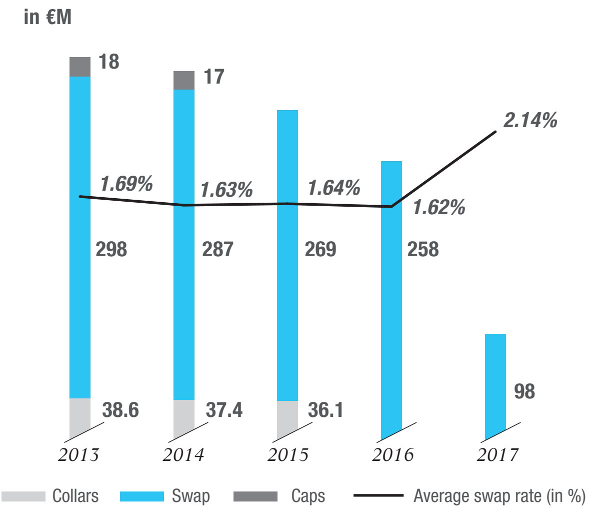
To achieve these objectives, Société de la Tour Eiffel mainly borrows at variable rates and uses derivatives (caps, collars and swaps) to hedge the interest rate risk. The Company does not conduct market operations for any other purpose than to hedge its interest rate risk, and thus centralizes and manages all of its transactions according to the recommendations of the banks with which the Company regularly works.

When establishing new credit or refinancing lines, it systematically backs them with a rate hedging instrument, choosing, after obtaining quotes from several banks, the right tool in terms of maturity and cost according to market conditions and the underlying asset to be financed.

The introduction of derivatives to minimize the interest rate risk exposes the Company to a potential default of a counterparty. To limit the counterparty risk, the Company only carries out hedging transactions with leading financial institutions.

The total outstanding hedging decreased from €508 million at 31 December 2012 to €358 million at 31 December 2013, *i.e.* a reduction of €150 million. This is because in order to optimise the management of the interest rate risk, and taking into account the disposals and early debt repayments by the Group during the year, it also completely or partially settled certain hedging instruments.

Forecast hedging for the next five years (in millions of Euros)



Measuring the interest rate risk

At 31 December 2013, the Group's consolidated gross bank debt amounted to €348.5 million, consisting of €307.9 million at fixed rates (after taking into account fixed rate swap instruments amounting to €307.9 million) and €40.6 million at floating rates, fully hedged by CAP contracts. Thus, on 31 December 2013, the interest rate risk of the debt was fully hedged.

On the basis of the debt at 31 December 2013, an average increase in Euribor 3 months interest rates of 100 basis points would have an estimated negative impact of €0.3 million in recurring net income, after hedging.

Conversely, if the interest rates fall to a Euribor 3 months rate at 0%, the decrease in financial expenses is estimated to be €0.1 million and would have an equivalent positive impact on recurring net income, after hedging.

Risk on treasury shares

See Note 4 "Financial Risk Management" of the consolidated accounts.

Counterparty risk

The Company only enters into hedging agreements with leading banks.

Currency risk

Since the Group's activities are carried out and financed solely in France, the Group believes it is not exposed to any currency risk.

Liquidity risk

The Company has carried out a specific review of its liquidity risk and considers that it is able to meet its future deadlines.

The Company and its subsidiaries have entered into "framework" contracts with leading banks to finance and refinance the property portfolio of the Group, which have been modified by riders as and when the development of its assets occurred by acquisitions.

These bank financing agreements contain the customary early repayment clauses, including:

- non-payment of an amount due;
- non-compliance with certain financial ratios;
- a change in control of the Company;
- failure to perform the various commitments made by the Company or its subsidiaries;
- inaccuracy in the various representations and guarantees obtained;
- the occurrence of an event that has a material adverse effect on our business, financial, legal or fiscal situation or on buildings owned by the Group;
- the lack of validity and enforceability of commitments;
- failure to register a mortgage lien at the agreed priority;
- the enforcement of any collateral by a creditor of the Company on property financed by moneys drawn from the framework agreement;
- the existence of bankruptcy proceedings;
- dissolution;
- merger not authorized by the lender;
- the sale of a portion of the shares of a subsidiary whose property assets have been financed through the framework contract;
- the existence of a requisition/expropriation procedure for property financed by the framework contract when the compensation is insufficient to allow repayment of the share financed;
- the recovery of a tax as a result of an uncontested tax adjustment having a material adverse effect;
- loss of eligibility for the tax regime for French 'SIIC' (REIT) companies not resulting from a change in legislation;
- qualified opinions of the Statutory Auditors when they have a material adverse effect;
- the total loss of a building financed by the framework contract.

Further to the occurrence of any of the events listed above, which is not remedied within the time provided by the framework contracts, the lending banks may cancel their commitments with respect to credit lines, declare the outstanding loans and any related costs immediately due and payable and realize all or part of the guarantees granted under these contracts.

The two key financial ratios that the Group is committed to maintain with respect to its bank financing are:

- the LTV ratio: the amount of funds committed compared with that of the fixed assets financed;
- the interest coverage ratio (ICR): the coverage of financial expenses by rental income.

The level of ratios under loan covenants at 31 December 2013 complies with all of the Group's commitments contained in each of its financing agreements (see 2.2 "Group Funding").

Risks associated with changes in the economic environment and the office property market

The property assets of the Group consisting mostly of office buildings and commercial premises in France, changes in the main French macroeconomic indicators are liable to affect the level of activity of the Group, its rental income, the value of its property portfolio and its investment and development policy for new assets, and therefore its prospects for growth. Group business may especially be influenced by the economic situation, the level of interest rates as well as the national index of construction costs ("ICC") or any index applicable to the change in rents (ILC, ILAT).

The general economic situation is likely to encourage or discourage demand in the sector in which the Group operates and, therefore, the need to develop its portfolio of office buildings. It may also have an impact on the occupancy rates of buildings, the ability of tenants to pay their rents and the value of its property assets.

Risks related to the evaluation of the property portfolio

Every half year, the Company has its entire portfolio assessed by independent valuers. The methodology used is described in section 2.3 of this report.

Furthermore, in the process of property valuation, the in-house experts of Tour Eiffel Asset Management are in constant contact with the independent property experts, not only to define the assignment and provide the basic information concerning the assets, but also to confront the valuation approaches and criteria. The Company does not modify the value of the assets provided by the independent experts.

The change in this value is closely correlated to changes in the property market and therefore to some extent could impact the financial statements of the Company for the assets that are measured at fair value. The change in fair value of the properties over an annual or semi-annual period is recorded in the consolidated income statement of the Company.

In addition, it could have an impact on the cost of debt of the Company, compliance with its financial covenants and borrowing capacity, these elements depending in particular on the leverage ratio of the Company with respect to the overall value of its portfolio.

Risks related to the failure of information systems

The Group has implemented various procedural safeguards to limit the risk of a possible failure of information systems and the loss of databases.

Legal risks

In general and to the best of the Company's knowledge, except in the case mentioned in the paragraph below, no litigation, arbitration, governmental proceedings or extraordinary event is liable to have or have had in the past twelve months a significant impact on the financial standing, earnings, business or assets of the Company or the Group. The Company believes that provisions for the pending litigation have been duly accounted for.

The contestation of the governance of the Company by one shareholder through various legal proceedings, has had a direct impact (use of external consultants) and indirect impact (time spent by the teams) on the earnings of the Company.

Real estate acquisitions by the Group are systematically made through notarized deeds which are established to include procedures implemented by professional agents who verify the legal risks inherent to the buildings.

In conducting its activities in holding and managing property assets, the Group is required to comply, in addition to the rules inherent to the French SIIC (REIT) tax system, with a large number of general or specific regulations governing, among other things, urban planning, operating permits, building construction, the environment as well as public health and safety. Any substantial change in these regulations could have an impact on the operating results or prospects for the development or growth of the Group.

Furthermore, the Group cannot guarantee that all of its tenants strictly comply with all of the regulations applicable to them, including in terms of public health, environment, safety and planning. The consequences of irregularities for which these tenants might be responsible are liable to result in the application of sanctions on Group companies, as the owner, which could affect its earnings and financial standing.

Dependence on patents or licenses

The Company's business involves acquiring, holding and managing property assets for rental purposes. As such, the Company does not participate in any research and development and has no patents. In addition, the Company believes it is not dependent on any trademark, patent or license for its business or profitability.

Risks related to the constraints resulting from the French "SIIC" (REIT) tax regime to any change to the procedure for acquiring that status or the loss of such status

Since 2004 our Company has been eligible for the French tax regime applicable to Listed Real Estate Investment Companies ("SIIC") and as such, in principle, is exempt from corporate taxes. The same applies to those of its subsidiaries subject to corporate income tax that have opted for this regime. The application of this tax regime is subject to the specific condition that the Company complies with the obligation to distribute a significant portion of the profits made by the Group and could be cancelled in the event of failure to comply with that obligation.

Loss of eligibility for the SIIC tax regime and the corresponding tax savings would affect the Group's financial standing.

Under 4-H-5.3 No.55 instruction dated 25 September 2003, the non-compliance with the conditions enabling inclusion in the SIIC regime in the years subsequent to the company's entry into the scheme results in the company leaving the SIIC tax regime and consequently those of its subsidiaries that have opted for it. The exit is retroactive to the first day of the fiscal year in which the company became no eligible to the scheme. The results of the Company and its subsidiaries cannot therefore benefit from the tax exemption subject to the condition of distribution of profits for that fiscal year.

If the company is no longer eligible to the SIIC regime in the ten years following the option, the capital gains of cessation of SIIC status and those of its subsidiaries that have opted for the regime, taxed at 16.5% (rate increased to 19% for gains recognized on or after 1 January 2009), are subject to tax at the normal rate, or the reduced taxation rate for long term capital gains if the unrealized gains on the securities of persons referred to in Article 8 benefit from the reduced rate upon cessation, for the year in which it leaves the regime, net of the tax of 16.5% paid upon such cessation (French General Tax Code Art. 208-C-IV). This effectively places the SIIC and its subsidiaries back in the situation in which they would have been if these gains had not been taxed at the rate of 16.5%.

Furthermore, according to the provisions introduced by the 2009 Finance Act ("SIIC 5") for companies no longer eligible the SIIC tax regime from 2 January 2009 onwards, the SIIC and its subsidiaries must reinstate in their taxable income for the year in which they no longer benefitted from the regime the fraction of distributable profit remaining on the closing date and from the amounts that were previously exempted from tax. The amount of corporate income tax thus payable is increased by a tax rate of 25% on unrealized gains on the buildings, rights relating to a property leasing contract and equity participations acquired during the regime, minus one tenth per calendar year since their entry to the regime.

The Amending Finance Act of 2006 introduced, with effect from 1 January 2007, new rules, known as the "SIIC 4".

Two specific measures are detailed below as they include specific risks:

a) One or more shareholders acting in concert cannot directly or indirectly hold 60% or more in the capital of an SIIC. Otherwise the preferential tax regime will be at risk.

   The 2009 Finance Act ("SIIC 5") deferred from 1 January 2009 to 1 January 2010 the entry into force of the condition relating to the shareholding in SIICs having opted for the exemption regime before 1 January 2007, provided that the Company had opted for the SIIC tax regime before 1 January 2007.

   In addition, the 2009 Finance Act provides that in case of non-compliance with the ownership limit of 60% during a fiscal year, the SIIC tax regime may, under certain conditions, be suspended for the duration of that single year if the situation is rectified before the end of that fiscal year. For that year of suspension, the SIIC is subject to corporate income tax under common law conditions. However, gains on property disposals made during the suspension period are diminished by the accumulated depreciation previously deducted from exempted taxable income. The return to the tax exemption regime the following fiscal year results in the consequences of the Company termination, and in particular in taxation at the reduced rate of 19% for unrealized gains on property assets, only on the fraction gained since the first day of the fiscal year in which the ownership limit was exceeded. The suspension is only applicable once during the ten years following the option and during the following ten years.

   To date, our Company complies with the provision relating to the ownership of its capital. However we cannot guarantee compliance with this obligation insofar as it is a decision of present or future shareholders, over whom the Company has no influence.

b) SIICs must pay a levy equal to 20% of the dividends from exempt earnings distributed since 1 July 2007 to shareholders other than individuals directly or indirectly holding at least 10% of the dividend rights, when the distributed income is not subject to corporation tax or to an equivalent tax paid by the shareholders.

   The levy paid by the SIIC is likely to cause a drop in yield for the shareholders who directly or indirectly pay it.

   Given the above provisions introduced by Article 208-C-II *ter* of the French General Tax Code, the Company's Articles of Incorporation were amended by a decision of the Extraordinary General Shareholders' Meeting of 27 March 2008, in order, on the one hand to compel a shareholder concerned by these provisions to record his share as its registered shares under penalty of having its voting rights limited to one tenth of the number of shares it holds (Article 8) and, secondly, to have the aforementioned shareholder pay the levy owed by the Company due to the situation of the shareholder (Article 33).

The changes concerning the SIIC regime which occurred in 2011, namely the end of the scheme of Article 210-E of the French General Tax Code (SIIC 3) and the elimination of the 40% allowance on dividends paid by SIICs to individuals, levied on the income of the exempt sector, do not create an additional risk for the Company.

The Amending Finance Act for 2013 includes, among others, a change in the tax regime applicable to listed real estate investment (REIT) companies. The exemption from the contribution of 3% for dividends paid by SIICs to their shareholders has been maintained. As a compensation, for the fiscal years ended since 31 December 2013, the rates of mandatory distribution that may be exempt from corporate income tax are raised from 85% to 95% in respect of the income from rental operations and from 50% to 60% of the proceeds from the sale of properties or property rights.

Risks related to tax regulations

Due to the complexity and formalism that characterize the fiscal environment in which the Company's operations are carried out, they are exposed to tax risks. For this reason, the Company may be subject to tax adjustment or litigation. Should no or insufficient provision have been booked, any tax adjustment or litigation is likely to have an adverse effect on the Company's results.

Industrial and related environmental, health and safety risks

The Group is subject to laws and regulations relating to the environment and public health. These laws and regulations apply in particular to the possession or use of facilities liable to be a source of pollution, the use of toxic substances or materials in buildings, as well as their storage and handling. If these laws and regulations become more stringent, the Group may be obliged to incur additional expenditure in order to adapt its assets to the new standards.

In addition, the properties held by the Group may be exposed to problems involving public health or safety issues, in particular related to the presence of asbestos, legionella, lead and soil pollution. The liability of Group companies may nevertheless be incurred in the case of breach of their duty to supervise and control the facilities they own. If these problems occur, they could have a negative impact on the financial standing, earnings and reputation of the Group.

Finally, the properties held by the Group may be exposed to the risk of flooding, collapse or be subject to unfavourable opinions of the competent safety committees. Events such as these could result in the partial or total closure of the office building or industrial premises concerned, and have a material adverse effect on the image and reputation of the Group, on the attractiveness of its assets, business and earnings.

Over and above the insurance coverage of assets, prior to their acquisitions, the Group's companies systematically check the compliance of technical facilities that may affect the environment or the safety of persons (fire-fighting equipment, ventilation, and air conditioning systems, electrical systems and elevators, etc.). This verification is carried out by independent inspection agencies. The comments made by inspection agencies are then taken into account by the technical managers appointed by the Company to respond, where appropriate, to the remarks made by the inspection agencies.

Further to the studies prior to acquisitions, the companies in the Group carry out the work required in order to be constantly in compliance with the currently applicable legislation and standards.

Risks related to changes in sustainable development standards

The Group's earnings may be affected in various ways by changes in sustainable development standards, resulting from national or supranational provisions. In particular, they are liable to impose performance criteria on properties held by the Group, and may result in further costs and adaptations.

Tax provisions or tax benefits may change, penalising certain products or the impact of certain activities, such as carbon emissions or, on the contrary, favouring others.

New professional standards, quality labels or certification may regulate certain activities or impose non-regulatory technical objectives appreciated by customers.

The Company anticipates these changes by regulatory monitoring of sustainable development, precise monitoring of its constructions and the market, thereby preparing for the adaptation of its products and services.

As part of the anticipation and control of these risks, for several years the Company has implemented a policy of regular maintenance and upgrading work ("Capex") to maintain the quality of its assets and meet environmental regulations.

During fiscal 2013, the Company continued the development of a strategy to improve the knowledge of its assets in terms of energy and environmental issues, and to structure a methodology for collecting data to ensure the reliability and sustainability of the information obtained. To do so, it contracted with Sinteo, a firm specialized in these services. As a result, the Group can effectively guide the maintenance, renovation and renewal work on its assets.

This initiative will be continued over time in order to confirm the corporate, social and environmental commitment of the Company, which wishes to invest in a strategy of continuous improvement based on a detailed list of performance indicators and targets.

Early in 2011 the Company released its first corporate, social and environmental responsibility report. The 2012 and 2013 CSR reports, the 2013 report being included in paragraph 6.3 of this report, have been completed and enriched not only to comply with the regulations but also to deploy the Group's strategy with its stakeholders. This new phase now makes it possible to structure a multi-year action plan in order to improve the performance and measurement of its assets.

Risks related to delays or failure to effectively deliver buildings for construction as part of sales of buildings prior to completion ("off-plan")

As part of its portfolio of commitments, the Group may acquire buildings prior to completion ("off-plan"). The delay or absence of actual delivery of these buildings to be constructed off-plan, in particular because of the default of the companies in charge of the construction of such buildings, could curb the development strategy of the Group and have an adverse impact on its results, business, financial standing and prospects for growth.

This risk is not applicable in the short term because the Company has no current project to purchase off-plan.

Risks related to dependence on certain key executives

These risks have been mitigated by the adoption in 2011 by the Board of Directors of a succession plan under which the Group's Executive Board was entrusted with effect from 1 September 2012 to Mr Renaud Haberkorn, formerly director of Société de la Tour Eiffel. As of 1 September 2012, in the interests of the gradual transmission and sustainability of the Group, the former Executive Directors, Mr Mark Inch (Chairman and Chief Executive Officer) and Mr Robert Waterland (Deputy Managing Director), respectively became Chairman of the Board of Directors and Property Director to the Group.

Mr Renaud Haberkorn has 17 years of international experience in the real estate and finance sectors and is familiar with the Company having been a director from 2003 to 2006 again since 14 May 2009.

Mr Frédéric Maman, Managing Director of Tour Eiffel Asset Management, has been appointed Société de la Tour Eiffel's Director on 24 May 2012 and has been nominated Deputy Managing Director of the Company as from 1 September 2012.

A new Chief Financial Officer, Mr Philippe de Trémiolles, took office in early April 2013.

Risk of dependence on asset management contracts

The Group depends on Tour Eiffel Asset Management company with which it has signed an asset management contract for a period of five years from 1 January 2007 until 31 December 2011. This contract was automatically renewed for a period of five years.

If the contract were to be terminated by Tour Eiffel Asset Management it would undoubtedly result in the loss of know-how. The probability of termination by the latter is very low however, given that the company only works for STE, of which it is a wholly-owned subsidiary.

Risk of dependence on Property Managers

The Company believes that the risk of dependence in respect of Property Managers is low.

4.3.2 Insurance and risk coverage

The Group has an insurance programme, placed with leading insurance companies, covering the damage that may be caused to its property assets and the resulting operating losses or rents for periods of variable compensation according to the real estate in question.

The Group's property assets are insured at reconstruction value and are regularly appraised by specialized firms. The financial consequences should the Group's third-party liability be incurred are also insured.

Construction or renovation work on the property assets of the Group are insured by "Construction All Risk" and "Property Damage" insurance policies. Management of these programmes is centralised by the exclusive agent of the Company, who coordinates operations with insurance brokers at Group level. A large portion of the insurance premiums is invoiced to tenants as operating expenses. The Group benefits from the expertise of certain members of Tour Eiffel Asset Management staff specializing in real estate insurance.

The total amount of insurance premiums paid in respect of the 2013 financial period is €1,064 thousand. This total breaks down as follows:

- "Building Multi-risk" insurance: €841K
- "Third-Party Liability" and "Corporate" insurance: €215K
- Other insurance policies: €8K

All of the Group's property assets are covered by the "Damages" and "Liability" warranties of the "Multi-risk" insurance policies underwritten by French insurance companies.

5. SHAREHOLDERS IN SOCIÉTÉ DE LA TOUR EIFFEL

5.1 Information related to capital

At the date of the management report, the share capital of the Company is set at €31,269,580 divided into 6,253,916 ordinary shares of €5 par value, fully subscribed and paid, all of the same category.

5.1.1 Changes in capital over the last five years

		Changes in the amount of share capital					
Date	Transaction	Nominal value	Share premium	Resulting share capital	Number of shares created	Number of shares after the transaction	Nominal value of the share
Position on 31 December 2008	**–**	**–**	**–**	**€249,264,144**	**–**	**5,193,003**	**€48**
10 June 2009	Reduction in capital	€223,299,129	–	€25,965,015	–	5,193,003	€5
10 June 2009 (2)	Capital increase	€1,200,165	€3,922,139	€27,165,180	240,033	5,433,036	€5
27 October 2009	Distribution of part of the share premium	–	-€10,677,220	€27,165,180	–	5,433,036	€5
Position on 31 December 2008	**–**	**–**	**–**	**€27,165,180**	**–**	**5,433,036**	**€5**
20 May 2010	Distribution of part of the share premium	–	-€7,318,611	€27,165,180	–	5,433,036	€5
30 September 2010 (2)	Capital increase	€796,240	€5,898,545.92	€27,961,420	159,248	5,592,284	€5
Position on 31 December 2010	**–**	**–**	**–**	**€27,961,420**	**–**	**5,592,284**	**€5**
18 May 2011 (1)	Capital increase	€7,500	€41,805	€27,968,920	1,500	5,593,784	€5
20 June 2011 (2)	Capital increase	€690,965	€7,215,056.53	€28,659,885	138,193	5,731,977	€5
19 September 2011 (2)	Capital increase	€21,475	€212,387.75	€28,681,360	4,295	5,736,272	€5
Position on 31 December 2011	**–**	**–**	**–**	**€28,681,360**	**–**	**5,736,272**	**€5**
21 June 2012 (2)	Capital increase	€917,080	€4,812,835.84	€29,598,440	183,416	5,919,688	€5
3 October 2012 (2)	Capital increase	€954,615	€6,117,172.92	€30,553,055	190,923	6,110,611	€5
Position on 31 December 2012	**–**	**–**	**–**	**€30,553,055**	**–**	**6,110,611**	**€5**
24 June 2013 (2)	Capital increase	€583,035	€4,817,035.17	€31,136,090	116,607	6,227,218	€5
November and December 2013 (1)	Capital increase	€133,490	€744,073.26	€31,269,580	26,698	6,253,916	€5
POSITION ON 31 DECEMBER 2013	**–**	**–**	**–**	**€31,269,580**	**–**	**6,253,916**	**€5**

(1) After exercising the share purchase options.
(2) After exercising the option to be paid the dividend in shares.

5.1.2 Share buy-back programmes

During fiscal 2013, two share buy-back programmes were used, the first established on 21 June 2012, the second established by the Board of Directors on 24 July 2013 by delegation of the General Shareholders' Meeting of 30 May 2013.

2013 buy-back programme

	Quantity	Average price	Total
Purchased	65,119	€48.9090	€3,184,903.24
Sold	66,076	€48.9702	€3,235,755.48
Transferred			
Trading fees			

Number of shares registered in the name of the Company at the end of the year: 72,594.
Estimated total value of these shares at purchase price: €5,734,200.06 (value per share: €78.99).
Par value for each purpose: par value of shares €5.
Number of shares used: 20,000 shares were taken to be delivered on 9 December 2013 to the recipients of the 8 December 2011 free share allocation plan at the end of the vesting period.
Possible reallocations of shares and percentage of capital they represent: none.

Next share buyback programme

The next General Shareholders' Meeting convened to approve the 2013 financial statements will be invited to authorise the Board of Directors to implement a new buy-back programme of the Company's own shares in order to:

- stimulate the market or the liquidity of the shares under a liquidity contract with an investment service provider,
- cancel all or part of the shares bought back under the conditions laid down in Article L. 225-209 of the Commercial Code and, subject to approval, reduce the shareholders' equity granted by the General Shareholders' Meeting,
- dispose of shares that may be allotted to its officers and employees as well as those of companies that are related to it under the conditions and in the manner prescribed by law, in particular as part of plans for the purchase of stock options, the free allocation of existing shares, corporate savings plans or intercompany savings plans,
- keep and later remit shares as payment or exchange as part of external growth, merger, spin-off or asset contribution transactions within the limit of 5% of the capital,
- acquire and hold shares for the purposes of financial and asset management.

The conditions of the new share buy-back programme proposed at the next General Shareholders' Meeting will be as follows:

- maximum number of shares authorized for buy-back: 10% of the capital of Société de la Tour Eiffel;
- maximum purchase price: €80 per share;
- duration of the authorization of the General Shareholders' Meeting: eighteen months from the date of the General Shareholders' Meeting convened to approve the 2013 financial statements.

Breakdown by objective of the shares held at 28 February 2014

- Liquidity contract: 0 share.
- Allocation of options to purchase or subscribe for shares and bonus shares: 72,594 shares.
- Where appropriate, acquisitions: none.

5.1.3 Detachable share warrants

On 21 February 2013, Société de la Tour Eiffel issued 600,000 detachable share warrants (the **"Warrants"**), securities giving access to the capital of the Company exercisable at the Company's option [(1)]. The Warrants were subscribed in full by Kepler Capital Markets SA as part of the establishment of a multi-annual equity financing line.

The issue of new shares resulting from the exercise of the Warrants shall be decided at the discretion of the Company, at times it considers appropriate, subject to the conditions set out in the issue contract of 21 February 2013, at any time between 21 February 2013 and no later than 21 February 2016.

5.2 *Group ownership structure*

5.2.1 Statutory thresholds

There is no statutory threshold requiring the declaration of crossing a threshold.

5.2.2 Double voting rights

There are no double voting rights.

(1) The issue of the Warrants was decided by the Board of Directors of the Company at its meeting on 5 December 2012 as part of the authorization granted to it under the 14th resolution adopted by the General Shareholders' Meeting held on 18 May 2011, pursuant to which it delegated its authority to the Board of Directors, while eliminating pre-emptive subscription rights, to increase the share capital by issuing, with offers reserved for qualified investors or a restricted circle of investors, any marketable securities giving access, immediately or in the future, to shares of the Company.

5.2.3 Changes in ownership structure in 2013

Mr Chuc Hoang / Compagnie MI 29

On 12 April 2013, Compagnie MI 29 and Eiffel Holding Limited entered into a share purchase option contract to the benefit of Compagnie MI 29 involving 530,000 shares of Société de la Tour Eiffel, representing 8.67% of the capital, provided that the option be exercised between 10 June 2013 until 30 September 2013.

Following the conclusion of the contract, the Compagnie MI 29 stated that on 12 April 2013, through the Eurobail and Foncière Wilson companies that it controls, it had directly and indirectly crossed the thresholds of 5% and 10% of the capital and voting rights of Société de la Tour Eiffel on the upside, and held 10.77% of the capital (including 530,000 shares pursuant to the assimilation referred to in Article L. 233-9 of the Commercial Code).

Mr Chuc Hoang stated that, through Compagnie MI 29, Eurobail SA and Foncière Wilson Sarl companies that he controls, he had directly and indirectly crossed the thresholds of 15% of the capital and voting rights of Société de la Tour Eiffel on the upside on 12 June 2013, and held, directly and indirectly, 15.40% of the share capital of the Company. On this occasion, Compagnie MI 29 stated it had individually crossed the thresholds of 10% of the capital and voting rights of Société de la Tour Eiffel on the upside (including 530,000 shares pursuant to the assimilation referred to in Article L. 233-9 of the Commercial Code).

Mr Chuc Hoang stated that, through Compagnie MI 29, Eurobail SA and Foncière Wilson Sarl companies that he controls, he had directly and indirectly crossed the thresholds of 20% of the capital and voting rights of Société de la Tour Eiffel on the upside on 26 August 2013, and held, directly and indirectly, 20.42% of the share capital of the Company (including 530,000 shares pursuant to the assimilation referred to in Article L. 233-9 of the Commercial Code).

Compagnie MI 29 stated it had individually crossed the thresholds of 15% of the capital and voting rights of Société de la Tour Eiffel on the upside on 16 September 2013, and individually held 15.27% of the share capital of the Company (including 530,000 shares pursuant to the assimilation referred to in Article L. 233-9 of the Commercial Code).

In these statements of threshold crossing, Compagnie MI 29 had not yet exercised the call option concerning the 530,000 shares mentioned above.

Mr Chuc Hoang stated, in respect of the exercise by Compagnie MI 29 of the call option on 530,000 shares of Société de la Tour Eiffel, that on 30 September 2013, through the MI 29, Eurobail SA and Foncière Wilson Sarl companies that he controls, he had crossed the thresholds of 20% of the capital and voting rights of Société de la Tour Eiffel on the upside and held, directly and indirectly 22.59% of the share capital of the Company.

The persons acting in concert, namely Messrs. Mark Inch and Robert Waterland, their families and the companies they control, stated that on 30 September 2013 they had crossed the thresholds of 10% and 5% of the capital and voting rights of Société de la Tour Eiffel on the downside and held 1.95% of the share capital of the Company.

Mr Chuc Hoang stated that, through Compagnie MI 29, Eurobail SA and Foncière Wilson Sarl companies that he controls, he had directly and indirectly crossed the thresholds of 25% of the capital and voting rights of Société de la Tour Eiffel on the upside on 24 October 2013, and held, directly and indirectly, 25.54% of the share capital of the Company.

Compagnie MI 29 stated it had individually crossed the thresholds of 20% of the capital and voting rights of Société de la Tour Eiffel on the upside on 16 December 2013, and individually held 20.03% of the share capital of the Company.

BNP Paribas Asset Management

BNP Paribas Asset Management (1, boulevard Haussmann, 75009 Paris), as part of its management business for third parties, stated it had crossed the threshold of 5% of the capital on the downside on 25 September 2013.

Our Company has not been notified of any other crossing of thresholds.

5.2.4 Shareholding situation at 31 December 2013

- Entities owning, directly or indirectly, more than one-twentieth of the capital or voting rights:
  ING Clarion (now CBRE Clarion).
- Entities owning, directly or indirectly, more than one-fourth of the capital or voting rights:
  Mr Chuc Hoang (including the shares held by the persons acting in concert.

5.2.5 Material changes in the ownership structure over the three past years

To the best of the Company's knowledge, over the years 2011, 2012 and 2013, the ownership structure of the Company underwent the following changes (apart from the thresholds crossings mentioned in paragraph "Changes in ownership structure during 2013" above:

- BNP Paribas Asset Management (1, boulevard Haussmann, 75009 Paris):
  This company declared that it crossed the 5% threshold of capital and voting rights in our Company on the upside on 27 July 2011.
  It declared that it crossed the 5% threshold of capital and voting rights in our Company on the downside on 15 March 2012.
- F&C Asset Management Plc (80 George Street, Edinburgh, EH2 3BU, Scotland, United Kingdom):
  This company declared that it crossed the 5% threshold of capital and voting rights in our Company on the upside on 25 July 2012 and on the downside on 20 August 2012.

5.2.6 Distribution of capital by shareholder groups over three years

Shareholders owning more than 5% of capital and/or voting rights

Officers and Directors—treasury shares

	Balance at 31/12/2013			Balance at 31/12/2012			Balance at 31/12/2011		
Ownership structure	Number of shares	% of capital	% of voing rights [1]	Number of shares	% of capital	Theoretical % of voting rights [1]	Number of shares	% of capital	Theoretical % of voting rights [1]
Shareholders owning more than 5% of capital [2]									
Mr Chuc Hoang, through Compagnie MI 29, Eurobail and Foncière Wilson, companies that he controls *resident*	1,812,681	29.11	29.11						
ING Clarion now CBRE Clarion *non resident*	165,800	6.53	6.53	165,800	6.53	6.53	165,800	6.53	6.53
Eiffel Holding Ltd *non resident*	na [3]	na [3]	na [3]	516,567	9.51	9.51	516,567	9.51	9.51
BNP Paribas Asset Management SAS *resident*	na [3]	na [3]	na [3]	na [3]	na [3]	na [3]	402,778	7.03	7.03
Directors and companies controlled by officers / directors [4]									
Directors and companies controlled by officers / directors [4]	170,467	2.73	2.73	676,486	11.07	11.07	577,095	10.06	10.06
Treasury shares									
Treasury shares	72,594	1.16	1.16	94,597	1.54	1.54	93,650	1.63	1.63

There has been no significant change since 31/12/2013.
(1) The difference between the theoretical voting rights and exercisable voting rights is not significant (less than 2%).
(2) On the basis of the latest declaration of threshold crossing.
(3) na: shareholders who crossed the 5% threshold on the downside.
(4) The directors' shares are taken into account from the 2012 fiscal year onwards on the basis of statements made by each director.
For the record, number of shares forming the capital:
– at 31 December 2013: 6,253,916;
– at 31 December 2012: 6,110,611;
– at 31 December 2011: 5,736,272.

Through Compagnie MI 29, Eurobail and Foncière Wilson companies that he controls, Mr Chuc Hoang became the main shareholder of the Company and holds more than a quarter of the share capital. Eiffel Holding sold 530,000 shares to Compagnie MI 29 on 30 September 2013, reducing its stake to 0.48% of the capital at 30 September 2013 (compared with 9.51% at year-end 2012).

To the best of the Company's knowledge, no other shareholder directly or indirectly, alone or together, holds more than 5% of the capital or voting rights.

5.3 *Dividends paid out over the past five years*

5.3.1 Dividends over five years

Financial year	Dividend	Number of shares	Nominal value
2009 [1]	0	5,433,036	€5
2009	€0.62 [2]	5,433,036	€5
2010	Interim €2.00	5,433,036	€5
2010	Balance €2.20	5,593,784	€5
2011	Interim €2.10	5,731,977	€5
2011	Balance €2.10	5,736,272	€5
2012	Interim €2.10	5,919,688	€5
2012	Balance €2.10	5,919,688	€5
2013	Interim €1.20	6,227,218	€5

(1) Distribution of €2 per share paid out of the share premium further to the approval of the General Shareholders' Meeting of 15 October 2009.
(2) Levied on the "other reserves" and "legal reserve" items, plus an amount of €1.38 per share paid out of the share premium.

For 2009, it should also be recalled that the General Shareholders' Meeting of 15 October 2009 decided to distribute €2 per share (excluding treasury shares) to be paid out of the share premium.

The General Shareholders' Meeting of 20 May 2010 decided to distribute €2 per share deducted from the reserves and share premium.

5.3.2 Distribution of dividend policy

The dividend distribution policy follows the SIIC status regulatory framework.

In particular, for the year ended 31 December 2013 and before, 85% of the earnings from building rentals are distributed before the financial year end following the year they were recorded. 50% of the capital gains from building disposals and shares in tax transparent property companies or shares of subsidiaries subject to the company income tax which opted for SIIC status are distributed before the end of the second year following the year they were recorded; dividends received from subsidiaries that have opted for SIIC status are fully redistributed during the year following the year they were recorded.

For the fiscal years ended on and after 31 December 2013, the rates of mandatory distribution that may be exempt from corporate income tax are raised from 85% to 95% in respect of the income from rental operations and from 50% to 60% of the proceeds from the sale of property or property rights.

The SIIC option was exercised on 15 April 2004 effective from the 2004 financial year.

The dividends and interim dividends declared but not claimed revert to the government after five years from the date of payment (Articles L. 1126-1 and L. 1126-2 of the French General Code of ownership of public corporations).

Société de la Tour Eiffel plans to continue to pay out dividends twice a year for as long as its earnings and expanding business activity allow it to do so.

5.4 Transactions involving the Company's shares

5.4.1 Share buyback programmes

During the 2013 financial period, two share buyback programmes were adopted.

a) The first, introduced on 21 June 2012 by the Board of Directors as delegated by the General Shareholders' Meeting held on 24 May 2012, was to:
   - stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
   - cancel the shares bought back, wholly or in part, in accordance with the conditions laid out in Article L. 225-209 of the Commercial Code, and subject to approval of the share capital reduction by the General Shareholders' Meeting;
   - have shares on hand which it may issue to its corporate officers and employees as well as to the corporate officers and employees of companies with ties to Société de la Tour Eiffel, under the terms and conditions allowed for by law, especially as regards stock option plans, the free attribution of existing shares, and corporate or inter-company savings plans;
   - to keep and subsequently remit shares as payment or in exchange as part of acquisitions, mergers, demergers or contributions within the limit of 5% of the capital;
   - to acquire and hold shares for financial and asset management purposes.

   The maximum number of shares for which buyback is authorised is equivalent to 10% of the capital of Société de la Tour Eiffel.

   This authorisation may not be used during a period of takeover bid or exchange.

b) The second, adopted on 24 July 2013 by the Board as delegated by the General Shareholders' Meeting held on 30 May 2013, was to:
   - stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
   - cancel the shares bought back, wholly or in part, in accordance with the conditions laid out in Article L. 225-209 of the French Commercial Code, and subject to approval of the share capital reduction authorised by the General Shareholders' Meeting;
   - have shares on hand which it may issue to its corporate officers and employees as well as to the corporate officers and employees of companies with ties to Société de la Tour Eiffel, under the terms and conditions allowed for by law, especially as regards stock option plans, the free attribution of existing shares, and corporate or inter-company savings plans;
   - hold and subsequently remit shares as payment or exchange as part of external growth, merger, demerger or contribution operations within the limit of 5% of the capital;
   - to acquire and hold shares for financial and asset management purposes.

   The maximum number of shares for which buyback is authorised is equivalent to 10% of the capital of Société de la Tour Eiffel.

   This authorisation may not be used during a period of takeover bid or exchange.

The liquidity contract associated with the share buyback programme continued during the 2013 fiscal year. It was assigned to Natixis until 15 April 2013 and to Rothschild & Cie Banque as of 16 April 2013.

5.4.2 Share subscription or purchase options

Allocation in 2013

The Extraordinary General Meeting of Shareholders of 24 May 2012, in its 16th resolution, delegated to the Board of Directors the power to grant options to subscribe for or purchase shares to certain officers and/or employees of the Company or its subsidiaries, within the limit of 2% of capital.

Making use of that delegation of power, on 11 April 2013 the Board of Directors granted 14,862 stock options.

The performance criteria, the achievement of which authorizes the beneficiary to exercise the options, are as follows:

- Qualitative criteria: two thirds of the stock options may be exercised provided that the equity of the Company has been increased;
- Quantitative criteria: one third of the stock options may be exercised provided that the increase in consolidated operating cash flow on a like-for-like basis, adjusted for capital gains or losses on disposals, for the last financial year closed on the exercise date be at least 5% higher than the average cash flow for the last three financial periods.

Consequently, all the stock option plans exercisable at 31 December 2013 now represent 132,005 options, *i.e.* 2.11% of capital (instead of 2.56% at 31 December 2012).

Strike during fiscal year 2013

The Extraordinary General Meeting of Shareholders of 29 March 2007 authorized, in its 17th resolution, the Board of Directors to grant options to subscribe for or purchase shares of the Company within the limit of 1.5% share capital.

Making use of that delegation of power, the Board of Directors allocated:

- on 16 October 2007, 26,931 stock options (number of options re-adjusted on 27 October 2009) which the holders agreed to forego in March 2010;
- on 11 December 2008, 28,198 stock options (number of options re-adjusted on 27 October 2009 and 28 May 2010);
- on 15 October 2009, 28,427 stock options (number of options re-adjusted on 27 October 2009 and 28 May 2010).

The recipients of the plan of 11 December 2008 exercised 26,698 stock options between 22 November and 4 December 2013 and therefore subscribed 26,698 new shares, the decision to authorize the granting of such options involved the express waiver by the shareholders to exercise their pre-emptive subscription rights to the shares to which these options entitled them.

These new equity securities, issued at a price of €32.87, were released in full in cash upon subscription, thereby causing an increase in the share capital of €133,490 to bring it to €31,269,580. It is divided into 6,253,916 shares of a single class of €5 each, fully paid in.

5.4.3 Bonus shares

In 2013, the Board of Directors used only once the delegation of power granted by the Extraordinary General Meeting of Shareholders of 18 May 2011, in its 19th resolution, to grant bonus shares to certain officers and/or employees of the Company or its subsidiaries, within the limit of 1% of capital: 11 April (1,900 shares).

The final allocation of shares is subject to the achievement of the following performance conditions after a period of two years:

- Qualitative criteria: one-third of the bonus shares will be definitively granted provided that the equity of the Company be increased;
- Quantitative criteria: two-thirds of the bonus shares will be definitively granted provided that the increase in consolidated operating cash flow on a like-for-like basis, adjusted for capital gains or losses on disposals, for the last financial year closed on the date of the final award be at least 5% higher than the average cash flow for the last three years.

As a reminder, the recipients, in their capacity as senior executives of Société de la Tour Eiffel or of its subsidiaries, must ensure that a third of the shares they have received remain registered until the termination of their duties.

The vesting period is two years, as is the holding period.

Summary of plans to allocate unexpired share subscription or purchase options

Information on stock subscription or purchase options which expired in 2013 or were valid at 31 December 2013

	Plan No.7	Plan No.8	Plan No.9	Plan No.10	Plan No.11
Date of Shareholders' Meeting	29/03/2007	29/03/2007	24/05/2012	24/05/2012	24/05/2012
Board of Directors meeting date	11/12/2008	15/10/2009	04/09/2012	11/10/2012	11/04/2013
Total number of shares available for subscription or purchase	28,198	28,427	85,000	14,862	14,862
number available for subscription or purchase by corporate officers of the Company or subsidiary	*28,198*	*28,427*	*85,000*	*14,862*	*0*
Renaud Haberkorn	*na*	*na*	*60,000*	*0*	*0*
Frédéric Maman (1)	*4,869*	*5,232*	*0*	*14,862*	*0*
Mark Inch	*9,231*	*8,982*	*25,000*	*0*	*0*
Robert Waterland	*9,231*	*8,981*	*0*	*0*	*0*
Jerôme Descamps (2)	*4,867*	*5,232*	*0*	*0*	*na*
Stock option exercise date	11/12/2008	15/10/2009	04/09/2012	11/10/2012	11/04/2013
Expiry date	11/12/2013	15/10/2014	04/09/2017	11/10/2017	11/04/2018
Stock purchase or subscription price	€32.87	€45.95	€43.49	€41.54	€44.56
Number of shares subscribed at 31 December 2013	28,198	0	0	0	0
Cumulated number of share subscription or purchase options cancelled or lapsed	0	0	0	11,147	0
Number of share subscription or purchase options remaining at the end of the financial period	0	28,427	85,000	3,715	14,862

(1) Mr Frédéric Maman has been an Executive Director of Société de la Tour Eiffel since 1 September 2012 and of a subsidiary prior to that date.
(2) Mr Jérôme Descamps ceased to be an Executive Director on 5 December 2012.

5.4.4 Transactions conducted by Company officers and directors

Transactions for fiscal year 2013

Date	Type of transaction	Person	Number of shares	Price	Value of transaction
28/03/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	535	€44.25	€23,673.75
02/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	1,465	€44.25	€64,826.25
05/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	839	€44.10	€36,999.90
05/04/2013	Acquisition	Person related to Mark Inch, Chairman	155	€44.15	€6,843.25
05/04/2013	Acquisition	Person related to Mark Inch, Chairman	225	€44.30	€9,967.50
08/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	158	€44.50	€7,031.00
09/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	2,000	€45.4669	€90,933.81
10/04/2013	Acquisition	Person related to Mark Inch, Chairman	136	€45.20	€6,147.20
11/04/2013	Acquisition	Person related to Mark Inch, Chairman	157	€45.00	€7,065.00
12/04/2013	Acquisition	Mark Inch, Chairman	480	€44.845	€21,525.60
12/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	2,000	€45.60	€91,200.00
12/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	1,744	€44.971	€78,429.38
15/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	682	€45.50	€31,031.00
16/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	677	€45.50	€30,803.50
18/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	358	€45.50	€16,289.00
22/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	283	€45.50	€12,876.50
23/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	201	€45.75	€9,195.75
24/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	1,471	€47.13	€69,330.26
25/04/2013	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	1,843	€48.15	€88,749.05
04/06/2013	Divestment	Aimery Langlois-Meurinne, Director	7,747	€51.0379	€395,389.89
05/06/2013	Divestment	Aimery Langlois-Meurinne, Director	1,500	€49.00	€73,500.00
27/06/2013	Subscription	Robert Waterland, Director	432	€46.31	€20,005.92
27/06/2013	Subscription	Mark Inch, Chairman of the Board of Directors	955	€46.31	€44,226.05
27/06/2013	Subscription	Person related to Mark Inch, Chairman	126	€46.31	€5,835.06
27/06/2013	Subscription	Person related to Mark Inch, Chairman	135	€46.31	€6,251.85
27/06/2013	Subscription	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman	1,308	€46.31	€60,573.48
27/06/2013	Subscription	Renaud Haberkorn, Chief Executive Officer	83	€46.31	€3,843.73
27/06/2013	Subscription	Euresa-Life, legal entity related to Renaud Haberkorn, Chief Executive Officer	801	€46.31	€37,094.31
27/06/2013	Subscription	Eiffel Holding, legal entity related to Mark Inch, Chairman	24,301	€46.31	€1,125,379.31
30/09/2013	Divestment	Eiffel Holding, legal entity related to Mark Inch, Chairman	530,000	€45.60	€24,168,000.00
08/10/2013	Divestment	Aimery Langlois-Meurinne, Director	5,000	€49.00	€245,000.00
10/10/2013	Divestment	Aimery Langlois-Meurinne, Director	5,000	€49.50	€247,500.00
15/10/2013	Divestment	Aimery Langlois-Meurinne, Director	5,000	€50.5369	€252,684.40

Date	Type of transaction	Person	Number of shares	Price	Value of transaction
15/10/2013	Divestment	Aimery Langlois-Meurinne, Director	5,000	€50.6174	€253,087.13
16/10/2013	Divestment	Aimery Langlois-Meurinne, Director	3,797	€53.50	€203,139.50
17/10/2013	Divestment	Robert Waterland, Director	1,696	€52.50	€89,040.00
17/10/2013	Divestment	Robert Waterland, Director	2,863	€52.5001	€150,307.80
18/10/2013	Divestment	Robert Waterland, Director	480	€52.1731	€25,043.11
21/10/2013	Divestment	Eiffel Holding, legal entity related to Mark Inch, Chairman	5,000	€53.00	€265,000.00
22/10/2013	Divestment	Eiffel Holding, legal entity related to Mark Inch, Chairman	4,368	€53.00	€231,504.00
24/10/2013	Divestment	Eiffel Holding, legal entity related to Mark Inch, Chairman	8,054	€51.1521	€411,979.01
25/10/2013	Divestment	Eiffel Holding, legal entity related to Mark Inch, Chairman	12,780	€51.00	€651,780.00
06/11/2013	Divestment	Mark Inch, Chairman	6,702	€51.00	€341,802.00
25/11/2013	Exercise of stock options	Mark Inch, Chairman	9,231	€32.87	€303,422.97
25/11/2013	Exercise of stock options	Frédéric Maman, Deputy Managing Director	226	€32.87	€7,428.62
25/11/2013	Divestment	Frédéric Maman, Deputy Managing Director	226	€52.0751	€11,768.97
26/11/2013	Exercise of stock options	Frédéric Maman, Deputy Managing Director	1,369	€32.87	€44,999.03
26/11/2013	Divestment	Frédéric Maman, Deputy Managing Director	1,369	€50.7584	€69,488.25
27/11/2013	Exercise of stock options	Frédéric Maman, Deputy Managing Director	1,774	€32.87	€58,311.38
27/11/2013	Divestment	Frédéric Maman, Deputy Managing Director	1,774	€50.5442	€89,665.41
04/12/2013	Exercise of stock options	Robert Waterland, Director	9,231	€32.87	€303,422.97

5.5 Factors which could affect a take-over bid

In accordance with Article L. 225-100-3 of the French Commercial Code based on Law 2007-387 of 31 March 2007 which stipulates that companies must disclose factors which could have an effect during a take-over bid, we report the following:

- the services contract entered into with Tour Eiffel Asset Management (previously named "Awon Asset Management") on 26 April 2004 as amended beginning on 1 January 2007 for a 5-year renewable term stipulates a rescission penalty equal to two times the remuneration received over the year previous to the rescission;
- the credit agreement for €63,514,999 and €8,828,036 concluded on 28 March 2008 by a subsidiary of the Company, Arman F02, as borrower, and Société Générale and Crédit Foncier de France, as lenders, contains a clause which states that the change in control of the Company would accelerate the maturity date of the loan;
- the loan agreements concluded on 26 June 2012, on the one hand, by SCI Caen Colombelles (for an amount of €16,250,000), SCI Grenoble Pont d'Oxford (for an amount of €6,050,000), the SCI du 153, avenue Jean-Jaurès (for an amount of €12.65 million), the SCI Champigny Carnot (for an amount of €20.65 million), the SCI Comete (for an amount of €21,400,000), the SCI des Berges de l'Ourcq (for an amount of €9,000,000), the SCI Étupes de l'Allan (for an amount of €11 million), the SCI Étupes de l'Allan (for an amount of €19.9 million), as borrowers and, secondly, Landesbank SAAR, as lender, each provide that a change in control of the Company will result in immediate repayment of the outstanding amount of the loan and the payment of accrued interest, fees and expenses (in particular a minimum lump sum of 3.5% of each outstanding) in respect of each loan;
- the credit agreement of €287,537,400 concluded on 14 November 2012 by a subsidiary of the Company, Locafimo SAS, as borrower, and Deutsche Pfandriefbank AG, Crédit Foncier de France and Société Générale, as lenders, provides that the change in control of the Company will result in the mandatory early repayment of the credit;
- as of fiscal year 2014, Mr Renaud Haberkorn will be entitled to severance pay in case of forced departure for any reason whatsoever other than gross negligence or misconduct on his part, in respect of the duties of Chief Executive Officer of the Company and/or Manager of Tour Eiffel Asset Management, to one year's base salary and variable remuneration paid by the Company and by Tour Eiffel Asset Management in the year preceding his departure. The payment of such compensation is subject to the achievement of performance criteria (see the description in Section 3.4 of the management report for fiscal year 2013).

6. EMPLOYMENT AND SUSTAINABLE DEVELOPMENT INFORMATION

6.1 Organisation

At 31 December 2013, Société de la Tour Eiffel had two employees.

The staff which manages the Société de la Tour Eiffel group's real estate portfolio and manages its finances and administrative functions is employed by Tour Eiffel Asset Management, a wholly-owned subsidiary. The company was acquired by Société de la Tour Eiffel on 16 May 2006 from Awon Participations, in which Messrs Mark Inch and Robert Waterland owned a minority shareholding.

An asset management master agreement was entered into on 26 April 2004 with Tour Eiffel Asset Management. The Board of Directors authorized the agreement as a regulated convention on 2 April 2004 and the shareholders ratified it at their General Meeting of 18 May 2004. Under the terms of the contract, the company, which originally had no connection with the capital of Société de la Tour Eiffel, has the following functions: advising in the acquisition of buildings, management of properties held by the Group in order to optimise rental income and valuation of the property. It also administers the Group's companies.

The contract was amended by amendment No.1 signed on 30 November 2006 with effect on 1 January 2007 to modify the term by raising it to five years starting on 1 January 2007. It can then be extended by tacit renewal. The amended contract conferred more comprehensive responsibilities and simplified the financial terms owing to the consolidation of Tour Eiffel Asset Management into the Société de la Tour Eiffel group. The contract has been extended until 1 January 2017.

It was amended by amendment No.2 signed on 3 September 2013, in order to supplement Article 8 "Pay" of the contract so that incomplete asset sales operations did give rise to the payment of fees by the Company to Tour Eiffel Asset Management.

The activities of Tour Eiffel Asset Management are now entirely dedicated to Société de la Tour Eiffel.

At 31 December 2013, the Group had 25 employees and two corporate officers. The number was the same on 31 December 2012. The staff comprises 15 women and 10 men, 17 of whom are executives and eight are non-executives. The average age is 44. In 2013, three people were hired, and two left the Group. The expenditure carried out in 2013 for training activities stands at €24,771. For informational purposes, the personnel do not hold any Company shares on a collective basis.

Furthermore, the management of Group property is entrusted to the following firms: Savills Gestion, CBRE Property Management, Valreim, Acteva and Nexity Property Management.

6.2 Activities of the Company foundation

The Société de la Tour Eiffel Foundation is an undertaking created in 2007 which involves the Company in social awareness in line with its business and legacy. Chaired by Robert Waterland, the Foundation was funded for a further five years in January 2012 with a new multiannual programme of €150,000.

"Because it goes back to the rich heritage of one of the greatest inventors of his century, a name like Société de la Tour Eiffel creates obligations", explain Mark Inch and Robert Waterland, who together with Mercedes Erra represent Société de la Tour Eiffel on the Foundation's Board. "We are therefore proud to share the values of corporate innovation and performance by extending a helping hand to youth who are interested in our trade in the broad meaning of the word. We ourselves are entrepreneurs who started on a shoestring and we remember how important it is—and it's even tougher these days—to find a first job. The first step is crucial; it's the one that helps you to become known and to enter the professional circuit. Thus we have chosen to make this first step easier through an annual award".

The French Law of 1 August 2003 provided for a tax incentive that favours the creation of company foundations. 60% of the donations of legal entities can be deducted from the company income tax if they are spent on an action programme spanning several years. To be sure, these provisions overlay those of the special tax treatment for SIICs. It is nevertheless true that company foundations now rate as a strategic tool enabling companies to act on their commitments and issues of concern as a good corporate citizen through clearly identified initiatives.

During its first programme in 2007-2012, the Foundation organized two competitions, the first in 2008 on the design of a skyscraper on the Champ-de-Mars in Paris, the second in 2010 on the redevelopment of the former railway gantry spanning the River Garonne in Bordeaux engineered in 1860 by Gustave Eiffel. In 2011 it offered a grant on the theme of little-known or forgotten constructions of Gustave Eiffel in a foreign country. The winners received an endowment of €17,000 for a study tour in South America, on the basis of which they made a film and a book, reflecting the presence of Gustave Eiffel in this region of the world.

During the second programme 2012-2017, supporting young students in key moments in their careers will be the core focus for the Foundation, and future projects will be related to the history and legacy of Gustave Eiffel.

95%

OF GREEN LEASES SIGNED

Corporate Social and Environmental Responsibility Report

2013

SOCIETE DE LA TOUR EIFFEL

CONTENTS

"REFOCUSING OUR EFFORTS ON PRIORITY CSR ISSUES."

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Renaud Haberkorn

Our asset strategy helped us raise the share of core assets - Parisian office buidings - in our portfolio to 69% (by value) in 2013. It allowed us to refocus our efforts on the priority issues in our Corporate Social and Environmental Responsibility strategy by assessing our 2012-2015 action plan mid-way. Our key stakeholders – employees, tenants, managers and shareholders – were also interviewed. The full range of professions represented makes the results of this assessment particularly relevant. This collective fact-finding exercise, in line with the recommendations of the main repositories of non-financial reporting, has enabled us to establish a conscious roadmap.

We also continued our proactive environmental certification policy for buildings under construction and renovation or in service. First for those under construction, with the dual LEB and BREEAM Very Good certification for the Eiffel O_2 building in Montrouge, followed by those in service, with the BREEAM-in-Use certifications for the CityZen building in Rueil-Malmaison and the Domino building in Paris. 100% of our core assets now have the benefit of automated environmental mapping updated each year.

Alongside these advances, we are fully aware of the role of users and their necessary involvement in achieving our goals. For this reason, we have added environmental riders to 95% of our leases[1] and organize green lease committee meetings at regular intervals so that our tenants can take part in improving our environmental performance.

Finally, to anchor our environmental approach in the long term, when it was launched on 31 October 2013, we signed the voluntary *Charter of the sustainable Building Plan for the energy efficiency in private and public office buildings.* The signature was materialized by an ambitious target of a 20% reduction in our energy consumption by 2020.

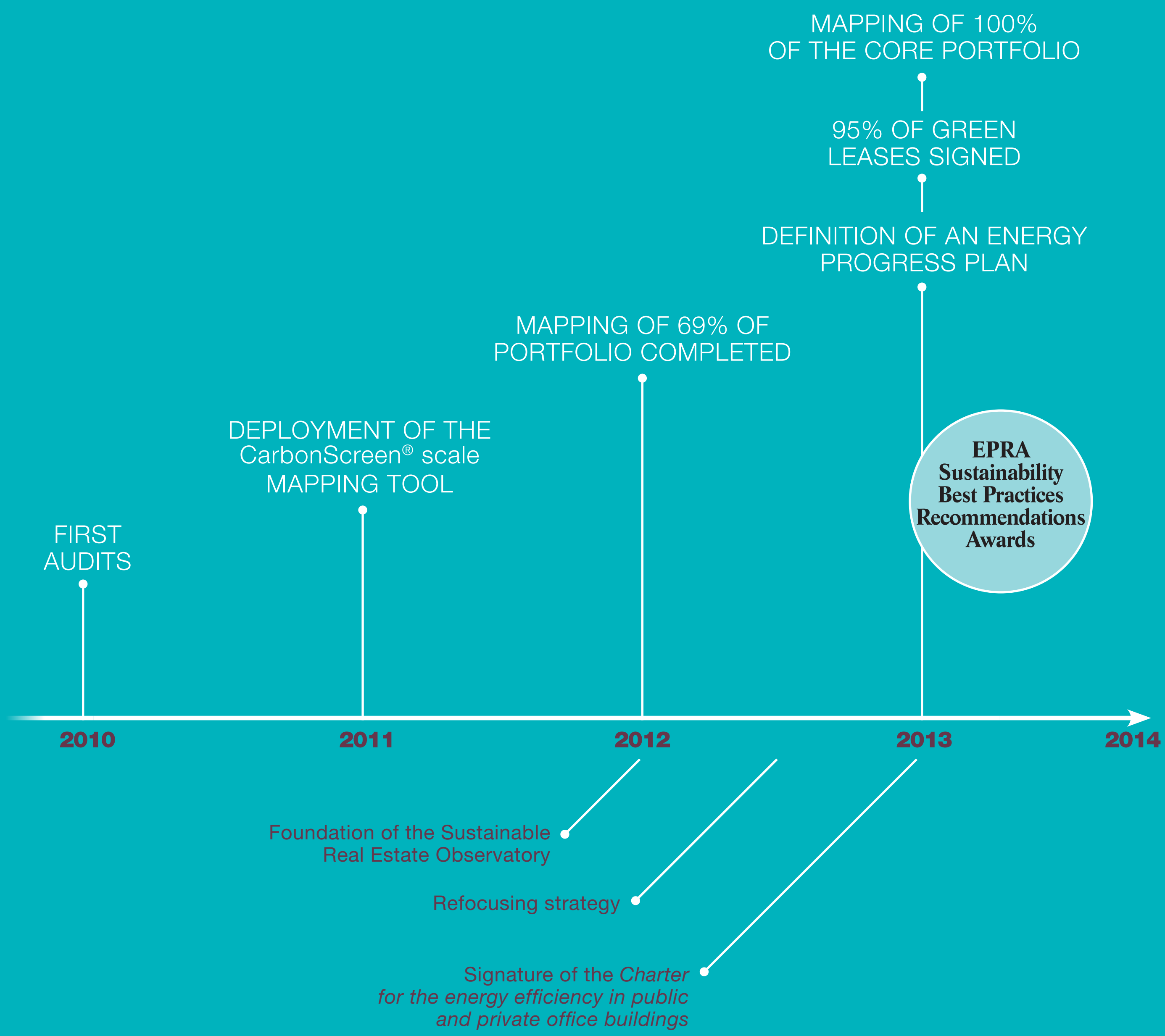
The efforts made since 2011 have been rewarded in 2013 by an EPRA Sustainability BPR Bronze Award and encouraging GRESB Survey scores and Novethic standings, as from our first participation. We are also continuing our progress in terms of the disclosure of non-financial information this year by adopting as from now the new guidelines (G4) of the GRI which are not due for application until 2015.

Results, firm commitments, transparency and cooperation are the pillars upon which our corporate social and environmental responsibility policy is built.

[1] *Bound by the environmental rider regulation.*

AN INTEGRATED APPROACH TO CREATING VALUE

HISTORY AND HIGHLIGHTS



"WE NOW WANT TO ENTER INTO A MORE SIGNIFICANT PHASE OF COMMITMENTS."

INTERVIEW OF DEPUTY MANAGING DIRECTOR AND MEMBER OF THE BOARD, MANAGING DIRECTOR OF TOUR EIFFEL ASSET MANAGEMENT

Frédéric Maman

TO WHAT EXTENT WAS 2013 A TURNING POINT IN THE IMPLEMENTATION OF YOUR CSR POLICY?

2013 will be the reference year. In 2013 we completed our materiality studies, all the assessments associated with our portfolio, and set up our energy improvement plan for the next seven years.

In many ways, in 2013 we saw a jump in the dissemination of sustainable development criteria in our business lines and the structuring of our CSR initiative. That included the creation of a CSR committee which meets monthly with a representation of each of the Company's departments.

After being launched in 2011 as part of our policy to keep ahead of the regulations, our non-financial transparency was recognized in 2013 by achieving compliance with the "Bronze" level of the EPRA Sustainability BPR Awards and a promising entry in the GRESB benchmark.

If these first three years of CSR reporting have considerably deepened our understanding of our environmental impacts and issues, we can now enter a phase of more significant commitments. The commitment to reduce our energy consumption in 2020 by 20% is just one example.

HOW DOES YOUR CSR APPROACH CREATE ADDED VALUE?

It affects every level of our development and operations, by improving the convenience for our occupiers as well as the liquidity ratio and market value of our portfolio. We strongly believe our approach will create value. It is equally relevant in terms of the regular relationships we have with our stakeholders and influences our ability to renew our leases and retain our occupiers.
Tenants, managers and asset managers must learn to work increasingly closely together in order to create this synergy as a source of added value.

WHAT ARE THE NEXT STEPS?

We will continue our efforts to ensure the level of transparency for which we are now recognized in the market by gradually implementing compliance with the new G4 Global Reporting Initiative (GRI) standard and making further progress in the EPRA and GRESB benchmarks in which we are already engaged. The recent identification of new targets for the environmental performance and energy efficiency of our portfolio will create greater visibility to all our stakeholders, and our shareholders in particular.

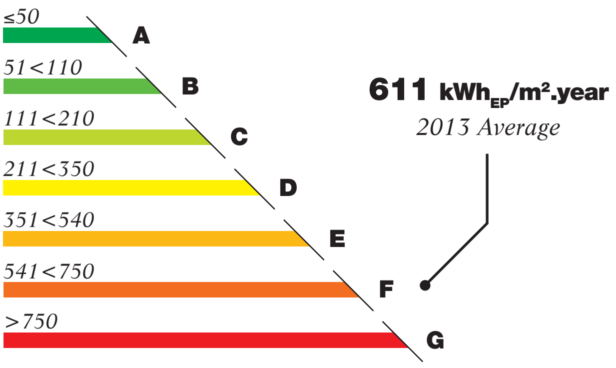
We are convinced that our CSR initiative creates value and are continuing to deploy it as a central feature of our real estate strategy.

"WE WILL CONTINUE OUR EFFORTS TO ENSURE THE LEVEL OF TRANSPARENCY FOR WHICH WE ARE NOW RECOGNIZED IN THE MARKET."

A RESPONSIBLE APPROACH

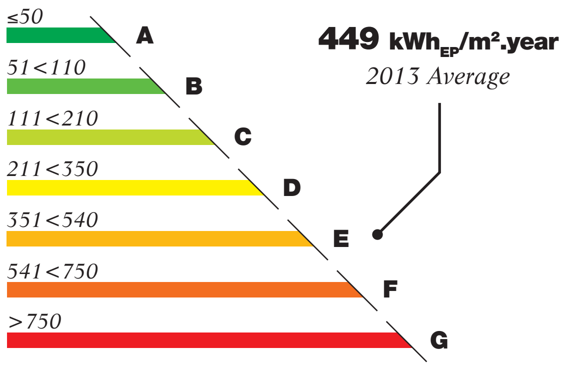
KEY CSR INDICATORS

PORTFOLIO ENERGY CONSUMPTION



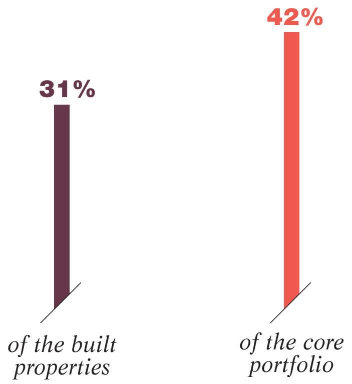
631 kWh_{EP}/m^2.year
2012 Average

CORE PORTOFOLIO
(BUILDINGS LOCATED IN PARIS AND ÎLE-DE-FRANCE)

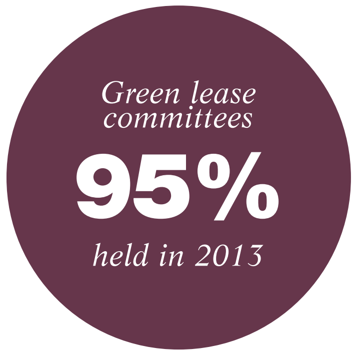


470 kWh_{EP}/m^2.year
Average for France (Source OID)

ENTIRE PORTOFOLIO

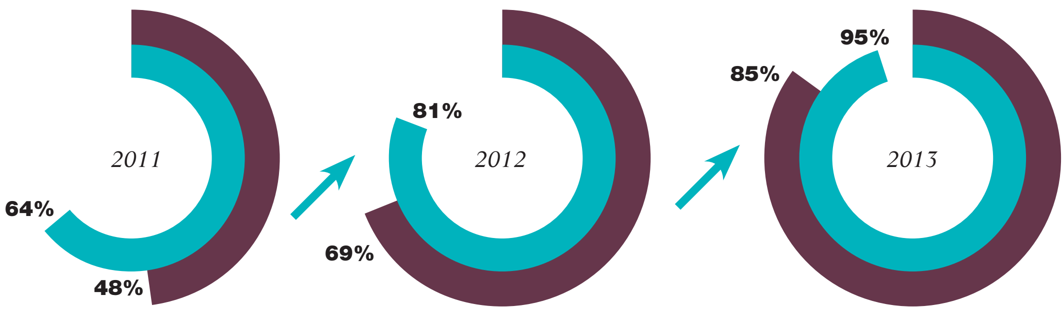


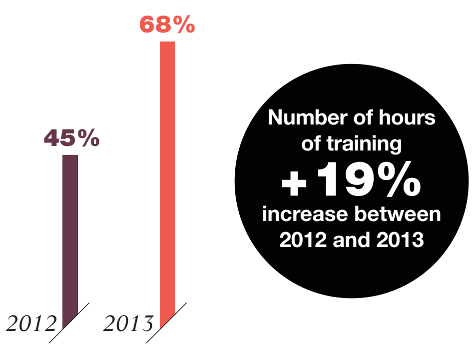
PERCENTAGE OF CERTIFIED ASSETS
(by value)



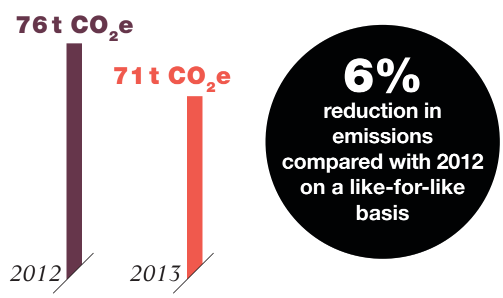
ENVIRONMENTAL MAPPING OF THE PORTFOLIO

Percentage of surface area ● ● *Percentage of value*





TRAINING
percentage of employees trained



CORPORATE CARBON FOOTPRINT®
GHG emissions on a like-for-like basis

GOVER-
NANCE

CSR GOVERNANCE DESIGNED FOR OUR ISSUES

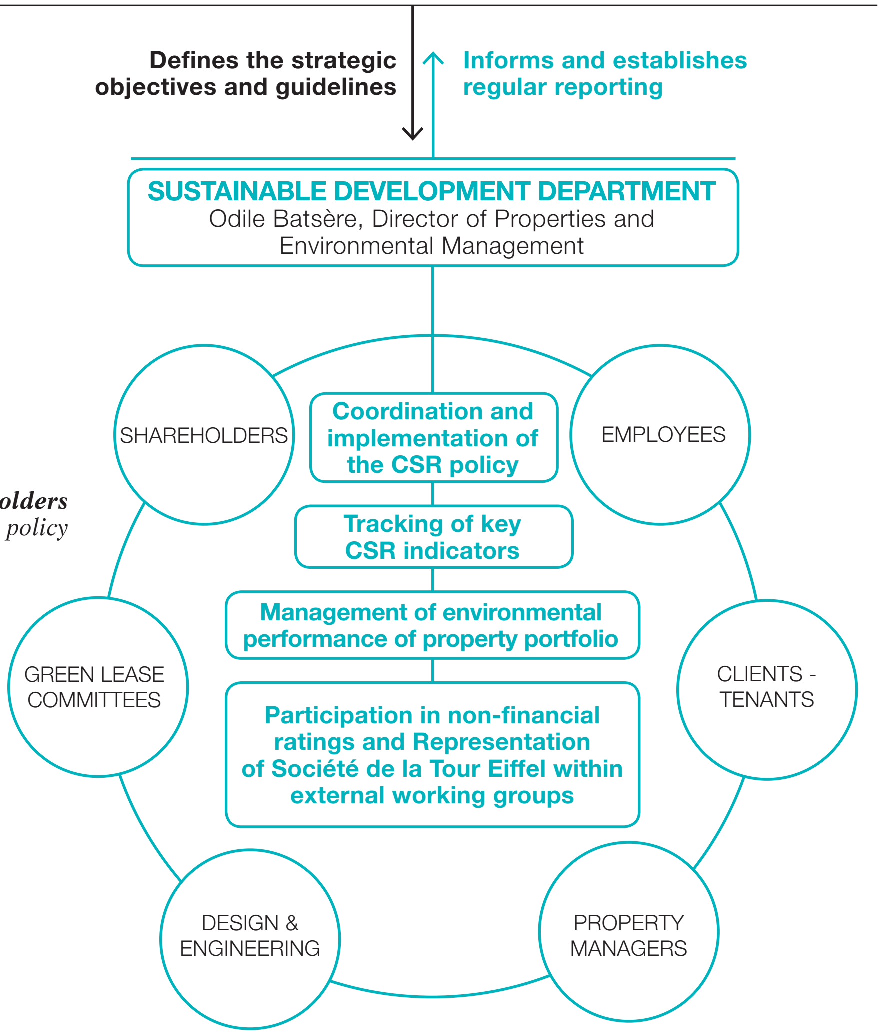
STEERING COMMITTEE AND SUSTAINABLE DEVELOPMENT DEPARTMENT

Although already effective since 2011, a CSR Steering Committee was formally established in 2013. Chaired by Renaud Haberkorn, CEO and Member of the Board, the committee meets at least once every two months and sets the strategy for sustainable development in the short and long term as well as the corporate and environmental goals and monitors their follow-up.

In addition to the structure of the steering committee, a Sustainable Development department was set up in early 2013 and will result in the establishment of a special position to which Odile Batsère has been appointed as Director of Properties and Environmental Management.

CSR STEERING COMMITTEE
Consisting of the Executive Committee chaired by Renaud Haberkorn, Managing Director

***Organisation**: bi-monthly meetings — **Members**: Frédéric Maman, Deputy Managing Director; Philippe de Trémiolles, CFO; Odile Batsère, Director of Properties and Environmental Management; Sylviane Beaumont, Human Resources Manager; Laurence Deverchère, Legal Affairs Manager (etc.)*



*Expanded circle of **stakeholders** contributing to CSR policy*

HELPING TO STRUCTURE INDUSTRY PRACTICES

CONTRIBUTIONS

EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

/ AWARDS

Since 2012, Société de la Tour Eiffel has implemented the EPRA* recommendations for financial and non-financial reporting. It is a partner in the annual EPRA conference (Paris, 5-6 September 2013).

The compliance of Société de la Tour Eiffel's reporting won two "EPRA BPR Awards" in 2013:

- A "Silver" award for its financial reporting;
- A "Bronze" award for its non-financial reporting and one of the best entries in the ranking in 2013.

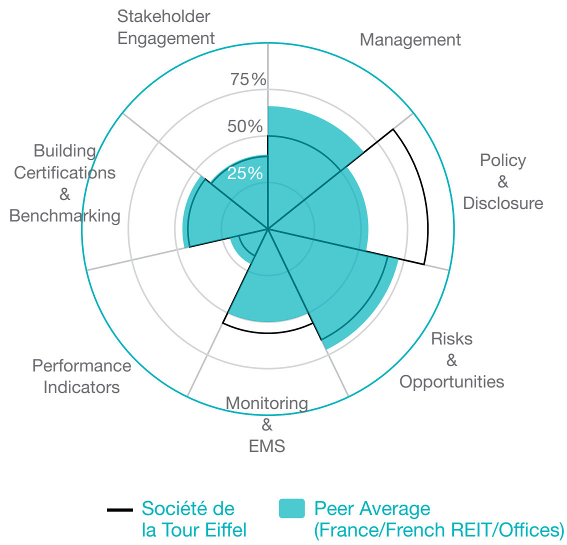
** EPRA's Best Practices Recommendations (September 2011).*

GRESB
Participant 2013

/ PARTICIPATION

In 2013 for the first time, Société de la Tour Eiffel took part in the GRESB Survey - Global Real Estate Sustainability Benchmark, the objective of which is to improve non-financial transparency in the sector. It provides a benchmark for institutional investors wishing to improve the (mainly environmental) non-financial performance of their real estate investment portfolio.

Société de la Tour Eiffel scored slightly higher than the average of its category in which it ranked 5th, despite the fact it was its first participation. It obtained one of the best scores (86/100 against an average of 54/100) in the "Environmental Policy and Reporting" category.



OID
Observatoire Immobilier Durable

/ OID FOUNDING MEMBER

Société de la Tour Eiffel is a founding member of the Sustainable Real Estate Observatory (OID). The OID is an independent association formed by public and private players in commercial property that anonymously pools the technical data for buildings, processed according to a uniform method, to provide statistical indicators representative of the energy performance of offices in France.

FSIF

/ FSIF DIRECTOR

Société de la Tour Eiffel is a director of the Federation of Real Estate Investment and Property Companies and is a member of the Sustainable Development Committee.

/ GLOBAL REPORTING INITIATIVE

In 2012, the level of transparency of non-financial reporting of Société de la Tour Eiffel attained B+, based on the GRI 3.1 guidelines and verified by Sinteo. Only six French property companies reached that level in 2012. As part of its on-going commitment to be exemplary in terms of non-financial transparency, Société de la Tour Eiffel has chosen to anticipate the change in the repository and ensure core compliance with the GRI 4 guidelines* in its 2013 CSR Report. The goal is to reach a "comprehensive" level of compliance by 2015.

** The GRI correlation table is provided in the appendix.*

A CSR STRATEGY IN LINE WITH THE EXPECTATIONS OF OUR STAKEHOLDERS

ACCURACY AND MAPPING OF CSR ISSUES

In 2013, Société de la Tour Eiffel wanted to step back from its CSR policy and analyse in depth its objectives and the associated CSR 2012-2015 action plan.

To do so, all of our employees and the representative bodies of our stakeholders – occupiers, managers and shareholders – were asked to carry out a materiality study on Société de la Tour Eiffel CSR issues.

The purpose of the study is to help the Company redefine and clarify its CSR strategy over the long term. It also allows us to analyse in greater depth the Corporate Social Responsibility issues (CSR) related to our activity in order to prioritise them, and simplify our aims based on the results obtained.

This mapping of CSR issues should allow Société de la Tour Eiffel to reallocate our efforts and resources, redefine our long-term goals and focus on our priorities.

(continued page 9) ▶

A shareholder... TAKES THE FLOOR

In your opinion, what are the main ESG[1] issues facing a listed real estate investment company?

Where the real estate sector is concerned, we consider the inclusion of environmental issues to be a priority, especially since buildings alone account for 43% of final energy consumption and a third of greenhouse gas emissions in France. We thus pay special attention to the energy consumption of property portfolios but also to the awareness-raising and commitment policies involving occupiers and tenants, for example through the management of green leases. Finally, we analyse the signals sent to the market by environmental certifications, whether for new projects or assets in use.

How do you apply the principles of your SRI[2] management to the listed real estate sector?

For the real estate industry, we have developed two approaches. An ESG approach[3] for listed real estate investment companies in order to select those we have found to apply the best ESG practices, and a "thematic" approach with a fund designed to help tackle climate change and energy transition.

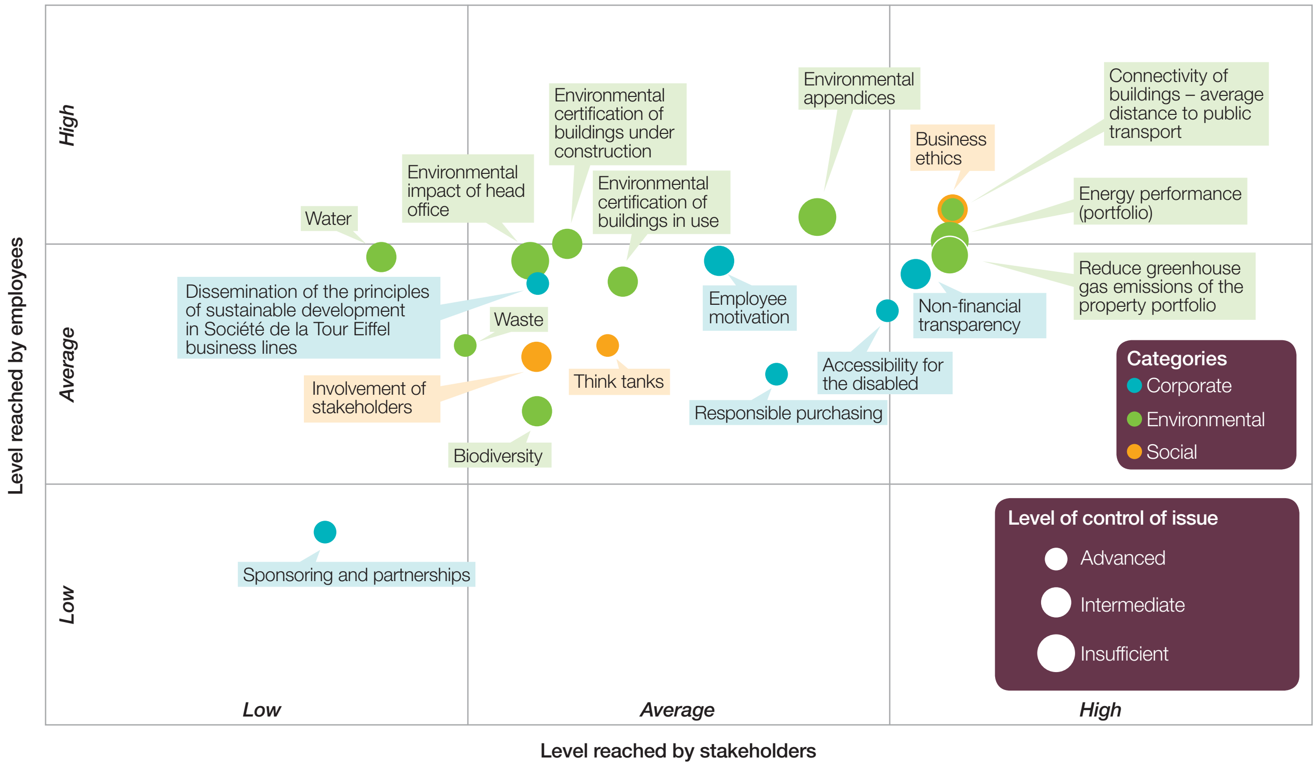
What actions inherent to the CSR policy of Société de la Tour Eiffel did you appreciate in particular?

The implementation of voluntary CSR reporting from 2011 onwards, anticipating the Grenelle regulations, was already a positive sign in terms of non-financial transparency. In addition to the target for reducing consumption in 2020, we particularly appreciated the strategy for environmental certification of the company's assets, which was relatively ambitious compared with the industry average. The advantage of certifications is that they not only address the energy component but give visibility to all the environmental issues. Finally, and as a shareholder, we replied to a fact-finding questionnaire or "assessment of CSR issues" addressed by Société de la Tour Eiffel and saw the degree to which the company seeks to integrate its stakeholders in assessing and defining its strategy on these topics.

[1] Environmental, Social and Corporate Governance.
[2] SRI: Socially Responsible Investment.
[3] Selection criteria based on ESG themes.

Felipe Gordillo,
Senior SRI Analyst
BNP Paribas Investment Partners

MAPPING OF SOCIÉTÉ DE LA TOUR EIFFEL CSR ISSUES



/ MAPPING METHODOLOGY FOR CSR ISSUES

The primary objective of this matrix is to obtain an accurate understanding of the issues, the level at which they are controlled and the expectations of stakeholders, making it a basic starting point for understanding a CSR strategy. It provides an assessment of the "business" impact of each of the CSR issues addressed in the CSR policy of Société de la Tour Eiffel.

The various CSR issues are divided into two areas:

- The level of stakeholder expectations;
- The level of employee expectations;

and three levels:

- Low: little significant level of expectation;
- Average: significant level of expectation;
- High: very significant level of expectation.

Société de la Tour Eiffel has furthered the analysis by cross-checking the strategic issues of its activities with those of its stakeholders. This matrix was based on the answers to a special questionnaire. To take into account the level in the hierarchy of employees surveyed, the replies from managers were weighted four times more.

/ CONCLUSION

Five priority issues having a long-term impact on the value of the Company were identified:

- Reducing the greenhouse gas emissions and energy consumption related to property management;
- Implementing environmental riders to leases;
- Obtaining environmental certifications;
- Improving the connectivity of buildings;
- Achieving non-financial transparency.

They were translated into objectives and applied in particular in the 2013-2014 CSR Multi-year Action Plan presented in this report pages 70-71. These priority issues will be given special attention in the definition of the next multi-year plan and a roadmap for 2020.

SOCIAL

PEOPLE HAVE PRIORITY

SOCIAL RESPONSIBILITY

/ EQUAL TREATMENT

Taking disability into account is a major concern for Société de la Tour Eiffel. When one of our employees was recognised as having a first-class disability, her job was arranged accordingly. In addition, an assistant was recruited on an apprenticeship contract to assist her in her work.

Furthermore, Société de la Tour Eiffel is in line with the regulations on diversity and parity. The Board is integrating more women as directors, through the selection of a female candidate in 2014.

/ TRANSPARENCY AND ETHICS

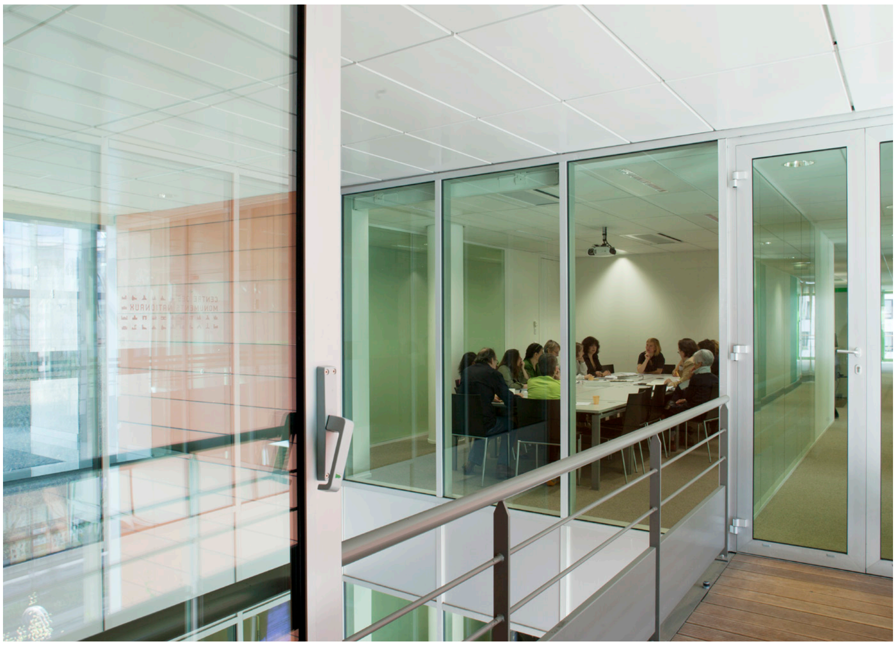
In 2014, an internal charter for employees is being drafted in addition to the existing control procedures and audit schedule in place to address the risks of conflicts of interest or insider trading.

The purpose of the charter will be to promote ethics, reject discrimination and adhere to the company values listed below:

- Creativity;
- Ethics;
- Competitive spirit;
- Teamwork;
- Fulfilment;
- Humanity.

/ OUR CORPORATE VALUES

As at 31 December 2013, Société de la Tour Eiffel had 27 employees. 45% of the executives are women. This year again, all the employees are shareholders in the Company, as part of our proactive policy to encourage commitment by every member of staff.



NEWS

HIGHLIGHTS

Creation of a CSR Steering Committee comprising all Société de la Tour Eiffel business lines

Selection of an eco-certified sub-contractor to clean Société de la Tour Eiffel premises

Sylviane Beaumont, Human Resources Manager

"The rise in employee skills is a cornerstone of our policy of human resource management. As such, the number of training hours completed increased by nearly 20% between 2012 and 2013 and now involves more than two thirds of the staff.

The size of Société de la Tour Eiffel and its organization also allow a high level of adaptability to the personal problems of employees. For example, several workstations and schedules were modified in 2013 to adapt to specific personal situations. Finally, in 2013 all of our employees were involved in the prioritization of CSR issues."

68% *of employees underwent training*

0 *occupational accidents*

2% *absenteeism*

CORPORATE DATA

/ EMPLOYEES	31/12/2013	31/12/2012
Salaried staff		
Excluding corporate officers	25	25
Including corporate officers	27	27
men	12	12
women	15	15
FTE [1]	25.85	
Average age of employees	44	43
/ STAFF MOVEMENTS		
External recruitment	1	1
Departures	1	1
Voluntary turnover rate (%)	0	4
/ COMPENSATION (in thousands of €)		
Payroll (including corporate officers) [2]	6,086	5,811
Employee shareholders (%)	100	100
/ TRAINING		
Total hours of training	248	209
% of employees trained	68	45
/ WORKING TIME - ABSENTEEISM		
Absenteeism (%)	2	3
including occupational accidents	0	0.1

[1] *Full Time Equivalent with corporate officers.*
[2] *Consolidated data.*

A BETTER CORPORATE CARBON FOOTPRINT®

ENVIRONMENTAL RESPONSIBILITY

On a like-for-like basis, emissions caused by the activities of Société de la Tour Eiffel fell 6% and reached 2.8 t CO_2e in 2013, which represents a significant reduction in terms of the already low impact observed in 2012. The items causing the greatest emissions remain travelling and energy. The emissions associated with travelling however decreased by 16% due to more frequent use of public transportation and the absence of long-haul flights in 2013.

/ *EMPLOYEE INVOLVEMENT*

The involvement of Société de la Tour Eiffel employees is increasing and the importance of their role is recognized in improving the corporate and environmental responsibility of the Company.

The draft internal charter and the various measures set up to reduce the environmental impact of Société de la Tour Eiffel reflect the company's commitment to involve all of its employees. This proves the extent to which CSR forms part of our policy. Our employees are stakeholders in that process.

/ *ACTIONS UNDERTAKEN*

A number of actions have been implemented this year in Société de la Tour Eiffel to reduce its carbon footprint. Examples include printers which have been configured to save ink and paper and recycling scrap paper to make notebooks.

To minimize waste, water fountains were made available to employees and waste is now sorted.

To realize energy savings, a main switch allowing the last person leaving the offices to switch off all the lights has been installed. Furthermore, the multifunction appliances used by Société de la Tour Eiffel are all energy class "A".

The fuel consumption of company cars is also controlled through the leasing of low-consumption vehicles and special attention is paid to business travel. Finally, a new eco-certified cleaning company has been retained.

BROADENING THE SCOPE TAKEN INTO ACCOUNT IN THE FOOTPRINT

3rd *Corporate Carbon Footprint®*

16% *reduction in emissions caused by travel*

2,6 t CO_2e **PER EMPLOYEE ON A LIKE-FOR-LIKE BASIS**

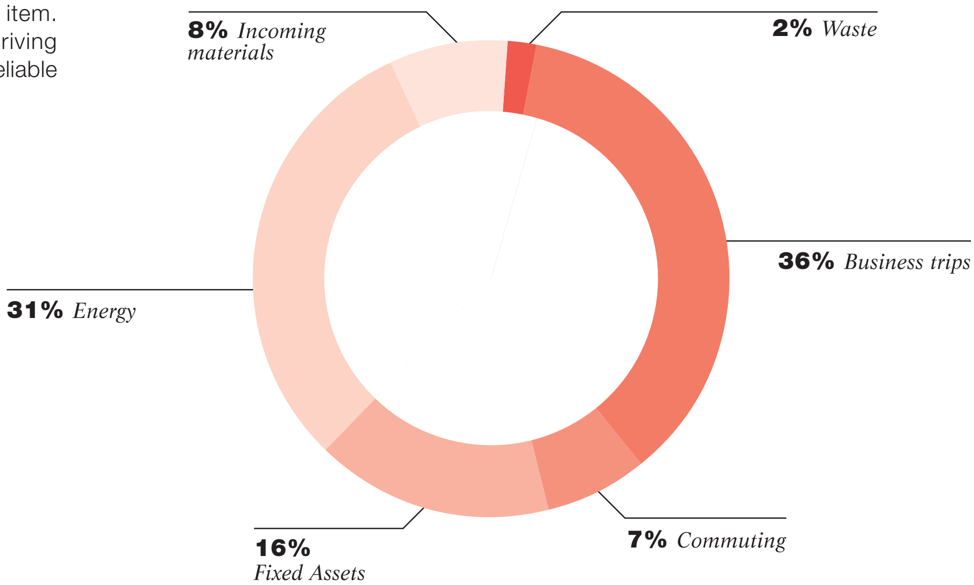
6% *reduction in emissions compared with 2012 on a like-for-like basis*

/ EXPANDED SCOPE

The scope of accounting for greenhouse gas emissions was expanded in 2013. Previously, only printing paper was included in the office supplies item. Year after year, the Company is striving to achieve a more accurate, more reliable Carbon Footprint®.

CARBON FOOTPRINT® OF SOCIÉTÉ DE LA TOUR EIFFEL IN 2013

71 t CO_2e on a like-for-like basis, 75 t CO_2e on expanded scope



CORPORATE ENVIRONMENTAL DATA

/ GREENHOUSE GAS EMISSIONS (t CO_2e)	31/12/2013	31/12/2012	31/12/2011
Société de la Tour Eiffel (expanded scope)	75	76	153
including business travel	27	28	108
including energy	23	21	17
Total per employee (expanded scope)	2.8	2.8	5.9
Total per employee (like-for-like basis)	2.6	2.8	5.9
/ CONSUMPTION			
Energy (kWh)	203,902	218,468	179,591
Water (m^3)	270	226	383
Paper (t)	4.7	1.8	2.2
/ TRAVEL			
Commuting (km)	128,000	131,000	129,000
including cars and two-wheelers	14,000	36,000	35,000
including public transport	113,000	95,000	94,000
including walking	600		
Business travel (km)	219,000	275,000	306,000
by air	67,000	89,000	156,000
by train	112,000	182,000	115,000
by company car	36,000	33,000	35,000

ENVIRON-
MENT

VIRTUOUS PORTFOLIO MANAGEMENT

MESSAGE FROM THE DIRECTOR OF PROPERTIES AND ENVIRONMENTAL MANAGEMENT OF SOCIÉTÉ DE LA TOUR EIFFEL

“SHARING TARGETS AND TASKS.”

Odile Batsère

The past year has allowed us to reassert, refocus and accelerate our aims as a property company in terms of CSR performance.

Our aims have been reasserted, first of all, since we have maintained the commitments in our 2012-15 CSR strategy plan. Some of them have also been achieved faster than expected. For example, we are one of the only French property companies to have deployed environmental riders on almost all of our leases[1] up for renewal subject to green lease regulation. This organisational performance testifies to the quality of the dialogue that we have succeeded in maintaining year after year with our users and managers, to whom we have given the floor in this report for the past three years. We have developed a unique form of cooperation, backed by the signing of green leases, which enables us to confidently share our targets and responsibilities.

That cooperation has allowed us to achieve a rate of environmental reporting coverage of 100% on our core assets and 95% over our entire portfolio, an increase of 20% since 2012.

Our aims have also been refocused, by interviewing the company’s employees and our key stakeholders as part of a fact-finding exercise in order to take their opinions into account, prioritize our efforts and start to define a new multi-year CSR plan.

Finally, our aims have accelerated by committing to an ambitious target of 20% reduction in our final energy consumption. In late October 2013, signing the *Charter for the energy efficiency of public and private office buildings* of the Sustainable Building Plan was an important step in that direction, allowing us to assert our environmental commitments on the market.

The on-going deployment of our environmental certification initiative testifies once again to the maturity of our decisions.

If two[2] of our key assets were certified BREEAM-in-Use in 2013, this should expand in 2014 with the certification of five more assets in use.

Alongside these priorities, we shall leave nothing to chance and continue our work on all of our projects, with particular respect to biodiversity and accessibility for persons with reduced mobility.

[1] Source: OID Study – Green leases – Lessons learnt (October 2013).
[2] Following assets: Domino (Paris) and CityZen (Rueil-Malmaison).

“THIS ORGANIZATIONAL PERFORMANCE TESTIFIES TO THE QUALITY OF THE DIALOGUE THAT WE HAVE MAINTAINED YEAR AFTER YEAR WITH OUR OCCUPIERS.”

CORE PORTFOLIO
PERFORMANCE INDICATORS

All the environmental indicators for the core portfolio (buildings in Paris and Ile-de-France region) of Société de la Tour Eiffel are presented below and a selection of key indicators is detailed in the Annex for each asset within that scope and for non-core assets.

Scope	*Reference*	*% data*	*Unit*	*Years*		
Core	*GRI CRESS - EPRA*			*2013*	*2012*	*2011*
/ ENERGY						
CarbonScreen® scale rating – intrinsic performance	-	100%	/100	60	59	53
Total energy consumption	EN 3 & 4	95%	MWh_{FE}	34,378	28,859	22,400
including fossil fuels	EN 3		MWh_{FE}	128	0	0
including electricity	EN 4		MWh_{FE}	31,381	28,859	22,400
Including urban network	EN 4		MWh_{FE}	2,868	5,058	2,165
… per sq. m	CRE 1		kWh_{FE}/sq. m	267	270	205
	CRE 1		kWh_{PE}/sq. m	611	631	511
/ GHG						
Total emissions	EN 16	95%	CO_2teq	3,610	2,991	2,035
including direct	EN 16		CO_2teq	30	0	0
including indirect	EN 16		CO_2teq	3,580	2,991	2,035
… per sq. m	EN 8		kg CO_2e/sq. m	28	28	19
/ WATER						
Total consumption	EN 8	67%	m^3	37,420	33,110	30,351
… per person	CRE 3		m^3/nbETP	9.0	7.9	11.5
/ WASTE						
Total tonnage	EN 22	57%	T	668	341	379
… per person	-		kg/nbETP	184.3	113.1	200.5
% of recovered/recycled waste*	EN 22		%	83%		

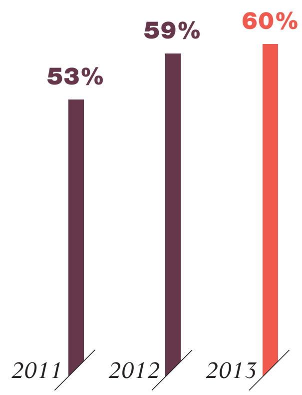
** Waste collected according to type (common industrial waste (CIW), household waste, paper, cardboard, etc.).*

IMPROVED INTRINSIC ENERGY PERFORMANCE

Since 2011, the assets of Société de la Tour Eiffel have been mapped and analysed using Sinteo CarbonScreen® rating in order to position each asset according to its intrinsic energy performance. Active management of our portfolio goes hand in hand with the continuous improvement of this indicator, which measures the performance of our assets regardless of the intensity and type of use by our tenants.

In 2013, the sale of the Polytec Grenoble building and delivery of Eiffel O_2, a building with dual LEB and BREEAM Very Good certification, improved the CarbonScreen® average for the core portfolio by 7 percentage points compared with 2011, and now stands at 60%. This score corresponds to the generations of new buildings that entered service after 2005 and faithfully reflects the quality positioning of our core assets, most of which were certified during construction or when in use

However, the overall average consumption of the core portfolio in 2013 stood at 611 kWh_{PE}/m^2.year, which is higher than the French average (450 kWh_{PE}/m^2.year. Source: Sustainable Real Estate Observatory [OID]). The very low vacancy rate of the portfolio, the climatic conditions during the year and the intensive use of leased premises by major tenants account for these discrepancies between intrinsic performance and actual performance. Establishing, verifying and understanding these factors over the last three years has led us to undertake to reduce actual energy consumption and develop the proactive management of the conditions for using leased premises, in the form of green leases.



INTRINSIC PERFORMANCE OF THE CORE PORTFOLIO *(rating out of 100 on the CarbonScreen® scale)*

DISTRIBUTION OF ACTUAL ENERGY CONSUMPTION

Surface area (m^2)	*Distribution of surface area of French energy performance Certificate (DPE) classes (kWh_{EP}/m^2.year)*			*Value (€m)*	*Number of assets*
0		A	≤ 50	0.00	0
0		B	50 to 110	0.00	0
0		C	111 to 210	0.00	0
6,597	6%	D	211 to 350	11.90	1
27,399	25%	E	351 to 540	123.80	3
44,856	40%	F	541 to 750	124.68	3
32,716	29%	G	> 750	89.60	4
111,568	**Total basis for consolidation analysed within the core portfolio**			**349.98**	**11**

DISTRIBUTION OF GREENHOUSE GAS EMISSIONS

Surface area (m^2)	*Distribution of surface area of French energy performance Certificate (DPE) classes (kWh_{EP}/m^2.year)*			*Value (€m)*	*Number of assets*
0		A	≤ 50	0.00	0
16,988	15 %	B	6 to 15	45.70	2
54,329	49 %	C	16 to 30	189.86	5
26,145	23 %	D	31 to 60	63.51	3
14,106	13 %	E	61 to 100	50.91	1
0		F	101 to 145	0.00	0
0		G	> 145	0.00	0
111,568	**Total basis for consolidation analysed within the core portfolio**			**349.98**	**11**

OUR ENERGY IMPROVEMENT PLAN: -20% BY 2020

ROAD MAP

The purpose of the *Charter for the energy efficiency of public and private office buildings* is to implement and communicate an improvement plan for energy savings.

Without waiting for the signing of the Charter, and after the priority issues were identified by our stakeholders, the Société de la Tour Eiffel CSR Committee decided to define by mid-2013 a roadmap for the quantified improvement of the environmental impact and energy performance of our portfolio.

In line with the strategy to refocus our portfolio, we now have for our core assets a perfectly clear roadmap to which we are committed.

NEWS

HIGHLIGHTS

On 31 October 2013, Société de la Tour Eiffel signed the Charter for the energy efficiency of public and private office buildings **promoted by the Sustainable Building Plan, in the presence of Cécile Duflot, Minister of Territorial Equality and Housing, and Philippe Martin, Minister of Ecology, Sustainable Development and Energy.**

Our objective

-20%

Reduce by 20% the average consumption measured in kWh of final energy per sq. m rented of our core portfolio between 2013 and 2020.

2013

2020

ENVIRONMENTAL MANAGEMENT IN PRACTICE

A property manager... TAKES THE FLOOR

Christian Bertrand,
Head of Property Management, Secretary General
Savills

In your work as a property manager, how do you help implement the Société de la Tour Eiffel's environmental policy?

For the last 10 years we have been managing a portfolio of assets on behalf of Société de la Tour Eiffel and this is clearly a structural element in our understanding of the needs of the property company. By renewing our management mandates we can better understand the expectations of our client. That continuity also keeps us closer to tenants and helps in negotiating contracts with providers, including facility management, energy supplies, waste services, and so on.

The emergence of issues related to sustainable development further to the Grenelle environment legislation has meant that we have to consider new requirements for our clients. We did not wait for the introduction of green leases to address environmental concerns: our teams hold regular meetings with tenants on the issue of controlling costs and private consumption.

We have deployed the environmental policy of Société de la Tour Eiffel – based on a model and a framework defined by the property company – in particular for the requirements of environmental reporting and the related riders to leases (equipment inventories, counting and consolidation of qualitative results).

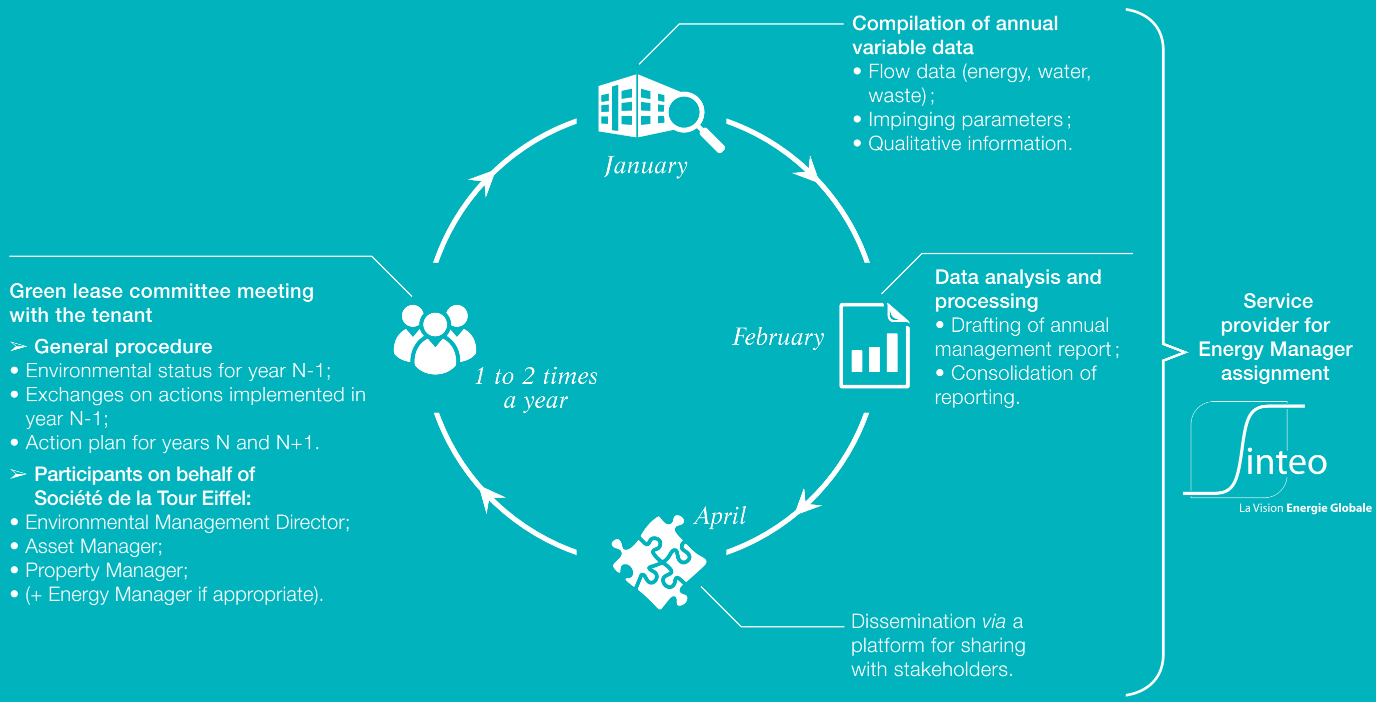
What is the nature of the discussions with Société de la Tour Eiffel occupiers and tenants on these topics?

The instructive and technical expertise of our teams help us guide occupiers about best practices and continually search for solutions to optimize their use of the premises – even though we are not responsible for the facility management of the site. The time spent on these issues simplifies the daily lives of occupiers, who above all want a peaceful working environment conducive to productivity.

With that in mind, together with Société de la Tour Eiffel we undertook BREEAM-in-use certification for the Domino and CityZen buildings, respectively in Paris and Rueil-Malmaison. Furthermore, we implement our technical expertise with our various principals, which allows us to step back and benchmark the various environmental management practices for the portfolio: providing guidance and advice are also part of our job as a property manager.

100%
of environmental committees held in 2013

ORGANISATIONAL DIAGRAM OF ENVIRONMENTAL MANAGEMENT OF ASSETS



A tenant... TAKES THE FLOOR

Patrick Faure,
Utilities Manager,
Member of the expanded Executive Committee
Air Liquide

What is your reaction to the CSR strategy of Société de la Tour Eiffel?

Our core business requires that we pay close attention to these issues. For the last three years, Société de la Tour Eiffel has shown a genuine will to anticipate the regulations and be proactive in implementing a CSR policy. The first meetings organized within the framework of the Green lease committee meetings allowed us to discuss the issues, and we now meet several times a year to assess progress.

How is the strategy applied and what results have you observed in your building?

For example, we have replaced our chilled water system by a reversible heat pump and our building management systems – Central Technical Management (CTM) and Building Management Systems (BMS) – by intelligent systems, equipped with a weather station. Air conditioning and heating of the site are now based on the ambient temperature and outdoor sunlight. Taking account of meteorological parameters allows us to adjust set-points for ambient temperatures, thus improving indoor comfort and keeping energy consumption fully under control. Coupling the operation of the Central Technical Management and Building Management Systems with the electrical convection system ensures user comfort no matter what the external conditions are, and optimizes the operating ranges. These various improvements to our management facilities have enabled us to reduce our energy consumption for heating, ventilation and air conditioning (HVAC) by 25%.

Much work still remains to be done to reduce energy consumption, such as the creation of a vestibule with an opening offset from the axis of the building, the replacement of solar window films or the reduction of heat bridges on glazed frames, and so on. With the Société de la Tour Eiffel teams, we had wanted to schedule these operations without further delay, since the “HVAC” item represents about 56% of our energy consumption. But we would like to go further and are discussing ways of improving lighting, which accounts for 16% of our consumption, including the deployment of LED lighting and occupancy sensors with dimmers. Tests are currently under way in a small part of the main building.

FOCUS

HEALTHY SPACE FOR WELL-BEING AT WORK

THE DOMINO PROPERTY – PARIS 19TH DISTRICT

534
kWh_{PE}/m^2.year 2013 energy consumption

9.3
litre/day.occupier 2013 water consumption

MEASURES TAKEN IN 2013

- **Occupier comfort:** creation of a relaxation area;
- **Water use:** installation of water-saving taps on the toilet facilities and showers;
- **Waste:** introduction of selective sorting and waste recycling by the Greenwishes company;
- **Biodiversity:** installation of features prescribed by an ecologist to promote the development of wildlife on the site: insect hotels, bird houses and nests for swallows;
- **Energy management:** audit of Central Technical Management (CTM) facilities and definition of a multi-year work plan;
- **Lighting:** installation of lighting control sensors on toilet facilities in public areas.

NEWS

HIGHLIGHT

BREEAM-in-Use certification obtained in 2013 with the following ratings:

- Asset Rating: Good (32%)
- Building Management Rating: Good (46%)

EXCERPTS FROM THE BREEAM-IN-USE CERTIFICATES DELIVERED BY THE BRE

2014 BREEAM-IN-USE SCORE: ASSET RATING

Good

Certificate Number: **BIUP10000462** Issue: **1.0**

How this asset scored

Category	Aspects covered	Score (0–100)
Energy	Electricity generation, energy performance and technology infrastructure	33.3
Water	Water metering and leak detection, sanitary fittings, and grey-water/rain water harvesting	40.7
Materials	Condition of assets, security features, and fire alarm systems	50
Pollution	Water/air pollution mitigation, flood risk level, and NOx emissions	47.4
Land Use & Ecology	Asset characteristics and ecological measures	62.5
Health & Wellbeing	Temperate controls, internal air quality, and ventilation strategy	47.5
Waste	Waste storage and disposal methods	100
Transport	Provisions for cyclists and proximity to local amenities	94.4

2014 BREEAM-IN-USE SCORE: BUILDING MANAGEMENT RATING

Good

Certificate Number: **BIUP20000435** Issue: **1.0**

How this asset scored

Category	Aspects covered	Score (0–100)
Energy	Buildings energy consumption levels and maintenance/monitoring practices	22.2
Water	Potable water consumption levels and maintenance/monitoring practices	100
Materials	Appropriate maintenance/security advice, and fire safety management/planning	59.4
Pollution	Managing emergency plan and drainage, light and noise impacts	33.3
Land Use & Ecology	Buildings impact on external landscapes and management procedures	83.3
Health & Wellbeing	Managing internal environment/air quality, occupant satisfaction and hygiene procedures	25
Management	Training/information on building operations; maintenance/procurement and improvements	71.4

FOCUS

A BUILDING MEETING OCCUPIER EXPECTATIONS

THE CITYZEN PROPERTY – RUEIL-MALMAISON

48
kg/day.occupier 2013 waste stream

13
litre/day.occupier 2013 water consumption

MEASURES TAKEN IN 2013

- **Water use:** installation of water-saving taps on toilet facilities;
- **Mobility:** installation of additional bicycle parking racks and creation of a safe bike path in the car park;
- **Visual comfort:** audit and renovation of facades;
- **Risk control:** flooding study and control plan;
- **Energy management:** audit of heating, ventilation and air conditioning (HVAC) facilities and correction by maintenance of non-compliance. Installation via the Central Technical Management (CTM) system of timed programmes in the emergency exit stairs.

NEWS

HIGHLIGHT

BREEAM-in-Use certification obtained in 2013 with the following ratings:

- Asset Rating: Good (47%)
- Building Management Rating: Good (45%)

EXCERPTS FROM THE BREEAM-IN-USE CERTIFICATES DELIVERED BY THE BRE

2014 BREEAM-IN-USE SCORE: ASSET RATING

Good ★★★☆☆☆

Certificate Number: **BIUP10000465** Issue: **1.0**

How this asset scored

Category	Aspects covered	Score (0–100)
Energy	Electricity generation, energy performance and technology infrastructure	33.3
Water	Water metering and leak detection, sanitary fittings, and grey-water/rain water harvesting	38.9
Materials	Condition of assets, security features, and fire alarm systems	50
Pollution	Water/air pollution mitigation, flood risk level, and NOx emissions	31.6
Land Use & Ecology	Asset characteristics and ecological measures	62.5
Health & Wellbeing	Temperate controls, internal air quality, and ventilation strategy	50
Waste	Waste storage and disposal methods	75
Transport	Provisions for cyclists and proximity to local amenities	72.2

2014 BREEAM-IN-USE SCORE: BUILDING MANAGEMENT RATING

Good ★★★☆☆☆

Certificate Number: **BIUP20000446** Issue: **1.0**

How this asset scored

Category	Aspects covered	Score (0–100)
Energy	Buildings energy consumption levels and maintenance/monitoring practices	22.2
Water	Potable water consumption levels and maintenance/monitoring practices	100
Materials	Appropriate maintenance/security advice, and fire safety management/planning	59.4
Pollution	Managing emergency plan and drainage, light and noise impacts	41.7
Land Use & Ecology	Buildings impact on external landscapes and management procedures	83.3
Health & Wellbeing	Managing internal environment/air quality, occupant satisfaction and hygiene procedures	25
Management	Training/information on building operations; maintenance/procurement and improvements	57.1

CSR STRATEGY 2012-2015:

ACTION PLAN 2013-2014

Commitments	*Scope*	*Actions carried out in 2013*
/ AREA 1 - CORPORATE	***"Shoulder our responsibility and be central to the social and environmental challenges affecting our business"***	
Maximize the Company's non-financial transparency	Société de la Tour Eiffel	• EPRA Sustainability BPR Bronze award and participation in the GRESB questionnaire. • Core portfolio compliant with the GRI G4 standard. • Data validation by an outside third party and comprehensive audit of 2012 CSR indicators.
Motivate employees	Société de la Tour Eiffel	• In-depth training on sustainable real estate of Asset Management teams. • Awareness-raising and participation of all Société de la Tour Eiffel employees in CSR policy and mapping of the related issues. • Project of drafting of an in-house Ethics Charter.
Controlling the environmental impact of head office	Société de la Tour Eiffel	• Completion of the third Corporate Carbon Footprint® assessment and 6% reduction in GHG emissions on a like-for-like basis.
Continue to develop the Société de la Tour Eiffel Foundation	Société de la Tour Eiffel	• Facilitation and monitoring of Foundation activity.
Involve stakeholders outside the Group	Société de la Tour Eiffel and third-party service providers	• Deployment of the property managers' *Sustainable Commitment Charter* to 24% of mandates.
Be involved in think-tanks and marketplace initiatives	Société de la Tour Eiffel	• Continue the involvement of Société de la Tour Eiffel with respect to the following organizations: OID, IPD, FSIF, EPRA. • Signing of the *Charter for the energetic efficiency of public and private office buildings* in the Sustainable Building Plan on 31 October 2013.
/ AREA 2 - PORTFOLIO	***"Refocus our strategy on a portfolio with high environmental quality"***	
Control and monitor the environmental impact of the portfolio	Core	• 100% of the "core" (strategic) portfolio mapped. • BREEAM-in-Use certification of "Domino" (Paris) and "CityZen" (Rueil-Malmaison) buildings. -> focus pages 66 to 69. • Definition of a progress plan to decrease final energy consumption of the portfolio by 20% by 2020. -> focus page 63.
Develop 100% green buildings (approved and certified) and control the overall impact of constructions	Core	• HQE and BREEAM Very Good certification for the Eiffel O_2 building in Montrouge.
Develop 100% of new buildings using a verified environmental management system	Non core	• No development scheduled.
Hold 25% green assets (approved or certified)	Offices	• Environmental rating procedure of sites studied on acquisition (present performance and potential for improvement).
Reduce energy consumption and emissions of greenhouse gases	Portfolio	• Estimated Green CAPEX program up to 2020. • Definition of a progress plan to decrease final energy consumption of the portfolio by 20% by 2020.
Mainstream the signature of green leases	Portfolio	• Environmental riders deployed on 95% of the concerned leases submitted (> 2,000 sq. m).
Mainstream the signing of facility management contracts including environmental clauses	Portfolio	• 68% of the mandates have an "Environmental Rider" clause. • 24% of the mandates refer to the property managers' *Sustainable Commitment Charter.*
/ AREA 3 - ASSETS	***"Apply the objectives of the portfolio to each asset through active management to create value"***	
Audit high energy-consuming buildings	Core	• Finalise the audit of the Central Technical Management (CTM) of the Massy-Ampère site. • HVAC Audit (Heating-Ventilation-Air Conditioning) of the Champigny site.
Set up monitoring	Portfolio	• Installation of EMS and consumption monitoring equipment in progress on Aygalades - B9 (Marseille), les Tanneries - D1 (Strasbourg) and Topaz (Vélizy) assets.
Certify assets in service	Core	• BREEAM-in-Use certification of Domino (Paris) and CityZen (Rueil-Malmaison) sites.
Eradicate risk refrigerants	Portfolio	• Withdraw equipment using R22 on 30% of the identified volumes. • Audit of the Quai Aulagnier (Asnières) site.
Ensure accessibility of buildings for the disabled	Core	• Implement a disposal strategy in preparation for making buildings accessible for the disabled • Construct an access ramp on the Montigny site and carry out an audit of the Plessis site.
Facilitate waste management	Portfolio	• List selective collection provisions made at the local level in partnership with property managers.
Control the use of water	Portfolio	• Installation of aerators on the Asnières, Bobigny, Rueil-Malmaison et Paris-Porte des Lilas sites.
Protect biodiversity in business parks	Portfolio	• Intervention of an ecologist on the CityZen (Rueil-Malmaison) and Domino (Paris) sites. • BioDiverCity® certification under study for the Orsay site.

3 AREAS, 21 COMMITMENTS

Objective measurement	*Progress in 2013*	*Actions to be carried out in 2014*	*Page of report*
	60%	• Continuous improvement of compliance with the GRI G4 standard and progress towards the “comprehensive” level. • Participation in non-financial ratings. • Improvement in our GRESB rating.	p.53 Annexe GRI
	60%	• Drafting of the in-house Ethics Charter.	p.56
	40%	• Deployment of an in-house responsible purchasing policy.	p.56
	50%	• Facilitation and monitoring of Foundation activity.	p.70-71
	50%	• Listing of environmental obligations for existing service providers. • Establishment of an assessment questionnaire for new service providers based on their involvement in sustainable development.	p.70-71
	60%	• Participation in the working group of the Sustainable Building Plan on how to set and monitor the *Charter for the energy efficiency of public and private office buildings via* the the Sustainable Real Estate Observatory (OID). • Participation in the work of the International Biodiversity and Real Estate Council (CIBI).	p.53; 61 & 63
% of mapped floor area	100%	• Mainstream BREEAM-in-Use certification and priority deployment on the Massy, Champigny, Topaz, Asnières and Caen Colombelles buildings.	p.50-51 p.63 p.66-69
% of certified assets	100%	• BREEAM Certification for a current development project: Parc d’Orsay	p.47
% of certified assets	20%	• No development scheduled.	p.70-71
% of asset value	60%	• Deployment of the environmental rating scale for acquisitions.	p.70-71
% of reduction of energy and GHG indicators	-	• Definition of an action plan for work associated with the Green CAPEX program up to 2020.	p. 63
% of green leases	95%	• Deployment of an environmental action plan actions through the Green Lease committees to reduce energy consumption. • Extension of environmental riders to certain leases < 2,000 sq. m.	p. 51 & 60
% of mandates including reference to the property managers’ *Sustainable Commitment Charter*	68%	• Distribution of a questionnaire to assess the sustainable development policies of the service providers. The questionnaire sent to property managers will incorporate a section on facility management.	p.70-71
% of number of audited assets	30%	• Audits of high energy-consuming buildings (at least two).	p.70-71
% of number of equipped assets	20%	• Analysis of equipment installed in 2013.	p.70-71
Number of certifications in use	2/11	• Continuation of BREEAM-in-Use certification strategy on Massy, Champigny, Topaz, Asnières and Caen sites.	p.49 & 60 p.70-71
% of volume of the risk fluids	35%	• Definition of an objective to eradicate R22 from the entire core portfolio.	p.70-71
% of accessible area	90%	• No work scheduled.	p.70-71
% of area with selective collection	-	• Identify options for improving waste management.	p.66 p.66 to 69
% of area equipped (core perimeter)	23%	• Studies for the implementation of sub-meters. • Deployment and mainstreaming of water-saving equipment.	p.70-71
	20%	• Deployment of a strategy for the preservation of biodiversity.	p.66 to 69

APPENDICES

APPENDIX 1/ CORRELATION TABLE - ARTICLE 225 INDICATORS - GRENELLE 2

Categories	Sub-category	Indicators	Page of report	Comment
Social information	Employment	The total number and distribution of employees by gender and geographic area.	56-57	As at 31/12/2013, the Company had 25.85 full-time equivalent employees and 27 active employees taking corporate officers into account.
		Hires and fires.	56-57	There were two departures and one hire during fiscal 2013.
		Remuneration and changes.	56-57	Salaries now include payroll and billing of services by companies controlled by corporate officers. The payroll for 2013 thus stood at €4,058k.
	Work organisation	Organisation of working time.	56-57	254 hours of overtime were worked in 2013 of which 56 hours of additional time.
		Absenteeism.	56-57	In 2013, there were 110.72 days of sick leave of which 28.72 days of therapeutic leave.
	Labour relations	The organisation of social dialogue, including procedures for informing, consulting and negotiating with staff.	-	Regular dialogue with employees is maintained and a monthly meeting with staff representatives is organized.
		Collective bargaining agreements.	-	Real estate 3090 convention is applicable.
	Health and safety	Occupational health and safety conditions.	-	The verification of electrical installations, emergency resources and occupational risk assessment was carried out and found to be satisfactory after the regulatory inspection.
		Assessment of agreements with trade unions or employee representatives on occupational health and safety.	-	All the minutes of meetings with staff representatives are distributed to all the staff.
		Workplace accidents, including their frequency and severity, and occupational diseases.	56-57	No occupational accident occurred in 2013.
	Training	Policies implemented for training.	56-57	The Company meets its statutory obligations on vocational training. The share of trained employees has risen from 45 to 68%.
		Total hours of training.	56-57	248 hours of training were taken in 2013, representing an increase of 15%.
	Equal treatment	Measures taken to promote equality between women and men.	-	Société de la Tour Eiffel refuses any form of discrimination in hiring, ensures equal access to vocational training and offers equal pay for work of equal value. 55% of employees are women.
		Measures taken to promote the employment and integration of disabled people.	-	The Company purchases many supplies from Ateliers La Ruche, which employs 80% of workers with disabilities. When one of our employees was recognised as having a first-class disability, her job was arranged accordingly. In addition, an assistant was recruited on an apprenticeship contract to assist her in her work.
		Policy against discrimination.	-	No discrimination during the hiring process, equal access to vocational training, application of the "equal pay for work of equal value" rule, etc.
	ILO (Actions in favour of)	Respect for freedom of association and right to collective bargaining	-	In the course of its business, Société de la Tour Eiffel complies with French law and encourages its partners to do the same.
		Elimination of discrimination in respect of employment and occupation	-	No discrimination during the hiring process, equal access to vocational training, application of the "equal pay for work of equal value" rule, etc.
		Elimination of forced or compulsory labour.	-	Contracts with providers on worksites in particular contain a clause to this effect. Clauses addressing these issues and ILO conventions have been gradually integrated into the mandates of property managers.
		Effective abolition of child labour.	-	
Environmental information	General environment policy	The organisation of the Company to take into account environmental issues, and where appropriate, environmental assessment or certification approaches.	52	A CSR Steering Committee was established in 2013 under the direction of Renaud Haberkorn, Managing Director. It meets monthly and operational management has been entrusted to Odile Batsère, Properties and Environmental Management Director.
		Training and information for employees on environmental protection.	-	Training in CSR and environmental management has been followed by the Asset Management Department and members of the CSR Steering Committee.
		Resources devoted to the prevention of environmental risks and pollution.	70-71	The 2013-2014 CSR action plan covers this indicator.
		Amount of provisions and guarantees for environmental risks.	-	Investments in the control of environmental performance and associated risks are not taken into account in the accounting provisions for liabilities and guarantees.

Categories	Sub-category	Indicators	Page of report	Comment
Environmental information	Pollution and waste management	Measures to prevent, reduce or repair emissions to the air, water and soil seriously affecting the environment.	Complete	The measures are listed in the 2012-2014 CSR action plan (p.70-71).
Environmental information	Pollution and waste management	Measures for waste prevention, recycling and disposal.	58, 66 & 70-71	In its premises, the company sorts and recycles waste, toners and plastic caps, which are taken care of by an association. Comprehensive waste sorting has been implemented with the tenants of the Domino building.
Environmental information	Pollution and waste management	Taking into account noise and other forms of pollution specific to an activity.	-	On its premises, the company has provided anti-noise headphones.
Environmental information	Sustainable use of resources	Water consumption and supply according to local constraints.	61	Mapping of the property portfolio covers this indicator. Water consumption figures are included in key CSR indicators.
Environmental information	Sustainable use of resources	Consumption of raw materials and measures to improve efficiency in their use.	60	A no-waste policy has been established within the company including default settings for printers to save ink and paper. In addition, small notebooks are made from scrap paper.
Environmental information	Sustainable use of resources	Energy consumption and measures taken to improve energy efficiency and the use of renewable energy.	50-51 & 70-71	Energy consumption is detailed in the key CSR indicators and the appendices. The multifunction appliances used by Société de la Tour Eiffel are all energy class “A”, the number of printers has been halved.
Environmental information	Sustainable use of resources	Land use.	-	The Parcs Eiffel systematically include 30% of green space. Demolition waste is recovered as gravel for roads.
Environmental information	Climate change	Greenhouse gas emissions.	50-51 & 70-71	Its premises, the Company has completed a Corporate Carbon Footprint®. The mapping was used to estimate the emissions due to the property portfolio.
Environmental information	Climate change	Adaptation to the impacts of climate change.	70-71	The CSR action plan presented covers this indicator.
Environmental information	Protection of biodiversity	Measures to preserve or enhance biodiversity.	70-71	On several rooftops, beehives have been installed.
Social information	Territorial, economic and social impact of the activity	On employment and regional development.	53	Société de la Tour Eiffel takes part in brainstorming groups such as the Sustainable Development Committee of the FSIF which deals with these issues.
Social information	Territorial, economic and social impact of the activity	On neighbouring and local populations.	-	The Parc des Tanneries in Strasbourg is partially open to the public and is part of an eco-neighbourhood.
Social information	Relations with stakeholders *	Conditions for dialogue with stakeholders.	54-55 & 64-65	The main categories of stakeholders - tenants, operators and shareholders - were interviewed as part of a fact-finding study of CSR issues in the company. Holding regular Green Leases committees establishes constant dialogue with tenants and occupiers.
Social information	Relations with stakeholders *	Partnership or sponsorship actions.	70-71	The activity of Société de la Tour Eiffel Foundation is continuing.
Social information	Subcontractors and suppliers	Integration of social and environmental issues in the purchasing policy.	70-71	A charter has been signed with the property managers to encourage better environmental practices and ensure the inclusion of social and societal issues.
Social information	Subcontractors and suppliers	The importance of outsourcing and the integration in relations with suppliers and subcontractors of their social and environmental responsibility.	70-71	Property and facility management mandates with an environmental clause or completed by the property managers' *Sustainable Commitment Charter.*
Social information	Fair practices	Actions taken to prevent corruption.	-	The Rules of Procedure contain provisions strengthening the regulations to prevent conflicts of interests and insider trading. A dual-signature procedure file is in place. The table of bank transfers is directly transmitted from the accounting firm to the bank and bank transfers are secured by the use of a validation key.
Social information	Fair practices	Measures taken for the health and safety of consumers.	-	An initiative was launched by Société de la Tour Eiffel in 2012. 210 hours have been invested in this project by its backers.
Social information	Human rights	Actions undertaken.	-	Société de la Tour Eiffel is subject to French law which includes respect for fundamental human rights. It also promotes best practices among its service providers, property managers, *via* charters submitted to them in the riders of their mandates.

** The persons or organisations involved or interested in the Company's activity and in particular: tenants, shareholders, associations to combat social exclusion, educational institutions, environmental and consumer associations, and local residents.*

APPENDIX 2/ GRI G4 CORRELATION TABLE

No.	Indicators (EN)	Page	Comment / Correspondence
General standard disclosure			
Strategy and analysis			
G4-1	Statement from the most senior decision-maker of the organization.	CSR p.47	Editorial by Renaud Haberkorn, Chief Executive Officer.
G4-2	Provide a description of key impacts, risks, and opportunities.	CSR p.50-51 & 55	Key CSR indicators and materiality matrix.
Organizational profile			
G4-3	Name of the organization.	-	Société de la Tour Eiffel.
G4-4	Primary brands, products and/or services.	Internet site MR	MR § 1 / "Business and highlights" heading / IS: "Company" and "Portfolio" headings.
G4-5	HQ Location.	-	20 rue de la Ville L'Évêque - 75008 Paris
G4-6	Countries of operation.	-	France
G4-7	Nature of ownership and legal form.	MR	MR cover and § 5.2: Group ownership structure. § 3.1: Composition of the Board of Directors and senior management.
G4-8	Markets served.	Internet site	IS: "Company" and "Portfolio" headings.
G4-9	Scale of the organization.	CSR p.56 & 57 Internet site	CSR: Heading "People have priority". IS: "Company" and "Portfolio" headings.
G4-10	Changes in 2013.	CSR p.56 & 57	CSR: Heading "People have priority".
G4-11	Percentage of employees covered by collective bargaining agreements.	CSR p.72 & 73	CSR: Correlation table Art. 225.
G4-12	Organization's supply chain description.	CSR p.52	CSR: "Governance" / "Stakeholders" headings.
G4-13	Significant changes in 2013 (organizational, ownership, etc.).	MR	MR § 1: Business and highlights.
G4-14	Precautionary approach or principle (taken into account).	MR	MR § 4.3: Risk factors and insurance.
G4-15	Commitments to external initiatives.	CSR p.53	CSR: "Contributions" heading.
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations.	CSR p.53	CSR: "Contributions" heading
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements.	Financial Report MR	Financial Report: Consolidated financial statements of Société de la Tour Eiffel MR Appendices: Table of subsidiaries and equity interests.
G4-18	Process for defining the report content and aspect boundaries.	CSR p.55	CSR: Mapping of CSR issues.
G4-19	List all the material aspects identified in the process for defining report content.	CSR p.55 IS	CSR: Mapping of CSR issues. IS: "Sustainability" Heading - Reporting Protocol.
G4-20	For each material aspect, report the aspect boundary within the organization.	CSR p.54 & 55 appendices	CSR: Mapping of CSR issues. CSR: Appendices - GRI G4 correlation table.
G4-21	For each material aspect, report the aspect boundary outside the organization.	MR	MR § 4.3 Risk factors and insurance.
G4-22	Restatements of information provided in previous reports, and the reasons for such restatements.	IS	IS: "Sustainability" Heading - Reporting Protocol.
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	IS MR	IS: "Sustainability" Heading - Reporting Protocol - Methodological Changes. MR § 1: Business and highlights.
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organization.	CSR p.53	CSR: "Governance"/ "Stakeholders" headings.
G4-25	Identification and selection of stakeholders with whom to engage (methodology).	CSR p.53 & 64	CSR: "Governance" and "Environmental Management in Practice" headings.
G4-26	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	CSR p.53 & 64	CSR: "Governance" and "Environmental Management in Practice" headings.

No.	Indicators (EN)	Page	Comment / Correspondence
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded.	IS	IS: "General Meetings" heading.
	Report Profile		
G4-28	Reporting period.	IS	IS: "Sustainability" Heading - Reporting Protocol.
G4-29	Date of most recent previous report.	IS	IS: "Sustainability" Heading - Reporting Protocol.
G4-30	Reporting cycle (such as annual, biennial).	IS	IS: "Sustainability" Heading - Reporting Protocol.
G4-31	Provide the contact point for questions regarding the report or its contents.	IS	IS: "Sustainability" Heading - Reporting Protocol.
G4-32	"In accordance" option the organization has chosen. GRI Content Index for the chosen option. Reference to the External Assurance Report, if the report has been externally assured (not a requirement to be "in accordance").	CSR p.53 & appendices	CSR: "Contributions" heading and Report of one of the Statutory Auditors.
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report.	CSR - Appendices	CSR: Report of one of the Statutory Auditors (Appendix).
	Governance		
G4-34	Governance structure, including committees of the highest governance body.	MR p.68 to 70	MR § 3: "Corporate Governance" heading.
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CSR p.52	CSR: "Governance" heading.
G4-36	Executive-level position or positions with responsibility for economic, environmental and social topics, and how they report directly to the highest governance body.	CSR p.52	CSR: "Governance" heading.
G4-37	Processes for consultation between stakeholders and the highest governance body.	CSR p.54 & 55 IS	CSR: Mapping of CSR issues IS: "Sustainability" Heading - Reporting Protocol.
G4-38	Composition of the highest governance body and its committees.	MR	MR § 3: "Corporate Governance" heading.
G4-39	Whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management.	MR	MR § 3: "Corporate Governance" heading.
G4-40	Nomination and selection processes for the highest governance body and its committees.	MR	MR § 7.1 (Appendix): Summary table of delegations of powers in respect of capital increases.
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	IS RD - Appendices	IS: Rules of procedure for the Board. Registration Document: Certification from the Financial Markets Authority ("prevention of insider trading and conflicts of interest").
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements (…).	CSR p.52	CSR: "Governance" heading.
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge.	CSR p.52	CSR: "Governance" heading.
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of ESG topics. Report whether such evaluation is independent or not, and its frequency.	CSR p.52	CSR: "Governance" heading.
G4-45	Highest governance body's role in the identification and management of ESG impacts, risks, and opportunities.	CSR p.52 & p.54-55 MR	CSR: "Governance" and "Mapping of CSR issues" headings MR § 4.3 "Risk factors and insurance" heading.
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes.	CSR p.52	CSR: "Governance" heading.
G4-47	Frequency of the highest governance body's review of impacts, risks, and opportunities (role in sustainability reporting).	CSR p.52	CSR: "Governance" heading.
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report.	CSR p.52	CSR: "Governance" heading.
G4-49	Process for communicating critical concerns to the highest governance body.	CSR p.52	CSR: "Governance" heading.

IS = Internet site.
CSR = Corporate Social and Environmental Responsibility Report.
RD = 2013 Registration Document.
MR = 2013 Management Report.

Mandatory indicators.
Mandatory indicators for a comprehensive level.
For material aspects only.
Indicators by aspects. To reach the core level, at least one indicator by aspect.

APPENDIX 2/ GRI G4 CORRELATION TABLE (continued)

No.	Indicators (EN)	Page	Comment / Correspondence
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used.	CSR p.52	CSR: "Governance" heading.
G4-51	Remuneration policies for the highest governance body and senior executives.	CSR p.52 & 54 MR	CSR: "Governance" and "Mapping of CSR issues" headings MR § 3.4 & § 5.3: "Remuneration Policy" and "Dividends paid over the last 5 years" headings.
G4-52	Process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration (and independence).	MR	MR § 3.4: "Remuneration Policy" heading.
G4-53	Stakeholders' views in remuneration, including results of votes.	MR	MR § 3.4: "Remuneration Policy" heading.
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country.	-	nc
G4-55	Ratio % increase in annual total compensation for the organization's highest-paid // median % increase in annual total compensation for all employees.	-	nc
	Ethics and Integrity		
G4-56	Organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	IS	IS: Code of Ethics and Rules of Procedure of the Board.
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity.	CSR p.56-57 IS	CSR: "People have priority" heading. IS: Company values and Rules of Procedure of the Board.
G4-58	Internal/external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity.	CSR p.56-57 IS	CSR: "People have priority" heading. IS: Company values and Rules of Procedure of the Board.
	Specific Standard Disclosure		
	Disclosure on management approach and Aspects materiality		
G4-DMA	Why the Aspect is material? Impacts that make this Aspect material + Management approach (how to manage).	CSR p.54-55 and 70-71	CSR: "A CSR strategy in line with the expectations of our stakeholders" heading and "CSR Strategy 2012-2015" heading.
	Economic performance		
G4-EC1	Direct economic value generated and distributed (EVG&D).	MR	MR § 2: "Economic and Financial Results". Financial Report: "Corporate financial statements".
G4-EC2	Climate change risks and opportunities that have the potential to generate substantive changes in operations, revenue or expenditure.	MR	MR § 4.3: "Risk Factors and Insurance" heading.
G4-EC3	Coverage of the organization's defined benefit plan.	-	na
G4-EC4	Financial assistance received from government.	-	nc
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	-	nc
G4-EC6	Percentage of senior management at significant locations of operation that are hired from the local community.	-	100%
G4-EC7	Development of significant infrastructure investments and services supported.	-	The development of office buildings contributes to the economic attractiveness of a region with the arrival of employees and creation of a working environment for business.
G4-EC8	Significant identified positive and negative indirect economic impacts.	-	The activity of the Company has no "substantial" indirect impact.
G4-EC9	Percentage of the budget used for significant locations of operation spent on local suppliers.	-	nc
	Environnement		
G4-EN1	Materials used by weight or volume.	CSR p.58-59	CSR: "Corporate Carbon Footprint®" heading.
G4-EN2	Percentage of materials used that are recycled.	CSR p.58-59	CSR: "Corporate Carbon Footprint®" heading.
G4-EN3	Energy consumption within the organisation.	CSR p.58-59	CSR: "Corporate Carbon Footprint®" heading.
G4-EN4	Energy consumption outside the organisation.	CSR p.60 to 63	CSR: "Virtuous Portfolio Management" heading.
G4-EN5	Energy intensity.	CSR p.60 to 63	CSR: "Virtuous Portfolio Management" heading.

No.	Indicators (EN)	Page	Comment / Correspondence
G4-EN6	Reduction of energy consumption.	CSR p.60 and 70-71	CSR: “Virtuous Portfolio Management” and “CSR Strategy 2012-2015” headings.
G4-EN7	Reduction in energy requirements of products or services.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN8	Total volume of water withdrawn by sources.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN9	Water sources affected by water withdrawn.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN10	Percentage and total volume of water recycled and reused.	-	nc
G4-EN11	Operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value.	CSR p.66 to 69	CSR: “Focus on Buildings” heading.
G4-EN12	Significant direct and indirect impacts on biodiversity.	-	nc
G4-EN13	Size and location of all habitat protected areas or restored areas.	-	0 %
G4-EN14	IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization.	-	None
G4-EN15	Direct (Scope 1) GHG emissions in metric tons of CO_2.	CSR p.58-59	CSR: “Corporate Carbon Footprint®” heading.
G4-EN16	Energy indirect (Scope 2) GHG emissions in metric tons of CO_2.	CSR p.58-59 & p.61	CSR: “Corporate Carbon Footprint®” and “Virtuous Portfolio Management” headings.
G4-EN17	Other indirect (Scope 3) GHG emissions in metric tons of CO_2.	CSR p.58-59 & p.61	CSR: “Corporate Carbon Footprint®” and “Virtuous Portfolio Management” headings.
G4-EN18	GHG emissions intensity ratio.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN19	Reduction of GHG emissions in metric tons of CO_2 equivalent.	CSR p.58-59 & p.61	CSR: “Corporate Carbon Footprint®” and “Virtuous Portfolio Management” headings.
G4-EN20	ODH (Ozone Depleting Substances) emissions in metric tons of CO_2.	-	None
G4-EN21	NOX, SOX and other significant air emissions.	CSR p.66 to 69	CSR: “Focus on Buildings” heading. BREEAM Certificates: “Health and well-being” target.
G4-EN22	Total volume of planned and unplanned water discharges by: Destination / Quality of the water.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN23	Hazardous and non-hazardous waste (by weight).	-	The Company’s activity does not directly generate any hazardous waste.
G4-EN24	Number and total volume of recorded significant spills.	-	None
G4-EN25	Hazardous waste, transported, imported, exported, treated.	-	None
G4-EN26	Water bodies and related habitats that are significantly affected by water discharges.	-	None
G4-EN27	Mitigation of environmental impacts of products and services during the reporting period.	CSR p.60 and 70-71	CSR: “Virtuous Portfolio Management” and “CSR Strategy 2012-2015” headings.
G4-EN28	Percentage of reclaimed products and their packaging materials.	-	Not applicable to the Company’s business.
G4-EN29	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulation.	-	None
G4-EN30	Environmental impacts of transporting products and other goods and materials for the operations, or transporting members of the workforce.	CSR p.58-59	CSR: “Corporate Carbon Footprint®” heading - “Travel” item.
G4-EN31	Total environmental protection expenditures.	-	nc
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain.	CSR p.60 to 63	CSR: “Virtuous Portfolio Management” heading.
G4-EN34	Number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.	-	None

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Mandatory indicators.
Mandatory indicators for a comprehensive level.
For material aspects only.
Indicators by aspects. To reach the core level, at least one indicator by aspect.

No.	Indicators (EN)	Page	Comment / Correspondence
Labor practices and decent work			
G4-LA1	Total number and rate of new employee hires during the reporting period, by age group, gender and region.	CSR p.56-57	CSR: “People have priority” heading. Sub-category “Employment”.
G4-LA2	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees.	-	nc
G4-LA3	Return to work and prevention rates after parental leave by gender.	-	The Company guarantees the return to work and retention after parental leave.
G4-LA4	Minimum notice periods typically provided to employees prior to the implementation of significant operational changes that could substantially affect them.	-	nc
G4-LA5	Total workforce represented in HSE committees that help monitor programs.	-	At present there is no HSEC in the Company because there is no legal obligation to have one.
G4-LA6	Injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce.	CSR p.56-57	CSR: “People have priority” heading. Sub-category “Working time”.
G4-LA7	Workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	-	None
G4-LA8	H&S topics covered in agreements with trade union.	-	The internal rules of procedure for personnel detail and assess the risks to the health and safety of employees.
G4-LA9	Average hours of training during the reporting period (by gender or employee category).	CSR p.56-57	CSR: “People have priority” heading. Sub-category “Training”.
G4-LA10	Programs implemented and assistance provided to upgrade employee skills.	-	nc
G4-LA11	% of total employees by gender and by employee category who received a regular performance and career development review.	CSR p.56-57	CSR: “People have priority” heading / All employees are concerned.
G4-LA12	Composition of governance bodies: breakdown by gender, employee category, age, minority membership and others (diversity).	MR	Management Report: “Governance” heading
G4-LA13	Basic salary and remuneration of women to men for each employee category, by significant locations of operation (to define).	-	nc
G4-LA14	% of new suppliers that were screened using labor practices criteria.	CSR p.70-71	CSR: “CSR Strategy 2012-2015” heading / Deployment environmental charters as part of property management mandates.
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain.	CSR p.70-71	CSR: “CSR Strategy 2012-2015” heading / Actions scheduled for 2014: questionnaire sent to providers.
G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms.	-	None
Human rights			
G4-HR1	Number and percentage of significant investment agreements and contracts that include human rights clauses.	-	Société de la Tour Eiffel is subject to French law which includes respect for fundamental human rights. It also promotes best practices among its service property managers *via* charters submitted to them in the appendices of their mandates.
G4-HR2	Hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights.	-	None
G4-HR3	Incidents of discrimination and remediation plans.	-	None
G4-HR4	Operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated.	-	None
G4-HR5	Operations and suppliers considered to have significant risk for incidents of Child labor.	-	None
G4-HR6	Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor.	-	None
G4-HR7	% of security personnel who have received formal training or specific procedures and their application to security.	-	0%
G4-HR8	Number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.	-	None
G4-HR9	Number and percentage of operations that have been subject to human rights reviews or human rights impact assessments.	-	None
G4-HR10	% of new suppliers that were screened using human rights criteria.		0%

No.	Indicators (EN)	Page	Comment / Correspondence
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain.	-	None
G4-HR12	Number of grievances about human rights filed, addressed and resolved through formal grievance mechanisms.	-	None
	Society and societal responsibility		
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	-	For the "Parc d'Orsay" building, work with the Public Establishment of the Plateau de Saclay for the development of their master plan with handover of land for roads, subway and redevelopment of the area. Other retrocessions and cooperations have taken place with the city halls in Strasbourg and Massy.
G4-S02	Operations with significant actual and potential negative impacts on local communities.	-	None
G4-S03	Number and percentage of operations assessed for risks related to corruption and identification of significant risks.	-	Not applicable to the Company's business
G4-S04	Communication and training on anti-corruption policies & procedures.	RD	Registration document: certificate of the AMF - Autorité des Marchés Financiers
G4-S05	Confirmed incidents of corruption and actions taken.	-	None
G4-S06	Monetary value of financial and in-kind political contributions.	-	The company does not finance political parties.
G4-S07	Legal actions pending or completed regarding anticompetitive behaviour and violations of anti-trust and monopoly legislation.	-	None
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	-	None
G4-S09	% of new suppliers that were screened using criteria for impacts on society.	-	0%
G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken.	-	None
G4-S011	Number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.	-	0%
	Product responsibility		
G4-PR1	% of significant product and service categories for which health and safety impacts are assessed for improvement.	-	nc
G4-PR2	Number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services.	-	None
G4-PR3	Type of product or service information required by the organization procedures (sourcing, specific content, safe use, disposal, etc.).	RD	Registration Document: information requested for the certificate of the Financial Markets Authority to fully inform shareholders.
G4-PR4	Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.	-	None
G4-PR5	Results or key conclusions of customer satisfaction surveys.	-	nc
G4-PR6	Sale of banned or disputed products.	-	None
G4-PR7	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	-	None
G4-PR8	Substantiated complaints received concerning breaches of customer privacy.	-	None
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-	0

IS = Internet site.
CSR = Corporate Social and Environmental Responsibility Report.
RD = 2013 Registration Document.
MR = 2013 Management Report.

Mandatory indicators.
Mandatory indicators for a comprehensive level.
For material aspects only.
Indicators by aspects. To reach the core level, at least one indicator by aspect.

APPENDIX 3/ DETAILS OF PORTFOLIO ENVIRONMENTAL PERFORMANCE INDICATORS

Scope GLOBAL	*Reference GRI CRESS - EPRA*	*% data*	*Unit*	*2013*	*Years 2012*	*2011*
/ ENERGY						
CarbonScreen® scale rating – intrinsic performance	-	100%	/100	57	54	55
Total energy consumption	EN 3 & 4	85%	MWh_{FE}	50,494	50,251	35,551
including fossil fuels	EN 3		MWh_{FE}	128	0	0
including electricity	EN 4		MWh_{FE}	47,498	50,251	35,551
Including urban network	EN 4		MWh_{FE}	2,868	5,058	2,165
… per sq. m	CRE 1		kWh_{FE}/sq. m	191	147	148
	CRE 1		kWh_{PE}/sq. m	449	348	360
/ GHG						
Total emissions	EN 16	85%	CO_2teq	5,104	5,107	3,461
including direct	EN 16		CO_2teq	249	353	307
including indirect	EN 16		CO_2teq	4,855	4,754	3,155
… per sq. m	EN 8		kg CO_2e/sq. m	19	15	14
/ WATER						
Total consumption	EN 8	51%	m^3	44,216	52,842	51,113
… Per person	CRE 3		m^3/nbETP	7.1	5.7	7.3
/ WASTE						
Total tonnage	EN 22	38%	t	866	524	668
… Per person	-		kg/nbETP	187.6	154.8	231.8
% of recovered/recycled waste*	EN 22		%	83%		

** Waste collected according to type (common industrial waste (CIW), household waste, paper, cardboard, etc.).*

CORE BASIS OF CONSOLIDATION

Name	*Type*	*Surface area (m^2)*	*Energy consumption (kwh_{PE}/m^2)*	*GHG emissions ($kg\ CO_2e/m^2$)*	*Water consumption ($m^3/nbETP$)*	*Waste flow (kg/nbETP)*
Asnières	Offices	10,391	406.0	13.2	20.4	289.0
Bobigny	Offices	6,597	336.6	11.0	na	na
Champigny	Offices	14,153	615.3	20.0	7.1	233.1
Massy Ampère	Offices	16,339	862.2	28.1	7.2	267.8
Paris-Porte des Lilas	Offices	12,341	522.3	17.0	10.0	na
Plessis	Offices	16,597	645.1	39.0	10.0	69.4
Rueil-CityZen	Offices	6,829	750.5	24.4	13.3	na
Vélizy Topaz	Offices	14,106	882.4	33.5	na	112.9
Vélizy-Energy II	Offices	5,444	691.3	71.6	5.6	110.8
Saint-Cloud	Offices	4,104	1,825.6	59.4	na	na
Montrouge-Eiffel O_2 *	Offices	5,200	365.3	17.4	na	na
Montigny	Offices	7,641	na	na	na	na
Orsay	Parcs Eiffel	17,211	206.7	6.7	na	na
Aubervilliers	Commercial	21,692	na	na	na	na

** Indicator established on an annual pro rata basis since the asset entered service in September 2013.*

NON CORE BASIS OF CONSOLIDATION

Name	*Type*	*Surface area (m^2)*	*Energy consumption (kwh_{PE}/m^2)*	*GHG emissions ($kg\ CO_2e/m^2$)*	*Water consumption ($m^3/nbETP$)*	*Waste flow (kg/nbETP)*
Caen NXP	Offices	17,525	645.3	21.0	2.2	118.3
Aix-Parc du Golf	Parcs Eiffel	23,089	249.8	8.1	na	na
Marseille-Parc des Aygalades	Parcs Eiffel	17,728	97.6	3.2	na	na
Nantes-Parc du Perray	Parcs Eiffel	14,541	253.5	8.3	na	na
Strasbourg-Parc des Tanneries	Parcs Eiffel	35,259	259.5	8.4	na	na
Montpellier	Commercial	12,003	0.0	0.0	na	na
La Poste-Gennevilliers	Warehouses / Sorting centres	35,259	0.0	0.0	na	na
La Poste-Mitry-Mory	Warehouses / Sorting centres	9,759	0.0	0.0	na	na
La Poste-Toulouse	Warehouses / Sorting centres	13,814	229.6	13.3	na	na
La Poste-Orléans Ingré	Warehouses / Sorting centres	4,436	292.7	33.4	na	na
La Poste-St Gibrien	Warehouses / Sorting centres	11,350	351.5	11.7	na	na
La Poste-La Roche-sur-Yon	Warehouses / Sorting centres	5,980	na	na	na	na

REPORT OF ONE OF THE STATUTORY AUDITORS

REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION CONTAINED IN THE MANAGEMENT REPORT

/ FINANCIAL YEAR ENDING 31 DECEMBER 2013

To the shareholders,

In our capacity as Statutory Auditors for Société de la Tour Eiffel, appointed as an independent third party, the admissibility of whose application for certification has been accepted by COFRAC, we hereby present our report on the consolidated social, environmental and corporate information presented in the management report (hereinafter the "CSR Information"), established for the year ended 31 December 2013 pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

/ CORPORATE RESPONSIBILITY

The Board of Directors is responsible for the preparation of a management report including the CSR information stipulated in Article R. 225-105-1 of the French Commercial Code, in accordance with the guidelines used by the company (hereinafter the "Guidelines") as summarized in the report and available on request from the company's head office.

/ INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the regulatory requirements, the code of ethics of the profession as well as the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have implemented a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and the applicable legal and regulatory texts.

/ RESPONSIBILITY OF THE AUDITOR

It is our role, on the basis of our work:

- to attest whether the required CSR Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of disclosure);
- to provide limited assurance on whether the CSR Information as a whole is fairly presented, in all material respects, in accordance with the Guidelines (Limited assurance report).

Our work was carried out by a team of five people between December 2013 and March 2014 for a period of about 14 weeks. We called upon our Corporate Social Responsibility experts to assist us in the performance of our work.

We conducted the work described below in accordance with professional standards applicable in France, and with the decree of 13 May 2013 determining the conditions under which the independent third party conducts its mission and, with respect to our attestation, with the international standard ISAE 3000[1].

1. ATTESTATION OF PRESENCE

Based on interviews with officials of the departments concerned, we learned the guidelines for sustainable development based on the social and environmental consequences of the activities of the company and its corporate commitments and, where appropriate, the actions or programmes that result.

We compared the CSR information presented in the management report with the list as provided in Article R. 225-105-1 of the French Commercial Code.

In the absence of certain consolidated information, we verified that explanations were provided in accordance with Article R. 225-105 paragraph 3 of the French Commercial Code.

We verified that the CSR information covered the scope of consolidation, i.e. the company and its subsidiaries within the meaning of Article L. 233-1 and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code.

On the basis of our work, we attest that the required CSR information is presented in the management report.

2. LIMITED ASSURANCE REPORT

/ NATURE AND SCOPE OF THE WORK

We conducted four interviews with seven persons responsible for the preparation of CSR information from contributors responsible for gathering the information and, if applicable, responsible for internal control and risk management procedures in order to:

- Assess the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, neutrality, understandability, taking into account, where appropriate, best practices in the sector concerned;
- Verify the implementation of a process for collecting, compiling, processing and controlling the completeness and consistency of the CSR information and obtaining an understanding of the internal control and risk management procedures relating to the development of CSR information.

We determined the nature and extent of our tests and inspections depending on the nature and importance of CSR information in relation to the characteristics of the company, the social and environmental challenges of its business, its policies with respect to sustainable development and best practices in the sector concerned.

For the CSR information that we deemed to be the most important[2]:

- At the level of the parent company, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified on the basis of sampling, calculations and data consolidation and we verified their consistency and correlation with the other information in the management report;
- As a representative sample of the assets[3] that we selected based on their representation in the type of assets, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the correct application of the procedures and implemented detailed tests on the basis of sampling, which consisted in checking the calculations and reconciling the data in the supporting documents. The sample selected represents, according to the indicator concerned, 26% to 54% of the quantitative environmental data.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations, if any, for the total or partial absence of certain information by taking into account, where appropriate, best professional practices formalized in the Guidelines of the Global Reporting Initiative.

We believe that the sampling methods and sample sizes that we have used by exercising our professional judgment allow us to formulate a limited assurance conclusion: a higher level of assurance would have required a more extensive review. Because of the use of sampling techniques as well as other limitations inherent to the operation of any information and internal control system, the risk of not detecting a material misstatement in the CSR information cannot be completely eliminated.

/ CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information is not fairly presented, in all material respects, in accordance with the Guidelines.

Neuilly-sur-Seine, 20 March 2014

Yves Nicolas
Partner
Statutory Auditor

Sylvain Lambert
Partner
Sustainable Development Department

PricewaterhouseCoopers Audit

[1] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

[2] Quantitative information: energy consumption and measures taken to improve energy efficiency and use of renewable energy, water consumption and water supply according to local constraints, releases of greenhouse gas emissions, the total number and distribution of employees by gender, their remuneration and their development and the total number of training hours.
Qualitative information: the organization of the company to take into account environmental issues, and where appropriate, approaches to assessment or environmental certification, the conditions for dialogue with stakeholders.

[3] Massy/Ampère, Plessis-Robinson, Vélizy Topaz, Caen - Colombelles, St Gibrien, and Strasbourg - Parc des Tanneries.

SOCIETE
DE LA
TOUR EIFFEL

Design and execution : makheia sequoia – Text: Sinteo La Vision Energie Globale – Photo credits : Team portraits / Marc Bertrand – Building pictures / Paul Maurer.

7. APPENDICES TO THE MANAGEMENT REPORT

7.1 *Special report on share subscription or purchase options*

Special report to the General Shareholders' Meeting convened to approve the 2013 financial statements on share subscription or purchase options

(Article L. 225-184 of the French Commercial Code)

Pursuant to Article L. 225184 of the French Commercial Code, we are providing information on the share subscription and purchase options transactions conducted during the financial year ended 31 December 2011 (Articles L. 225-177 to L. 225-186 of the French Commercial Code).

Number, maturity dates and prices of share subscription or purchase options which, during fiscal 2013 and for the mandates and functions exercised in the Company, were granted to each of these corporate officers by the Company and those associated with it in accordance with Article L. 225-180			None
Number, maturity dates and prices of share subscription or purchase options that were granted during fiscal 2013 to each of these officers for the mandates and functions they perform by the companies controlled within the meaning of Article L. 233-16			None
Number and prices of shares subscribed or purchased during the 2013 financial period by officers of the Company by exercising one or more of the options held on the Company, or companies related to it in accordance with Article L. 225-180 as well as on controlled companies within the meaning of Article L. 233-16	Frédéric Maman	3,369 shares	€32.87
	Mark Inch	9,231 shares	€32.87
Number, price and maturity dates of share subscription or purchase options granted during the year by the Company and by the companies or groups linked to it in accordance with Article L. 225-180, to each of the ten employees of the Company who are not corporate officers and whose number of options granted is the highest			None
Number and price of shares which, during the year were subscribed for or purchased, by exercising one or more of the options held on the Company and on the companies or groups linked to it in accordance with Article L. 225-180, for each of the ten employees of the Company who are not corporate officers and whose number of shares purchased or subscribed for is the highest			None
Number, price and maturity dates of share subscription or purchase options granted during the year by the Company and by the companies or groups linked to it in accordance with Article L. 225-180, to all employee beneficiaries and the number thereof and the distribution of the options granted between the categories of recipients	Philippe de Trémiolles, TEAM CFO	14,862 stock options maturing on 11/04/2018	€44.56

The Board of Directors

7.2 Special report on bonus share attributions

Special report to the General Shareholders' Meeting convened to approve the 2013 financial statements on bonus share attributions

(Article L. 225-197-4 of the French Commercial Code)

Pursuant to Article L. 225-197-4 of the French Commercial Code, under the terms of this report, we are providing information on the bonus share operations which took place during the financial year ended on 31 December 2013 (Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code).

In 2013, the Board of Directors used only once the delegation of power granted by the Extraordinary General Meeting of Shareholders of 18 May 2011, in its 19th resolution, to grant bonus shares to certain officers and/or employees of the Company or its subsidiaries, within the limit of 1% of capital:

Date	Recipient	Number of bonus shares
11/04/2013	Philippe de Trémiolles, CFO, Tour Eiffel Asset Management, subsidiary	1,900

The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares. The recipient, who has the status of "Executive Director" within the meaning of Article L. 3111-2 of the French Labour Code, is also required to keep a third of registered shares received until the termination of his employment.

The valuation method adopted for the consolidated accounts shows a value per share of €39.96.

The Board of Directors

7.3 Table of results for the last five years

Results for the last five years

Indicators *(in Euros)*	2009 financial year	2010 financial year	2011 financial year	2012 financial year	2013 financial year
Share capital at year-end					
Share capital	27,165,180	27,961,420	28,681,360	30,553,055	31,269,580
Number of issued shares	5,433,036	5,592,284	5,736,272	6,110,611	6,253,916
Nominal value of the shares	5	5	5	5	5
Operations and results for the year					
Turnover	7,409,723	7,747,826	6,344,139	7,585,126	8,804,602
Current pre-tax, amortisation and provisions earnings	384,981	31,356,625	14,948,918	23,471,368	32,011,336
Company income tax	(18,000)	(48,000)	(18,000)	173,566	108,000
Employee profit-sharing due for the year	-	-	-	-	-
Earnings after taxes, employee profit sharing, depreciation and provisions	(10,666,955)	36,739,798	11,557,457	23,428,277	8,633,543
Distribution paid	21,348,934	22,781,030	23,683,153	25,064,378	19,724,193
Earnings per share					
Earnings after taxes and before amortisation and provisions (1)	0.07	5.62	2.61	3.97	5.17
Earnings after taxes, amortisation and provisions (1)	(1.96)	6.57	2.01	3.99	1.40
Dividend paid per share (net) (3)	4.00	4.20	4.20	4.20	3.20
Personnel					
Average headcount during the year	1	1	1	1	0
Payroll for the financial year (2)	720,000	720,000	1,482,400	2,366,490	512,936
Amount of social security benefits paid in during the year (social security, community enterprises) (2)	217,400	221,280	298,239	788,312	150,107

(1) The earnings per share are computed based on a weighted average number of shares during the year.
(2) The payroll figure includes remuneration paid to the Company officers and directors and cost of bonus share attributions.
(3) Of which during FY 2013: €1.2 of interim dividends paid and €2.0 of proposed balance.

7.4 Authorisation to assume sureties, guarantees and other warranties

Pursuant to Articles L. 225-35 and R. 225-28 of the French Commercial Code, the Board of Directors authorised the Chief Executive Officer at its meeting held on 20 March 2013 to give sureties, guarantees and other warranties up to a total cap of €200 million.

This authorisation was given for a one year term.

7.5 Summary table of delegations of powers in respect of capital increases

Authorisation granted	Use
Authorisation granted to the Board of Directors to award bonus shares up to a percentage of 1% of equity On 18 May 2011, the Extraordinary General Meeting of shareholders, in its 19th resolution, authorised the Board of Directors, to the benefit of certain directors and / or employees of the Company or its subsidiaries of their choice, provided that the legal conditions for the award are met, to allocate bonus shares existing or to be issued up to a limit of 1% of shareholders' equity of the Company as recorded at the end of the aforesaid Meeting. <u>Term of the delegation:</u> thirty-eight months as from the above Meeting.	**Use:** 1) The meeting of the Board of 8 October 2011 decided to allocate the following bonus shares: - to Mr Mark Inch 7,000 shares; - to Mr Robert Waterland 7,000 shares; - to Mr Jérôme Descamps 2,000 shares; - to Mr Frédéric Maman 2,000 shares; - to employees of Tour Eiffel Asset Management, 2,000 shares. In the case of corporate officers and directors, the definitive attribution of shares is conditional to reaching two non-cumulative performance conditions after a period of two years: 2) The meeting of the Board of 4 September 2012 decided to allocate the following bonus shares: - to Mr Mark Inch 10,000 shares; - to Mr Renaud Haberkorn 20,000 shares. The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares. 3) The meeting of the Board of 11 October 2012 decided to allocate 1,900 bonus shares to Mr Frédéric Maman. The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares. 4) The meeting of the Board of 5 December 2012 decided to allocate 2,100 bonus shares to employees of the subsidiary Tour Eiffel Asset Management, without any performance conditions. 5) The meeting of the Board of 11 April 2013 decided to allocate 1,900 bonus shares to Mr Philippe de Trémiolles. The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares.
Authorisation granted to the Board of Directors to award options to subscribe or purchase shares up to a limit of 2% of equity The Extraordinary General Meeting of Shareholders of 24 May 2012, in its 16th resolution, delegated to the Board of Directors the power to grant options to subscribe for or purchase shares to certain officers and/or employees of the Company or its subsidiaries, within the limit of 2% of capital. <u>Term of the delegation:</u> thirty-eight months as from the above Meeting.	**Use:** 1) The meeting of the Board of 4 September 2012 decided to allocate the following stock options: - to Mr Mark Inch 25,000 options; - to Mr Renaud Haberkorn 60,000 shares. The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares. 2) The meeting of the Board of 11 October 2012 decided to allocate 14,862 stock options to Mr Frédéric Maman. The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares. 3) The meeting of the Board of 11 April 2013 decided to allocate 14,862 stock options to Mr Philippe de Trémiolles. The final allocation of these shares is conditional on the achievement of performance criteria and an obligation to purchase shares.

Authorisation granted	Use
Delegation of powers granted to the Board of Directors to increase the share capital by the issue of ordinary shares and/or any marketable securities giving access, immediately or in the long term, to Company shares while maintaining pre-emptive subscription rights. On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 11th resolution, delegated to the Board of Directors the full powers required to proceed with the capital increase, in one or several instalments, while maintaining pre-emptive subscription rights, to the extent and at that time that it sees fit, through the issue of shares, warrants and/or marketable securities issued with or without cost, in Euros or foreign currencies, regulated by Articles L. 228-91 *et seq.* of the Commercial Code, giving immediate or delayed access, at any moment or a precise date, to ordinary shares of the Company through subscription, conversion, trade, redemption, presentation of a warrant, or any other means. Limits of the authorised issue amounts: - The total nominal amount of capital increases likely to be carried out pursuant to the 11th resolution as well as the 12th to 18th resolutions may not exceed an overall ceiling of fifteen million two hundred thousand Euros (€15,200,000). To this amount is added, where applicable, the additional nominal amount of shares to be issued to preserve, in accordance with the law, the rights of holders of marketable securities giving access to capital. - The total nominal value of marketable securities representing borrowings giving access to capital which may be issued under resolutions 11, 12, 13, and 14, is limited to one hundred and fifty (150) million Euros or its equivalent in foreign currency. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**

Authorisation granted	Use
Delegation of powers granted to the Board of Directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares, while eliminating pre-emptive subscription rights but introducing a period of right of priority for shareholders totalling at least five trading days On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 12th resolution, delegated to the Board of Directors the full powers required to proceed with the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access to ordinary shares of the Company, at one time or in several instalments, at any time or on a specific date, to the extent and at that time that it sees fit, on the French or international stock markets, through a public offering, in Euros or in a foreign currency, or giving access to equity of another company in which it directly or indirectly holds more than half of the share capital, through subscription, conversion, trade, redemption, presentation of a warrant, or any other means. The General Shareholders' Meeting eliminated the pre-emptive subscription rights, provided that the Board gives shareholders a right of subscription priority for at least five trading days. Limits of the authorised issue amounts: - The total nominal amount of capital increases likely to be carried out pursuant to the 12th resolution as well as the 13th resolutions may not exceed an overall ceiling of six million one hundred thousand Euros (€6,100,000). To this amount is added, where applicable, the additional nominal amount of shares to be issued to preserve, in accordance with the law, the rights of holders of marketable securities giving access to capital. - The nominal value of marketable securities representing immediate and/or long-term borrowings which may be issued under resolutions 12 and 13 in accordance with Articles L. 228-91 and L. 228-92 of the Commercial Code is limited to sixty (60) million Euros or its equivalent in foreign currency. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**

Authorisation granted	Use
Delegation of power granted to the Board of Directors to increase the share capital, while eliminating pre-emptive subscription rights, by the issue of any marketable securities giving access, immediately or in the long term, to Company shares On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 13th resolution, delegated to the Board of Directors the full powers required to proceed with the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access to ordinary shares of the Company, at one time or in several instalments, at any time or on a specific date, to the extent and at that time that it sees fit, on the French or international stock markets, through a public offering, in Euros or in a foreign currency, or giving access to equity of another company in which it directly or indirectly holds more than half of the share capital, through subscription, conversion, trade, redemption, presentation of a warrant, or any other means. The General Shareholders' Meeting eliminated the pre-emptive subscription rights, but the Board is entitled to give shareholders a right of subscription priority. Limits of the authorised issue amounts: - The total nominal amount of capital increases, immediate or future, likely to be carried under the 13th resolution and the 12th resolution shall not exceed six million one hundred thousand Euros (€6,100,000), the overall amount of these capital increases being deducted from the ceiling set in the 11th resolution. To this amount is added, where applicable, the additional nominal amount of shares to be issued to preserve, in accordance with the law, the rights of holders of marketable securities giving access to capital. - The nominal amount of the issued share capital pursuant to the 13th resolution shall be deducted from the overall ceiling authorized by the 11th resolution. - The nominal value of marketable securities representing immediate and/or long-term borrowings which may be issued under resolutions 13 and 12 in accordance with Articles L. 228-91 and L. 228-92 of the Commercial Code is limited to sixty (60) million Euros or its equivalent in foreign currency. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**

Authorisation granted	Use
Delegation of power granted to the Board of Directors in order to increase share capital through an issue, while eliminating pre-emptive subscription rights, through offers of any marketable securities giving access to Company shares immediately or in the long term, reserved to qualified investors and/or a limited circle of investors On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 14th resolution, delegated to the Board of Directors the full powers required to proceed with the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access to ordinary shares of the Company for qualified investors and/or a limited circle of investors, at one time or in several instalments, to the extent and at that time that it sees fit, on the French or international stock markets, in Euros or in a foreign currency, through subscription, conversion, trade, redemption, presentation of a warrant, or any other means. The General Shareholders' Meeting eliminated the pre-emptive subscription rights of shareholders in securities to the benefit of qualified investors and / or a limited circle of investors. Limits of the authorised issue amounts: - The total nominal amount of capital increases, immediate or future, likely to be carried under the 14th resolution shall not exceed three million and fifty thousand Euros (€3,050,000), the overall amount of these capital increases being deducted from the ceiling set in the 11th, 12th and 13th resolutions. To this amount is added, where applicable, the additional nominal amount of shares to be issued to preserve, in accordance with the law, the rights of holders of marketable securities giving access to capital. - The nominal value of marketable securities representing immediate and/or long-term borrowings which may be issued under this delegation of power in accordance with Articles L. 228-91 and L. 228-92 of the Commercial Code is limited to thirty (30) million Euros or its equivalent in foreign currency. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**

Authorisation granted	Use
Delegation of power granted to the Board of Directors to increase the number of shares to issue in the event of a capital increase with or without pre-emptive subscription rights within the framework of a greenshoe option. On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 15th resolution, authorized the Board of Directors, which may further delegate to any person authorized by law, to decide for each of the issues decided under the 11th, 12th, 13th and 14th resolutions, the number of ordinary shares and marketable securities to be issued may be increased by the Board of Directors when it observes an excess demand, in accordance with the terms of Article L. 225-135- 1 and R. 225-118 of the Commercial Code and within the limits set by the aforementioned resolutions. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**
Delegation of power granted to the Board of Directors to increase the share capital, while eliminating pre-emptive subscription rights, by the issue of any marketable securities giving access, immediately or in the long term, to Company shares for the purpose of remunerating contributions in kind of equity securities or marketable securities giving access to capital, up to a limit of 10% of capital On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 16th resolution, delegated to the Board of Directors the powers necessary to increase share capital by the issue of shares, warrants and/or marketable securities giving immediate or future access to ordinary securities in the Company, at any time or on a set date, in one or several instalments, in such proportion and at such time as it may deem fit, said issues being limited to 10% of the share capital for the purpose of remunerating contributions in kind made to the Company that comprise rights in share capital or marketable securities giving access to share capital provided the provisions of Article L. 225-148 of the French Commercial Code do not apply. Limits of the authorised issue amounts: The share issues performed in execution of this delegation of power will be deducted from the ceilings described in resolutions 11, 12 and 13. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorization expired and has not been used.**

Authorisation granted	Use
Delegation of power granted to the Board of Directors to increase shareholders' equity by incorporation of profits, premiums and reserves On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 17th resolution, delegated to the Board of Directors the full powers required to proceed, at one time or in several instalments, to the extent and at that time that it sees fit, with the incorporation of profits, premiums, reserves or other funds, the capitalisation of which is legally and statutorily possible in the form of attribution of bonus shares and/or raising the nominal value of existing shares. Limits of the authorised issue amounts: The maximum nominal amount of capital increases likely to be performed may not exceed €15,200,000. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**
Authorisation to be granted to the Board of Directors in order to increase capital while eliminating pre-emptive subscription rights for corporate officers and employees, as per the provisions of Articles L. 225-129-6 of the Commercial Code and L. 3332-18 of the Labour Code On 30 May 2013, the Extraordinary General Meeting of shareholders, in its 18th resolution, delegated to the Board the powers required to proceed, under the provisions of Articles L. 225-129, L. 225-129-2, L. 225-138, L. 225-138-1 of the French Commercial Code and L. 3332-18 and L. 3332-19 of the Labour Code, to capital increases reserved for corporate officers and employees of the Company and its related companies as currently defined by law, joining a Company savings plan or a voluntary employee savings partnership plan, subject to a maximum of six hundred thousand Euros (€600,000) of nominal amount This authorization entails the waiver by shareholders of their pre-emptive subscription rights in favour of corporate officers and employees for whom the increase is reserved. Term of the delegation: twenty-six months as from the date of the aforementioned Meeting.	**This authorisation has not been used.**

8. GLOSSARY

Assets in service

Leased assets or assets available for rent.

Covenant

The usual boilerplate prepayment by acceleration clauses provided for in financing agreements between the Group companies and banks include non-compliance with certain financial ratios, called covenants.

The consequences of non-compliance with these covenants are detailed in each contract and can result in outstanding loans being declared immediately due and payable.

The two main financial ratios which the Group is committed to maintain under its bank financing agreements are:
- LTV ratio: commonly defined as the amount of committed financings over that of the fixed assets financed;
- ICR ratio: commonly defined as the cover of finance costs by net rentals.

Debt rate

- Average rate = (Financial expenses of bank debt for the period + Net financial expenses for hedging of the period) / Average outstanding bank debt for the period.
- Spot rate: definition comparable to the average rate over a period reduced to the last day of the period.

Development projects

These are projects under construction at the balance sheet date, including properties being repositioned.

EPRA Earnings

EPRA recurring net income is defined as recurring net income from current operations.

EPRA NAV and Triple Net EPRA NAV

They are calculated from consolidated shareholders' equity. Their calculation is detailed in Section 2.3 "Net Asset Value" of the management report.

Gross financial debt

Outstanding balances at end of period of bank loans (excluding accrued interest).

LFL growth

This indication provides information comparable from one year to the next. The scope corresponds to the existing assets over the entire duration of the two periods, which therefore excludes a number of assets acquired, sold, delivered or demolished during these two periods.

Loan To Value (LTV)

The LTV is the ratio between net financial debt and the valuation of assets (investment properties + assets for disposal + other property, plant & equipment).

Mortgages include covenants based on an LTV ratio. The method for calculating this ratio in this case is specific to the loan agreement and may possibly differ from the "group" method of calculation defined above.

Net financial debt

Gross debt minus cash in hand and equivalents.

Number of diluted shares

The number of diluted shares at the end of the period taken into account in the calculation of EPRA NAV is calculated by increasing the number of shares outstanding at the end of the period by the number of shares resulting from the conversion of securities giving access to capital, with a potentially dilutive effect. The potential dilution from these securities (options to purchase or subscribe for shares) was calculated when any such instruments were exercisable on the cut-off date.

The number of fully diluted shares included in the calculation of EPRA NAV at 31 December 2013 amounted to 6,227,986 shares. A calculation is given in Note 25 to the consolidated accounts.

Recurring cash flow

Recurring cash flow represents operating cash flow after the impact of financial costs and corporate income tax. Operating cash flow refers to net rental income of the property company, after deduction of net corporate expenses. Recurring cash flow does not include non-recurring income.

The details of recurring cash flow are included in Section 2.1.2.d) of the management report.

Rental income

- Rental income recorded corresponds to gross rental income over the period, taking into account, in accordance with IFRS, the spread of any concessions granted to tenants.
- Rents LFL growth provides information comparable from one year to the next. The scope corresponds to existing assets over the entire duration of the two periods, which therefore excludes certain assets acquired, sold, delivered or demolished during these two periods.
- Annualised rental income corresponds to the gross income from existing rents for a full year, based on existing assets at the end of the period.
- Secured rental income corresponds to gross rental income applicable at the end of the period (annualised rental income) plus rental income from leases signed at the closing date and applicable thereafter.

Vacancy

- EPRA vacancy rate: corresponds to a period-end spot rate as the ratio between the market rent of vacant premises and the market rent of the entire operating assets (excluding developments and redevelopments).
- Financial occupancy rate of buildings in service: corresponds to a period-end spot rate on operating assets and is calculated using the following formula: secured annualised rental income / (secured annualised rental income + potential rental income) (potential rental income corresponds to the product of the market rental value of vacant space in sq.m (excluding strategic vacancy)).

Yields

- The rate of return is the ratio between the overall potential income [(1)] and the gross market value, transfer tax included (assets excluding developments and land reserves.
- Net Initial Yield EPRA: annualized rent at end of period, including running rental concessions, net of expenses, divided by the gross property asset value.
- Net Initial Yield EPRA topped-up: annualized rent at end of period, after reintegration of running rental concessions, net of expenses, divided by the gross property asset value.

(1) For properties subject to vacancies, the recorded net revenue is increased by the potential rent of vacant space.

CONSOLIDATED FINANCIAL STATEMENTS

1. BALANCE SHEET—ASSETS

(in thousands of Euros)	Notes	31/12/2013	31/12/2012
Non-current assets			
Tangible fixed assets	1	121	356
Investment properties	2	692,376	872,789
Goodwill on acquisitions	3	-	-
Intangible fixed assets	4	14	24
Financial assets	5	3,615	1,678
Deferred tax debit	14	322	322
Total non-current assets		**696,448**	**875,169**
Current assets			
Trade receivables and related accounts	7	20,786	23,642
Other receivables and accrual accounts	8	10,916	10,166
Cash and cash equivalents	9	21,688	3,157
Total current assets		**53,390**	**36,965**
Non-current assets and asset groups destined for disposal	6	8,630	42,600
TOTAL		**758,468**	**954,734**

2. BALANCE SHEET—LIABILITIES

(in thousands of Euros)	Notes	31/12/2013	31/12/2012
Shareholders' equity			
Share capital	10	31,270	30,553
Premiums linked to capital	10	58,438	52,877
Legal reserve		3,055	2,868
Consolidated reserves		265,284	290,466
Consolidated income for the financial year		(1,892)	(6,071)
Total shareholders' equity		**356,156**	**370,693**
Non-current liabilities			
Borrowings and financial debts	11	334,856	500,106
Other financial liabilities	11	11,515	28,070
Long-term provisions	12	255	309
Other long-term liabilities	15	715	291
Total non-current liabilities		**347,340**	**528,776**
Current liabilities			
Borrowings and financial debt (less than one year)	11	14,414	16,752
Other financial liabilities	11	4,562	860
Tax and social security liabilities	13	12,358	9,146
Trade accounts payable and other debts	15	23,639	28,507
Total current liabilities		**54,972**	**55,265**
TOTAL		**758,468**	**954,734**

3. CONSOLIDATED INCOME STATEMENT

(in thousands of Euros)	Notes	31/12/2013	31/12/2012
Turnover	16	73,944	82,371
Consumed purchases	17	(26)	(45)
Staff expenses	18	(6,086)	(5,811)
External expenses	18	(14,383)	(14,711)
Taxes and duties	18	(9,734)	(9,528)
Net allowances for depreciation	19	(90)	(98)
Net allowances for provisions	19	183	462
Net value adjustment balance	20	(35,048)	(30,026)
Other operating revenues	21	195,875	73,491
Other operating expenses	21	(195,313)	(73,407)
Operating profit		**9,324**	**22,698**
Income from cash and cash equivalents		45	89
Gross cost of financial indebtedness		(19,310)	(19,760)
Net financial costs	**22**	**(19,266)**	**(19,671)**
Other financial income and expense	23	8,158	(8,607)
Corporate income tax	24	(108)	(491)
NET PROFIT (LOSS)		**(1,892)**	**(6,071)**
Minority interests		-	-
NET PROFIT (LOSS) (GROUP SHARE)		**(1,892)**	**(6,071)**
Profit / (Loss) per share	25	(0.31)	(1.05)
Diluted profit (loss) per share	25	(0.31)	(1.04)
Net profit (loss)		**(1,892)**	**(6,071)**
Gains and losses recorded directly in shareholder's equity		-	-
Net profit (loss) (Group share)		**(1,892)**	**(6,071)**

4. CASH FLOW STATEMENT

(in thousands of Euros)	31/12/2013	31/12/2012
CASH FLOW FROM OPERATIONS		
Consolidated net profit	**(1,892)**	**(6,071)**
Restatement:		
Net financial allowances for depreciation and provisions	36	112
Net balance from value adjustments of investment properties	34,944	30,026
Profits / (Losses) on value adjustments on the other assets and liabilities	(11,159)	8,890
Capital gains and losses from disposals	(4,962)	1,151
Calculated charges and income from payments in shares	974	871
Cash flow from operations after net cost of financial indebtedness and income tax	**17,941**	**34,979**
Income tax expense	108	491
Net financial costs	19,264	19,671
Cash flow from operations before net cost of financial indebtedness and income tax	**37,313**	**55,141**
Taxes paid	(384)	(62)
Change in working capital requirement linked to operations	1,043	(4,982)
Net cash flow from (for) operations	**37,972**	**50,097**
CASH FLOW LINKED TO INVESTMENT TRANSACTIONS		
Acquisition of capital assets		
Intangible and tangible	(13,316)	(18,998)
Financial	(10)	-
Disposal of fixed assets	198,198	66,735
Change in loans and financial receivables agreed	(1,904)	(1,014)
Impact of changes in the consolidation scope	-	-
Net cash flow linked to investment transactions	**182,968**	**46,723**
CASH FLOW LINKED TO FINANCING TRANSACTIONS		
Dividends paid to parent company shareholders	(19,999)	(24,082)
Dividends paid to minority interests	-	-
Capital increase	6,278	12,802
(Purchase) / Sale of treasury shares	101	(38)
Borrowings issued	3,145	419,700
Repayment of borrowings	(171,645)	(498,447)
Net financial interest paid	(20,956)	(19,977)
Subsidies received	442	-
Net cash flow from financing activities	**(202,634)**	**(110,042)**
Cash flow	**18,306**	**(13,222)**
Cash flow at opening	3,138	16,362
Cash flow at closing	21,444	3,140
CASH FLOW VARIATION	**18,306**	**(13,222)**

5. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Euros)	Share capital	Premiums	Legal reserve	Consolidated reserves	Year-end net profit / (loss)	Total Group share	Minority interests	Total shareholders' equity
Situation as at 31 December 2011	**28,681**	**41,947**	**2,796**	**284,437**	**29,350**	**387,211**	**-**	**387,211**
Appropriation of net profit/loss	-	-	72	29,278	(29,350)	-	-	-
Dividends paid	-	-	-	(24,082)	-	(24,082)	-	(24,082)
Capital increase	1,872	10,930	-	-	-	12,802	-	12,802
Cost of capital increase	-	-	-	-	-	-	-	-
Profit/loss for current year	-	-	-	-	(6,071)	(6,071)	-	(6,071)
Share subscription warrants	-	-	-	-	-	-	-	-
Stock option plans	-	-	-	871	-	871	-	871
Other movements	-	-	-	-	-	-	-	-
Share buy-back	-	-	-	(38)	-	(38)	-	(38)
Situation as at 31 December 2012	**30,553**	**52,877**	**2,868**	**290,466**	**(6,071)**	**370,693**	**-**	**370,693**
Appropriation of net profit/loss			187	(6,258)	6,071	-	-	-
Dividends paid				(19,999)		(19,999)	-	(19,999)
Capital increase	717	5,561				6,278	-	6,278
Cost of capital increase	-	-	-	-	-	-	-	-
Profit/loss for current year	-	-	-	-	(1,892)	(1,892)	-	(1,892)
Share subscription warrants	-	-	-	-	-	-	-	-
Stock option plans	-	-	-	974	-	974	-	974
Other movements	-	-	-		-	-	-	-
Share buy-back	-	-	-	103	-	103	-	103
SITUATION AS AT 31 DECEMBER 2013	**31,270**	**58,438**	**3,055**	**265,286**	**(1,892)**	**356,157**	**-**	**356,157**

6. APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 General information

Société de la Tour Eiffel and its subsidiaries specialise in the holding and management of commercial property.

Société de la Tour Eiffel is a limited company registered and domiciled in France. Its registered office is at 20-22, rue de la Ville-l'Évêque, Paris.

The shares of Société de la Tour Eiffel are listed on NYSE Euronext Paris (Eurolist B).

The publication of the financial statements of accounts as at 31 December 2013 was authorised by the Board of Directors on 19 March 2014. They are expressed in thousands of Euros, unless otherwise indicated.

6.2 Accounting methods

6.2.1 Basis for preparation of the financial statements

The main accounting methods used in preparing the consolidated financial statements at 31 December 2013 are set out below. Unless otherwise indicated, these same methods have been applied consistently to all financial years presented.

The consolidated financial statements of the Société de la Tour Eiffel group have been prepared in accordance with IFRS standards as adopted by the European Union.

The Group's consolidated financial statements are consistent with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements at 31 December 2013 are presented in the form of complete accounts including all the information required by the IFRS.

The accounting principles applied in the consolidated financial statements at 31 December 2013 are identical to those used at 31 December 2012, except for the adoption of the following new standards and interpretations which are mandatory for the Group:

- Amendment to IAS 1: Presentation of Financial Statements—Presentation of Items of Other Comprehensive Income
- Amendment to IAS 12: Deferred Tax—Recovery of Underlying Assets
- Amendment to IAS 19: Employee Benefits
- Amendment to IFRS 7: Disclosures—Offsetting Financial Assets and Financial Liabilities
- Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- IFRS 13: Fair Value Measurement

These standards had no material impact on the consolidated financial statements of the Group at 31 December 2013.

Standards, amendments and interpretations for optional application on 1 January 2013:

- Amendments to IFRS 10, 11, 12: Transitional Provisions
- Amendment to IAS 27: Separate Financial Statements
- Amendment to IAS 28: Investments in Associates and Joint Ventures
- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities
- IFRS 9: Financial Instruments
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- Amendments to IAS 36: Information on the Recoverable Amount of Non Financial Assets
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendments to IAS 39 and IFRS 9: Novation of Derivatives and Continuation of Hedge Accounting

The Group has not applied any standards or interpretations in advance.

The texts published by the IASB but not yet adopted by the European Union are:

- IFRS 9: Financial Instruments
- IFRIC 21: Taxes Levied by a Public Authority

6.2.2 Consolidation method

Subsidiaries

The subsidiaries are all entities where the Group is entitled to direct financial and operational policy, an authorisation for which it is generally necessary to hold more than half of the voting rights. Potential voting rights are taken into account on evaluating the Group's degree of control over another entity when these rights result from instruments which may be exercised or converted at the time of the valuation. Subsidiaries are wholly consolidated as of the date of transfer of control to the Group. They are deconsolidated as of the date at which control ceases to be exercised.

The purchase method is used in accounting for acquisition of subsidiaries by the Group. The cost of an acquisition corresponds to the fair value of the assets delivered, equity instruments issued, and liabilities incurred or assumed at the date of exchange, to which are added the costs directly attributable to the acquisition. In the case of a combination of companies, the identifiable assets that have been acquired, the identifiable liabilities and any liabilities assumed are initially valued at their fair value at the date of acquisition, regardless of the value of the minority interests.

The surplus of the acquisition price over the fair value of the pro-rata share to the Group in the net identifiable assets acquired is entered into accounts as goodwill. When the cost of acquisition is lower than the fair value of the Group's pro-rata share in the net assets of the subsidiary acquired, the difference is posted directly to the income statement (cf. Note 3).

6.2.3 Business combinations and acquisition of assets

6.2.3.1 Business combinations

When the Company acquires an economic activity as the term is used in IFRS 3, such acquisition is treated as the formation of a business combination, also as the term is used in that standard.

In this case, deferred taxes and goodwill are likely to be recorded.

Goodwill represents the surplus of the acquisition cost over the fair value of the Group's pro-rata share in identifiable assets and liabilities and contingent liabilities of the subsidiary at the date of acquisition (cf. § 2.2).

Goodwill accounted for separately is subject to a yearly impairment test under IAS standard 36, and is also tested before the end of the financial year during which the acquisition took place. It is recorded at cost less accumulated loss in value.

Losses in value of goodwill are not reversible. Income on the disposal of an entity takes the accounting value of the entity's goodwill into consideration.

Goodwill is posted to units generating cash flow, which we expect to benefit from the business combination, in order to carry out impairment tests. Amortisation is recognised for the amount of the excess of the unit's book value over its recoverable value.

The recoverable value of a unit is the highest amount between its fair value less disposal costs and its economic value.

The treatment of these acquisitions as business combinations has the effect of recording deferred tax liabilities on the difference between the tax value and the fair value of the property at the acquisition date, and on later adjustments to fair value made when the fair value is exercised (cf. § 2.17). Similarly, the acquisition costs are included in the cost of acquiring shares. Accounting treatment applicable to these two items has the effect of mechanically increasing goodwill.

This valuation of property assets also has a mechanical effect when performing impairment tests on cash generating units, to which goodwill is allocated, an effect leading to overall impairment of goodwill during the financial year when the acquisition took place.

In fact, the cash generating units, where goodwill is tested, correspond, in this particular case, to the buildings owned by the property companies. As the recoverable values of these units, calculated on the basis of future discounted cash flows, usually correspond to the appraisal values, (*i.e.* the new reappraised values of properties), they are unable to justify the corresponding goodwill, which must then be depreciated.

As a result, application of IAS 36 requires a comprehensive statement of the goodwill as an expense of the year of acquisition; in the present case, the impairment is recorded in the "net value adjustments balance" account.

Negative goodwill is recorded on the income statement in the "net value adjustment balance".

6.2.3.2 Acquisition of assets

When the Group acquires an entity that represents a group of assets and liabilities without any economic activity as the term is defined in IFRS 3, these acquisitions are not business combinations as the term is defined in the same standard, and are booked as an acquisition of assets and liabilities, making no statement of goodwill.

Any difference between the purchase price and the fair value of assets and liabilities acquired is allocated on the basis of the relative fair values of the individual assets and liabilities which can be identified as a group at the time of acquisition.

Pursuant to IAS 12 paragraph 15 (b) for the acquired entities that are subject to taxation, no deferred tax is recorded upon the acquisition of assets and liabilities.

6.2.4 Information per sector

As part of the Group's management reporting responsibilities, properties are monitored individually and none represent over 10% of the aggregates provided for in the IFRS 8 standard.

Given the homogeneous nature of the sectors represented by these properties (with homogeneous yields) with respect to the standard, the consolidation criteria required by the latter result in the buildings being considered as a single sector.

6.2.5 Tangible fixed assets

These assets include chiefly office equipment, information technology equipment and vehicles, as well as office fittings. These are depreciated on a straight line basis over their useful life.

Amortisation is calculated on the following basis:
- vehicles: 3 years;
- office equipment & information technology equipment: 3 years;
- facilities, fixtures, fittings: 10 years.

6.2.6 Investment property

An investment property is a property asset (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Pursuant to the method put forth by IAS 40 and in accordance with the recommendations of EPRA, the Group has opted for the fair value method as the permanent method and appraises the investment properties at their fair value. The consideration for the change in fair value is recognised in the income statement in the line "net value adjustment balance". Investment properties are not depreciated.

The market value used for all of the Group's investment properties is the value, excluding transfer costs, determined by independent experts who appraise the Group's assets on 30 June and 31 December each year.

Pursuant to the revised IAS 40, these holdings are recorded as "Investment property" and are valued at fair value (the method selected by the Group).

In accordance with IAS 23, the Group incorporates borrowing costs as part of the cost of the created asset. These are assets requiring a long construction period. Financial expenses included are interest on short-term and long-term borrowings in relation to the period of construction only and until the date of final reception of the asset. The interest rate is that defined in the terms of the financing granted to the Group.

The Group has entrusted the appraisal of its assets to various independent specialists:

- BNP Paribas Real Estate Valuation;
- Savills;
- Cushman & Wakefield Expertise;
- Crédit Foncier Expertise.

The STE group complies with IFRS on the measurement of fair value, but also to the recommendation by the EPRA on IFRS 13.

Against this background, the STE group has opted for the level 3 classification of its property. These assessments are based on tenancy schedules per rental property that are not public data and on assumptions specific to each expert, for example, on the capitalization rate or changes in rental income anticipated for each property.

The table below shows the main parameters used by the independent experts as part of their work on measuring the fair value of each type of asset at 31 December 2013.

Assessment methods used by independent valuers

The experts' practice is in line with their professional benchmarks (TEGOVA and RICS standards, charter of real estate appraisal, COB report dated February 2000). Experts estimate the market value building by building, each of which is assessed in isolation. However, the assessment methods most commonly prescribed do not equally apply to each building, depending on their nature or conditions of occupation.

The methods used for the valuation of assets are as follows:

- Direct comparison method: this consists in comparing the property being appraised with transactions, on assets equivalent in nature and location, at an earlier date as close as possible to the date of appraisal. This method is used to determine both the capital market values and market rental values.
- The net income capitalisation method involves capitalising the properties' net rents using the rental statements supplied by the Group and taking into account the non-recoverable charges (management fees, fixed or capped charges, property management fees, current remodelling expenses, etc.). This rental income accounts for a vacancy rate as well as any decreases or increases in rents that are to be effective at the time of renewal based on market rental values and the probability of leases being renewed. The return rates automatically derived from these appraisals are compared against market rates and the values adjusted accordingly.
- Developer balance sheet method: if the market value of a property is essentially a function of the potential recovery of the land, or the restructuring of existing buildings, the developer balance sheet method is retained, since it indicates the value of the property taking into account the possibilities of construction or reconstruction applicable, either on unserviced greenfield land or on the existing building. Investment properties subject to restructuring are appraised on the basis of an evaluation of the building after restructuring, to the extent that the Company has reasonable assurance that the plan will be carried through, taking account of the lack of significant threats when it comes to administrative authorisations *(e.g.,* planning permit, "CDEC" [local commercial infrastructure board permit], conditions precedent of technical and commercial implementation). The remaining cost of construction work is then deducted from this appraisal based on the development budget or contracts negotiated with the builders and contractors. Investment properties, the restructuring of which is subject to significant unknown factors are assessed according to their state on closing the accounts.

Quantitative elements used by experts to measure the fair value of the assets of the Group

		Rate of return used by appraisers	Market rental value used by the experts (in Euros/sq.m)
Paris-IdF offices	max.	7.75%	364
	min.	6.00%	94
	weighted average	6.89%	242
Core	**max.**	**7.75%**	**364**
	min.	**6.00%**	**94**
	weighted average	**6.89%**	**242**
Offices in the Regions	max.	9.00%	167
	min.	7.75%	73
	weighted average	8.23%	117
Other assets	max.	9.25%	171
	min.	6.60%	36
	weighted average	8.28%	73
Non core	**max.**	**9.25%**	**171**
	min.	**6.60%**	**36**
	weighted average	**8.25%**	**102**
TOTAL PORTFOLIO	**MAX.**	**9.25%**	**364**
	MIN.	**6.00%**	**36**
	WEIGHTED AVERAGE	**7.31%**	**198**

The remaining cost of construction work is then deducted from this appraisal based on the development budget or contracts negotiated with the builders and contractors.

The income statement records the variations in value over the year for each building calculated as follows:

Market value N - (market value N-1 + amount of capitalisable works and expenses during the financial year).

The capital gain is determined by reference to the last known fair value *i.e.* that of the closing balance sheet of the previous year if the transfer occurred during the first half, or that at 30 June of the current year if the transfer occurred at during the second half.

6.2.7 Intangible fixed assets

In accordance with IAS standard 38, intangible fixed assets are valued at historic cost less the cumulative total of depreciation and possible impairment loss.

Intangible fixed assets mainly involve the agreement concluded between Tour Eiffel Asset Management and Société de la Tour Eiffel valued with regard to Tour Eiffel Asset Management's acquisition (formerly Awon Asset Management) on 16 May 2006. This agreement was depreciated over its fixed term, thus until 31 December 2011.

Other intangible fixed assets consist essentially of software. The software packages are valued at cost and depreciated on a straight-line basis over their useful lifetimes, usually between one and three years.

6.2.8 Financial assets

The Group classifies its financial assets in the following categories: at their fair value through the income statement, loans and accounts receivable. The classification depends on the reasons motivating the acquisition of the financial assets in question. Management determines the classification of its financial assets on their initial recognition in the accounts and subsequently reassesses them on the date of each annual or interim closing, in keeping with the provisions of IAS standard 39.

Financial assets at fair market value through the income statement

This category includes financial assets shown at fair value through the income statement when they were first recorded. A financial asset is classified in this category if it has been designated as such by management (assets valued at fair value through profit or loss) in accordance with IAS 39. Assets under this category are recognised as current assets when they are held for future transactions or if they are expected to reach maturity within twelve months of closing. They are then re-evalued at their fair value at each closing. They are recognised at their settlement date.

For the Group this involves the valuation of caps and swaps. Société de la Tour Eiffel uses financial instruments (swaps and caps) to hedge itself against the risk of increasing interest rates on its debt and did not opt for hedge accounting as the term is meant under IFRS.

Loans, deposits, guarantees and other long-term receivables

These are non-derivative financial assets with payments that are determined or determinable, that are not listed on an active market. They are included in current assets, except for those reaching maturity more than twelve months after closing. The latter are categorized under non-current assets.

These assets are accounted for at cost.

6.2.9 Trade receivables and related accounts

Trade receivables are first accounted for at fair value, less provision for impairment.

A provision for impairment of trade receivables is made when there is an objective indication that the Group is not able to recover the totality of sums owed under the conditions initially stated at the time of the transaction. Major financial problems encountered by the debtor, likelihood of bankruptcy or financial restructuring for the debtor, and difficulty or failure to pay constitute indicators that receivables are declining in value.

The amount of the provision is accounted for in the income statement as net allowances to provisions.

6.2.10 Cash and cash equivalents

The item "Cash and cash equivalents" includes cash reserves, bank sight deposits, other very liquid short-term investments with a maturity not exceeding three months and bank overdrafts. Bank overdrafts are shown in the balance sheet as current liabilities under "Borrowings".

Marketable securities are classified as cash equivalent, they meet the criteria of maturity, liquidity and the absence of volatility required by IAS 7.

They are valued at fair value through the income statement.

6.2.11 Non-current assets and asset groups destined for disposal

IFRS standard 5 stipulates that assets which the Company has made a decision to sell should be classified as "Assets for disposal".

For the sale to be highly probable a plan to dispose of the asset must have been undertaken and an active program to find a buyer launched.

A non-current asset is classified as "Assets held for sale" if there exists a legal commitment (commitment to sell).

The Company expects the sale to take place within a limit of twelve months.

Investment properties included in this category continue to be valued according to the principle of fair value.

6.2.12 Shareholders' equity and share-based payments

The Group has set up remuneration plans based on equity instruments, *i.e.* options on shares and bonus shares. The fair value of services rendered in exchange for the award of these instruments is recorded as an expense as a contra to reserves on the basis of the value of these instruments at the time they are granted.

The fair value of share subscription warrants and stock options is valued according to mathematical models applicable at the time of allocation.

Supplementary costs directly attributable to the issue of new shares or options are entered under shareholders' equity and deducted from income derived from the issuance, net of tax.

Purchases of treasury shares were recognised as a reduction to shareholders' equity at their acquisition price.

The Company does not recognise any expense when the awarding of these instruments is subject, on the awarding date, to any condition other than a market condition that will not be fulfilled.

At each closing date, the entity re-examines the number of options that are likely to become exercisable.

Sums received on the exercise of options are credited to the "share capital" (par value) and "Issue premium, net of directly attributable transaction costs" accounts.

6.2.13 Borrowings and other financial liabilities

Borrowings

Borrowings are initially entered at their fair value, net of transaction costs, and then at their depreciated cost.

Amortisation of debt issuance costs on the life of existing loans repayable at maturity is achieved by using the effective interest rate.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to postpone settlement of the debt at least twelve months after the closing date, in which case such borrowings are classified as non-current liabilities.

Hedging instruments

Société de la Tour Eiffel uses financial instruments (SWAPs and CAPs) to hedge the risk of an increase in the interest rates of its debt and has not opted for the hedge accounting option available under the IFRS standards.

Financial instruments are recognised at their settlement date. Financial instruments are valued at fair value and any changes in fair value from one period to another are recognised in the income statement.

Other financial liabilities

Other financial liabilities mainly include the fair values of caps and swaps as well as deposits received.

Caps and swaps are recorded at fair value and changes from one period to another are recognized in income. Société de la Tour Eiffel uses these instruments to hedge the risk of an increase in the interest rates of its debt and has not opted for the hedge accounting option available under the IFRS standards.

6.2.14 Provisions

Provisions are made if it is likely that a significant outflow of resources will be required to discharge a current obligation (legal or implied) arising from a past occurrence and where a fairly accurate estimate of the obligation's value is possible.

6.2.15 Staff benefits

Retirement obligations

IAS standard 19 requires that companies expense all present and future benefits and remuneration to its personnel or to a third party over the period of vesting benefits.

At 31 December 2013 the Group employed 26 people.

The Group recognises actuarial gains and losses in the income statement.

The valuation criteria were as follows:

- actuarial valuations (discount rate and net annual valuation of the fund at a rate of 3.40%);
- mortality assumptions (source INSEE 2013);
- employee turnover;
- salary increase of 3.92%;
- a retirement age ranging between 65 and 67.

This provision for pension compensation was recorded at the value of €202,000.

6.2.16 Deferred payment debts

The values of these debts are discounted and a financial charge or revenue is recorded in the income statement for the deferred payment period.

The only deferred repayments recognised concern the exit tax relating to newly acquired SIIC status and security deposits from tenants. The main restatement involved the discounting of the exit tax.

6.2.17 Current and deferred taxes

The Group's tax regime

The choice to opt for the status of *"société d'investissements immobiliers cotée"* ("SIIC") by Société de la Tour Eiffel was filed during the first quarter of 2004.

Deferred taxes

Deferred taxes recorded for the activities and companies subject to corporate income tax are calculated according to the liability method for all temporal differences between the tax value of assets and liabilities and their book value in the consolidated financial statements. The deferred taxes are determined using the tax rates (and taxation regulations) that were adopted or semi-adopted as at the closing date and which it is planned will apply when the deferred tax asset in question will be realised or the deferred tax liability will be paid.

Deferred tax debit is recognised only where a future taxable profit is likely, enabling the temporal differences to be written off.

Deferred taxes are accounted for according to the temporal differences linked to holdings in subsidiaries and associated companies, except where a schedule changing these differences is controlled by the Group and where it is probable that this payment will not take place in the near future.

Société de la Tour Eiffel has opted for the status of *société d'investissements immobiliers cotée* (SIIC). This status offers an exemption from the company income tax on profits from property rentals.

As a result of this decision, no company income tax is payable in respect of property rental activities through income from subsidiaries, either directly or indirectly. Capital gains on disposal of buildings or the shares of subsidiaries under the same tax system are also exonerated. The Group continues to pay income tax on any transactions that do not fall within the scope of the SIIC regime.

The Company considers that the new value-added business tax contribution (CVAE) applies to operating activities. As such, the operating expense contribution does not fall within the scope of application of the IAS 12 standard.

6.2.18 Recognition of income

In accordance with IAS standard 18, "Revenue", income from ordinary activities corresponds to pre-tax entries of economic benefits from which the Company draws advantage during the financial year and which lead to increases in equity other than those brought by partners and shareholders.

Income from ordinary activities mainly corresponds, in the Group's case, to earnings from rental of investment properties.

Leases currently signed by the Group, including construction leases, correspond to the definition of simple rental as stated in IAS standard 17.

The application of IAS standard 17 spreads the financial consequences of all of the clauses over the fixed term of the lease. The same applies to franchises, thresholds and rights of entry.

Income from ordinary activities is valued at the fair value of the exchange received.

Income from rental of investment buildings is entered into accounts over the period it is received.

6.2.19 Net value adjustment balance

The "net balance of value adjustments" corresponds to the impairment of goodwill (see § 2.3.1) and the change in fair value of investment property (see § 2.6).

6.2.20 Other operating income and expense

"Other operating income and expenses" arise out of the kind of atypical, abnormal and rare events specified in paragraph 28 of the "IASB Framework," such as, for example:

- a capital gain or loss on disposal of non-current tangible or intangible assets;
- impairment of non-current tangible or intangible assets;
- certain restructuring charges;
- provision relating to major legal proceedings for the Company.

6.2.21 Lease-financing agreements

In direct financing leases, the Group (the lessor) has transferred to the lessee almost all the risks and benefits attached to the asset; the lessor retains the lien granted to it under the direct financing contract agreed with the lessee.

The lessor recognises its claim for an amount equal to the discounted sum of the minimum payments of the lease-financing agreement plus any unguaranteed residual value accruing to the lessor at the rate implicit in the lease. (IAS 17.4).

The payments are broken down between repayment of the receivable and the financial revenue.

Details of future payments are not communicated due to their immaterial nature.

6.2.22 Distribution of dividends

Distribution of dividends to the Company's shareholders is accounted for as a debt in the Group's financial statements during the period in which the dividends are approved by the Company's shareholders.

6.3. Scope of consolidation—List of consolidated companies

Companies	Siren ID	Consolidation method	% of equity stake December 2013	% of equity stake December 2012	Date company joined Group's scope
SOCIÉTÉ DE LA TOUR EIFFEL	572 182 269	Parent company			
SCI DU 153, AVENUE JEAN-JAURÈS	419 127 287	F.C.*	100%	100%	Dec. 2003
SCI NOWA	443 080 379	F.C.*	100%	100%	Apr. 2004
SCI ARMAN F02	444 978 076	F.C.*	100%	100%	Apr. 2004
SCI DES BERGES DE L'OURCQ	478 726 565	F.C.*	100%	100%	Sept. 2004
SCI CHAMPIGNY CARNOT	479 586 893	F.C.*	100%	100%	Nov. 2004
SCI COMÈTE	479 576 761	F.C.*	100%	100%	Dec. 2004
SCI ÉTUPES DE L'ALLAN	480 601 038	F.C.*	100%	100%	Jan. 2005
SCI CAEN COLOMBELLES	482 598 133	F.C.*	100%	100%	May 2005
SAS LOCAFIMO	692 031 149	F.C.*	100%	100%	Dec. 2005
TOUR EIFFEL ASSET MANAGEMENT	380 757 807	F.C*	100%	100%	May 2006
SCI GRENOBLE PONT D'OXFORD	490 034 063	F.C.*	100%	100%	May 2006
SCI RUEIL NATIONAL	489 900 498	F.C.*	100%	100%	May 2006
SCI PORTE DES LILAS	490 989 803	F.C.*	100%	100%	July 2006
SCI VÉLIZY TOPAZ	328 223 706	F.C.**	100%	100%	Dec. 2006
SCI ARMAN AMPÈRE	509 498 523	F.C.*	100%	100%	Dec. 2008
SCI MONTROUGE ARNOUX	530 651 181	F.C.*	100%	100%	Feb. 2011

** Fully consolidated.*
*** Acquisitions considered to be acquisitions of assets.*

All companies in the Group are registered in France and have a common address: 20-22, rue de la Ville-l'Évêque, 75008 Paris.

A full transfer of assets and liabilities by the SCI de Brou was made in favour of Locafimo on 27 September 2013.

6.4. Management of financial risks

Market risks

The changes in interest rates have a direct impact on the borrowing collected to finance the Group's investment policy and when the rates go up, they are likely to lead to a rise in the cost of financing the investments. Similarly, a rise in the interest rates is likely to have an effect on the Group's ability to maintain its necessary financial liquidity.

In a global context of stress on the financial markets, the Group's policy for managing interest rate risk aims to restrict the impact of a change in interest rates on its income and cash flow, and to keep the total costs of its debt as low as possible. To achieve these objectives, the Group's companies generally borrow at a variable rate and use derivatives (caps and swaps) to cover their risk of exposure to rate changes. They do not perform market transactions for any purpose other than to hedge their interest rate risk, and they personally centralise and manage all transactions performed.

Société de la Tour Eiffel did not record any losses on its open-end fund investments, including after the sub-prime crisis. Indeed, these investment vehicles are liquid, secure and hardly volatile. This enables them to be classified as "Cash and cash equivalents".

At 31 December 2013, the Group's consolidated gross bank debt amounted to €348.5 million, consisting of €307.9 million at fixed rates (after taking into account fixed rate swap instruments) and €40.6 million at floating rates, fully hedged by cap contracts. Thus, on 31 December 2013, the interest rate risk of the debt was fully hedged.

On the basis of the outstanding debt as at 31 December 2013, an average rise in the Euribor 3 months interest rates of 100 basis points would have a negative impact (on an annual basis) on recurring net income, estimated at €0.3 million.

Conversely, if the interest rates fall to a Euribor 3 months rate at 0%, the decrease in financial expenses is estimated to be €0.1 million and would have an equivalent positive impact on recurring net income, after hedging.

Risks on treasury shares

As part of the share buyback programme authorised by the General Shareholders' Meeting of 24 May 2012, the Company is subject to a risk on the value of the shares it is liable to hold.

Based on the number of shares held at 31 December 2013, or 72,594 shares, the sensitivity of results to a 10% decrease in the Société de la Tour Eiffel share price is estimated to be €0.3 million.

Counterparty risk

The Company only enters into hedging agreements with world-class banking institutions.

However, under IFRS 13, the measurement of the fair value of derivative financial instruments carried by the Group now includes a "counterparty risk" component for derivative asset instruments and a "specific credit risk" component for derivative liability instruments. The assessment of credit risk is determined using conventional mathematical models for market participants. At 31 December 2013, the adjustments recorded as a counterparty risk and specific credit risk were not material.

Currency risk

Since the Group conducts its activities only in France, it is not exposed to any currency risk.

Liquidity risk

The Company and its subsidiaries have entered into master agreements with banks of international repute, the purpose of which is to finance and refinance the Group's real estate portfolio; these agreements have been amended by riders to keep pace with the expansion of its asset base by external growth.

These bank financing agreements contain boilerplate prepayment clauses covering various cases and, in each case, under certain precisely defined conditions.

These bank financing agreements contain the customary early repayment clauses, including:

- non-payment of an amount due;
- non-compliance with certain financial ratios;
- a change in control of the Company;
- failure to perform the various commitments made by the Company or its subsidiaries;
- inaccuracy in the various representations and guarantees obtained;
- the occurrence of an event that has a material adverse effect on our business, financial, legal or fiscal situation or on buildings owned by the Group;
- the lack of validity and enforceability of commitments;
- failure to register a mortgage lien at the agreed priority;
- the realisation of collateral by a creditor of the Company on property financed by moneys drawn from the framework agreement;
- the existence of bankruptcy proceedings;
- dissolution;
- merger not authorised by the lender;
- the sale of a portion of the shares of a subsidiary whose property assets have been financed through the framework contract;
- the existence of a requisition/expropriation procedure for property financed by the framework contract when the compensation is insufficient to allow repayment of the share financed;
- the recovery of a tax as a result of an uncontested tax adjustment having a material adverse effect;
- loss of eligibility for the tax regime for French "SIIC" (REIT) companies not resulting from a change in legislation;
- qualified opinions of the Statutory Auditors when they have a material adverse effect;
- the total loss of a building financed by the framework contract.

As a result of the occurrence of one of the events listed above, and if it has not been cured by the deadlines specified by the framework agreements, the lender banks may cancel their commitments in respect of credit openings, declare the credit outstanding and their related costs to be immediately payable, and enforce all or part of the guarantees granted in the context of these contracts.

The Company has conducted a specific review of its liquidity risk and considers it is capable of meeting its future payments.

The two main financial ratios which the Group is committed to maintain under its bank financing agreements are:

- LTV ratio: amount of committed financings over that of the fixed assets financed;
- ICR ratio: commonly defined as the cover of finance costs by net rentals.

The average maturity of bank debt is 4.4 years, in particular following the refinancing which occurred in 2012 of the Group's two main credit lines.

The LTV ratio increased from 55.9% at 31 December 2012 to 46.7% at 31 December 2013, in line with the debt strategy adopted by the Group, and in phase with current market expectations.

Banking financing and main covenants at 31 December 2013

	31/12/2013	Bank covenants					
(in millions of Euros)	Consolidated debt	Maximum LTV	ICR/DSCR minimum	Spread on Euribor 3M		Maturity date	Building financed
Mortgage lines							
Société Générale / BECM	19.2	65%	145%	170 bps	170.0	15/04/2018	"La Poste" portfolio
Pool PBB-CFF-CACIB-SG	163.7	60.0%	120%	290 bps	290.0	13/11/2017	Locafimo
Société Générale	6.7	NA	110%	70 bps	70.0	14/01/2015	Saint-Cloud
Société Générale (50%) — Crédit Foncier (50%)	44.9	65%	110%	110 bps	110.0	28/03/2017	Massy, Massy Ampère & Montpellier
Crédit Foncier	12.5	65%	110%	190 bps (1)	190.0	30/06/2018	Montrouge Arnoux
SAAR LB	7.0	72%	176%	from 180 to 230 bps (2)	180.0	26/06/2019	Berges de l'Ourcq
	16.2	53%	192%	from 180 to 230 bps (2))	180.0	26/06/2019	Comète-Plessis
	19.8	63%	159%	from 180 to 230 bps (2)	180.0	26/06/2019	Champigny Carnot
	12.1	58%	178%	from 180 to 230 bps (2)	180.0	26/06/2019	Jean-Jaurès
	11.6	52%	233%	from 180 to 230 bps (2)	180.0	26/06/2019	Caen Colombelles
	9.6	70%	148%	from 180 to 230 bps (2)	180.0	26/06/2019	Étupes de l'Allan
	17.6	56%	150%	from 180 to 230 bps (2)	180.0	26/06/2019	Rueil National
Crédit Agricole IdF	7.5	70%	115%	215 bps	215.0	29/06/2027	Vélizy Energy 2
TOTAL	**348.5**		**SPOT AVERAGE**	**212 BPS**			

(1) 2.50% during construction, 2.20% after delivery and 1.90% if leases signed >1.4 million annual rent.
(2) Depending on LTV level.

The level of the ratios under loan covenants at 31 December 2013 complies with all of the Group's commitments contained in its financing agreements.

6.5 Key accounting estimates and judgements

The estimations and judgments, which are continually reviewed, are based on historical information and other factors, notably the anticipation of future events considered reasonable in view of the circumstances.

The accounting estimates that stem from them are, by definition, rarely equivalent to the actual results that subsequently occur. Any estimates and assumptions that could result in a significant adjustment in the book value of assets and liabilities during the following period are analysed below.

Valuation of properties (method of determining the fair value described in § 2.6)

The Group has its assets valued by independent appraisers who use assumptions of future flows and rates which have a direct effect on property values. Depending on the nature and geographic location of some properties, these assessments were made in an uncertain environment making it difficult to assess market prospects. Since these valuations are necessarily estimations, it is possible that in the event of a future transfer, the sale price will differ from the aforesaid valuations. A decline in appraised values would lead to a decline in net income.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (OTC) was determined by an independent expert. Derivatives are measured using data derived from prices directly observable on active and liquid markets (second level of the fair value hierarchy).

6.6 Notes on the balance sheet, the income statement, and the cash flow statement

Note 1 Tangible assets

Variance by type

(in thousands of Euros)	Property under construction	Office and computer equipment	Total
Financial year ending 31 December 2012			
Net opening balance	-	410	410
Change in consolidation scope	-	-	-
Acquisitions	-	30	30
Disposals	-	-	-
Reclassification	-	-	-
Other movements	-	-	-
Amortisation	-	(84)	(84)
NET BALANCE AT CLOSE	**-**	**356**	**356**
As at 31 December 2012			
Gross	-	886	886
Accumulated depreciation	-	(530)	(530)
NET BOOK VALUE	**-**	**356**	**356**
Year-end closing 31 December 2013			
Net opening balance	-	356	356
Change in consolidation scope	-	-	-
Acquisitions	-	56	56
Disposals	-	(211)	(211)
Reclassification	-	-	-
Other movements	-	-	-
Amortisation	-	(80)	(80)
NET BALANCE AT CLOSE	**-**	**121**	**121**
As at 31 December 2013			
Gross	-	731	731
Accumulated depreciation	-	(610)	(610)
NET BOOK VALUE	**-**	**121**	**121**

Note 2 Investment properties

Variance by type

(in thousands of Euros)	Investment properties
Year-end closing 31 December 2012	
Net opening balance	990,296
Acquisitions	11,794
Subsequent expenditure	5,526
Disposals	(66,905)
Reclassification	(106)
Net transfer in favour of properties for disposal	(38,025)
Change in consolidation scope	-
Fair value effect (profit and loss)	(29,791)
NET BALANCE AT CLOSE	**872,789**
Year-end closing 31 December 2013	
Net opening balance	872,789
Acquisitions	5,484
Subsequent expenditure	3,877
Disposals (1)	(148,804)
Reclassification	-
Net transfer in favour of properties for disposal	(7,230)
Change in consolidation scope	-
Fair value effect (profit and loss)	(33,739)
NET BALANCE AT CLOSE	**692,376**

(1) The divestments were as follows:
- *€39,440 thousand: sale of the* Parc du Millénaire *in Montpellier owned by SAS Locafimo; sale of the entire business park apart from buildings 8 and 29 on 15 May 2013, sales of building 8 on 25 June 2013 and of building 29 on 19 September 2013;*
- *€42,604 thousand: sale of the* Parc du Moulin à Vent *owned by SAS Locafimo on 1 October 2013;*
- *€28,080 thousand: sale of the* Parc des Prés *owned by SAS Locafimo on 20 December 2013;*
- *€12,300 thousand: sale of the* Parc Cadéra Nord *owned by SAS Locafimo on 22 July 2013;*
- *€2,160 thousand: sale of buildings in Herblay owned by SAS Locafimo on 19 July and 18 December 2013;*
- *€1,290 thousand: sale in two batches of building 5 of the* Parc des Aygalades *in Aix owned by SAS Locafimo on 6 November and 9 December 2013;*
- *€10,000 thousand: sale of the Grenoble building owned by SCI Grenoble Pont d'Oxford on 24 September 2013;*
- *€4,160 thousand: sale of the Vannes building owned by SCI Nowa on 3 December 2013;*
- *€8,770 thousand: sale of the building in Caen Mondeville owned by SCI Nowa on 30 May 2013.*

Restrictions relating to the possibility of disposing of an investment property or the recovery of the proceeds from their sale

There has been no such restriction placed on any investment property.

Note 3 Goodwill

(in thousands of Euros)	Comète	Arman F02	Jean-Jaurès	Locafimo	Total goodwill
At 31 December 2012					
Gross	2,350	1,873	262	16,500	20,985
Total provisions	(2,350)	(1,873)	(262)	(16,500)	(20,985)
NET BOOK VALUE	**-**	**-**	**-**	**-**	**-**
Year ended 31 December 2013					
Net opening balance	-	-	-	-	-
Acquisitions	-	-	-	(6,032)	-
Divestments	-	-	-	6,032	-
Provisions	-	-	-	-	-
NET BALANCE AT CLOSE	**-**	**-**	**-**	**-**	**-**
At 31 December 2013					
Gross	2,350	1,873	262	10,468	14,953
Total provisions	(2,350)	(1,873)	(262)	(10,468)	14,953
NET BOOK VALUE	**-**	**-**	**-**	**-**	**-**

Note 4 Intangible fixed assets

Variance by type

(in thousands of Euros)	Internally generated intangible assets	Acquired intangible assets	Total intangible assets
Year ended 31 December 2012			
Net opening balance	-	19	19
Acquisitions	-	18	18
Disposals	-	-	-
Amortisation	-	-	-
Reclassification	-	(13)	(13)
New consolidations	-	-	-
NET BALANCE AT CLOSE	**-**	**24**	**24**
As at 31 December 2012			
Gross	-	4,244	4,244
Accumulated depreciation	-	(4,220)	(4,220)
NET BOOK VALUE	**-**	**24**	**24**
Year ended 31 December 2013			
Net opening balance	-	24	24
Acquisitions	-	16	16
Disposals	-	(14)	(14)
Depreciation reversal on disposals	-	-	-
Amortisation	-	(12)	(12)
Reclassification	-	-	-
NET BALANCE AT CLOSE	**-**	**14**	**14**
As at 31 December 2013			
Gross	-	4,245	4,245
Accumulated depreciation	-	(4,231)	(4,231)
NET BOOK VALUE	**-**	**14**	**14**

The intangible assets have been acquired and have not been re-evalued.

At closing, intangible assets are comprised of the net worth of concessions, patents and similar rights held by Tour Eiffel Asset Management and Société de la Tour Eiffel.

The Asset Management contract recorded when Awon Asset Management, renamed Tour Eiffel Asset Management on 1 September 2010, entered the scope of consolidation (in 2006) was fully amortised at 31 December 2011.

Note 5 Financial assets

Non-current financial assets—Type

(in thousands of Euros)	Long-term investments	Equity investments	Valuation of CAPS and SWAPS	Deposits and sureties paid	Loans and other long-term receivables	Total Financial assets
Year ended 31 December 2012						
Net opening balance	-	-	44	422	-	466
Increases	-	-	-	21	1,001	1,021
Reclassification	-	-	(44)	-	-	(44)
Decreases	-	-	-	(6)	-	(6)
Repayment	-	-	-	-	-	-
Fair value effect (profit and loss)	-	-	240	-	-	240
NET BALANCE AT CLOSE	**-**	**-**	**240**	**437**	**1,001**	**1,678**
Year ended 31 December 2013						
Net opening balance	-	-	240	437	1,001	1,678
Increases	-	-	191	-	1,948	2,139
Reclassification	-	-	(201)	-	-	(201)
Decreases	-	-	-	(2)	-	(2)
Repayment	-	-	-	-	-	-
Fair value effect (profit and loss)	-	-	-	-	-	-
NET BALANCE AT CLOSE	**-**	**-**	**230**	**435**	**2,949**	**3,615**

Loans and other long-term receivables

The variation in this item is due to the cash paid into a cash deposit as collateral for the new financing by the SAAR LB bank.

Derivative instruments

The Société de la Tour Eiffel group has contracted financial instruments (caps and swaps) which have not been considered as hedge instruments in accounting terms.

The fair values are provided by the issuing financial institutions.

Any changes in the value of financial instruments from one yearend to another were recorded under financial result.

The adjustment to fair value at 31 December 2013 results in an overall positive financial impact in other financial income and charges of € 10,468 thousand.

The fair values of derivative instruments have been determined from a recognised valuation model using observable inputs (level 2 of the fair value hierarchy).

Main characteristics of financial instruments held at 31 December 2013

Type of contract	Subscription date	Maturity date	Notional amount *(in thousands of Euros)*	Benchmark rate	Guaranteed rate	Fair value *(in thousands of Euros)*
Cap	14/11/2012	13/11/2017	40,309	3-month Euribor	2%	212
Swap	14/11/2012	13/11/2017	22,033	3-month Euribor	0.75%	19
TOTAL						**230**

Note 6 Assets selected for disposal

(in thousands of Euros)	Properties earmarked for sale
Year-end closing 31 December 2012	
Net opening balance	8,916
Net transfer from investment properties	38,025
Acquisitions	-
Disposals	(4,106)
Fair value effect (profit and loss)	(235)
NET BALANCE AT CLOSE	**42,600**
Year-end closing 31 December 2013	
Net opening balance	42,600
Net transfer from investment properties	7,230
Acquisitions	1,359
Disposals	(41,250)
Fair value effect (profit and loss)	(1,309)
NET BALANCE AT CLOSE	**8,630**

Disposals for the 2013 financial period correspond to:
- €3,225 thousand for the Amiens building owned by Société de la Tour Eiffel;
- €2,005 thousand for the Accueil building owned by Caen Colombelles;
- €2,711 thousand for the Ludres building owned by Arman F02;
- €12,044 thousand for the Vitrolles building owned by Nowa;
- €7,210 thousand for the Orléans university building owned by Nowa;
- €8,623 thousand for the Le Bourget building owned by Locafimo;
- €2,940 thousand for buildings C, E, F, G, H and I in the Cadéra Sud Eiffel Park owned by Locafimo;
- €2,492 thousand for the Herblay 12 building owned by Locafimo.

The balance corresponds to:
- building E in the *Parc des Tanneries* in Strasbourg owned by Locafimo;
- the building in La Roche-sur-Yon owned by Nowa;
- the Les Souhesmes building owned by Nowa.

Note 7 Trade receivables and related accounts

(in thousands of Euros)	31/12/2013	31/12/2012
Gross	21,468	24,454
Provisions	(682)	(812)
TOTAL NET TRADE RECEIVABLES AND RELATED ACCOUNTS	**20,786**	**23,642**

Note 8 Other receivables and accrual accounts

(in thousands of Euros)	31/12/2013	31/12/2012
Advances and deposits paid	15	47
Personnel and related accounts	8	8
State receivables	7,975	3,949
Current accounts—assets	-	-
Fournisseurs débiteurs [traduire]	105	55
Prepaid expenses	278	901
Other receivables	4,550	7,222
Total gross value	**12,932**	**12,182**
Provisions on other receivables	(2,016)	(2,016)
TOTAL	**10,916**	**10,166**

State receivables mainly correspond to forthcoming VAT refunds and credits.

The other receivables mainly consist of the following:

- In 2012: €2,016,000 corresponding to the Locafimo bank claims with the Pallas Stern bank, €652,000 in calls for funds at Locafimo, Ourcq, and Porte des Lilas, €1,195,000 in legal fees related to refinancing, and €3,125,000 in receivables on the sale of the Shared building in Caen Colombelles.
- At 31 December 2010: €2,016,000 corresponding to the Locafimo bank claims with the Pallas Stern bank, and €843,000 in calls for funds at Locafimo.

Note 9 Cash and cash equivalents

The marketable securities mainly consist of monetary UCITs evaluated at their closing price.

(in thousands of Euros)	31/12/2013	31/12/2012
Marketable securities	1,655	2
Cash at bank and in hand	20,033	3,155
Total cash assets	**21,688**	**3,157**
Bank credit balance	(244)	(17)
NET CASH AND CASH EQUIVALENTS AS REPORTED IN THE STATEMENT OF CASH FLOWS	**21,444**	**3,140**

Note 10 Capital and premiums linked to capital

1) Composition of share capital

	Number of ordinary shares	Nominal value of the shares *(in Euros)*	Amount of share capital *(in thousands of Euros)*	Issue premium *(in thousands of Euros)*	Total *(in thousands of Euros)*
As at 31 December 2011	**5,736,272**	**5**	**28,681**	**41,947**	**70,628**
Capital increase	374,339	5	1,872	10,930	12,802
Capital decrease	-	-	-	-	-
Issue costs	-	-	-	-	-
Dividends paid	-	-	-	-	-
Appropriation to retained earnings	-	-	-	-	-
As at 31 December 2012	**6,110,611**	**5**	**30,553**	**52,877**	**83,430**
Capital increase	143,407	5	717	5,561	6,278
Capital decrease	-	-	-	-	-
Issue costs	-	-	-	-	-
Dividends paid	-	-	-	-	-
Appropriation to retained earnings	-	-	-	-	-
AS AT 31 DECEMBER 2013	**6,253,916**	**5**	**31,270**	**58,438**	**89,708**

All the issued shares have been fully paid up.

The capital increase is further to the exercising of the following:

- the option to pay the balance of the 2012 dividend in shares, the distribution of which was approved by the Ordinary General Shareholders' Meeting of 30 May 2013 and noted by the Board of Directors on 30 May 2013, for €583 thousand;
- the exercising of 26,698 stock options for €134 thousand.

2) Issue of share option

The conditions

Performance and purchasing conditions applied to the stock options in the plans granted in 2012.

- Two-thirds of the stock options may be exercised if the equity of the Company (corporate financial statements) has been reinforced and the bank debt refinanced under favourable conditions and if the management team has presented a strategic plan for the company following the refinancing.
- One-third of the stock options may be exercised provided that the increase in consolidated operating cash flow on a like-for-like basis, adjusted for capital gains or losses on disposals, for the last financial year closed on the exercise date is at least 5% higher than the average cash flow for the last three financial periods.
- The recipients of these stock options will only receive one-fourth of the options if they do not directly and/or indirectly proceed to purchase on the market a number of shares determined by the recipients within 6 months before or after the bonus shares decided 4 September 2012 and 11 October 2012.

Allocated in 2008

28,198 share subscription options were granted to the Company's officers during the financial period.

The exercise price is fixed at €32.87.

All of the options may be exercised as of the date of their allocation, *i.e.* starting 11 December 2008. The options have a contractual term of five years.

During the 2013 financial period, a capital increase of €133,490 resulted from the exercising of 26,698 stock options authorised by the Extraordinary General Meeting of 29 March 2007. The issue premium recognised in exercising the option was €744,073.

Allocated in 2009

28,427 share subscription options were granted to the Company's officers during the financial period.

The exercise price is fixed at €45.95.

All of the options may be exercised as of the date of their allocation, *i.e.* starting 15 October 2009. The options have a contractual term of five years.

On 15 October 2009, the Board of Directors voted to adjust the number of stock subscription or purchase options previously granted to the Company officers and employees to factor in the distribution of a portion of the issue premium voted by the Ordinary General Meeting of 15 October 2009.

On 10 March 2010, holders of stock subscription or purchase options allocated in 2006 and 2007 agreed to forego the following plans:

- plan 2: 29,594 options granted on 22 March 2006;
- plan 3: 9,603 options granted on 15 May 2006;
- plan 4: 135,064 options granted on 14 September 2006;
- plan 5: 24,182 options granted on 29 March 2007;
- plan 6: 26,931 options granted on 16 October 2007.

On 20 May 2010, the Board of Directors voted to adjust the number of stock subscription or purchase options previously granted to the Company officers and employees to factor in the distribution of a portion of the issue premium voted by the Ordinary General Meeting of 20 May 2010.

On 18 May 2011, the Board of Directors noted the completion of a capital increase of €7.5 thousand resulting from the exercising of 1,500 stock options authorised by the Extraordinary General Meeting of 29 March 2007. The issue premium recognised in exercising the option was € 41,805.

Allocated in 2012

85,000 share subscription options were granted to the Company's officers.

The exercise price is fixed at €43.49.

All of the options may be exercised at the earliest two years after their allocation, *i.e.* as from 4 September 2014. The options have a contractual term of five years.

14,862 share subscription options were granted to one executive during the financial period.

The exercise price is fixed at €41.54.

All of the options may be exercised at the earliest two years after the date of their allocation, *i.e.* as from 11 October 2014. The options have a contractual term of five years.

Allocated in 2013

14,862 share subscription options were granted to one employee during the financial period.

The exercise price is fixed at €44.56.

All of the options may be exercised at the earliest two years after the date of their allocation, *i.e.* starting 11 April 2015. The options have a contractual term of five years.

Estimation of options value

The number of options in circulation and their strike price are presented below:

(in thousands of Euros)	31 December 2013 Average strike price *(in Euros per share)*	31 December 2013 Options *(in units)*	31 December 2012 Average strike price *(in Euros per share)*	31 December 2012 Options *(in units)*
At 1 January	**40.96**	**154,987**	**40.71**	**55,941**
Granted	–	14,862	–	99,862
Null and void	–	–	–	–
Exercised	–	(26,698)	–	–
Adjustment after distribution	–	(11,147)	–	
Due	-	-	-	816
AT YEAR END	**43.89**	**132,005**	**40.96**	**154,987**

Of the 132,005 options in circulation at 31 December 2013, 28,427 may be exercised.

The principal assumptions of the model are as follows:

Grant date	Status	Date exercised	Adjusted exercise price	Underlying price	Standard deviation of expected share price return	Risk-free annual interest rate
15/10/2009	Valid	15/10/2014	€45.95	€36.44	60%	2.60%
04/09/2012	Valid	04/09/2014	€43.49	€27.35	32.62%	0.96%
11/10/2012	Valid	11/10/2014	€41.54	€25.58	32.62%	0.91%
11/04/2013	Valid	11/04/2015	€44.56	€30.63	31.08%	0.596%

3) Bonus shares

The conditions

Allocated in 2011

A total of 18,000 and 2,000 bonus shares were granted respectively to corporate officers and employees on 8 December 2011.

The allocation of shares will be final at the end of a minimum acquisition period of two years, *i.e.* as of 8 December 2013. The beneficiaries must keep the shares for a minimum period of two years following the definitive allocation of these shares, *i.e.* until 8 December 2015.

There are no presence or performance conditions for the beneficiaries of shares granted to employees.

For those granted to corporate officers, two non-cumulative performance conditions must be met:

- Two-thirds of the shares will be definitively allocated on the condition that the Company's equity capital be reinforced and that banking debt be refinanced under conditions that are favourable to the Company.
- One-third of the shares will be definitively allocated on the condition that the consolidated operating cash flow on a like-for-like basis be higher than the average of the three previous financial years on the date of acquisition by at least 5%.

At 8 December 2011

The fair value of shares granted during fiscal 2011 stood at €540,770.

The principal assumptions of the model are as follows: fair value of the share of €30.04.

On 31 December 2013, rights acquired were recorded on the profit and loss account as personnel charges as a contra account to the shareholders' equity for a total amount of € 253,000.

Allocated in 2012

During the financial period, 31,900 and 2,100 bonus shares were awarded respectively to directors and employees. The three bonus share plans were as follows:

- on 4 September 2012, 30,000 bonus shares were allocated to Company officers;
- on 11 October 2012, 1,900 bonus shares were allocated to Company officers;
- on 5 December 2012, 2,100 bonus shares were allocated to employees.

4 September 2012

On 4 September 2012, 30,000 bonus shares were allocated to Company officers.

The allocation of shares will be final at the end of a minimum acquisition period of two years, *i.e.* as of 4 September 2014. The beneficiaries must keep the shares for a minimum period of two years following the definitive allocation of these shares, *i.e.* until 4 September 2016.

Two performance conditions must be met:

- One-third of the shares will be definitively allocated on the condition that the Company's equity capital be reinforced and that banking debt be refinanced under conditions that are favourable to the Company.
- Two-thirds of the shares will be definitively allocated on the condition that the consolidated operating cash flow on a like-for-like basis be higher than the average of the three previous financial years on the date of acquisition by at least 5%.

Furthermore, the recipients of these shares will only receive one-fourth of the bonus shares if they do not directly and/or indirectly proceed to purchase on the market a similar number of shares to these allocated within six months before or after the present allotment of bonus shares.

The fair value of the bonus shares granted by this plan stood at €1,095,525.

The principal assumptions of the model are as follows: fair value of the share of €36.52.

On 31 December 2013, rights acquired were recorded on the profit and loss account as personnel charges as a contra account to the shareholders' equity for a total amount of € 548,000.

11 October 2012

On 11 October 2012, 1.900 bonus shares were allocated to Company officers.

The allocation of shares will be final at the end of a minimum acquisition period of two years, *i.e.* as of 11 October 2014. The beneficiaries must keep the shares for a minimum period of two years following the definitive allocation of these shares, *i.e.* until 11 October 2015.

Two performance conditions must be met:

- One-third of the shares will be definitively allocated on the condition that the Company's equity capital be reinforced and that banking debt be refinanced under conditions that are favourable to the Company.
- Two-thirds of the shares will be definitively allocated on the condition that the consolidated operating cash flow on a like-for-like basis be higher than the average of the three previous financial years on the date of acquisition by at least 5%.

Furthermore, the recipients of these shares will only receive one-fourth of the bonus shares if they do not directly and/or indirectly proceed to purchase on the market a number of shares similar to these allocated within six months before or after the present allotment of bonus shares.

The fair value of the bonus shares granted by this plan stood at €66,061.

The principal assumptions of the model are as follows: fair value of the share of €34.77.

On 31 December 2013, rights acquired were recorded on the profit and loss account as personnel charges as a contra account to the shareholders' equity for a total amount of € 33,000.

5 December 2012

On 5 December 2012, 2,100 bonus shares were allocated to employees.

The allocation of shares will be final at the end of a minimum acquisition period of two years, *i.e.* as of 5 December 2014. The beneficiaries must keep the shares for a minimum period of two years following the definitive allocation of these shares, *i.e.* until 5 December 2016.

There is a presence condition, but there are no performance conditions for the beneficiaries of shares granted to employees.

The fair value of the bonus shares granted by this plan stood at €80,162.

The principal assumptions of the model are as follows: fair value of the share of €38.17.

On 31 December 2013, rights acquired were recorded on the profit and loss account as personnel charges as a contra account to the shareholders' equity for a total amount of € 40,000.

11 April 2013

On 11 April 2013, 1,900 bonus shares were allocated to employees.

The allocation of shares will be final at the end of a minimum acquisition period of two years, *i.e.* as of 11 April 2015. The beneficiaries must keep the shares for a minimum period of two years following the definitive allocation of these shares, *i.e.* until 11 April 2017.

There is a presence condition, but there are no performance conditions for the beneficiaries of shares granted to employees.

Furthermore, the recipients of these shares will only receive one-fourth of the bonus shares if they do not directly and/or indirectly proceed to purchase on the market a number of shares similar to these allocated within six months before or after the present allotment of bonus shares.

The fair value of the bonus shares granted by this plan stood at €75,927.

The principal assumptions of the model are as follows: fair value of the share of €39.96.

On 31 December 2013, rights acquired were recorded on the profit and loss account as personnel charges as a contra account to the shareholders' equity for a total amount of € 27,000.

(in Euros)	**Strike price** *(in Euros per share)*	**Bonus shares** *(in units)*
As at 1 January		**54,000**
Granted		(20,000)
Cancelled		(1,425)
Allocated		1,900
AT CLOSING DATE	**-**	**34,475**

Note 11 Borrowings and financial debts

Borrowings and financial debts—Variance by type

(in thousands of Euros)	Situation as at 31/12/2012	Increases	Decreases	Fair value	Reclassification	Situation as at 31/12/2013
Bank loans	**500,106**	**3,128**	**(153,802)**	**-**	**(14,576)**	**334,856**
Cap and swap liabilities	19,456	-	(1,583)	(8,708)	(3,890)	5,276
Deposits and guarantees received	8,614	20	(2,394)	-	-	6,239
Total other financial liabilities	**28,070**	**20**	**(3,977)**	**(8,708)**	**(3,890)**	**11,515**
Total non-current tax debts	**528,176**	**3,148**	**(157,779)**	**(8,708)**	**(18,466)**	**346,371**
Bank loans	14,525	-	(15,448)	-	14,576	13,652
Accrued interest	2,210	72	(1,686)	-	-	599
Bank loans and overdrafts	17	149	-	-	-	163
Borrowings and financial debts (less than one year)	**16,752**	**221**	**(17,134)**	**-**	**14,576**	**14,414**
Cap and swap liabilities	819	-	(388)	-	4,091	4,522
Deposits and guarantees received	41	-	(1)	-	-	40
Total other financial liabilities	**860**	**-**	**(389)**	**-**	**4,091**	**4,562**
Total current debts	**17,612**	**221**	**(17,523)**	**-**	**18,667**	**18,976**
TOTAL BORROWINGS AND FINANCIAL DEBTS	**545,788**	**3,369**	**(175,302)**	**(8,708)**	**201**	**365,347**

Borrowing from credit institutions—Fixed rate/Variable rate

(in millions of Euros)	Fixed rate	Variable rate	Total
Borrowings from lending institutions	307.9	40.6	348.5

The Group's average interest rate for financing was 3.85% at 31 December 2013.

After consideration of the fixedrate swap instruments, the total fixedrate debt comes to €30.9 million. Furthermore, variable-rate debt, totalling €40.6 million is wholly hedged by cap instruments.

Maturity dates of non-current bank loans

(in thousands of Euros)	31 December 2013	31 December 2012
From 1 to 5 years	244,500	351,889
Over 5 years	90,356	148,217
TOTAL	**334,856**	**500,106**

Schedule of the extinction of total bank debt and of interest owing

(in thousands of Euros)	Nominal	Interest	Total
31 December 2014	13,741	8,909	22,650
31 December 2015	18,070	8,367	26,437
31 December 2016	13,905	7,986	21,891
32 December 2017	188,343	7,186	195,529
33 December 2018	24,162	2,276	26,438
34 December 2019	84,665	1,017	85,682
35 December 2020	342	148	490
36 December 2021	352	138	490
37 December 2022	4,926	216	5,142
TOTAL	**348,508**	**36,243**	**384,750**

Cap and swap liabilities

The Société de la Tour Eiffel group has contracted financial instruments (caps and swaps) which have not been considered as hedge instruments in accounting terms.

Principal characteristics of the liabilityside financial instruments held at 31 December 2013:

Type of contract	Subscription date	Effective date	Maturity	Notional amount *(in thousands of Euros)*	Benchmark rate	Guaranteed rate	Fair value *(in thousands of Euros)*
SWAP	28/06/2012	28/06/2012	28/06/2017	45,866	3-month Euribor	2.46%	(2,578)
SWAP	26/06/2012	26/06/2012	26/06/2019	7,130	3-month Euribor	2.15%	(355)
SWAP	26/06/2012	26/06/2012	26/06/2019	16,421	3-month Euribor	2.15%	(818)
SWAP	26/06/2012	26/06/2012	26/06/2019	20,031	3-month Euribor	2.15%	(1,006)
SWAP	26/06/2012	26/06/2012	26/06/2019	12,271	3-month Euribor	2.15%	(616)
SWAP	26/06/2012	26/06/2012	26/06/2019	11,814	3-month Euribor	2.15%	(589)
SWAP	26/06/2012	26/06/2012	26/06/2019	9,697	3-month Euribor	2.15%	(485)
CAP	14/11/2012	28/06/2013	13/11/2017	39,800	3-month Euribor	2.00%	215
SWAP	26/06/2012	26/06/2012	26/06/2019	17,833	3-month Euribor	2.15%	(893)
SWAP	28/03/2012	28/06/2013	30/06/2018	13,240	3-month Euribor	1.91%	(532)
SWAP	10/04/2012	28/09/2012	29/09/2017	7,750	3-month Euribor	1.50%	(197)
SWAP	14/11/2012	28/06/2013	13/11/2017	16,007	3-month Euribor	0.94%	(88)
SWAP	14/11/2012	14/11/2012	13/11/2017	13,329	3-month Euribor	0.75%	19
SWAP	14/11/2012	28/06/2013	13/11/2017	99,712	3-month Euribor	0.94%	(545)
SWAP	01/08/2012	01/08/2012	02/02/2015	6,720	3-month Euribor	4.61%	(359)
Collar/Tunnel	26/04/2011	28/04/2011	15/04/2016	10,035	3-month Euribor	2%/3%	(370)
Collar/Tunnel	26/04/2011	02/05/2011	15/04/2016	10,035	3-month Euribor	2%/3%	(370)
TOTAL							**(9,567)**

Note 12 Long-term and current (less than one year) provisions

(in thousands of Euros)	Provision for the risk of insurance policies failing to pay out	Provisions for retirement benefits	Other provisions for expenses	Total
Situation as at 31 December 2012	**138**	**171**	**-**	**309**
Allocations	-	47	47	94
Reversals not used	-	-	-	-
Reversals used	(132)	(16)	-	(148)
BALANCE AT CLOSE 31 DECEMBER 2013	**6**	**202**	**47**	**255**

At 31 December 2013, only the provisions for retirement benefits were long term.

Note 13 Tax and social security owed (current and non-current)

(in thousands of Euros)	31/12/2013	31/12/2012
Taxes owed (exit tax)	-	-
Other tax indebtedness	-	-
Total non-current tax debts	**-**	**-**
Social security owed	1,170	1,660
Taxes owed (exit tax—less than one year)		-
Other tax liabilities (VAT collected and corporation tax)	11,188	7,486
Total current tax and social security related debts	**12,358**	**9,146**
TOTAL	**12,358**	**9,146**

Note 14 Deferred taxes

There is no reason to recognise deferred taxes since the great majority of the Group's sales are subject to the SIIC tax regime.

During the 2009 financial year, Arman F02 incurred a €300,000 tax expense related to the capital gains made from the disposal of some Massy land reserves to SCI Arman Ampère. The cancellation of these capital gains generated a differed tax asset of €300,000.

Note 15 Trade accounts payable and other indebtedness

(in thousands of Euros)	31/12/2013	31/12/2012
Trade accounts payable	5,665	5,999
Debts associated with acquisitions of tangible fixed assets	10	2,552
Current account liabilities	-	-
Directors' fees	122	120
Advances and deposits received	1,176	484
Trade debtors-credit balances	(79)	346
Other operating debts	1,796	323
Prepaid income	14,949	18,683
TOTAL	**23,639**	**28,507**
Other long-term liabilities		
Prepaid income	715	291
Other operating debts	-	-
TOTAL	**715**	**291**

At 31 December 2013, deferred income was made up mainly of prepaid rental income for Q1 2014.

Note 16 Turnover

Comparative analysis by type

(in thousands of Euros)	31/12/2013	31/12/2012
Rental income	61,463	69,475
Other rental income	12,481	12,896
TOTAL TURNOVER	**73,944**	**82,371**

Other rental income mainly consists of levies for property taxes and office taxes passed through to tenants.

Accrued rent for fixed-term leases held in portfolio

Total minimum future payments *(in thousands of Euros)*	31/12/2013	31/12/2012
Less than one year	53,588	59,588
Between 1 and 5 years	148,322	163,441
More than 5 years	53,814	35,121
TOTAL FUTURE PAYMENTS	**255,724**	**258,150**

Note 17 Purchases consumed

(in thousands of Euros)	31/12/2013	31/12/2012
Non-stocked purchases of material and supplies	(26)	(45)
TOTAL PURCHASES CONSUMED	**(26)**	**(45)**

Note 18 Personnel expenses, external charges, duties and taxes

Staff expenses

(in thousands of Euros)	31/12/2013	31/12/2012
Staff remuneration	(3,397)	(3,037)
Social security withholding payments	(1,715)	(1,903)
Charges on payments in shares	(974)	(871)
TOTAL STAFF EXPENSE	**(6,086)**	**(5,811)**

External expenses

(in thousands of Euros)	31/12/2013	31/12/2012
Rentals and rental expenses	(6,255)	(6,592)
Maintenance and repairs	(214)	(269)
Insurance premiums	(1,065)	(1,269)
Miscellaneous documentation, seminars	(46)	(53)
Remuneration of intermediaries and fees (1)	(5,997)	(5,348)
Advertising, publishing and public relations	(174)	(435)
Goods transport, collective staff transport	(5)	(7)
Travel, assignments and receptions	(144)	(224)
Postal and telecommunications costs	(49)	(65)
Banking and related services	(358)	(364)
Other external services	(76)	(85)
TOTAL EXTERNAL EXPENSES	**(14,383)**	**(14,711)**

(1) These amounts correspond mainly to costs incurred while seeking and managing assets and properties.

Taxes and duties

(in thousands of Euros)	31/12/2013	31/12/2012
Property taxes	(6,743)	(6,909)
Other duties and taxes	(2,991)	(2,619)
TOTAL DUTIES AND TAXES	**(9,734)**	**(9,528)**

Note 19 Net amortisation and provisions

(in thousands of Euros)	31/12/2013	31/12/2012
Allocations / Reversals on intangible assets	(11)	(13)
Allocations / Reversals on tangible assets	(79)	(85)
TOTAL AMORTISATION ALLOWANCES / REVERSALS	**(90)**	**(98)**
Allocations / Reversals on provisions for current assets	129	457
Allocations / Reversals for operating liabilities and expenses	54	5
Allocations / Reversals for operating receivables	-	-
TOTAL PROVISIONS ALLOWANCES / REVERSALS	**183**	**462**

Note 20 Net balance of value adjustments

(in thousands of Euros)	31/12/2013	31/12/2012
Investment properties	(33,740)	(29,791)
Assets earmarked for disposal	(1,308)	(235)
TOTAL	**(35,048)**	**(30,026)**

Note 21 Other operating income and expenses

(in thousands of Euros)	31/12/2013	31/12/2012
Miscellaneous current management income	25	840
Proceeds from disposals of investment property	151,964	66,551
Proceeds from transfers of assets for disposal	43,008	4,375
Other extraordinary income	878	1,725
OTHER OPERATING REVENUES	**195,875**	**73,491**
Miscellaneous current management expenses	(155)	(869)
Value of investment property	(149,152)	(66,905)
Properties earmarked for disposal	(41,250)	(4,106)
Property divestment costs	(4,104)	(1,066)
Other extraordinary expenses	(483)	(461)
Irrecoverable receivables losses	(169)	-
OTHER OPERATING EXPENSES	**(195,313)**	**(73,407)**

The disposals relate the buildings in the *Parc du Millénaire,* the *Parc de l'Espace, Cadéra Sud, Parc du Moulin à Vent, Parc des Aygalades,* the Herblay building, the *Parc des Prés* owned by Locafimo, the buildings in Caen Mondeville, Vitrolles, Vannes and Orléans owned by SCI Nowa, the reception building of SCI Caen Colombelles, the building in Amiens owned by Société de la Tour Eiffel, the building in Ludres owned by SCI Arman F02 and the building in Grenoble.

As indicated in Note 2.6, the capital gain is determined by reference to the last known fair value *i.e.* that of the closing balance sheet of the previous year if the transfer occurs during the first half, or that at 30 June of the current year if the transfer occurs during the second half.

In 2012, the capital gain was calculated by reference to the fair value recorded in the balance sheet of the previous financial period, regardless of the date of disposal. This change in method of determining the capital gain had no significant impact on other operating income and expenses for fiscal 2012: operating expenses would have been undervalued by €2,503 thousand and the net value adjustments (Note 20) would have been adjusted by the same amount for a neutral cumulative impact of this reclassification on 2012 net income.

Rental income and direct operating expenses linked to investment property

(in thousands of Euros)	Investment properties having produced rental income	Investment properties not having produced rental income
Rental income	61,463	
Direct operating expenses (1)	17,747	

(1) Mainly property management costs and land tax which are, except in rare cases, charged back to tenants in accordance with contractual clauses of applicable leases.

Note 22 Net financial debt costs

(in thousands of Euros)	31/12/2013	31/12/2012
Marketable securities income	45	89
Loan income	-	-
TOTAL INCOME FROM CASH AND NEAR CASH	**45**	**89**
Interest on financing deals	(19,310)	(19,760)
TOTAL GROSS FINANCIAL DEBT COSTS	**(19,310)**	**(19,760)**
NET DEBT SERVICING COST	**(19,266)**	**(19,671)**

Note 23 Other financial income and expenses

(in thousands of Euros)	31/12/2013	31/12/2012
Other financial income [1]	10,805	5,236
Income from securities transfers	-	-
Total other financial income	**10,805**	**5,236**
Other financial expenses	(2,647)	(13,843)
Net book value of transferred securities	-	-
Total other financial expenses	**(2,647)**	**(13,843)**
TOTAL	**8,158**	**(8,607)**

(1) Of which €10,486,000 for adjustment in the value of financial instruments at 31 December 2013 against € 5,210,000 at 31 December 2012.

Note 24 Company income tax

(in thousands of Euros)	31/12/2013	31/12/2012
Current tax	(108)	(491)
Deferred tax	-	-
TOTAL	**(108)**	**(491)**

Note 25 Basic earnings per share

Basic earnings

The basic earnings per share is calculated by dividing the net profit paid to Company shareholders by the average weighted number of ordinary shares outstanding during the financial year.

(in thousands of Euros)	31/12/2013	31/12/2012
Earnings for the year	(1,892)	(6,071)
Average weighted outstanding shares	6,072,972	5,785,240
Basic earnings per share *(in Euro per share)*	(0.31)	(1.05)

Diluted earnings

The diluted earnings per share are calculated by increasing the weighted average number of shares in circulation by the number of shares that would result if all the share warrants and stock options that potentially have a dilutive effect were converted. For share options, a calculation is made in order to determine the number of shares which could have been acquired at their fair value (namely, the average annual market price of the Company's shares) on the basis of the monetary value of the share options in circulation. The number of shares calculated in this way is compared with the number of shares which could have been issued if the options had been exercised.

(in thousands of Euros)	31/12/2013	31/12/2012
Earnings for the year	(1,892)	(6,071)
Weighted average number of ordinary shares used to calculate the diluted earnings per share	6,144,887	5,826,401
Diluted earnings per share *(in Euro per share)*	(0.31)	(1.04)

Dilutive financial instruments

The number of shares at 31 December 2013 which can give access to the share capital is as follows:

	Number of shares	Entitlement in shares
Shares	6,253,916	6,253,916
Stock options	12,189	12,189
Bonus shares	34,475	34,475
Treasury shares	(72,594)	(72,594)
TOTAL	**6,227,986**	**6,227,986**

Note 26 Distribution

The General Meeting of 30 May 2013 voted to distribute a dividend of €2.1 per share for a total amount of €12,634,000. On 17 September 2013, the Board of Directors resolved to distribute an interim dividend of €7,361 thousand. In all for fiscal 2013, €19,995 thousand were distributed, including €6,278 thousand in shares and €13,717 thousand in cash.

Note 27 Transactions with related parties

€295,000 in fees were paid to Bluebird Investissements, a related party, for FY 2013, against €670 thousand for FY 2012.

Remuneration of senior management

The following information, concerning the annual amount of gross allocated remuneration, is generally provided on a global basis for members of the administrative and management bodies of the firm consolidating Société de la Tour Eiffel, namely:

(in thousands of Euros)	31/12/2013	31/12/2012
Salaries and other short-term benefits	1,348	980
Directors' fees	150	120
Payments based on shares (stock options)	974	871
TOTAL	**2,472**	**1,971**

The sum of the salaries of senior executives (see table above) and the fees paid to Bluebird Investissements was stable in 2013 (€1,643 thousand) compared with 2012 (€1,650 thousand).

As from 1 January 2014, the Chief Executive Officer will be entitled to severance indemnity equivalent to one year of fixed and variable remuneration in case of forced departure for any reason whatsoever other than gross negligence or misconduct on his part. The payment of this indemnity is subject to the achievement of performance criteria that have been fixed for the first two years of his term of office.

Note 28 Off-balance-sheet commitments

1) Off-balance sheet commitments related to the scope of the consolidated Group

Commitments given

No commitment was given.

Commitments received

No commitment was received.

2) Off-balance sheet commitments related to the financing of the Company

Commitments given

Companies	Loan balance at 31/12/2013 [1] *(in thousands of Euros)*	Loan balance at 31/12/2012 [1] *(in thousands of Euros)*	Maturity date	Mortgages	Money lender's lien	Pledging of receivables and/or bank accounts	Daily assignment of receivables
STE Vélizy Energy II	7,572	7,859	29/06/2027	√			√
STE Saint-Cloud	6,720	8,555	16/01/2015		√		√
STE Amiens		3,456	14/01/2015				
Locafimo	169,358	287,537	13/11/2017	√	√	√	√
Arman F02	45,265	47,071	28/03/2017	√	√	√	√
Nowa	19,535	41,877	15/04/2018	√	√	√	√
Caen Colombelles	11,813	16,088	25/06/2019	√	√	√	√
Champigny Carnot	20,031	20,444	25/06/2019	√	√	√	√
Comète	16,420	21,186	25/06/2019	√	√	√	√
Grenoble Pont d'Oxford	-	5,990	25/06/2019				
Berges de l'Ourcq	7,130	8,910	25/06/2019	√	√	√	√
Rueil National	17,833	19,701	25/06/2019	√	√	√	√
Étupes de l'Allan	9,697	10,890	25/06/2019	√	√	√	√
Montrouge Arnoux	12,621	10,496	30/06/2018	√	√	√	√
153 Jean-Jaurès	12,270	12,523	25/06/2019	√	√	√	√
	356,265	**522,583**		**349,545**	**338,996**	**341,973**	**356,265**

(1) Corporate data before restatement of borrowing costs.

Commitments received

(in thousands of Euros)	Starting date	Maturity date	31/12/2013	31/12/2012
Tenant's security deposit			**3,901**	**3,222**
Others				
Additional sale price Massy	22/07/2011	21/07/2016	420	420
Financial participation in work (head office)	01/05/2013	30/04/2016	236	-
Société Générale guarantee (Ampère Massy integrated development zone)	23/09/2013	31/12/2016	3,800	-
			4,456	**420**
Performance bond				
SCI Montrouge Arnoux	04/03/2011	Elapsed	-	3,290
Other companies			-	532
			-	**3,822**

3) Off-balance sheet commitments related to the operating activities of the issuer

Commitments received

(in thousands of Euros)	Starting date	Maturity date	31/12/2013	31/12/2012
Commitments to sell properties				
Building E Parc des Tanneries	23/06/2011	30/09/2014	1,400	1,400
Massy land	12/12/2013	30/06/2014	153	-
Building in La Roche-sur-Yon	23/12/2013	30/04/2014	3,920	-
Building in Herblay	29/05/2012	15/09/2014	-	2,530
Building in Marseille	07/12/2012	18/01/2013	-	12,965
Building in Orléans	03/12/2012	31/01/2013	-	7,375
Building in Le Bourget	03/12/2012	11/01/2013	-	8,783
Cadéra Sud Building	18/10/2012	05/07/2013	-	3,000
Building in Amiens	03/02/2011	28/02/2013	-	3,225
Building in Ludres	11/12/2012	29/03/2013	-	2,780
Accueil and ABCD buildings in Caen	16/01/2013	31/05/2013	-	2,350
			5,473	**44,408**
Miscellaneous commitments				
Promise to fund equipment Massy integrated development zone (1)	18/07/2013	31/12/2016	3,800	-
Guaranteed payment of price of Montrouge building prior to completion (off-plan)	04/03/2011	30/03/2014	204	204
			4,004	**204**

(1) This commitment is backed by a guarantee of the same amount issued by Société Générale, the bank having obtained a mortgage promise on the land concerned.

Note 29 Subsequent events

The following events happened after 31 December 2013:

- sale on 17 February 2014 of the Souhesmes building (SCI Nowa);
- the Group renewed for a fixed period of nine years the lease of the Le Plessis-Robinson building with CS Communications for about two thirds of the total floor area and level of rent in line with the market. This performance allows us to envisage the other rent negotiations scheduled over the next 24 months with confidence;
- in terms of development, a building permit was obtained in Massy for a floor area representing 34,000 sq.m of office space;
- finally, a takeover bid for the Company was filed by SMABTP on 29 January 2014.

7. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING 31 DECEMBER 2013

Expertise & Audit SA
39, avenue de Friedland
75008 Paris

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

To the shareholders of:
Société de la Tour Eiffel
Public Limited Company with a capital of €31,269,580
20-22, rue de la Ville-l'Évêque
75008 Paris

In carrying out the mission entrusted to us by your General Shareholders' Meeting, we present our report for the year ended 31 December 2013 on:

- the audit of Société de la Tour Eiffel's consolidated financial statements as they are appended to this report;
- the justification for our assessments;
- the specific verifications stipulated by law.

The consolidated financial statements were closed by the Board of Directors. It is our responsibility, based on our audit, to provide our opinion on these financial statements.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the auditing standards applicable in France; these standards require performing the due diligence enabling us to confirm, with reasonable assurance, that the consolidated financial statements contain no significant misstatements. An audit consists in the examination, on a test basis or by means of other selection methods, the elements justifying of the amounts and information appearing in the Group accounts. It also consists in appraising the accounting principles applied, the significant estimates retained and the overall presentations of the accounts. We believe that the elements we have collected provide a sufficient and appropriate basis on which to formulate our opinion.

We certify that, with regard to the IFRS standards, as adopted by the European Union, the consolidated financial statements are a true and fair representation of the assets, the financial position and overall result constituted by the persons and entities included in the consolidation.

II. Basis of our appraisals

As stated in paragraph 5 on the key accounting estimates and accounting judgments in the Notes, the property valuation in the financial statements at 31 December 2013 was carried out in a context that makes it difficult to assess the market opportunities for certain assets according to their geographical location. Given this market climate, in application of Article L. 823-9 of the French Commercial Code concerning the basis of appraisals, we would like to draw your attention to the following items:

Paragraph 2.6 of the Notes specifies that the property portfolio is appraised by independent experts to estimate the properties fair value.

Our mission involved reviewing the appraisal methods of these experts, making sure that the property fair value had been determined on the basis of said external appraisals and ensuring that the information presented in the annex is appropriate.

Assessments made in this manner fall within the scope of our procedure for auditing the consolidated financial statements as a whole and have therefore contributed to express our opinion provided in the first part of this report.

III. Specific verifications

We have also verified the legally required information presented in the Group management report, in accordance with the code of professional conduct applicable in France.

We have no comments regarding their fairness and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, 20 March 2014

The Statutory Auditors

Expertise & Audit SA	**PricewaterhouseCoopers Audit**
Hélène Kermorgant	Yves Nicolas

CORPORATE FINANCIAL STATEMENTS

1. BALANCE SHEET—ASSETS

	31/12/2013			31/12/2012
(in Euros)	Gross	Amortisation depreciation	Net	Net
Uncalled up capital				
PROPERTY, PLANT AND EQUIPMENT				
Intangibles fixed assets				
Start-up costs				
Research & Development costs				
Concessions, patents, licenses, software, similar rights	12,005		12,005	12,005
Goodwill [(1)]				
Other intangible assets, intangible assets in progress				
Advances and deposits				
Start-up costs				
Tangible fixed assets				
Land Construction	9,251,016		9,251,016	9,271,704
Construction	15,695,618	3,004,982	12,690,636	16,404,400
Plant, industrial machinery and equipment				
Other property, plant & equipment	16,078	13,166	2,912	5,697
Construction work in progress				
Advances and deposits				
Long-term investments [(2)]				
Equity interests	250,708,811	27,082,148	223,626,663	250,085,849
Receivables on equity interests portfolio securities	60,147,743		60,147,743	59,114,675
Other long-term investments				
Loans				
Other financial assets				
	335,831,271	**30,100,297**	**305,730,974**	**334,894,329**
CIRCULATING ASSETS				
Inventories				
Raw materials and other supplies				
Work in progress (goods and services)				
Intermediate and finished product				
Goods				
Advances and down payments on orders [(3)]	**293**		**293**	
Trade and related receivables	4,074,405	585,730	3,488,675	3,762,124
Other receivables	49,201,718		49,201,718	33,585,523
Subscribed capital—called, unpaid				
Marketable securities				
Treasury shares	5,713,195	1,853,628	3,859,567	4,052,332
Other securities	166,329		166,329	
Cash instruments				
Cash and cash equivalents	**1,992,504**		**1,992,504**	**730,240**
Prepaid expenses [(3)]	40,535		40,535	176,833
	61,188,977	**2,439,358**	**58,749,620**	**42,307,052**
Deferred expenses over several years	103,640		103,640	133,558
Loan redemption premiums				
Unrealised exchange gains				
GRAND TOTAL	**397,123,888**	**32,539,654**	**364,584,234**	**377,334,939**
(1) Including leasehold				
(2) Due is less than one year (gross)			*12,451,299*	*11,418,231*
(3) Due in more than one year (gross)				

2. BALANCE SHEET—LIABILITIES

(in Euros)	31/12/2013 Net	31/12/2012 Net
SHAREHOLDERS' EQUITY		
Share capital (paid in: 31,269,580)	31,269,580	30,553,055
Issue, merger premiums, contributions	58,438,148	52,877,040
Revaluation difference		
Equivalence difference		
- Reserves:		
- Statutory reserve	3,055,306	2,868,136
- Statutory or contractual reserves		
- Tax-driven reserves		
- Other reserves	215,933,372	215,933,372
Retained earnings	(7,308,239)	(10,549,961)
Annual profit or loss	**8,633,543**	**23,428,277**
Investment subsidies		
Regulated provisions		
	310,021,710	**315,109,918**
OTHER EQUITY		
Proceeds from issues of equity securities		
Advances on conditions		
Other equity		
PROVISIONS		
Provision for risks		
Provision for charges	1,563,335	2,148,890
	1,563,335	**2,148,890**
DEBTS (1)		
Convertible bond loans		
Other bonds		
Borrowings and debt owed to credit institutions (2)	14,363,456	19,982,193
Borrowings and financial debts (3)	33,240,424	35,055,034
Down payments and advances on purchase orders		
Trade and related payables	3,797,454	3,214,419
Tax and social security liabilities	797,125	1,043,461
Payables to fixed asset suppliers and related accounts	10,066	10,066
Other debts	334,319	194,789
Cash instruments		
Deferred income (1)	456,344	576,168
	52,999,189	**60,076,131**
Translation adjustment liabilities		
GRAND TOTAL	**364,584,234**	**377,334,939**
(1) Due in more than one year (a)	*13,623,351*	*19,323,658*
(1) Due in less than one year (a)	*39,375,838*	*40,752,473*
(2) Including current bank loans and bank credit balances	*7,913*	
(3) Including subordinated loans		

(a) With the exception of down payments and advances on purchase orders.

3. INCOME STATEMENT

	31/12/2013			31/12/2012
(in Euros)	France	Abroad	Total	Total
Operating revenues [1]				
Sales of goods				
Production sold (goods)				
Production sold (services)	8,804,602		8,804,602	7,585,126
Net Turnover	**8,804,602**		**8,804,602**	**7,585,126**
Change in inventories & WIP				
Capitalized production				
Partial net income on long-term operations				
Operating subsidies				
Reversal of provisions and expense reclassification			1,698,769	152,354
Other income			10	508
			10,503,380	**7,737,988**
Operating expenses [2]				
Purchases of goods				
Change in inventories				
Purchase of raw materials and other supplies				
Changes in inventories				
Other purchases and external expenses [a]			9,646,926	8,367,571
Taxes, duties and similar payments			387,733	414,360
Salaries and wages			512,936	2,366,490
Social security withholding payments			150,107	788,312
Allocations to amortisation, depreciation and provisions:				
- on fixed assets: Allowances for depreciation			588,719	932,047
- on fixed assets: Provisions for impairment				12,511
- on current assets: Provisions for impairment				
- for risks and charges: Allocations to provisions				
Other expenses			150,008	165,853
			11,436,429	**13,047,144**
NET OPERATING INCOME/LOSS			**(933,049)**	**(5,309,156)**
Joint-venture income/(loss)				
Income allocated or transferred loss				
Transferred profit/(Losses incurred)				
Financial income				
From equity interests [3]			39,034,441	32,547,048
From other marketable securities and fixed asset receivables [3]				
Other interest and related income [3]			9,753	114,325
Reversal of amortisation, provisions and expense reclassifications			2,317,537	2,581,637
Realised gains on foreign exchange				
Net proceeds from the sale of marketable securities			35,605	35,579
			41,397,336	**35,278,588**
Financial expenses				
Allocations to amortisation, impairment and provision			26,516,759	2,647,755
Interest and similar charges [4]			1,256,788	3,711,867
Realised losses on foreign exchange				
Net losses on the sale of marketable securities			2,102,360	19,371
			29,875,907	**6,378,992**
NET FINANCIAL INCOME			**11,521,429**	**28,899,596**
CURRENT PRE-TAX EARNINGS			**10,588,380**	**23,590,441**

	31/12/2013	31/12/2012
(in Euros)	Total	Total
Extraordinary income		
On management transactions	5,005	
On capital transactions	3,225,000	116,200
Reversal of amortisation, provisions and expense reclassifications	129,602	1,386,490
	3,359,607	**1,502,690**
Extraordinary expenses		
On management transactions	100,328	48,221
On capital transactions	4,929,271	51,459
Allocations to amortisation, impairment and provision	176,845	1,391,608
	5,206,444	**1,491,287**
Extraordinary result	**(1,846,837)**	**11,402**
Employee profit-sharing		
Income tax	108,000	173,566
Total income	**55,260,323**	**44,519,266**
Total expenses	**46,626,779**	**21,090,990**
NET PROFIT (LOSS)	**8,633,543**	**23,428,277**
(a) Including:		
– equipment leasing instalments		
– property leasing instalments		
(1) Including income relating to previous financial years		
(2) Including expenses relating to previous financial years		
(3) Including income relating to affiliated entities	*39,034,441*	*32,547,048*
(4) Including interest relating to affiliated entities	*163,798*	*535,987*

4. ANNEX TO THE BALANCE SHEET AND INCOME STATEMENT

The balance sheet before appropriation of earnings for the year ended 31 December 2013 shows total assets of €364,584,233.91, while the income statement, presented as a list, shows €8,633,543.40 in income.

The financial year covered the 12-month period from 1 January 2013 to 31 December 2013.

The notes and tables below are an integral part of the financial statements.

4.1 General information

The main corporate purpose of Société de la Tour Eiffel is to acquire or construct buildings to rent out, and to hold direct or indirect equity stakes in corporate bodies having the same purpose.

Choice of status as a *société d'investissements immobiliers cotée* (SIIC)

On 15 April 2004, the Company opted for the status of société d'investissements immobiliers cotée (SIIC) effective on 1 January 2004.

4.2. Important facts

4.2.1 Capital transactions

4.2.1.1 Option to pay out the remainder of the 2012 dividend in shares

An equity capital increase of €583,035 (116,607 shares) and a €4,817,035 increase in the issue premium were noted, after exercising the option to pay in share the remainder of the 2012 dividend in accordance with the third resolution adopted at the Annual General Shareholders' Meeting dated 30 May 2013. The new shares were issued at a price of €46.31 corresponding to 95% of the average closing price of the twenty trading days preceding the date of the decision to distribute, less the net amount of interim dividend and rounded to the next higher centime.

4.2.1.2 2013 interim dividend

On 17 September 2013, the Board of Directors voted to distribute an interim dividend for €7,361,549, representing a dividend of €1.2 per share in light of the intermediate balance sheet closed on 30 June 2013, with payment only in cash.

4.2.1.3 Exercise of stock option plan of 11 December 2008

The exercise of the stock option plan of 11 December 2008 led to the recognition of a capital increase of 26,698 shares at a nominal value of €5, i.e. a capital increase of €133,490. An issue premium of €744,073 was recognised.

4.2.2 Acquisitions and divestments of fixed assets

4.2.2.1 Tangible fixed assets

The building located Rue Le Tintoret in Amiens was sold on 21 March 2013 for €3,225,000 to SARL Immo LS M/.

The sale generated a capital loss less costs of €1,674,995

4.2.2.2 Securities portfolio

There were no movements in the securities portfolio during fiscal 2013.

The equity investments are only composed of the shares of non-trading real estate investment companies, shares of partnership, and shares in a simplified public limited liability companies.

4.2.3 Impairment of securities

At 31 December 2013, the shares of SAS Locafimo were subject to additional depreciation amounting to €25,897,000. The provision now stands at €26,519,962. In addition, the shares of SCI Comète were subject to depreciation amounting to €562,186.

4.2.4 Share purchase or subscription plans and bonus share plans

The 72,594 treasury shares held can be broken down as follows:

- 36,694 unallocated treasury shares held were marked to market at their average December 2013 cost for €2,328,717 in December 2013, *i.e.* €. 49.42, for a total of €515,255.
- 30,000 allocated treasury shares held, awarded by a decision of the Board on 4 September 2012, amounting to €2,451,901, were marked to market at the average monthly cost preceding the date of the grant, amounting to €1,147,500 and set aside for the remaining purchase price as a provision for charges amounting to €1,304,401.
  The final allocation should be made in 2014, subject to achieving the performance conditions.
- 1,900 allocated treasury shares held, awarded by a decision of the Board on 11 October 2012, for an amount of €144,800, were marked to market at the average monthly cost preceding the date of the grant, amounting to €65,911 and set aside for the remaining purchase price as a provision for charges amounting to €78,889.
  Of the 1,900 allocated shares, 1,425 shares were cancelled in 2013. The final allocation of the remaining 475 shares should be realized in 2014, subject to achieving the performance conditions.

- 2,100 allocated treasury shares held, awarded by a decision of the Board on 5 December 2012, amounting to €157,227, were marked to market at the average monthly cost preceding the date of the grant, amounting to €67,389 and set aside for the remaining purchase price as a provision for charges amounting to €89,838.
  The final allocation should be made in 2014, subject to achieving the conditions of employment at the end of the vesting period. The final allocation is subject to a condition of presence in the Company, the provision for expenses has been spread over the two years. At 31 December 2013, the provision for expenses amounted to €48,119.
- 1,900 allocated treasury shares held, awarded by a decision of the Board on 11 April 2013, amounting to €142,255, were marked to market at the average monthly cost preceding the date of the grant, amounting to €57,572 and set aside for the remaining purchase price as a provision for charges amounting to €84,683. The final allocation should be realized in 2015.
  The provisions for charges relating to the issue of bonus shares were booked under personnel expenses in the recognition of a transfer of charges-exceptional.

4.2.5 Financing

On 21 March 2013, Société de la Tour Eiffel repaid in advance all of the loan financing the Amiens building, i.e. a principal amount of €3,420,000.

The issuance costs related to the loan were fully amortised on the date of repayment for an amount of €10,751.

As part of its rate risk management backed to its credit line, Société de la Tour Eiffel maintained the following hedging instruments, which were still in effect on 31 December 2013:
- swap contract at the guaranteed rate of 1.50% for a notional residual amount of €7,750,000 from the Crédit Agricole CIB bank on the loan financing the Energy II building;
- swap contract at the guaranteed rate of 4.61% for a notional residual amount of €6,719,537 from the Société Générale bank on the loan financing the Saint-Cloud building.

4.3 Accounting policies

The Annual Accounts are established in accordance with the rules laid out by the general accounting system of 1999 and fundamental accounting principles (conservatism, consistent methods, independence of financial years, going concern).

The financial year spans a 12-month period running from 1 January to 31 December 2013.

Recognised items are valued by the historic costs method. The main accounting methods used are as follows:

4.3.1 Tangible fixed assets

4.3.1.1 Land and buildings

4.3.1.1.1 General rules

Fixed assets are valued at their acquisition price as per the provisions of CRC Regulation No.2004-06. The Company has opted to capitalise acquisition expenses and the costs of borrowings, where applicable.

In accordance with the CRC Regulation No.200210, property assets have been accounted for using the components approach.

The gross value was split into four separate components on the basis of valuations carried out by the Technical Services of the asset management company, Tour Eiffel Asset Management.

Given the nature of the properties, a residual value was recorded under the main component (structural framing). Given the nature of the properties, the residual values recorded were as follows:
- 10% (Energy II building located in Vélizy);
- or 20% (building located in Saint-Cloud).

Depreciation complies with the provisions of Regulation No.2002-10, each component being amortised over its individual useful life on the following basis:

• Structural framing	Life: 35 to 60 years	Method: straight-line
• Water-proofing	Life: 15 to 20 years	Method: straight-line
• Equipment	Life: 20 to 50 years	Method: straight-line
• Fixtures and fittings	Life: 12 to 50 years	Method: straight-line

At 31 December 2013, the current state of the buildings does not require the allocation of provisions for major upkeep or refurbishing.

4.3.1.1.2 Valuation of Assets

The Company has all its property assets valued by an independent appraiser every six months. An asset impairment is recorded if the appraised value has fallen considerably below the net book value.

In the financial period ended 31 December 2012, a provision for impairment loss of €1,694,993 for the building located in Amiens was recorded in the accounts pursuant to these valuations. Since the property was sold on 21 March 2013, a reversal of this provision was recognized during the year. No impairment was recognized for the buildings in Saint-Cloud and Vélizy.

4.3.1.2 Other tangible fixed assets

Depreciation is calculated on the following basis:

• Office equipment	Life: 3 years	Straight-line
• Furniture	Life: 5 years	Straight-line

Fixed assets are recorded at their acquisition cost (purchase price and additional expenses).

4.3.2 Marketable securities and treasury shares

4.3.2.1 Marketable securities

The gross value is made up of the purchase cost.

When the inventory value is lower than the gross value, the difference gives rise to an impairment loss provision. The inventory value of the treasury shares consists of the average market price during the last month before accounts closing.

4.3.2.2 Unallocated treasury shares or those connected with the liquidity agreement

Those treasury shares which are not allocated to a bonus share allotment scheme or those connected with a liquidity agreement, are written down to their market value.

4.3.2.3 Treasury shares allocated to share subscription or purchase options and plans for granting bonus shares

In accordance with CNC Regulation 2008-15 dated 4 December 2008 relating to the accounting treatment of share subscription or purchase plans and bonus share plans, the allocated shares held which will probably be awarded to the beneficiaries carry a provision based on the shares' net book value at the date of allocation for bonus share allocation plans, and based on the difference between this value and the purchase or subscription value for share purchase or subscription options. When the award is subordinated to a condition of working for the Company, the purchase cost is spread out over the acquisition period. Any allocations of provisions, reversals and charge-offs relating to awarding equity shares are disclosed as personnel expenses.

4.3.3 Equity interests and other long-term investments

Equity interests are entered on the balance sheet at their acquisition cost as per the provisions of CRC Regulation No.2004-06 pertaining to the definition, recognition and valuation of assets. The Company has opted to include acquisition expenses in the value of securities.

If the inventory value of these shares proved to be lower than their purchase cost, an impairment provision would be made.

The inventory value is determined based on the equity interest's value in use and takes into account the market value of the owned Company's assets. These assets are audited every half year, according to their nature and localization in an uncertain environment making it difficult to assess market prospects.

4.3.4 Receivables

Receivables are recorded at their nominal value. A write-down is recorded when the inventory value is lower than the book value.

At 31 December 2013, the provision for impairment of the receivable of the Lee Cooper tenant occupying the building located in Amiens, and accrued since December 2010, has been maintained for an amount of €585,730. This receivable was partially accepted by the Amiens Commercial Court on 26 January 2012 for an amount of €816,835 including VAT.

4.3.5 Bond issue expenses

Bond issue expenses transferred from operating expenses in 2012 are amortised over the term of these borrowings.

4.3.6 Future financial instruments—Interest hedging operations

Société de la Tour Eiffel took out interest rate hedging contracts with banks in the form of swaps.

At period end, the accrued interest differential on the Swaps is recorded.

Potential losses on the financial instruments do not carry a liabilities provision inasmuch as these instruments are used in a hedging transaction.

4.4 Additional information

4.4.1 Remuneration of members of management and governing bodies

Board members' attendance fees paid in 2013 totalled €150,000.

At its meeting of 30 May 2013, the Board of Directors decided to renew the terms of office of Messrs. Mark Inch, Robert Waterland and Philippe Prouillac until the end of the General Shareholders' Meeting called in 2016 to approve the accounts for fiscal year 2015.

In fiscal 2013, gross remuneration paid to members of governing bodies for their director mandates totalled €300,000.

4.4.2 Appropriation of 2012 earnings

The Combined General Meeting of 30 May 2013 decided to allocate the profit for the 2012 financial year, *i.e.* €23,428,277 plus retained earnings for €1,682,133 as follows:

- allocation of €187,170 to the statutory reserve;
- distribution of an interim dividend of €12,232,095 (€2.10 per share) as approved by the Board of Directors on 4 September 2012;
- distribution of €12,634,490 as the remaining dividend (€2.10 per share);
- appropriation of the remaining €56,656 to retained earnings.

4.4.3 2013 distribution

On 17 September 2013, the Board of Directors voted to distribute an interim dividend in light of the intermediate balance sheet closed on 30 June 2013, representing €1.20 per share. This amounted to €7,361,549.

A proposal to distribute the amount of €2.00 per share will be submitted to the General Shareholders' Meeting on 28 May 2014 for a vote.

4.4.4 Appropriation of the subsidiaries' 2013 earnings

Net financial income—Up streaming the 2013 results

The articles of association of those subsidiaries organised as non-trading real estate investment companies or as a partnership contain a clause for appropriating the period-end earnings, unless the partners decide otherwise.

The subsidiaries all have the same account closing date of 31 December.

The decisions to appropriate the 2013 earnings by the various general shareholders' meetings are taken prior to that of the Société de la Tour Eiffel Board of Directors' meetings.

Consequently, as at 31 December 2013, the net financial income of Société de la Tour Eiffel includes the proportionate shares in the 2013 earnings of those subsidiaries organised as non-trading real estate investment companies or as a partnership.

4.4.5 Taxable income—Tracking of the obligations under the SIIC regime

Société de la Tour Eiffel reported a €8,634 thousand profit corresponding to a €35,531 thousand profit for tax purposes.

4.4.5.1 Tax exempt income and tracking of the distribution obligations

The 2013 tax exempt income came to €37,572,000 and breaks down as follows:

- €10,997,000 from property rentals subject to a 95% distribution rate;
- €8,880,000 from capital losses or gains and subject to 60% distribution rate;
- €17,695,000 from dividends received from subsidiaries which opted for and are subject to a 100% distribution rate.

The profit for distribution resulting from fiscal 2013 amounted to €33,470 thousand. The actual distribution (€8615 thousand) is limited to the 2013 accounting income of Société de la Tour Eiffel, itself heavily impacted by the impairment of the securities of the SAS Locafimo, and the final dividend will be distributed during the coming financial periods in accordance with the regulations.

4.4.5.2 Income liable to corporation Tax

The taxable income for fiscal 2013 stood at €(2,041) thousand and corresponds to the portion of expenses which cannot be allocated to the exempted activity.

On closing the 2013 accounts, loss carry-forwards for taxable activity amounted to €20,009 thousand.

4.4.5.3 Income tax

The income tax expense of €108 thousand consists of a regularisation of the 2008 and 2009 tax credit for sponsorship expenses.

4.4.6 Share subscription option plans

Summary table of the share option plans issued, granted and expired:

Date of General Shareholders' Meeting	Date granted by the Board of Directors	Exercise period	Subscription price	No. of allocated options	No. of exercised options	No. of options expired or cancelled	Potential No. of shares
29/03/2007	11/12/2008	From 11/12/2008 to 11/12/2013	32.87	28,198	28,198		0
29/03/2007	15/10/2009	From 15/10/2009 to 15/10/2014	45.95	28,427			28,427
24/05/2012	04/09/2012	From 04/09/2012 to 04/09/2017	43.49	85,000			85,000
24/05/2012	11/10/2012	From 11/10/2012 to 11/10/2017	41.54	14,862		11,146	3,716
24/05/2012	11/04/2013	From 11/04/2013 to 11/04/2018	44.56	14,862			14,862
TOTAL							**132,005**

4.4.7 Allocation of bonus shares

4.4.7.1 Summary table of bonus shares issued and granted

Date of award by the Board	Date of final allocation	Minimum holding period	No. of bonus shares allocated
04/09/2012	04/09/2014	2 years	30,000
11/10/2012	11/10/2014	2 years	475
05/12/2012	05/12/2014	2 years	2,100
11/04/2013	11/04/2015	2 years	1,900
TOTAL			**34,475**

The Company will deliver the free shares to the beneficiaries, subject to meeting the performance or working conditions, either within the framework of a share buy-back scheme, or a capital increase paid for by a withdrawal from a reserve account.

4.4.7.2 Theoretical dilutive effect on earnings per share

The theoretical dilutive effect on 2013 earnings per share would be:

- 2013 net income per share: €1.38
- Theoretical diluted net income per share for 2013: €1.35

The diluted net income per share stems from the effect of a possible delivery of the bonus shares granted by means of a capital increase and the probability that stock subscription plans will be exercised at financial year end.

4.4.8 Financial commitments

4.4.8.1 Commitments given

Commitments made are as follows:

- On 16 January 2008, a first lien mortgage was given to Société Générale when it extended a €9,700,000 loan to finance the building in Saint-Cloud.
- Keep its equity stake in SCI Arman F02 is maintained with an agreement not to require repayment of the subordinated loans extended to it during the term of SCI Arman F02's credit agreement entered into with Société Générale and Crédit Foncier de France.
- Keep its equity stake in SCI Arman Ampère and pledge it pursuant to the amendment 1 dated 31 March 2009 as collateral for the loan extended to SCI Arman F02 on 28 March 2008 by Société Générale and Crédit Foncier de France.
- As security for the loan granted on 15 April 2011 to SCI Nowa by Société Générale and the BECM, the shares held by Société de la Tour Eiffel in the latter were pledged until 15 April 2018.
- On 30 June 2011, as part of the loan granted to SCI Montrouge Arnoux, Société de la Tour Eiffel undertook not to sell its shares in the aforementioned SCI and to provide the cash it required until 30 June 2018.
- On 16 January 2012, Société de la Tour Eiffel committed to pay a total of €150,000 over five years to the Corporate Foundation of Société de la Tour Eiffel. At 31 December 2013, the remaining sum to pay amounted to €90,000.
- Guarantee agreement issued in favour of Crédit Agricole Île-de-France until 31 March 2018 under the interest rate hedging agreement concluded on 23 March 2012 by SCI Montrouge Arnoux commencing on 28 June 2013.
- The shares of the following nontrading property investment companies are pledged as collateral with the bank:
  - Jean-Jaurès;
  - Comète;
  - Berges de l'Ourcq;
  - Champigny Carnot;
  - Rueil National;
  - Caen Colombelles;
  - Étupes de l'Allan.
- On 29 June 2012, as part of the signing of the loan for €8,000,000 granted by Crédit Agricole Île-de-France, a first mortgage on the "Energy II" building located in Vélizy and collateral of the Cash Deposit account were given to the bank until 29 June 2027. The outstanding loan amounted to €7,572 thousand at 31 December 2013. The following commitments were also given to Crédit Agricole Île-de-France: Daily transfer of rents, Daily transfer of interest rate hedging contract, pledge of the DSCR account, assignment of benefits to come from insurance on the building.
- Pledge of a securities account holding SAS Locafimo shares as collateral for the financing bank, for an amount of €169,358 thousand until 13 November 2017,
- On 18 September 2013, Société Générale issued a bank guarantee of €3,800 thousand until 31 December 2016 to ensure the commitment of SCI Arman Ampère to participate in the financing of the public facilities of the Ampère integrated development zone as part of the building permit for the Power Park scheme. Société de la Tour Eiffel has committed to cover the sums due if the guarantee is activated.

4.4.8.2 Commitments received

The following commitments were received:

- A first demand guarantee was issued on 5 March 2012 in favour of Société de la Tour Eiffel by Altran CIS as collateral for amounts owed by the tenant of the building in Vélizy (Energy II) and until 31 May 2021. The amount is capped at an amount of €127,000 indexed annually.

4.4.9 Reciprocal commitments

The reciprocal commitments received for swap contracts totalled €14,470,000 at 31 December 2013:

Period	Rate	Notional at 31/12/2013
01/08/2012 to 01/02/2015	Variable 3-month Euribor against a fixed rate of 4.61%	6,719,537
28/09/2012 to 29/09/2017	Variable 3-month Euribor against a fixed rate of 1.5%	7,750,000

4.4.10 Financing of subsidiaries

4.4.10.1 Treasury agreement

The subsidiaries of Société de la Tour Eiffel acceded to the treasury agreement signed on 2 April 2004 and to its amendments of 24 June 2004 and 19 June 2012.

The interest rate applied within the Group is 3-month Euribor plus 25 basis points.

4.4.10.2 Subordinated loans

Société de la Tour Eiffel, as lender, loans money to its subsidiaries under subordinated loan agreements. These loans are granted at an interest rate of 3-month Euribor plus 100 basis points.

By an amendment dated 26 June 2012, the duration of the subordinated loan was modified to match the same duration as the loan agreement signed by the subsidiaries with the SAAR bank as part of their refinancing, i.e. maturing on 26 June 2019.

Repayment of these loans is subordinated to the creditors' agreement in accordance with the line of credit framework agreement signed with the bank.

4.4.11 Severance package

As of 1 January 2014, the Chief Executive Officer will be entitled to a severance indemnity equivalent to one year of fixed and variable remuneration in case of forced departure for any reason whatsoever other than gross negligence or misconduct on his part. The payment of this indemnity is subject to the achievement of performance criteria that have been fixed for the first two years of his term of office.

4.4.12 Statutory Auditors' fees

During 2013, the Statutory Auditors' fees totalled €215,670 for the legal audit of the financial statements.

4.4.13 Transactions performed with related parties

Société de la Tour Eiffel gave Bluebird Investissements the task of helping the top executives to manage both the existing property portfolio and subsequent acquisitions of new buildings.

On 5 December 2012, the Board of Directors authorised the signing of a new contract with Bluebird Investissements with effect from 1 January 2013. The annual lump-sum remuneration received by Bluebird Investissements for the contract is €295,000.

The contract was concluded for a fixed period of twenty months ending 31 August 2014.

The contract was concluded under normal market condition between these companies with executives in common.

4.4.14 Retirement benefits

The Company did not set aside any retirement plan provision in the financial statements.

Management had an assessment of these commitments on 31 December 2013. The study factors in the various parameters that apply to the Société de la Tour Eiffel employee as well as the range of data that pertain to Société de la Tour Eiffel. The following parameters were chosen:

- discount rate: 3.40%;
- wage increases: 3.92%;
- employer social security contributions: 50%;
- employer's contribution: 50%;
- asset mobility: average;
- voluntary retirement at age 65-67.

These commitments were assessed at €10,857 as of 31 December 2013.

4.5 *Fixed assets*

Framework A

(in Euros)		Gross value at year start	Increases Allocations	Acquisitions
INTANGIBLE FIXED ASSETS				
Start-up and development costs	**Total I**			
Other intangible fixed assets	**Total II**	**12,005**		
TANGIBLE FIXED ASSETS				
Land		10,966,696		
Buildings on own property		19,688,428		55,843
Buildings on other property				
Plant and machinery				
Tools and equipment				
Fixtures and fittings				
Motor vehicles				
Office and computer equipment, furniture		16,078		
Recoverable packaging and other items				
Current fixed assets				
Advances and deposits				
	Total III	**30,671,203**		**55,843**
FINANCIAL ASSETS				
Investments accounted for using the equity method				
Other investments		**309,823,486**		**12,451,300**
Other long-term investments				
Loans and other financial assets				
	Total IV	**309,823486**		**12,451,300**
GRAND TOTAL (I + II + III + IV)		**340,506,694**		**12,507,143**

Framework B

(in Euros)		Decreases		Gross value	Revaluations
		Reclassifications	Disposals	at year end	Value of origin
INTANGIBLE FIXED ASSETS					
Start-up and development costs	**Total I**				
Other intangible fixed assets	**Total II**			**12,005**	
TANGIBLE FIXED ASSETS					
Land			1,715,681	9,251,016	
Buildings on own property			4,048,653	15,695,618	
Buildings on own property					
Plant and machinery					
Tools and equipment					
Fixtures and fittings					
Motor vehicles					
Office and computer equipment, furniture				16,078	
Recoverable packaging and other items					
Current fixed assets					
Advances and deposits					
	Total III		**5,764,334**	**24,962,712**	
FINANCIAL ASSETS					
Investments accounted for using the equity method					
Other investments			11,418,232	310,856,554	
Other long-term investments					
Loans and other financial assets					
	Total IV		**11,418,232**	**310,856,554**	
GRAND TOTAL (I + II + III + IV)			**17,182,566**	**335,831,271**	

4.6 Amortisation

Framework A

Position and movements during the year					
Fixed Assets Depreciable (in Euros)		Value at year start	Increases Allocations	Increases Acquisitions	Value at year-end
INTANGIBLE FIXED ASSETS					
Start-up and development costs	**Total I**				
Other intangible fixed assets	**Total II**				
TANGIBLE FIXED ASSETS					
Land					
Buildings on own property		3,284,028	556,017	835,063	3,004,982
Buildings on other property					
Plant and machinery					
Tools and equipment					
Fixtures and fittings					
Motor vehicles					
Office and computer equipment, furniture		10,381	2,785		13,166
Recoverable packaging and other items					
	Total III	**3,294,410**	**558,801**	**835,063**	**3,018,148**
GRAND TOTAL (I + II + III)		**3,294,410**	**558,801**	**835,063**	**3,018,148**

Framework B

Breakdown of movements affecting provisions for derogatory amortisations

Depreciable fixed assets *(in Euros)*		Allocations Time differential	Allocations Declining-balance method	Allocations Special-tax depreciation	Reversals Time differential	Reversals Declining-balance method	Reversals Special-tax deprecia-tion	Net movements amortised at year-end
INTANGIBLE ASSETS								
Start-up costs	**Total I**							
Other intang. assets	**Total II**							
TANGIBLE ASSETS								
Land								
Buildings on own property								
Buildings on other property								
Plant and machinery								
Tools and equipment								
Fixtures and fittings								
Motor vehicles								
Office and computer equipment, furniture								
Recoverable packaging and other items								
	Total III							
Equity acquisition costs	**Total IV**							
GRAND TOTAL (I + II + III + IV)								

Framework C

Movements in year affecting deferred charges spread over several periods	Net amount at year start	Increases	Extraordinary appropriations for depreciation	Net amount at year-end
Amortized debt issuance costs	133,558		29,918	103,640
Bond redemption premiums				

4.7 *Provisions and impairments recorded on the balance*

(in Euros)	Amount at year start	Increases: Allocations for the year	Decreases: Reversals for the year	Amount at year-end
REGULATED PROVISIONS				
Provisions for reconstitution of mineral and oil deposits				
Provisions for investments				
Provisions for price increases Additional depreciation to benefit from fiscal incentives				
Incl. extraordinary 30% surcharge				
Tax provisions for setting up abroad before 1 January 1992				
Tax provisions for setting up abroad after 1 January 1992				
Provisions for start-up loans				
Other regulated provisions				
Total I				
PROVISIONS FOR CONTINGENCIES AND LOSSES				
Provisions for disputes				
Provisions for customer warranties				
Provisions for losses on futures markets				
Provisions for penalties and fines				
Provisions for foreign exchange losses				
Provisions for pensions and similar obligations				
Provisions for taxes		47,243		47,243
Provisions for renewal of property				
Provisions for major repairs				
Provisions for tax and social charges on paid leave				
Other provisions for risks and charges	2,148,890	129,602	762,400	1,516,092
Total II	**2,148,890**	**176,845**	**762,400**	**1,563,335**
IMPAIRMENTS				
On intangible assets				
On tangible assets	1,694,993		1,694,993	
Provisions for investments accounted for by the equity method				
On long-term investments	622,962	26,459,186		27,082,148
On other financial assets				
On stocks and work in progress				
On receivables	585,730			585,730
Other impairment	3,351,193	57,572	1,555,137	1,853,628
Total III	**6,254,877**	**26,516,759**	**3,250,130**	**29,521,506**
GRAND TOTAL (I + II + III)	**8,403,767**	**26,693,604**	**4,012,530**	**31,084,840**
Including charges and reversals				
– operating			*1,694,993*	
– financial		*26,516,759*	*2,317,537*	
– extraordinary		*176,845*		

Investments accounted for by the equity method: amount of depreciation for the year (Art. 39-1-5 of the French General Tax Code).

4.8 Statement of receivables and liabilities

Framework A

Receivables statements	Gross amount	Under 1 year	Over 1 year
Fixed assets			
Dividends owed on equity interests	60,147,743	12,451,299	47,696,444
Loans (1) (2)			
Other long-term investments			
Current assets			
Clients with solvency difficulties or with whom litigation is underway	700,347	700,347	
Other trade receivables	3,374,058	3,374,058	
Receivables on securities lent			
Personnel and related accounts	1,169	1,169	
Social security and other social welfare agencies			
Company income tax	47,243	47,243	
Value-added tax	762,917	762,917	
Other duties, taxes and comparable payments			
Others			
Group and partners (2)	48,353,753	48,353,753	
Non-trade receivables	36,636	36,636	
Prepaid expenses	40,535	40,535	
TOTAL	**113,464,401**	**65,767,957**	**47,696,444**

(1) Including loans granted during the year.
(1) Including reimbursements received during the year.
(2) Loans and advances granted to associates.

Framework B

Indebtedness statement	Gross amount	Under 1 year	From 1 to 5 years	Over 5 years
Convertible bond loans (1)				
Other bonds (1)				
Bank borrowings: (1)				
- under one year maximum at the start	71,493	71,493		
- over one year at the start	14,291,963	668,612	7,612,714	6,010,637
Loans and various financial debts (1) (2)	207,555	207,555		
Trade and related payables	3,797,454	3,797,454		
Personnel and related accounts	2,526	2,526		
Social security and other social welfare agencies	93,702	93,702		
Company income tax				
Value-added tax	668,545	668,545		
Guaranteed bonds				
Other duties, taxes and comparable payments	32,352	32,352		
Payables to fixed asset suppliers and related accounts	10,066	10,066		
Group and associates (2)	33,032,869	33,032,869		
Other debts	334,319	334,319		
Payables on securities borrowed				
Prepaid income	456,344	456,344		
TOTAL	**52,999,189**	**39,375,838**	**7,612,714**	**6,010,637**

(1) Loans taken out during the year.	
(1) Loans repaid during the year	*5,578,898*
(2) Loans and debts due to associates.	

4.9 Items relating to several balance sheet items

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

Items relating to several balance sheet items (in Euros)	Amount concerning companies affiliated	Amount concerning companies with which the Company is linked by equity interests	Total debts or receivables represented by trade bills
Uncalled up capital			
Intangible fixed assets			
Advances and deposits received			
Tangible fixed assets			
Advances and deposits received			
Financial fixed assets			
Equity interests	250,708,811		
Dividends owed on equity interests	60,147,743		
Loans			
Other long-term investments			
Other financial assets			
TOTAL FIXED ASSETS	**310,856,553**		
Advances and down payments on orders			
Receivables			
Trade and related receivables	2,775,883		
Other receivables	48,353,753		
Subscribed capital—called, unpaid			
TOTAL RECEIVABLES	**51,129,636**		
Marketable securities			
Cash and cash equivalents			
Debts			
Convertible bond loans			
Other bonds			
Bank borrowings			
Miscellaneous borrowings and financial debt	32,911,120		
Down payments and advances on purchase orders			
Trade notes and accounts payable	2,855,940		
Payables to fixed asset suppliers and related accounts			
Other debts	192,709		
TOTAL DEBTS	**35,959,769**		

4.10 Accrued income

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

Accrued income included in the following balance sheet items *(in Euros)*	31/12/2013	31/12/2012
Dividends owed on equity interests	186,640	176,559
Other long-term investments		
Loans		
Other financial assets		
Trade and related receivables	1,721,146	2,391,109
Other receivables	213,433	153,681
Marketable securities		
Cash and cash equivalents	630	
TOTAL	**2,121,849**	**2,721,349**

4.11 Accrued expenses

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

Accrued expenses included in the following balance sheet items *(in Euros)*	**31/12/2013**	**31/12/2012**
Convertible bond loans		
Other bonds		
Bank borrowings	63,580	111,333
Miscellaneous borrowings and financial debt	163,798	165,162
Trade notes and accounts payable	2,622,241	2,955,614
Tax and social security liabilities	51,316	120,541
Payables to fixed asset suppliers and related accounts		
Other debts	239,571	16,371
TOTAL	**3,140,506**	**3,369,022**

4.12 Deferred income and prepaid expenses

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

Deferred income *(in Euros)*	**31/12/2013**	**31/12/2012**
Operating revenues	456,344	576,168
Financial income		
Extraordinary income		
TOTAL	**456,344**	**576,168**

Prepaid expenses *(in Euros)*	**31/12/2013**	**31/12/2012**
Operating expenses	40,535	176,833
Financial expense		
Extraordinary expenses		
TOTAL	**40,535**	**176,833**

4.13 Charges to be spread over several periods

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

Expenses classification by type to be spread over several periods *(in Euros)*	**Net amount**	**Remaining amortisation period**
Deferred charges		
Cost of acquiring fixed assets		
Cost of loan issues	103,640	2 & 14 years
Other costs to be spread		
TOTAL	**103,640**	

4.14 Composition of share capital

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

(in Euros)	**Nominal value**		**Number of securities**			
Various classes of securities	**At year-start**	**At year-end**	**At year-start**	**Created during year**	**Reimbursed during year**	**At year-end**
Actions ordinaires	5.00000	5.00000	6,110,611	143,305		6,253,916

4.15 Change in equity

(in Euros)	Amounts
Shareholders' equity N-1 after income and before the AGM	315,109,918
- Distribution	(12,637,836)
Equity at the beginning of the year	**302,472,082**
Changes in share capital	
Change in share, merger, contribution premiums, etc.	
Change in investment subsidies and regulated provisions	
Change in other items	
Backdated contributions received at start of year	
EQUITY AT START OF YEAR BACKDATED CONTRIBUTIONS	**302,472,082**
Changes in share capital	716,525
Changes in proprietor's account	
Changes in share, merger, contribution premiums, etc.	5,561,108
Change in revaluation differences in equity	
Changes in legal, statutory, contractual and other reserves	187,170
Changes in regulated reserves	
Changes in retained earnings	3,241,722
Change in investment subsidies and regulated provisions	
- Allocation of income N-1 in equity (excluding distribution)	(10,790,441)
Changes during the year	**(1,083,915)**
Shareholders' equity at year-end before income	**301,388,167**
Year-end net profit (loss)	8,633,543
SHAREHOLDERS' EQUITY AT YEAR-END AFTER INCOME AND BEFORE AGM	**310,021,710**

4.16 Breakdown of net turnover

(Having regard to Articles 123-195 and 123-196 of the Commercial Code of Law)

(in Euros)	France	Abroad	Total
Sales of finished goods			
Sales of intermediate products			
Sales of by-products and scrap			
Works			
Studies			
Sales of services	8,398,153		8,398,153
Sales of goods			
Revenue from ancillary activities	406,449		406,449
TOTAL	**8,804,602**		**8,804,602**

Société de la Tour Eiffel and its subsidiaries signed a rebilling contract to specify and confirm the terms for rebilling the subsidiaries for costs borne by Société de la Tour Eiffel (management expenses paid for technical functions, financing or refinancing costs, etc.).

The turnover of Société de la Tour Eiffel is mainly produced by rebilling Group subsidiaries for real estate, administration, asset management, financing and consulting services rendered by the Company means via the Group (SNC Tour Eiffel Asset Management) as well as rents and charges charged back to tenants of the "Energy II" and "Saint-Cloud" buildings.

4.17 Average headcount

(Having regard to Articles R. 123-195 et R. 123-196 of the Commercial Code of Law)

(in Euros)	Salaried staff	Staff provided to the Company
Managerial staff	0	
Supervisors and technicians		
Employees		
Workers		
TOTAL	**0**	**0**

4.18 Table of subsidiaries and equity interests

(Decree 83-1020 of 29 November 1983—Article 24-11)

(in Euros)	Share capital	Share-holders' equity other than capital	% of capi-tal held	Book value of the securities held: Gross	Book value of the securities held: Net	Loans and advances extended by the Company and outstanding	Sureties and guarantees given by the Company	Turnover excl. VAT for the last financial year	Profit / Loss for the last financial year	Dividends receiving during the year	Com-ments
A. Detailed information concerning securities, the gross value of which exceeds 1% of the capital stock											
1. Subsidiaries (over a 50% equity interest)											
SNC TOUR EIFFEL ASSET MANAGEMENT	150,000		100	4,117,533	4,117,533	1,524,286		7,001,248	1,154,647	1,154,647	
SCI 153, AVENUE JEAN-JAURÈS	152	111,053	99	5,094,425	5,094,425	136,089	12,270,500	2,225,440	819,433	811,239	
SCI NOWA	5,293,090	6	100	14,526,401	14,526,401	1,915,247	19,535,191	7,096,392	11,225,853	11,225,832	
SCI BERGES DE L'OURCQ	1,000		99	990	990	4,750,718	7,130,000	1,606,725	523,462	518,227	
SCI COMÈTE	1,000		99	16,375,070	15,812,884	7,363,224	16,420,850	4,642,002	1,952,987	1,933,457	
SCI CHAMPIGNY CARNOT	1,000	47,532	99	990	990	8,847,409	20,030,500	3,649,283	1,404,248	1,390,207	
SCI ÉTUPES DE L'ALLAN	1,000		99	990	990	3,903,555	9,697,140	1,848,878	252,044	249,524	
SCI CAEN COLOMBELLES	1,000		99	990	990	14,988,274	11,813,512	3,554,849	1,158,312	1,146,729	
SCI RUEIL NATIONAL	1,000	174,478	99	990	990	16,952,557	17,833,000	3,159,858	1,073,832	1,061,733	
SCI GRENOBLE PONT D'OXFORD	1,000		99	990	990	4,846,716		593,823	623,799	617,561	
SCI ARMAN F02	11,192,100	450,956	100	20,254,699	20,254,699	28,891,078		6,511,562	6,296,264	6,296,259	
SCI ARMAN AMPÈRE	1,000		1	10	10	881,536			2,417,812	24,178	
SCI MONTROUGE ARNOUX	1,000	421,650	100	990	990	13,500,807	12,688,835	1,239,288	406,508	402,443	
SAS LOCAFIMO	3,989,590	109,939,026	100	190,333,743	163,813,781			26,315,910	28,229,229	11,398,828	
Sub-total				**250,708,811**	**223,626,663**						
2. Equity interests (from 10 to 50% of the capital held)											
Sub-total											
B. General information on other securities, the gross value does not exceed 1% of the capital stock											
1. Subsidiaries not included in A:											
French											
Foreign											
2. Equity interests not included in A:											
French											
Foreign											
C. General information on securities (A + B)											
French subsidiaries (all)											
Foreign subsidiaries (all)						-					
French shareholdings (all)											
Foreign shareholdings (all)											

5. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING 31 DECEMBER 2013

Expertise & Audit SA
39, avenue de Friedland
75008 Paris

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

To the shareholders of:
Société de la Tour Eiffel
Public Limited Company with a capital of €31,269,580

20-22, rue de la Ville-l'Évêque
75008 Paris

In carrying out the mission entrusted to us by your General Shareholders' Meeting, we present our report for the year ended 31 December 2013 on:

- the audit of Société de la Tour Eiffel's financial statements as they are appended to this report;
- the justification for our assessments;
- the specific verifications and reports stipulated by law.

The year-end financial statements were closed by the Board of Directors. It is our responsibility, based on our audit, to provide our opinion on these financial statements.

I. Opinion on the annual financial statements

We conducted our audit in accordance with the auditing standards applicable in France; these standards require performing the due diligence enabling us to confirm, with reasonable assurance, that the annual financial statements contain no significant misstatements. An audit consists in the examination, on a test basis or by means of other selection methods, of the elements justifying the amounts and information appearing in the financial statements. It also consists in appraising the accounting principles applied, the significant estimates retained and the overall presentations of the accounts. We believe that the elements we have collected provide a sufficient and appropriate basis on which to formulate our opinion.

We certify that, with regard to the French accounting principles and standards, the financial statements are a true and fair representation of the results of the past year's operations and of the Company's financial position and assets and liabilities at the financial year end.

II. Basis of our appraisals

As stated in paragraph 3 on the of the accounting rules and methods described in the appendix to the annual accounts, the property valuations in the financial statements at 31 December 2013 was carried out in a context that makes it difficult to assess the market opportunities for certain assets according to their geographical location. Given this market climate, in application of Article L. 823-9 of the French Commercial Code we have given our own appraisals and we would like to draw your attention to the following items:

- Paragraph 1.1.2 of the "Accounting rules and methods" in the Notes explains that the Company commissions an appraisal of its property portfolio by independent experts every six months to estimate any possible building impairments. Our work consisted in examining the methodology used by the experts to determine that their assessments back the net book values of the real estate assets.
- Paragraph 3 of the "Accounting rules and methods" in the Notes describes the principles for assigning a value to equity securities and other long-term investment securities at period end. It states in particular that in the case of real estate investment companies, the going-concern value factors in the market value of the assets of the Company held, assets which are subject to independent appraisal. Our duty consisted in assessing the methodology used by the experts and checking that any impairments required to bring the historical value of some securities down to their useful value had been booked.

Assessments made in this manner fall within the scope of our procedure for auditing the annual financial statements as a whole and have therefore contributed to our opinion provided in the first part of this report.

III. Specific verifications and information

In accordance with the code of professional conduct applicable in France, we also performed the specific audits required by law.

We have no comment to report regarding the fairness and consistency with the annual financial statements of the information provided in the Board of Directors' management report and in the documents sent to the shareholders on the financial position and the annual financial statements.

As for information given pursuant to Article L. 225-102-1 of the French Commercial Code, on the remuneration and benefits paid to the Company officers and directors and on commitments made in their favour, we have checked their consistency with the financial statements or with data used to prepare these statements, as well as with data your Company collected from companies with a stake in your Company or in which your Company has a stake, if applicable. On the basis of this work, we certify the accuracy and fairness of this information.

As required by law, we made sure that the various pieces of information relating to the identity of the equity holders were reported to you in the management report.

Paris and Neuilly-sur-Seine, 20 March 2014

The Statutory Auditors

Expertise & Audit SA
Hélène Kermorgant

PricewaterhouseCoopers Audit
Yves Nicolas

6. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

GENERAL MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2013

Expertise & Audit SA
39, avenue de Friedland
75008 Paris

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

To the shareholders of:

Société de la Tour Eiffel
Public Limited Company with a capital of €31,269,580
20-22, rue de la Ville-l'Évêque
75008 Paris

In our capacity as your Company's Statutory Auditors, we present our report on the regulated agreements and commitments.

We are responsible for reporting on the essential characteristics and terms and conditions of the possible agreements and commitments of which we are informed or which we may discover during the performance of our duties, without having either to render an opinion as to their utility and merit or to seek out the existence of other agreements and commitments. It is your responsibility under the terms of Article R. 225-31 of the French Commercial Code to assess the value gained from entering into these agreements and commitments so as to decide whether or not to approve them.

If applicable, we are also responsible for reporting information addressed under article R. 225-31 of the French Commercial Code relating to the performance during the previous financial year of agreements and commitments already approved by the General Meeting.

We performed the due diligence we deemed necessary under the professional standards of the Compagnie nationale des commissaires aux comptes in respect of this mission. This due diligence consisted of verifying that the information given to us was consistent with that provided in the primary documents from which it came.

Agreements and commitments submitted to the General Meeting for approval

Agreements and commitments authorised during the last financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments which were previously authorised by your Board of Directors.

Amendment No.2 to the agreement with Mr Renaud Haberkorn as Chief Executive Officer of your Company: modification of the severance package in the event of forced departure (Board Meeting of 25 April 2013)

On 22 May 2013, your Company signed an amendment modifying the severance package in the event of forced departure with effect from 1 January 2014. This allowance of €1,200,000 in the event of a forced departure unrelated to the fault of the person concerned or in the case of the non-renewal of his term of office as Chief Executive Officer of your Company and/or manager of Tour Eiffel Asset Management or if the decrease in the overall base salary for these functions is subject to the following performance criteria:

- In the case of forced departure in 2014: an LTV lower than or equal to 50% at year-end 2013 and current cash flow greater than or equal to €28.5 million for 2013.
- In the case of forced departure in 2015: an LTV lower than or equal to 46.5% at year-end 2014 and current cash flow greater than or equal to €24.5 million for 2014.
- In the case of forced departure in 2016 and afterwards, the Board will establish new criteria; otherwise, the criteria in case of departure in 2015 will continue to apply.

Director involved: Mr Renaud Haberkorn.

Amendment No.2 to the asset management master agreement between your Company and Tour Eiffel Asset Management entered into on 26 April 2004 (Board Meeting of 24 July 2013)

This amendment was signed on 3 September 2013, in order to supplement Article 8—"Remuneration" of the contract so that incomplete asset sales operations do not give rise to the payment of fees by your Company to Tour Eiffel Asset Management.

The fees charged in 2013 as such by Tour Eiffel Asset Management amounted to €2,813,690, of which €2,182,490 remained at your Company's expenses.

These fees are included in the amount of €6,894,398 of compensation paid by Société de la Tour Eiffel to Tour Eiffel Asset Management and in the chargeback to subsidiaries in the amount of €6,029,358 described below.

Directors involved: Messrs Mark Inch, Robert Waterland, Frédéric Maman and Renaud Haberkorn.

Amendment No.7 to the contract committing the subsidiaries to the asset management master agreement entered into with Tour Eiffel Asset Management (Board Meeting of 4 December 2013)

On 30 October 2013, your Company entered into a new amendment to the master agreement of 30 November 2006. Its purpose was to determine the fees covered by Article 8.3 of the aforesaid master agreement (amount left at Société de la Tour Eiffel's expenses).

The fees billed by Tour Eiffel Asset Management left at your Company's expenses in 2013 under this contract came to €150,000.

Directors involved: Messrs Mark Inch, Robert Waterland, Frédéric Maman and Renaud Haberkorn.

Agreements and commitments not previously authorised

Pursuant to Articles L. 225-42 and L. 823-124 of the Commercial Code, we inform you that the following agreements and commitments were not previously authorized by your Board of Directors.

It is our responsibility to indicate the circumstances why the authorisation procedure was not followed.

Consultancy contract with Havas Worldwide Paris

On 13 December 2013, your Company signed an open-ended contract for financial communications consultancy services entering into effect retroactively on 1 November 2013. The following flat fees were set:

- a flat monthly fee of seven thousand Euros excluding taxes;
- and a success fee of forty thousand Euros excluding taxes to be allocated to Havas Worldwide Paris if the goals of your Company are met.

The fees billed to your Company in 2013 under this contract came to €14,000.

Director involved: Ms Mercedes Erra.

We inform you that at its meeting of 19 March 2014, the Board of Directors decided to authorise this agreement ex post facto.

Amendment to Mr Robert Waterland's employment contract

An addendum to the fixed-term employment contract was concluded on 13 February 2014 by and between Mr Waterland and Tour Eiffel Asset Management to terminate in advance the aforementioned contract on 28 February 2014 without compensation.

Director involved: Mr Robert Waterland.

We inform you that at its meeting of 19 March 2014, the Board of Directors decided to authorise this agreement ex post facto.

Agreements and commitments already approved by the General Meeting

Commitments and agreements approved during previous financial years which continued into the last financial year

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments already approved by the General Shareholders' Meetings during previous financial periods continued into the financial year.

With Tour Eiffel Asset Management

The asset management master agreement entered into on 24 April 2004 and amended on 30 November 2006 continued into the financial year.

The remuneration paid by Société de la Tour Eiffel to Tour Eiffel Asset Management during the 2013 financial year came to €6,894,398.

With the subsidiaries

- The contract committing the subsidiaries to the asset management master agreement (dated 30 November 2006) resulted in a rebilling to the subsidiaries of €6,029,358.
- The contract for rebilling the expenses borne by Société de la Tour Eiffel to the subsidiaries (dated 30 November 2006) resulted in a rebilling of €367,673 for management costs.

Service contract with Bluebird Investissements

Under this contract, which was signed on 7 January 2013, Bluebird Investissements Company—of which Mark Inch is the manager—is responsible for assisting the executives in raising capital and asset contribution, resulting in the payment for fiscal 2013 of €295,000.

The contract was concluded for a fixed period of twenty months ending 31 August 2014.

Mr Robert Waterland's employment contract

Mr Robert Waterland received a gross remuneration of €83,333 from 1 January to 28 February 2013 (end date of the period of notice) as Property Director responsible for the management and the growth of your Company's property portfolio and those of its subsidiaries.

In addition, Mr Robert Waterland received from the Tour Eiffel Asset Management company, a subsidiary of Société de la Tour Eiffel, €232,060 from 1 March to 31 December 2013 under his employment contract signed on 25 September 2012.

This contract was terminated in advance on 28 February 2014.

Commitments and agreements approved during previous financial years that were not performed during the financial year

We were also informed that the following agreements and commitments approved by the General Meeting during previous financial years, were not performed during the last financial year.

Agreement to appoint the Chief Executive Officer

On 17 October 2011, your Company entered into an agreement specifying the terms of office for Mr Renaud Haberkorn as Chief Executive Officer of the Company with effect from 1 September 2012 and providing for a severance indemnity of €1.2 million in the case of a forced departure unrelated to the fault of the person concerned, subject, for the first two years of the term of office of Mr Renaud Haberkorn, to the following performance criteria:

- In the event of a forced departure in 2012 or 2013: cash flow from operations before cost of debt and taxes adjusted for nonrecurring items of €52 million for 2012.
- In the event of a forced departure in 2014: cash flow from operations before cost of debt and taxes adjusted for nonrecurring items of €54 million for 2013.

No effect in 2013 under this agreement.

Furthermore, this agreement was modified by amendment No.2, signed on 22 May 2013.

Agreements and commitments authorised during the last financial year

We have also been informed of the performance during the past year of the following agreements and commitments already approved by the General Shareholders' Meeting of 30 May 2013 further to the special report of the Statutory Auditors issued on 20 March 2013.

Amendment No.1 to the agreement to appoint Mr Renaud Haberkorn as Managing Director of the Company changing his remuneration (Board meeting of 17 January 2013)

Mr Renaud Haberkorn received a guaranteed gross remuneration of €200,000 for fiscal 2013 as Chief Executive Officer of your Company.

Paris and Neuilly-sur-Seine, 20 March 2014

The Statutory Auditors

Expertise & Audit SA	**PricewaterhouseCoopers Audit**
Hélène Kermorgant	Yves Nicolas

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE COMPOSITION OF THE BOARD AND APPLICATION OF THE PRINCIPLE OF BALANCED REPRESENTATION OF WOMEN AND MEN WITHIN IT, THE CONDITIONS FOR PREPARING AND ORGANISING THE WORK OF THE BOARD, AND THE INTERNAL AUDIT AND RISK MANAGEMENT PROCEDURES IMPLEMENTED BY THE COMPANY

Ladies and Gentlemen,

In accordance with Article L. 225-37 paragraph 6 of the Commercial Code, this report contains the following information:

- the composition of the Board of Directors and the application of the principle of balanced representation of women and men within it;
- the terms and conditions for preparing and organising the work to be done by your Board of Directors;
- your Company's internal audit and risk management procedures;
- possible limitations made by the Board of Directors to the Chief Executive Officer's powers.

The information provided take into account in particular Annex I of the European Regulation (EC) No.809/2004 of 29 April 2004 and AMF Recommendation No.2012-02 (as amended on 4 December 2013) on corporate governance and the compensation of Company executives for companies referring to the AFEP-MEDEF Code—consolidated presentation of the recommendations contained in the annual reports of *Autorité des Marchés Financiers* (AMF).

The report was approved by the Board of Directors during its 19 March 2014 meeting.

1. COMPOSITION OF THE BOARD AND APPLICATION OF THE PRINCIPLE OF BALANCED REPRESENTATION OF WOMEN AND MEN WITHIN IT

Conditions for preparing and organising the Board of Directors' work

Composition of the Board and application of the principle of balanced representation of women and men within it

Société de la Tour Eiffel's Board of Directors is composed of eight members. Its Chairman is Mr Mark Inch. Mr Renaud Haberkorn is Chief Executive Officer and a Board member, Mr Frédéric Maman is Deputy Managing Director and a Board member.

Out of a total of eight members, the Board has four independent Directors who have no connection with the Company: Ms Mercedes Erra, and Messrs. Philippe Prouillac, Aimery Langlois-Meurinne and Richard Nottage. The independence criteria defined by the AFEP/MEDEF in the aforementioned corporate governance code were examined for each member by the Board of Directors on 19 March 2014.

Summary table detailing the status of directors with regard to the independence criteria set by the AFEP MEDEF code

	R. Haberkorn	M. Inch	F. Maman	R. Waterland	M. Erra	A. Langlois-Meurinne	R. Nottage	P. Prouillac
Is not an employee or officer of the Company, employee or director of its parent company or a consolidated company and has not been any of the above during the previous five years	NO	NO	NO	NO	YES	YES	YES	YES
Is not an officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or a corporate officer of the Company (currently or within the past five years) holds a directorship					YES	YES	YES	YES
Is not (and is not related directly or indirectly to) a customer, supplier, investment banker or commercial banker: - a material proportion of the Company or its Group; - for which the Company or its Group holds a material proportion of the entity's activity					YES	YES	YES	YES
Has no close family ties with a corporate officer					YES	YES	YES	YES
Has not been the Statutory Auditor of the Company during the previous five years					YES	YES	YES	YES
Has not been a director of the Company for more than twelve years					YES	YES	YES	YES
Independent director	**NO**	**NO**	**NO**	**NO**	**YES**	**YES**	**YES**	**YES**

It was considered that the conclusion in December 2013 of a consulting agreement between the Company and Havas Worldwide Paris of which Ms Erra is a director is not likely to jeopardize the independence of the latter to the extent where Ms Erra is not involved in the provision of services and has no vested interest in this agreement.

There is one woman on the Board: Ms Mercedes Erra. Besides its intrinsic interest, her nomination meets the statutory requirement concerning the balanced representation of women and men on Boards of Directors. Her reappointment will be proposed at the next General Shareholders' Meeting.

The objective is that 20% of the Board of Directors of the Company be women at least after the next General Shareholders' Meeting. At least one woman will have to be designated if new directors are appointed.

The Board of Directors is actively seeking candidates for a more meaningful representation of women in its composition. The appointment of a woman is scheduled for the next General Shareholders' Meeting.

The Board ensures that its composition also includes a variety of skills and nationalities.

The Board of Directors has appointed an Audit Committee and an Appointment and Remuneration Committee to act in an advisory role. No Company executive is a member of either of these Committees.

Missions of the Board of Directors

According to the articles of association, the Board of Directors sets the course for the Company's business and monitors its execution. It deliberates on any issue affecting the Company's progress and governs its affairs through its deliberations.

It deliberates on the strategy of Société de la Tour Eiffel proposed by the executive management and the operations arising from same, including the strategy for property investments and financing, the financial statements, budgetary procedures and organisational orientations as well as audit and internal control.

Any significant transaction outside the stated strategy of the Company is subject to prior approval of the Board.

The Board of Directors secures the quality of information provided to shareholders and to the markets.

Convocations of Directors and Statutory Auditors

The directors were called to meet several days in advance by simple letter and/or electronic message.

In accordance with Article L. 225-238 of the Commercial Code, the Statutory Auditors were called to Board meetings, where they reviewed and closed the first half interim (half-yearly) financial statements as well as the annual accounts. They also were invited to attend several other Board meetings.

Providing reports to the directors

Before attending each Board meeting, each director is sent any necessary documents and information, notably the detailed meeting agenda, the minutes of the previous meeting for approval, a file containing the points which require special reports (particularly on property acquisitions and sales) and a table showing the progress of the property transactions underway. In general, all the documents that must be approved by the Board are systematically sent to the directors before Board meetings.

The quarterly reports on the operations, the presentation on the accounts produced each year on 30 June and 31 December, the Group's financial evolution, the updated business plan together with the changes in the Group's cash position in the medium and long term and short and medium-term funding are also sent to the directors.

The Board is thus regularly informed about the financial position, cash position and commitments of the Company, the latter being reviewed at least twice a year.

Holding meetings

The Board meetings are usually held at the head office. Directors are entitled to attend Board meetings by teleconference. In general, the year-end Board of Directors meeting sets a schedule for the following year. Each Board meeting date is confirmed at the close of the previous meeting.

Board meetings

Article 14 of the articles of association and memorandum stipulates that the Board shall meet as often as the Company's interest requires. Thus, over the past financial year, your Board of Directors met twelve times, with an average attendance rate of over 90.6%:

17 January 2013

- Proposed capital increase.
- Massy project development /partnership.

20 March 2013

- Closed the corporate and consolidated financial statements at 31 December 2012, dealt with appropriation of earnings, prepared and called the annual shareholder's meeting.
- Authorised sureties, backings and guarantees.
- Annual debate on the functioning of the Board of Directors; review of the qualification as independent director for each member of the Board.

11 April 2013

- Allocation of bonus shares and stock options.

25 April 2013

- Modification of the severance pay allocated to Mr Renaud Haberkorn and the performance criteria as of 2014.
- Appointment of Mr Richard Nottage as a member of the Appointment and Remuneration Committee.
- Modification of the internal rules of procedure of the Board of Directors.

30 May 2013
- Answers to be given to the possible written questions put by the shareholders (no questions asked).
- Calculation of the issue price of new shares in the event of payment of the stock dividend by scrip issue.
- Confirmation of the separation of the roles of Chairman and Chief Executive Officer, Reappointment of Mr Mark Inch as Chairman of the Board of Directors.

24 July 2013
- Review and closure of the consolidated and corporate financial statements at 30 June 2013, half-yearly activity report.
- Renewal of the committees.
- Implementation of the new share buy-back programme.
- Cost reduction programme.
- Proposed acquisition.
- Authorization of a regulated agreement (addendum No.2 to the asset management master agreement signed by and between the Company and TEAM).

17 September 2013
- Decision to distribute an interim dividend.
- Approval of the proposed capital increase to remunerate a contribution of shares in a property company under the sixteenth resolution of the General Shareholders' Meeting of 30 May 2013.
- Situation report on the pipeline of property transactions.
- Self-assessment of the Board.

4 November 2013
- Situation report on legal proceedings.
- Situation report on the share contribution project.
- Situation report on prospective property transactions.

6 November 2013
- Draft conclusions prepared by counsel for the Company.

14 November 2013
- Investment /partnership projects.
- Situation report on business.

27 November 2013
- Situation report on ownership structure.

4 December 2013
- Recording of the fulfilment of the conditions for the final allocation of shares in the plan dated 8 December 2011.
- Preliminary items in the 2014 budget.
- Authorisation of a regulated agreement: amendment No.7 to the subsidiaries' adhesion contract dated 30 November 2006.
- Distribution of the 2013 attendance fees.
- Schedule for 2014.

In addition, at each meeting, the Board hears a report by the senior management on business, the property portfolio, and the Group's cash position, and discusses the Company's policy in respect of investing, financing and disposals of assets.

Rules of procedure

The rules of procedure are available on the Company website: www.societetoureiffel.com.

Committees

Two specialised committees, the Audit Committee and the Appointments and Remunerations Committee, assist the Board in its task.

Audit Committee

This committee comprises two members: Mr Philippe Prouillac, Chair, and Mr Richard Nottage. In accordance with the provisions of Article L. 823-19 and the recommendations of the AMF report of 14 June 2010 on the Audit Committee, the Board selected the members of the Audit Committee based on (i) their skills and qualifications in financial, accounting and property management, and (ii) their independence according to the criteria defined by the AFEP/MEDEF in the governance code for listed companies revised in June 2013.

The Audit Committee regularly audits the conditions for drawing up the individual and consolidated financial statements and ensures the accounting methods used are permanent and appropriate. It also makes sure that the internal procedures for collecting and checking information are in keeping with these objectives. It alerts the Board of Directors to accounting, financial or fiscal matters brought before it or which merit attention. It regularly informs the Board of Directors which formed it of its diligence and observations.

The main tasks of the Audit Committee are to:
- provide assistance to the Board in monitoring the preparation and approval of the corporate and consolidated annual and interim financial statements and their annexes;
- review the corporate annual and interim financial statements and the related reports before they are submitted to the Board of Directors;
- hear the Statutory Auditors and receive information about their analyses and conclusions;
- review and advise on the nominations of the Company's Statutory Auditors on the occasion of any such appointment and renewal;
- investigate any transaction, fact or event which could have a material impact on the Company's position in terms of commitments and/or risks;
- verify that the Company has suitable means (audit, accounting and legal) to prevent risks and anomalies in managing the Company's affairs;
- monitor the process for the preparation of financial information and the effectiveness of internal control and risk management systems.

It reports to the Board of Directors.

During 2013, the Audit Committee met six times to discuss the following:

- 29 January: Independent valuation of property assets at 31 December 2012;
- 12 March: 2012 financial statements;
- 13 June: Review of preliminary findings on reporting and forecasting tools, changes implemented, review of the structure of operating costs;
- 5 July: Valuation of assets;
- 23 July: Consolidated half-year financial statements for 2013;
- 3 December: Recording of the fulfilment of the conditions for the final allocation of shares in the plan dated 8 December 2011, implementation of monitoring tools, 2014 budget.

The attendance rate of the members was 100%.

In 2013, the members of the Audit Committee met the Statutory Auditors on several occasions, with particular regard to the corporate and consolidated financial statements for 2012 and the 2013 interim financial statements, as well as the CFO in charge of internal audit and risk control.

Appointments and Remunerations Committee

This committee currently comprises three members: Mr Aimery Langlois-Meurinne, Chair, Ms Mercedes Erra and Mr Richard Nottage, appointed on 25 April 2013. They were selected by the Board of Directors in particular because of their expertise in management and human resources.

The Appointments and Remunerations Committee ensures that the remuneration of Executive Directors, and any changes made thereto, is in keeping with the shareholders' interests and the Company's performance, in particular in relation to the competition. The Committee also ensures that all remunerations enable the Company to recruit, motivate and retain the best executives.

It makes proposals or recommendations to the Board of Directors in the following areas:

- implementing a comprehensive remuneration policy for Executive Directors consisting of a fixed remuneration, variable portion, share subscription or purchase options, granting free shares, miscellaneous benefits and pension plan;
- developments occurring in all of the components making up executive remuneration, exceptional remunerations and other benefits;
- the total equity remuneration package consisting of share options and bonus shares, the scope of beneficiaries and a breakdown by category;
- fixing the amount of attendance fees and their allocation;
- supervising agreements entered into with Executive Directors;
- evaluating the financial consequences of these various items on the Company's financial statements;
- establishing rules for reimbursing expenses and miscellaneous benefits;
- the performance conditions to be set for executives receiving deferred compensation.

Regarding the selection of new directors:

- The Committee is responsible for making proposals to the Board after reviewing in detail all the elements that it must take into account in its deliberations: the required balance of the composition of the Board given the structure of, and developments in the Company's share ownership, search for and evaluation of potential candidates, opportunities for reappointments. In particular, it must organise a procedure for the selection of future independent directors and perform its own review of potential candidates.

With regard to succession planning of Executive Directors

- The Committee should design a plan for the replacement of Executive Directors in order to be able to submit to the Board solutions for replacement in the event of an unforeseeable vacancy. This is one of the Committee's main tasks, even though such task may, if necessary, be entrusted by the Board to an *ad hoc* committee.

It reports to the Board of Directors.

During 2013, the Appointments and Remunerations Committee met five times to discuss the following:

- 17 January: Recruitment of a Chief Financial Officer and definition of his remuneration, remuneration of Mr Frédéric Maman under his employment contract with Tour Eiffel Asset Management, appointment of Mr Renaud Haberkorn as manager of Tour Eiffel Asset Management and allocation of remuneration between the latter company and Société de la Tour Eiffel;
- 20 March: Performance criteria related to the allocation of bonus shares to executives, determination of the variable remuneration of Mr Frédéric Maman;
- 24 April: Modification of the severance indemnity allocated to Mr Renaud Haberkorn and the performance criteria as of 2014;
- 30 May: Consultation on the separation of the roles of Chairman and Chief Executive Officer;
- 9 October: Review of the application of a new member of the Board.

The attendance rate of the members was 100%.

Principles and rules drawn up by the Board of Directors to determine the range of remuneration and benefits granted to the Company officers and directors

The remuneration policy for Executive Directors is described in Section 3.4 of the management report for fiscal 2013.

Non-executive directors do not receive any remuneration from the Company other than attendance fees.

As remuneration for their activity on the Board of Directors, the attendance fees paid to directors comprise a fixed portion and a variable portion determined on the basis of actual attendance at meetings of the Board and the Committees.

Self-assessment of the Board

The second self-evaluation of the Board was set up at year-end 2013 and the start of 2014.

This assessment was carried out on the basis of an anonymous questionnaire on the composition of the Board, its organization and operation, the directors' remuneration and the share ownership policy, the quality of the work of the Board, its relations with the Statutory Auditors and Company executives, its self-assessment and the management of the Company.

The assessment included sixty-four questions grouped into seven themes, accompanied by a scoring scale. The directors were invited to submit their comments and suggestions on each theme.

Six of the eight directors replied to the questionnaire.

The overall assessment is satisfactory, the answers being divided, with a few exceptions, between "strongly agree" and "somewhat agree". Ten "no opinion" answers were received.

Two "somewhat disagree" answers were received. On the one hand they concerned the question: "Is the division between independent and non-independent directors adequate?", and on the other, the question: "Is the training of directors for Company and Group business lines sufficient?"

The suggestions related to the appointment of another woman as a director and the appointment of a secretary to the Committees. Two directors felt that the questionnaire method was not the most constructive.

These answers and suggestions indicate areas for improvement to be investigated further.

Corporate governance

The Company refers to the AFEP/MEDEF Code of Corporate Governance for listed companies revised in June 2013 (available on the website of MEDEF www.medef.com).

The table below summarizes the recommendations of the aforementioned code of corporate governance not applied by the Company and the reasons for doing so.

AFEP/MEDEF code article No.	Recommendations of AFEP/MEDEF Code not applied	Company's explanations
6.3	Each board should publish in the reference document the objectives, methods and results of its policy in these matters (composition of the Board and committees).	This recommendation has been adopted by the Company for the 2014 financial period.
6.4	Balanced representation of men and women: the objective is that each Board shall reach and maintain a percentage of at least 20% of women within a period of three years (as from April 2010.	The objective set by the Code is not yet reached, since the Board of Directors of Société de la Tour Eiffel has only one woman. The Board is actively seeking candidates to feminize its composition and it intends to propose the appointment of a woman at the next General Shareholders' Meeting.
10.4	The internal rules of operation of the Board of Directors must provide for a meeting without the executive or "in-house" directors once a year, at which time the evaluation of the Chairman's, Chief Executive Officer's and Deputy Chief Executive's respective performance shall be carried out, and the participants shall reflect on the future of the Company's executive management.	This point will be proposed to the Board of Directors at the next amendment of the Rules of Procedure. However, the Audit Committee and the Nomination and Remuneration Committee are two forums for independent directors to meet (respectively 6 and 5 times in 2013).
16.3	The Audit Committee should be able to call upon outside experts as needed making sure they have the requisite skills and independence.	This point will be proposed to the Board of Directors at the next amendment of the Rules of Procedure.
23.2.3	**Variable part of Executive Directors' compensation** The variable compensation must be determined by the Board of Directors for a fixed period. The rules governing the determination of the variable compensation must be consistent with the annual or multi-annual assessment of the Executive Directors' performances and with the Company's strategy. The variable compensation is a reward for the director's performance and the progress of the Company in the period under consideration. The share price must not be the only criteria for measuring this performance.	On an exceptional basis, when he was appointed in September 2012, the variable compensation of the Chief Executive Officer, who was recruited from the outside, was laid down without performance criteria and guaranteed for a period of two years. The recommendation of the AFEP-MEDEF Code will be fully implemented from September 2014 on. For the Deputy Managing Director, this recommendation was implemented in 2013 and will continue to be.
23.2.5	**Termination payments for Executive Directors** The performance requirements set by the Board must be demanding and may not allow for the indemnification of an Executive Director, unless his or her departure is imposed, regardless of the form of this departure, and linked to a change in control or strategy.	Mr Renaud Haberkorn is entitled to severance pay in case of forced departure for any reason whatsoever other than gross negligence or misconduct on his part, in respect of the duties of Chief Executive Officer of the Company and/or Manager of Tour Eiffel Asset Management. This is a contractual provision corresponding to a 50% decrease in the amount of the severance indemnity.

2. CHIEF EXECUTIVE OFFICER'S POWERS

Société de la Tour Eiffel top management position can be assumed either by the Chairman of the Board of Directors or by another individual appointed by the Board and bearing the Chief Executive Officer's title.

Whereas the separation of the roles of Chairman and Chief Executive Officer best reflects the organization of the current governance of the Company, the Board of Directors, on the recommendation of the Appointment and Remuneration Committee, decided on 30 May 2013 to maintain this separation.

Mr Mark Inch is Chairman of the Board of Directors. He organizes and directs its work, and reports to the General Shareholders' Meeting. He also reports to the General Shareholders' Meeting on the preparation and organization of the Board, the internal control procedures implemented by the Company and the restrictions that the Board has made, if any, to the powers to the Chief Executive Officer. He ensures the proper operation of the Company bodies and ensures, in particular, that the Board members are capable of fulfilling their duties.

Mr Renaud Haberkorn is Chief Executive Officer. No restrictions have been made to his powers.

Mr Frédéric Maman is Deputy Managing Director and has the same powers as the Chief Executive Officer.

3. PARTICIPATION IN THE SHAREHOLDERS' MEETINGS

Participation in the shareholders' meetings is governed by Articles 22 to 31 of the Company's articles of associations, available at the Company's website, www.societetoureiffel.com.

The procedures for the participation of shareholders are also specified in each Shareholders' Meeting file on the website of the Company, www.societetoureiffel.com.

4. FACTORS THAT COULD HAVE AN EFFECT DURING A PUBLIC OFFERING

Information regarding the capital structure of the Company is contained in paragraph 5.1 of the management report on fiscal 2013.

The factors that could have an effect in the event of a public offering are contained in paragraph 5.5, "Factors that could have an effect during a public offering" of the management report on fiscal 2013.

5. INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

With regard to the internal audit and risk management procedures, the Company relies on the framework for risk management and internal control updated by AMF in 2010.

The internal control procedures cover Société de la Tour Eiffel and all of its subsidiaries which are included in the consolidation scope.

These actions were carried out across the three key processes identified as having priority by the Company: real estate investment (acquisitions, disposals, valuation, market risk) rental management (relationship with tenants and managers, checking rent receipts, etc.) cash-flow and financing (financing and rate hedging policy, monitoring of cash, receipts, etc.).

During fiscal 2013, the General Secretariat introduced new tools for control and management, including:

- a quarterly accounting reporting tool on which the business plan of the Group is now based;
- a dual monitoring procedure for late rental payments (on the one hand at the property management level with a warning to the owner on D+7, and secondly at the cash management department level).

An internal procedure was formalized in 2013 to identify and control the off-balance sheet commitments.

Development of the internal control system will continue in 2014 with the implementation of existing recommendations but also by carrying out the new action plans as scheduled and improving the existing controls.

5.1 Internal control and risk management objectives

The Company and its subsidiaries are now managed from within; the control procedures set up for the Group are meant to:

- ensure that the managerial actions fall within the scope of the Company's corporate purpose, the strategic orientations as defined by the Board of Directors based on proposals of the top management, in accordance with current laws and regulations, the Company's corporate interest and that of each of its subsidiaries;
- improve the efficiency of the Company's operations and enable the efficient use of its resources;

- coordinate the proper dissemination of accounting, financial and management reports among outside parties and the Group's top executives, verify that these reports are regularly sent to the Company's corporate bodies and those of its subsidiaries, and that they fairly reflect the Group's activity and financial position;
- and lastly, foresee and control the risks relating to the Group's activity and the risks of errors or fraud, particularly in the accounting and financial areas.

Internal control cannot provide absolute certainty the Company's objectives will be achieved.

5.2 Drawing up and auditing accounting and financial reports

5.2.1 Roles of the various parties involved

General secretariat

Tour Eiffel Asset Management carries out the duties of the General Secretariat in addition to its asset management mission (as an Asset Manager).

The General Secretariat disseminates and coordinates financial reporting among the various service providers and other parties while taking into account strategic imperatives as defined by the Owner.

Owing to the General Secretariat's role as a go-between among the Owner, the Asset Manager and the Property Managers, the General Secretariat has an overall view of the Owner and of the Companies. It makes sure that legal and contractual commitments are honoured, and that financial, tax and administrative obligations are met so the Owner and the Companies can be provided with efficient and optimal management.

To carry out its mission, the General Secretariat makes sure that it is kept informed of anything involving the Owner and the Companies. It makes sure that it takes the measures necessary to gather whatever information it needs, to validate the decisions taken and to alert the competent bodies and the Owner of any unfavourable consequences of pending decisions.

As part of the administrative follow-up of the Companies, the General Secretariat supervises the Companies' accounting which is sub-contracted out to an accounting firm, as well as the tasks involved in cash management, in operational, administrative and financial management control, and tax returns.

In its supervisory role, the General Secretariat keeps the Owner and the Asset Manager informed, forewarned and alerted of any and all legislative and case law developments which have consequences on the administration and management of the Owner or the Companies. It makes recommendations to them on their strategy and follow-up which could affect the Owner, the Companies or the properties concerned by these developments.

Lastly, the General Secretariat keeps the Owner aware, counselled, and informed of any major event concerning its strategy. It coordinates with the Asset Manager the preparation and presentation of the overall budget and the medium-term business plan. The General Secretariat presents the Owner's short and medium-term objectives and strategy to the Asset Manager.

Property Managers

The Property Managers do the bookkeeping for income and expenses relating to the buildings in accordance with current French accounting regulations.

They monitor and input into the computer all settlements, follow-up actions, arrangements or legal disputes and their results so that the Owner can have clear and updated information.

At any time and whenever necessary, the Property Managers provide the Owner, the Asset Manager, or any other person designated by the General Secretariat, with the data needed to fill out tax returns.

Once a month, and within 10 days at the most after each month end, the Property Managers supply the data needed to draw up the Owner's accounts to the General Secretariat or to any persons it designates.

Every year within nine months of year end, the Property Managers send in the annual closed accounts to the Asset Managers for checking and approval then to the General Secretariat responsible for bookkeeping.

The Asset Manager and the Property Managers meet once a quarter to report on the past and future management of the buildings. At this time, the Property Managers submit a report to the Asset Manager which reports on the activity, the important events that occurred over the past quarter and the proposed responses for the following quarter.

Asset Manager

The Owner, the Property Managers and the Asset Manager (the "Asset Manager's" job being performed by the same company which runs the General Secretariat) and/or their respective representatives meet at least once a year and more often if need be in accordance with the timetable established jointly at the beginning of the year in order to:

- report on the current state and forecasted trend of the markets where the buildings are located;
- update the management objectives and commercial strategy and approve the rolling maintenance programme for the coming year;
- examine issues of safety and regulatory compliance;
- assess the database system and its performance;
- review the bookkeeping and management analyses.

The Asset Manager will promptly notify the Owner of any event or circumstance that has a substantial negative or positive effect on the buildings value.

In parallel, the Asset Manager's teams regularly meet with his/her team in particular for a situation report on progress in operations and the strategy set up with the Owner.

5.2.2 Drawing up and controlling the accounting and financial information provided to the shareholders

The corporate and consolidated financial statements are drawn up by a certified accountants firm working closely with the General Secretariat. The certified accountants firm, Statutory Auditors and top executives, and, where applicable, the Board of Directors discuss beforehand the main options as to the choice of accounting methods.

The senior executives, General Secretariat, and third parties (certified accountants and Statutory Auditors), and where applicable, the Board of Directors and in particular the Audit Committee, draw up the accounting and financial reports to be circulated to the shareholders.

The Chief Executive Officer and the Finance Department are responsible for drawing up and controlling the accounting and financial information submitted to the shareholders working closely with the certified accountants and under the supervision of the Statutory Auditors.

In terms of the monitoring procedure for contingent liabilities, any financial commitment is inherently known by the legal department because of its close collaboration with the Finance Department of the Company. With regard to off-balance sheet commitments related to the operating activities of the Group, the operational departments automatically communicate to the legal department any proposed legal act, contract, warranty, guarantee, letter of intent, etc., for analysis and identification of the off-balance sheet commitments involved and to assess the sums involved. These off-balance sheet commitments, after being identified, are monitored over time in terms of their duration and amount.

5.3 Ways of improving control

During fiscal 2014, the Company has undertaken to continue to improve its internal control and risk management through the development of new procedures and the implementation of specific controls, especially for processes related to rental management, the Group’s cash position, and evaluation of its property portfolio, in accordance with the “Internal Control Reference Framework” enacted by AMF.

Chairman of the Board of Directors

6. STATUTORY AUDITORS' REPORT DRAWN UP PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE BASED ON THE REPORT SUBMITTED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF SOCIÉTÉ DE LA TOUR EIFFEL

Financial year ending 31 December 2013

Expertise & Audit SA
39, avenue de Friedland
75008 Paris

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

To the shareholders of:

Société de la Tour Eiffel
Public Limited Company with a capital of €31,269,580
20-22, rue de la Ville-l'Évêque
75008 Paris

In our capacity as Statutory Auditors to Société de la Tour Eiffel and pursuant to Article L. 225-235 of the French Commercial Code, we hereby report on the report submitted by the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code for the year ended 31 December 2013.

It is the Chairman's duty to draw up a report on the internal control and risk management procedures in place at the Company and to submit it for approval by the Board of Directors. The report also discloses the other information required under Article L. 225-37 of the French Commercial Code relating notably to the corporate governance policy.

It is our responsibility to:
- make our observations on the information contained in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- certify that the report contains the information required by Article L. 225-37 of the French Commercial Code, with the understanding that we are not responsible for verifying the fairness of this other information.

We carried out our work in accordance with the code of professional conduct applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The standards of professional conduct require that we practice due diligence to assess the fairness of the accounting and financial information concerning the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the Chairman's report. This due diligence entailed the following in particular:
- familiarising ourselves with the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information underlying the information presented in the Chairman's report plus any existing documentation;
- familiarising ourselves with the work performed to compile this information and existing documentation;
- determining whether the Chairman's report mentions any material deficiencies in the internal control relating to the preparation and processing of the accounting and financial information we might have uncovered while performing our audit.

On the basis of our work, we have no opinion regarding the information provided on the Company's internal control and risk management procedures for the preparation and processing of accounting and financial information contained in the report of the Chairman of the Board of Directors, prepared in application of Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman of the Board's report comprises the other information required in Article L. 225-37 of the French Commercial Code.

Paris and Neuilly-sur-Seine, 20 March 2014

The Statutory Auditors

Expertise & Audit SA
Hélène Kermorgant

PricewaterhouseCoopers Audit
Yves Nicolas

RESOLUTIONS – PRESENTATION AND DRAFT

PRESENTATION OF THE RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING CONVENED TO APPROVE THE 2013 FINANCIAL STATEMENTS

Resolutions 1 to 3

Approval of the accounts, dividend distribution and payment

The 1st **resolution** is on the approval of financial statements for fiscal 2013. These accounts show a profit of €8,633,543.

The 2nd **resolution** proposes the distribution of a sum of €2 per share fully in cash, in addition to the interim dividend of €1.2 per share that was paid on 17 October 2013.

The 3rd **resolution** concerns the approval of the consolidated financial statements. The net loss, Group share amounts to (€1,892,000).

Resolutions 4 to 8

Approval of regulated agreements

The new regulated agreements submitted for the approval of the Meeting are contained in the special report of the Statutory Auditors. They concern four agreements made during fiscal 2013 and one agreement in 2014. Two of these agreements were not subject to the prior authorisation of the Board, but were authorised afterwards.

The Board of Directors submits the following agreements for the approval of the Meeting:

1. New agreements during fiscal year 2013, having been authorised by the Board of Directors:

   a) **4th resolution:** addendum No.2 was signed on 22 May 2013 in the agreement to appoint Mr Renaud Haberkorn as Chief Executive Officer of the Company in order to modify his severance indemnity in the case of a forced departure. The amount of the allowance is reduced from 1 January 2014 from two years' fixed remuneration to one year of fixed and variable remuneration paid by the Company and Tour Eiffel Asset Management in the year before the dismissal. As of 1 January 2014, the payment of this compensation is subject to the following performance criteria:
   - in the case of forced departure in 2014: an LTV lower than or equal to 50% at year-end 2013 and current cash flow greater than or equal to €28.5 million for 2013;
   - in the case of forced departure in 2015: an LTV lower than 46,5% at year-end 2014 and current cash flow greater than or equal to €24.5 million for 2014;
   - in 2016, the Board will establish new criteria; otherwise, the criteria in 2015 will continue to apply.

   (authorised beforehand by the Board of Directors on 25 April 2013)

   b) **5th resolution:** addendum No.2 was signed on 3 September 2013 under the asset management master agreement between the Company and Tour Eiffel Asset Management (TEAM) of 26 April 2004, intended to supplement Article 8 "Compensation" of the contract so that incomplete asset sale transactions may give rise to the payment of fees by the Company to TEAM.

   (authorised beforehand by the Board of Directors on 24 July 2013)

   c) **6th resolution:** addendum No.7 to the contract committing the subsidiaries to the asset management master agreement entered into with Tour Eiffel Asset Management dated 30 November 2006 set at €150,000 the companies management fees left to be borne by the Company for 2013.

   (authorised beforehand by the Board of Directors on 4 December 2013)

2. New agreement made during fiscal 2013, without prior authorization but allowed afterwards by the Board of Directors:

   d) **7th resolution:** a financial communication advisory agreement was signed on 13 December 2013 between the Company and Havas Worldwide Paris, providing for compensation of €7,000 and a success fee of €40,000.

   (authorised afterwards by the Board of Directors on 19 March 2014)

3. The following new agreement was made during fiscal 2014, without prior authorisation but allowed afterwards by the Board of Directors:

   e) **8th resolution:** an addendum to the 18-month part time work contract from 1 March 2013 between Tour Eiffel Asset Management, a subsidiary of the Company, and Mr Robert Waterland provides for the early termination of the contract with effect on 1 March 2014, without compensation.

   (authorised afterwards by the Board of Directors on 19 March 2014)

Resolutions 9 to 11

Executive compensation ("say on pay")

In accordance with the recommendations of the AFEP-MEDEF Code revised in June 2013 (Article 24.3), to which the Company refers, the following compensation package due or awarded for fiscal 2013 to each Executive Director of the Company are submitted to the shareholders' opinion:

- the fixed portion;
- the variable annual portion and, where appropriate, the multiannual variable portion with the objectives used to define the variable;
- exceptional remuneration;
- the stock options, performance shares and any other long-term compensation package;
- the benefits associated with taking up or terminating duties;
- the supplementary pension scheme;
- all other benefits.

The remuneration due or allocated to the following persons is affected by the vote of the Meeting:

- Mr Mark Inch, Chairman of the Board of Directors;
- Renaud Haberkorn, Chief Executive Officer, and
- Frédéric Maman, Deputy Managing Director.

The following resolutions propose that the Meeting issue a favourable opinion on the compensation package due or awarded for fiscal 2013 by the Board of Directors, upon proposal of the Appointments and Remuneration Committee, to the three Executive Directors mentioned above:

- **9th resolution:** compensation of Mark Inch;
- **10th resolution:** compensation of Renaud Haberkorn;
- **11th resolution:** compensation of Frédéric Maman.

The detailed information on the remuneration payable or granted under fiscal 2013 to the three aforementioned Executive Directors is presented in the management report for the 2013 financial period (refer to section 3.4 of the management report). It is summarized below.

T.E.A.M. means Tour Eiffel Asset Management, a wholly-owned subsidiary of the Company.

9th resolution: compensation package due or allocated to Mr Mark Inch

Compensation package due or allocated	Amount or book value	Presentation
Fixed remuneration	€100,000	Gross fixed remuneration.
Variable remuneration	N/A	Mr Mark Inch receives no variable remuneration.
Directors' fees	N/A	Mr Mark Inch receives no attendance fees.
Stock options, performance shares and any other long-term compensation package	None	No such allocation occurred during fiscal 2013.
All other benefits	€1,751	Mr Mark Inch has a Company car (Mercedes Smart) and a mobile phone.

10th resolution: compensation package due or allocated to Mr Renaud Haberkorn

Compensation package due or allocated	Amount or book value	Presentation
Fixed remuneration	€600,000	Gross fixed remuneration to be paid from 1 January 2013 by the Company in respect of the duties of Chief Executive Officer for €100,000 and by TEAM in respect of the duties of Manager for €500,000.
Annual variable remuneration	€300,000	Variable compensation consisting of a guaranteed bonus of €300,000 in respect of the first two years after taking office. To be paid from 1 January 2013 by the Company in respect of the duties of Chief Executive Officer for €100,000 and by TEAM in respect of the duties of Manager for €200,000.
Deferred annual variable remuneration	N/A	No provision has been made for the allocation of a deferred variable remuneration.
Multiannual variable remuneration	N/A	Mr Renaud Haberkorn receives no multiannual variable remuneration.
Directors' fees	N/A	Mr Renaud Haberkorn receives no attendance fees.
Exceptional remuneration	N/A	No exceptional remuneration was posted.
Stock options, performance shares and any other long-term compensation package	None	No such allocation occurred during fiscal 2013.
Compensation for loss of office	No amount due for fiscal 2013	In the event of a forced departure, Mr Renaud Haberkorn would receive compensation of two years' fixed remuneration. This compensation was reduced on 1 January 2014 to one year's fixed remuneration and variable remuneration paid in the previous year by the Company and by T.E.A.M.
Non-competition compensation	N/A	There is no non-competition clause.
Supplementary pension scheme	N/A	Mr Renaud Haberkorn is not eligible for a supplementary pension scheme.
All other benefits	€28,132	Mr Renaud Haberkorn is covered by a GAN director's unemployment insurance policy, payment of which in 2013 was divided between the Company (€5,820) and T.E.A.M. (€20,360). Mr Renaud Haberkorn has a Company car (Toyota IQ) and a mobile phone.

11th resolution: compensation package due or allocated to Mr Frédéric Maman

Compensation package due or allocated	Sums or book value	Presentation
Fixed remuneration	€240,000	In respect of his employment contract with T.E.A.M.
Annual variable remuneration	€78,000	In respect of his employment contract with T.E.A.M. In 2013 it could amount to 40% of his base salary if all the quantitative and qualitative objectives decided by the Board of Directors are met, as set out below: Qualitative criteria: the achievement of each of the following criteria entitles the Deputy Managing Director to 10% of the variable remuneration (40% maximum if all the criteria are met) 1 Implementation of the strategy and implementation of strategic roadmaps for each Asset Manager 2 Understanding Company issues and taking decisions or making recommendations accordingly 3 Leading the Tour Eiffel Asset Management team and integration of the new Chief Financial Officer 4 Pipeline of potential acquisitions identified Quantitative criteria: completion of all quantitative criteria gives rise to a maximum of 60% of the variable remuneration in the following proportion: 1 For a maximum of 20% of the variable remuneration: sale of €150 million of assets in addition to the €40 million under sale agreements at 31 December 2012. Each million of sales of assets over €130 million (in addition to the €40 million of assets under sale agreements) entitles the Deputy Managing Director to 1% of the variable remuneration with a cumulative maximum of 20%. 2 For a maximum of 20% of the variable remuneration: An LTV at 31 December 2013 of 48% or less. When the LTV ratio falls below 50%, every 1/10% below this threshold gives rise to 1% of the variable remuneration with a cumulative maximum of 20%. 3 For a maximum of 20% of the variable remuneration: - renewal/signing in advance of €10 million of leases expiring in 2013-14-15 and letting of the Montrouge building. - Letting the Montrouge building for a minimum cost-effective rent of €285/sq.m with a lease for a minimum period of six years (rental guarantee from the developer included) entitles the Deputy Managing Director to 10% of the variable remuneration. Every euro of cost-effective rent over €275/sq. m entitles the Deputy Managing Director to 1% of the variable remuneration with a cumulative maximum of 10% (or 1% for every % margin in case of sale) - Signature or renewal of €10 million in leases in 2013 to replace those expiring in 2013-14-15 (Montrouge and existing land reserves included): each € million each signed over €5 million entitles the Deputy Managing Director to 2% of the variable compensation with a cumulative maximum of 10%
Deferred annual variable remuneration	N/A	No provision has been made for the allocation of a deferred variable remuneration.
Multiannual variable remuneration	N/A	Mr Frédéric Maman receives no multiannual variable remuneration
Directors' fees	N/A	Mr Frédéric Maman receives no attendance fees.
Exceptional remuneration	N/A	No exceptional remuneration was posted
Stock options, performance shares and any other long-term compensation package	None	No such allocation occurred during fiscal 2013
Compensation for loss of office	N/A	Mr Frédéric Maman does not receive compensation for loss of office over and above the legal compensation reflecting his seniority due at the end of his contract of employment
Non-competition compensation	N/A	There is no non-competition clause.
Supplementary pension scheme	N/A	Mr Frédéric Maman is not eligible for a supplementary pension scheme
All other benefits	€3,742	Mr Frédéric Maman has a mobile phone and a Company car (VW Golf)

Resolution 12

Attendance fees

The Board of Directors proposes to grant directors an overall sum for attendance fees of €150,000, until a new decision of the General Shareholders' Meeting. The Chairman of the Board, the Chief Executive Officer and the Deputy Managing Director do not receive attendance fees.

The allocation of attendance fees takes into account the following items:
- participation in Committee meetings;
- chairing a Committee gives rise to a bonus attendance fee;
- regularity at Board meetings

Resolutions 13 and 14

Renewal of directors' terms of office

The Board proposes to renew, for a period of three years, the terms of office of two directors which expire at the next General Shareholders' Meeting:
- Ms Mercedes Erra, who is not an employee of STE, is an independent member of the Board of Directors. Ms Mercedes Erra, in particular, is Chief Executive Officer of BETC and Executive President of Havas Worldwide **(13th resolution).**
- Mr Richard Nottage is also not an employee of STE and is an independent member of the Board of Directors. He is an independent consultant specialising in overseeing the implementation and monitoring of investments, and operational coordination, in various fields of activity such as upscale hotels, real estate and financial investments **(14th resolution).**

These proposed renewals are submitted to you with the approval of the Appointment and Remuneration Committee.

Resolution 15

Share buy-back

The purpose of the **15th resolution** is to authorize the buy-back by the Company of its shares:
- within a ceiling of 10% of capital;
- at a maximum price of €80 per share;
- for a maximum amount of €50,030,000.

This authorisation would be suspended during a public share offer.

Resolution 16

Powers

The **16th resolution** concerns the granting of the necessary powers to carry out the legal formalities of this Meeting.

RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING CONVENED TO APPROVE THE 2013 FINANCIAL STATEMENTS

First resolution

(Approval of the individual financial statements)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, and having heard and considered the Board of Directors' management report, the Chairman's report (Article L. 225-37 of the French Commercial Code) and the Statutory Auditors' general report, the shareholders vote to adopt the annual financial statements for the financial year ended 31 December 2013, which shows a profit of €8,633,543.

The General Meeting of Shareholders also approves the transactions reported in these financial statements or summed up in these reports.

Second resolution

(Appropriation of earnings)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders, having noted that the year ended 31 December 2013 shows a profit of €8,633,543, decide to allocate an amount of €71,652 to the legal reserve so that it is fully funded.

The General Shareholders' Meeting, having noted that an interim dividend of €7,361,549 (1) was paid for the year ended 31 December 2013, decides, in accordance with the proposal of the Board, to proceed with the distribution of an additional amount of €2 per share, or a total of €12,362,644 (2), drawn from the distributable profit for the year amounting to €1,253,652 and for the balance out of the share premium as follows:

	In €
Earnings for the year	8,633,543
Retained earnings from the previous year	(7,308,239)
Appropriation to the legal reserve (so that it is fully funded)	(71,652)
Remaining distributable profit for the year	**1,253,652**
Balance levied on the "Share premium" account	**11,108,992**
Forming an additional dividend of	**12,362,644**

(1) Interim dividend set at €1.20 per share, the distribution of which was decided by the Board of Directors on 17 September 2013, and fully paid in cash on 17 October 2013.

(2) Additional dividend set at €2 calculated on the basis of 6,181,322 shares representing the number of shares with dividend rights out of a total issue of 6,253,916 shares at 28 February 2014 (net of 72,594 treasury shares).

The amount of the additional dividend above has been calculated based on the number of shares with dividend rights at 28 February 2014 and is subject to adjustment to take into account the following:

- in the event that, when a dividend is being paid, new shares have been issued before the dividend payment date as a result of exercising share subscription options, these new shares would give rise to a dividend payment which would be withheld, where applicable, from the retained earnings;
- if, upon the payment of the dividend, the number of treasury shares is different from the number included in this resolution. If the number of treasury shares is greater, the profit corresponding to dividends not paid on the additional treasury shares will be allocated to retained earnings. If the number of treasury shares is less, the dividend paid to shares with additional dividend rights will be levied on the share premium.

We inform you that, in accordance with Article 243 *bis* of the General Tax Code, the dividends paid over the past three financial years were as follows:

Financial year	2010	2011	2012
Number of shares (1)	5,592,284	5,736,272	6,110,611
Net dividend per share	€4.2	€4.2	€4.2
Total dividend paid	22,781,030	23,683,153	24,869,930

(1) Number of shares in the share capital at 31 December; for the Company's treasury shares, the earnings corresponding to the dividends not paid on the aforesaid shares was appropriated to the Retained Earnings.

Pursuant to Article 112-1 of the General Tax Code, amounts distributed to shareholders that represent a refund of contribution or of the share premium are not considered as taxable distributions, on the condition that all earnings and reserves (issued from previous profits) other than the legal reserves were previously distributed. In view of the above provisions which are applicable to the Company, the refunded share premium is not considered as a taxable income.

The amount of the distribution levied on the share premium is €1.797 per share.

For individuals domiciled in France, the tax regime applicable to the taxable amount of the distribution paid in 2014, *i.e.* €0.203 per share is as follows:

- The income distributed and paid in 2014 from tax-exempt income are necessarily subject to income tax at the progressive rate, without the benefit of the 40% referred to in Article 158-3-2° of the General Tax Code.
  The balance of the dividend paid from tax-exempt income is €0.203 per share.
- Income distributed and paid in 2014 that does not come from tax-exempt income is necessarily subject to income tax at the progressive rate after application of an allowance of 40% (in accordance with Article 158-3-2 of the General Tax Code in its new wording).
  The balance of the dividend paid that is not from tax-exempt income is €0 per share.
- Distributed income is subject to a mandatory deduction at source at the rate of 21% (plus social security contributions of 15.5%) retained by the paying institution on the gross amount distributed in 2014 and chargeable to tax income due the following year, except for individual beneficiaries who requested before 30 November 2013 to be exempted, given the amount of their reference taxable income for 2012 (less than €50,000 for taxpayers who are single, widowed or divorced or €75,000 for taxpayers filing jointly).

As a result of the distribution addressed in this resolution, the Board of Directors must adjust the exercise conditions for stock options: the new conditions for exercising stock options will be calculated taking into account the ratio between the distribution amount per share and the share price before distribution, *i.e.* the weighted average of the share price over the five days of trading prior to the day of distribution (Art. R. 228-91-3°). The number of shares with an option will then be adjusted so that the total subscription or purchase price remains constant. The adjusted number will be rounded up.

It is also stated that the Company's shares are no longer eligible for the Equity Savings Plan (*Plan d'Épargne en Actions,* PEA), the 2012 Finance Act having abolished the possibility of placing SIIC (French REIT) shares on a PEA as of 21 October 2011.

The shares of the Company contained in a PEA on 21 October 2011, however, may remain and continue to benefit from exemption from income tax applicable to the products of such shares in such Equity Savings Plans.

Third resolution

(Approval of the consolidated financial statements)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, and having heard and considered the management report of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, the shareholders resolve to approve the consolidated financial statements to 31 December 2013 as well as the transactions set forth in these statements or summed up in the Group management report included in the management report.

Fourth resolution

(Regulated agreement: approval of addendum No.2, signed on 22 May 2013 in the agreement to appoint Mr Renaud Haberkorn as Chief Executive Officer)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders, having heard the special report of the Statutory Auditors on agreements covered by Articles L. 225-38 *et seq.* of the Commercial Code, approve addendum No.2, signed on 22 May 2013 in the agreement to appoint Mr Renaud Haberkorn as Chief Executive Officer of the Company with regard to the modification of his severance indemnity in the event of a forced departure, previously authorized by the Board of Directors on 25 April 2013.

Fifth resolution

(Regulated agreement: approval of addendum No.2 signed on 3 September 2013 in the asset management master agreement signed between the Company and Tour Eiffel Asset Management on 26 April 2004)

Recognising the conditions of quorum and majority required for ordinary shareholder meetings, the shareholders, having heard the special report of the Statutory Auditors on agreements covered by Articles L. 225-38 *et seq.* of the Commercial Code, approves addendum No.2, signed on 3 September 2013 with regard to the asset management agreement signed between the Company and Tour Eiffel Asset Management on 26 April 2004, previously authorized by the Board of Directors on 24 July 2013.

Sixth resolution

(Regulated agreement: approval of addendum No.7 signed on 30 December 2013 to the accession agreement between the Company and its subsidiaries signed on 30 November 2006)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders, having heard the special report of the Statutory Auditors on agreements covered by Articles L. 225-38 *et seq.* of the Commercial Code, approve addendum No.7, signed on 30 December 2013 with regard to the accession agreement between the Company and its subsidiaries signed on 30 November 2006, previously authorized by the Board of Directors on 4 December 2013.

Seventh resolution

(Regulated agreement: approval of a consultancy agreement signed on 13 December 2013 with Havas Worldwide Paris on the financial reporting of the Company, not previously authorized by the Board of Directors)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders, having heard the special report of the Statutory Auditors on the agreements covered by Articles L. 225-38 *et seq.* of the Commercial Code, approve the consultancy agreement signed on 13 December 2013 with Havas Worldwide Paris on the financial reporting of the Company, which has not been subject to prior authorization by the Board, but was approved afterwards by the Board of Directors on 19 March 2014.

Eighth resolution

(Regulated agreement: approval of the addendum dated 13 February 2014, to the fixed-term employment contract concluded as from 1 March 2013 between Mr Robert Waterland and Tour Eiffel Asset Management, ending that contract, not previously authorized by the Board of Directors)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders, having heard the special report of the Statutory Auditors on the agreements covered by Articles L. 225-38 of the Commercial Code, approves the addendum dated 13 February 2014 to the fixed-term employment contract concluded as from 1 March 2013 between Mr Robert Waterland and Tour Eiffel Asset Management, ending the aforementioned contract; this amendment was not authorized beforehand by the Board of Directors but was approved afterwards by the Board on 19 March 2014.

Ninth resolution

(Compensation of the Chairperson)

The General Shareholders' Meeting, being consulted in accordance with the AFEP-MEDEF code of corporate governance for listed companies (paragraph 24.3), recognising the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favourable opinion on the compensation package due or allocated to Mr Mark Inch in respect of his duties as Chairman of the Board, as stipulated in paragraph 3.4.6 in the annual management report presented by the Board of Directors for the year ended 31 December 2013.

Tenth resolution

(Compensation of the Chief Executive Officer)

The General Shareholders' Meeting, being consulted in accordance with the AFEP-MEDEF code of corporate governance for listed companies (paragraph 24.3), recognising the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favourable opinion on the compensation package due or allocated to Mr Renaud Haberkorn in respect of his duties as Chief Executive Officer, as stipulated in paragraph 3.4.6 in the annual management report presented by the Board of Directors for the year ended 31 December 2013.

Eleventh resolution

(Compensation of the Deputy Managing Director)

The General Shareholders' Meeting, being consulted in accordance with the AFEP-MEDEF code of corporate governance for listed companies (paragraph 24.3), recognising the conditions of quorum and majority required for ordinary shareholders' meetings, issues a favourable opinion on the compensation package due or allocated to Mr Frédéric Maman in respect of his duties as Deputy Managing Director, as stipulated in paragraph 3.4.6 in the annual management report presented by the Board of Directors for the year ended 31 December 2013.

Twelfth resolution

(Attendance fees)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders resolve that the total amount of attendance fees to be split among the Board members for the current financial year will amount to €150,000.

The shareholders resolve that the above annual overall attendance fees will be applicable to the financial year underway and subsequent financial years until a new resolution is taken by the General Meeting. The shareholders also confirm that, pursuant to Article L. 225-45 of the French Commercial Code, it is the duty of the Board of Directors to distribute the annual overall attendance fees among its members.

Thirteenth resolution

(Renewal of Ms Mercedes Erra's mandate as a Board member)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings and that the mandate of Ms Mercedes Erra as Board member is expiring at the end of this General Shareholders' Meeting, the General Meeting resolves to renew this mandate for a period of three years, until the end of the General Shareholders' Meeting to be held in 2017 to approve the financial statements for the 2016 financial year.

Fourteenth resolution

(Renewal of Mr Richard Nottage's mandate as Board member)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings and that the mandate of Mr Richard Nottage as Board member is expiring at the end of this General Shareholders' Meeting, the General Meeting resolves to renew this mandate for a period of three years, until the end of the General Shareholders' Meeting to be held in 2017 to approve the financial statements for the 2016 financial year.

Fifteenth resolution

(Authorisation given to the Board of Directors to implement a share buyback programme)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings and acknowledging the Board of Directors' report prepared in accordance with Article L. 225-209 of the French Commercial Code, the shareholders authorise the Board of Directors, in keeping with Article L. 225-209 *et seq.* of the French Commercial Code, to acquire, keep or sell the Company's shares, with the authority to sub-delegate entrusted it in accordance with the law, in order to:

- stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
- cancel the shares bought back, wholly or in part, in accordance with the conditions laid out in Article L. 225-209 of the French Commercial Code, and subject to approval of the share capital reduction by the General Shareholders' Meeting;
- have shares on hand which it may issue to its corporate officers and employees as well as to the corporate officers and employees of companies with ties to Société de la Tour Eiffel, under the terms and conditions allowed for by law, especially as regards stock option plans, the free attribution of existing shares, and corporate or inter-company savings plans;
- hold and subsequently remit shares as payment or exchange as part of external growth, merger, demerger or contribution operations within the limit of 5% of the capital;
- acquire and hold shares for financial and asset management purposes.

The maximum number of shares that may be acquired under this authorisation is set at 10% of the total share capital, adjusted by any modifications made during the authorisation period and calculated in agreement with Article L. 225-209 of the French Commercial Code.

The maximum purchase price is set at €80 per share exclusive of fees on the basis of a nominal value of €5 per share.

The Board of Directors, with the possibility of sub delegating its authorisations as allowed for by law, may adjust the aforementioned price in the event of incorporation of reserves or earnings, giving rise either to an increase in the nominal value of the shares or to the creation and attribution of free shares, in the event of a stock split or a reverse stock split, and, more generally, in the event of operations pertaining to equity capital, in order to take into account the consequences of these operations on the value of shares. The price would then be adjusted using a multiplier equal to the ratio of the number of shares making up the capital before and after the operation.

As an indication, based on the number of shares in the share capital at 28 February 2014, *i.e.* 6,253,916 shares, the maximum amount that the Company may earmark for its share buyback (excluding shares already held by the Company and subject to changes that may affect the capital after 28 February 2014) may not exceed €50,031,280.

The acquisition, sale or transfer of such shares may be effected by any means on the market or OTC as provided by the market authorities and in compliance with current regulations.

This authorisation is valid for a maximum term of eighteen (18) months from this meeting date.

It may not be used during a period of takeover bid or exchange.

It cancels out any previous delegation of power having the same purpose.

The General Meeting confers full powers to the Board of Directors, with the authority to subdelegate entrusted it in accordance with the law, to decide and implement this authorisation; to specify its terms if necessary and decide on its modalities, with the power to delegate the performance of the purchase programme within legal conditions, notably to place any market orders, to conclude any agreements with the purpose of keeping stock registers, to make any declarations, especially to the *Autorité des Marchés Financiers,* to comply with all formalities, and more generally, to take any required steps.

Sixteenth resolution

(Powers to effect formalities)

The General Meeting gives full powers to the bearer of an original, a copy or an excerpt of the minutes of this Meeting in order to carry out any and all necessary formalities.

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

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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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