



Société de la Tour Eiffel enters into exclusive negotiations for the acquisition of a 20 000 m² Malakoff office property with Patron Capital Partners against 8.4% of the Company's share capital



In the wake of meaningful progress on its strategic repositioning and first half results, Société de la Tour Eiffel is embarking on a new growth cycle through the acquisition of an office complex of 19 752 m² located in Malakoff (92) from Patron Capital Partners. This transaction should serve as a precursor to an ongoing business partnership principally focused on value-added projects. The consideration would be wholly in shares giving Patron Capital Partners 8.4% of the SIIC's share capital together with Board representation.

The Company's Board, at its meeting of 17 September 2013, unanimously approved the continuation of these negotiations.

A quality product in the perspective of the revised Company strategy concentrating on Paris offices

The property is largely compliant in this respect:

- A modern office complex ;
- Sought after office location on the Paris fringe ;
- Long-term tenancy – 8 years remaining. Edenred, the world leader in corporate vouchers, occupies the property as its headquarters.

An estimated initial return of 7.2% is in line with the Company's performance criteria.

This deal would increase the Company's overall portfolio by 10% whereas the core element (Parisian offices) will represent 60% up from 56%¹.

A share transaction acquisition enabling the Company to bolster its net equity whilst benefitting from the support and expertise of a recognised investor.

The transaction would be concluded by the contribution of shares in a OPCI owning the asset. Taking into account debt, the net asset contribution amounts to around € 28.4m and would be satisfied through the issuance of approximately 568,000 Société de la Tour Eiffel shares at € 50.0. This issuance price of € 50€ (ex-dividend of € 1.20 27 September 2013) represents a significant premium on the Company's current share price (+9% compared to last month's average and +12% compared to last year's average²); Patron Capital Partners thus demonstrate their confidence

¹ Proforma data as at 30/06/2013

² Price adjusted for a € 1.20 dividend



in the Company's strategy, portfolio and management which it will aim to help develop through application of its own experience and resources.

Following this transaction Patron Capital Partners would become a significant shareholder in Société de la Tour Eiffel, with some 8.4% of the capital. An established property investor, Patron Capital Partners has raised over 2.5 billion euros of equity since its creation in 1999 has successfully invested in over 100 property transactions throughout Europe.

Outline timing

In accordance with regulatory requirements, the values accorded to the contributed asset and the corresponding remuneration are subject to an independent audit. In early November once the findings are to hand, approval for the final agreement and the subsequent capital increase will be sought from the Société de la Tour Eiffel Board, acting under delegated authority granted by the Annual General Meeting of 30 May 2013.

Renaud Haberkorn, Chief Executive Officer of Société de la Tour Eiffel declares:

« *This transaction is doubly beneficial for Société de la Tour Eiffel. The property portfolio is supplemented by a quality asset totally in line with our strategy, whilst we shall be able to forge a partnership with a renowned investor desirous of undertaking future joint operations with us. Finally this is a clear endorsement of our strategy and portfolio quality by a demanding investor* ».

Keith Breslauer, founder and Managing Director of Patron Capital declares :

« *Further to its previous investment in Vectrane, Patron is delighted to re-enter the French SIIC market to actively participate alongside a successful management team in the implementation of Société de la Tour Eiffel's strategy which we believe rightfully targets one of the most dynamic segment of the French market.* »

About Patron Capital Partners

Established in 1999, Patron Capital Partners has evolved into one of the leading opportunistic real estate investors in Europe. It represents approximately €2.5 billion of capital across several funds (including its most recent Fund IV) and related co-investments, investing in property, corporate operating entities whose value is primarily supported by property assets predominantly across Western Europe. To date Patron has invested in over 100 transactions across over 50 investments, involving approximately 40 million square feet in 13 countries.

About Societe de la Tour Eiffel

A listed real estate investment company (SIIC) on NYSE Euronext Paris, the company pursues a strategy focused on the ownership and the development of quality offices in Paris and its region capable of attracting a wide range of tenants in both established and emerging locations. The company's portfolio stands at 809 million Euros of assets. Societe de la Tour Eiffel is listed on NYSE Euronext Paris (compartment B) – ISIN code: 0000036816 – Reuters: TEIF.PA – Bloomberg EIFF.F. Indexes: GIEIF Foncières, IEIF Immobilier France.

Press contact

Jean-Philippe MOCCI
Capmot
Tel : +33 (0)1 71 16 19 13/+33 (0)6 71 91 18 83
jpmocci@capmot.com

www.societetoureiffel.com

Communication

Renaud HABERKORN
Chief Executive Officer
Tel : +33 (0)1 53 43 07 06
r.haberkorn@stoureffel.com