

2014 Q1 turnover

The consolidated turnover of Société de la Tour amounts to €15.8m for the first quarter of 2014 as compared to €20.1m for the first quarter of 2013, with the rental income decreasing from € 16.8m to € 13.2m in 2014, i.e. a drop of 21.5%, of which 3.4% on a like-for-like basis.

The main driver of this development is the proactive contraction of the portfolio, which has a negative impact of -€ 3.8m on rental income. The sale of non-core assets has resulted in a 23.4% portfolio reduction, which has dropped from €915m to € 701m over twelve months. For the record, it is this policy which has allowed both to reduce the Group's indebtedness to return to normative ratios and also to very significantly increase the consistency of its portfolio, with 69% of Paris office buildings as compared to 49% a year ago. This contraction is partially offset in 2014 (+€0.6m) by the impact of the entry of the Montrouge property in the portfolio, as of Q2 2013.

Furthermore, on a like-for-like basis, rents have decreased by 3.4%, i.e. a total impact of -€ 0.4m on the variation of rents. This is linked to both a neutral indexing effect and also to a slight deterioration of the occupancy rate, with an impact of -€ 0.4m on the variation of rents between Q1 2014 and Q1 2013.

On a consolidated basis, the EPRA financial occupancy rate amounts to 92.3% as at 31 March 2014 vs. 92.0% one year before and 93.7% as at 31 December 2013.

Consolidated turnover

(in €m)	2014 Q1	2013 Q1	Variation	LFL variation
Annual total	15.8	20.1	-21.2%	ns
Of which rents	13.2	16.8	-21.5 %	-3.4%

Notable events since 01 January 2014

The disposal policy of non-core assets continues, with two sorting centres leased to La Poste, in La Roche-sur-Yon and Les Souhesmes, being sold at the beginning of the year for € 7m as anticipated in the Group's annual accounts. Other non-core buildings disposals are under discussion with potential buyers. These additional sales, for an overall volume which should be significantly lower than that of 2013, are meant to be offset in value and in rental income by acquisitions of Paris office buildings, some of which are already at the preliminary sale agreement stage.

The Group has also recorded leaves from tenants, expected to occur from mid-2014 till end-2015, with a maximum theoretical impact on annual rental income of € 8.3m, taking the 2013 rental income as a basis and including the lower rent going forward on the Plessis building where 2/3 of the space has been extended for 9 years from 01 January 2014. In most cases, discussions are well underway with alternative tenants for leases which could, in certain situations, be executed before the actual date of leave.

The takeover bid initiated by SMABTP on the Company, with a revised offer price of 53 Euros per share, had resumed with the closing date for the offer set at 23 May 2014, following the decision rendered by

the Paris Court of Appeal on 10 April 2014. The Court decided not to give suspensive effect to the appeal initiated by MI 29 against the decision of the French financial markets authority (*Autorité des Marchés Financiers* - AMF) declaring SMABTP's bid compliant. However a new appeal has been logged on 9 May 2014 by MI 29 to challenge the AMF stamp of approval on SMABTP's increased offer, which had been made public on 30 April 2014. On this basis, the AMF has indicated today that the revised Offer timetable is postponed with a new closing date to be announced.

On 30 April 2014, the Paris Court of Appeal finally rejected the request of this same shareholder to appoint an ad hoc representative in order to call a general meeting, considering in particular that "MI 29 cannot seriously be unaware that such an attitude of "taking the law into one's own hands" disrupts, by its own doing, the normal operation of the company" and "the designation of an ad hoc representative responds even less to a legitimate interest, given that the shareholding of STE is likely to change radically in the near future,..." This ruling, which confirms the decision of the first judges, was accompanied by an order for MI 29 to pay 50,000 Euros to STE, in addition to the 10,000 Euros awarded in first instance.

Agenda: 23 July 2014 (post market close): half year results

About Société 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 mainly in Paris and its region capable of attracting a wide range of tenants. The company's portfolio stood at 701 million Euros of assets as at 31 December 2013. Société 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.

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