

Société de la Tour Eiffel
Letter to the Shareholders
January 2014

The Chief Executive Officer

Thursday, 16th January 2014

Dear Shareholder,

The New Year is an occasion to address best wishes for health, happiness and success in 2014 to you and your families and to look back over the ground covered in 2013.

Last year's seamless management transition went hand in hand with the successful implementation of a new, ambitious strategic plan aimed at repositioning the Company to be poised for growth by the end of 2014.

This plan adopted by the Board on December, the 5th 2012 revolves around three themes:

- focusing activity on Parisian offices
- improving the Company's risk profile in reducing debt and
- the initiation of transactions offering value creation potential.

Results obtained a year ahead of schedule

Despite the unfounded legal attacks on the management by one shareholder, the strategic plan was successfully implemented with tangible results a year ahead of schedule. Having skilfully negotiated its major lines of finance (maturities extended to 2017/2019) at the end of 2012, the Company was able to sell non-strategic provincial assets to the tune of €190 million, virtually at NAV during the ensuing twelve months. Consequently, the core Parisian element of the portfolio rose to 69% from 49% over the period.

A consequence of these endeavours was a significant reduction in the Company's debt ratio from 56% in 2012 to c. 47% end of 2013, close to the target originally set for the end of 2014, thus accelerating financial consolidation.

Société de la Tour Eiffel is, therefore, well on its way to reassuming a growth path and is in a position to entertain value-added acquisitions and exploit its acknowledged know-how in this field in the Paris region. The leasing in 2013 of the 5 000 sq.m, Eiffel O² office development in Montrouge to a subsidiary of La Poste is a good example of such expertise. It should also be noted that the financial occupancy rate of the Company's portfolio at 93.7% is the highest on record showing a 2% improvement year on year.

A stance applauded and rewarded

This performance has been recognised not only by analysts and the press, but also by the markets as can be seen from the Total Shareholder's Return for 2013 which exceeded 16%. Moreover, despite downsizing and refocusing the portfolio, we will be able to respect our historical commitment by recommending the Company maintains an attractive dividend (estimated at € 3.20 per share), partly due to cost reduction measures of some 20% as of the second half 2014.

On the back of the impetus generated in 2013, and thanks to an experienced management team, your Company starts the year 2014 with confidence and with the objective of returning to a sustainable growth path, thanks to balance-sheet improvements made in 2012 and 2013. 2014 should bring new growth opportunities partly financed by non-strategic asset sales. These operations will either involve new acquisitions or the development of our land reserves, for example at Massy, where planning permission has just been granted for 33,000 sq.m of offices (only to be initiated on the basis of a pre-let).

Thank you for your continued support and confidence,

Yours faithfully,



Renaud HABERKORN
Chief Executive Officer