

“Société anonyme” (public limited company) with capital of 31,269,580 Euros  
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## **HALF-YEAR FINANCIAL STATEMENTS 2014**

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## I - INTERIM MANAGEMENT REPORT

### 1.1 – ACTIVITY AND HIGHLIGHTS OF THE GROUP DURING THE 1<sup>ST</sup> HALF OF 2014

During the first half of 2014, Société de la Tour Eiffel began the implementation of the third component of the 2012 strategic plan.

For memory, it includes three components:

- 2012: reduction of risk, carried out in particular through (i) setting up the refinancing of the financial debt, effective at the end of 2012, (ii) the reduction of the loan-to-value ratio ("LTV", the ratio between net financial debt and the valuation of assets) from 60 to 56% via the sale of 70 million Euros of non-Parisian (hereinafter "non-core") assets during financial year 2012 and (iii) the establishment of a new governance and the arrival of Renaud Haberkorn as Chief Executive Officer on 1 September 2012;
- 2013: restructuring of the balance sheet in terms (i) of the asset portfolio with a share of "core" buildings which increased from 49% to 69% of assets in one year and (ii) of financial debt with an LTV ratio reduced to 46.7%;
- From 2014: arbitrage and growth.

In this context, financial year 2014 is focused on the five following objectives:

- a) Securing of rents;
- b) Sale of non-strategic assets;
- c) Reduction of debt, with an LTV at 45% at the end of the financial year;
- d) Reinstatement of investments on office property in Paris and in the Ile-de-France region;
- e) Reduction of operating costs.

Furthermore, the shareholding context was subject to many changes during the first half of 2014. No less than four public bids were filed and approved by the AMF over the period:

- Three by SMABTP (€ 48 then € 53 then € 58/share)
- One by Eurobail (€ 55€/share)

The second half should see the end of uncertainty relating to this situation, which will also allow us to hold the General Shareholders Meeting to approve the accounts for 2013 and the related final dividend.

#### a) **Securing of rents**

The first half of 2014 saw the maintenance of the EPRA vacancy rate at a very satisfactory level of 6.3% in absolute value at 30 June 2014 of 6.8%, which represents a very slight increase as compared to the ratio observed at 31 December 2013.

The Group also recorded a virtual stability of its rents on a like-for-like basis (0.5%), which reflects its capacity to optimise the return on its assets in a difficult market.

In this context, the Group received notices of leave from five major lessees, for leases to expire between 30 June 2014 and 31 December 2015.

Two of these situations were positively addressed as of the first half:

- a) Renewal of the Plessis-Robinson lease with the current tenant, over approximately two thirds of surfaces;
- b) Lease signed with France Télévisions for the St-Cloud building.

The three other situations are currently under discussion (Rueil, Bobigny and Montpellier), two of which with expiry dates between April and December 2015.

#### **b) Sale of non-strategic assets**

Within the framework of the active management of assets, and entirely in line with the strategy to refocus on recent office buildings with low rents in the Parisian region, during the first half of 2014 the Company carried out € 8.2m in disposals, detailed below:

- on 17 February, the building rented to La Poste in Les Souhemes,
- on 28 February, a surface located in the Montigny building,
- on 30 April, the building rented to La Poste in La Roche-sur-Yon,
- on 21 May, building P2 located in the Parc du Perray in Nantes.

Several undertakings to sell were signed during this first half, for a total estimated amount of over € 41.1m

- on 31 January 2014, a building lot comprising plot 5K3 of the ZAC Ampère in Massy, as well as the rights to build a construction programme which is to represent a Floor Area of residential property of between at least 13,500m<sup>2</sup> and 15,000m<sup>2</sup>,
- on 6 February 2014, part of building G of the Parc des Tanneries in Strasbourg,
- on 7 February, a plot of land in the Parc d'Orsay,
- on 24 April, the building at 8 avenue Paul Langevin in Herblay,
- on 19 May, the Parc du Perray in Nantes,
- on 17 June, the Business Park in Chartres.

#### **c) Reduction of debt, with an LTV ratio of less than 50%**

The Group is committed to continuing to reduce its debt ratios, and in particular its LTV ratio, in order to move towards the best practices of the sector.

This ratio stood at 46.7% at 31 December 2013 as compared to 55.9% at 31 December 2012, and continued to improve over the last six months to reach 44.0% at 30 June 2014. This evolution is the direct consequence of the selective disposal policy carried out by the Group since 2012. This ratio takes into account the restatement of the Saar LB cash deposit in deduction from the net financial debt for € 3.9m (this amount is recorded in other financial assets). Without this restatement, the LTV ratio would be 44.6% at 30 June 2014, i.e. below the objective of 45% by the end of 2014.

Furthermore, taking into account the realisation of commitments valid on 30 June 2014, both for disposals (see §b above) and for acquisitions (see §d below), the ratio amounts to 42.7% on a pro forma basis.

#### **d) Réinstatement of investments**

During the first half of 2014, the Group examined several investment opportunities relating to recent office buildings with low rents in the Parisian region.

More specifically, an undertaking to sell was signed in 5 May 2014 for the acquisition of a building complex located in the inner suburbs, comprising two office buildings (two-storey and three-storey) with a floor surface of 8,290.20 m<sup>2</sup> entirely rented by a CAC 40 company. A 12-year lease (of which 10.5 firm years) will be concluded with this tenant at the same time as the signature of the deed of sale, planned for mid-July 2014.

This transaction allows the Group to resume its growth strategy.

Finally, the redevelopment of the land reserves available in Massy continued to be subject to examination and commercial prospecting during the first half of 2014. In particular, the Company focused on the pre-commercialisation of the Power Park building complex project, in order to be able to launch the construction.

#### **e) Reduction of operating costs**

Operating costs continue their downward adjustment, to accompany the voluntary reduction of the Company's assets. Operating costs thus dropped from € 8.7m in H1 2013 to € 7.5m in H1 2014, on an IFRS basis.

Furthermore, the significant amount of non-recurring costs for H1 2014 (€ 1.7m) points towards a potential significant additional improvement. These non-recurring costs mainly relate to (i) the impact of the shareholding context (consultants' and lawyers' fees) and (ii) to the end of the transitional governance period.

The implementation of cost-cutting measures is well under way, with a full impact expected for the middle of 2014, due to the termination periods of contracts or agreements in place.

## **1.2 – ECONOMIC AND FINANCIAL RESULTS**

### **1.2.1 - Accounting standards - Consolidation scope**

On 30 June 2014, the Group's consolidated accounts were established in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable on this date.

The accounting rules and methods applied are the same as those adopted for the establishment of the annual financial statements at 31 December 2013.

The consolidation scope includes 17 companies consolidated according to the full consolidation method. The changes in the scope of consolidation which have occurred since 1 January 2014 are as follows:

- SCI Grenoble Pont d'Oxford was subject to a Total Transfer of Assets to the benefit of Société de la Tour Eiffel on 31 May 2014;
- SCI Verdun was created on 25 April 2014. It is held at 99% by Société de la Tour Eiffel and at 1% by the SCI Arman F02.

## 1.2.2 - Consolidated balance sheet and income statement

### a) Consolidated income statement

The consolidated turnover (comprising rents and rental income on buildings) suffered a decrease between H1 2013 and H1 2014, dropping from € 39.2m to € 31.3m, with rents alone representing respectively € 32.8m and € 26.1m.

This net decrease of 6.7 M€ in rents is mainly due to the impact of disposals carried out in 2013 and during the first half of 2014 (-6.5 M€), with to a lesser extent the net negative indexation and net reletting, for a variation on a like-for-like basis of 0.5%.

The other rental income, i.e. property operating expenses recharged to tenants, has also decreased (€ 5.1m at 30 June 2014 as compared to € 6.4m at 30 June 2013).

Operating expenses, which stood at € 12.6m at the end of June 2014 as compared to € 15.1m at the end of June 2013, have decreased over the period (-16.6%). They comprise:

- property operating expenses (€ 9.7m as compared to € 11.9m at the end of June 2013);
- operating costs (€ 2.9m as compared to € 3.2m at the end of June 2013).

The net balance of value adjustments (-€ 14.0m) corresponds to the variation of the fair value of real estate assets over the first half of 2014, after taking account of capital expenditures carried out during this period (€ 2.8m).

After taking into account the almost zero result of the disposals of assets (-€ 45K) and other operating income and expenditure, the operating result is of € 4.5m at 30 June 2014 as compared to € 0.5m at 30 June 2013.

The evolution of the financial result over the period, from -€ 1.1m to -€ 12.7m, is mainly due to:

- the substantial decrease in other financial income and expenditure (-€ 5.4m at the end of June 2014 as compared to +€ 9.6m at the end of June 2013), mainly resulting from the loss in value of hedging instruments in a context of higher interest rate expectations;
- the reduction of the cost of gross financial debt of 31.4 % (from € 10.8m to € 7.4m), mainly impacted by the decline in outstanding financing related to the disposals and early repayments in 2013 and 2014. The Group's average financing rate has stood at 3.8 % for the first half of 2014, as it stood for the first half of 2013.

Taking these elements into account, the consolidated net result (Group Share) amounts to -€ 8.2m at 30 June 2014 as compared to -€ 0.7m at 30 June 2013.

### Analysis of the consolidated result on the basis of recurring and non-recurring activities

The consolidated profit and loss account below shows the income, expenditure and intermediary results, drawing a distinction between the recurring activity of the operating of property assets and the non-recurring items affecting the consolidated result, such as adjustments in the value of assets and liabilities, gains and losses made on disposals and non-operating and/or non-recurring income and expenditure.

in €M	30/06/2014			30/06/2013		
	Recurring EPRA net profit	Non-recurring activity	Result	Recurring EPRA net profit	Non-recurring activity	Result
Gross rents	26.1		26.1	32.8		32.8
Property expenses	-4.5	-0.1	-4.6	-5.1	-0.4	-5.5
Operating costs	-1.6	-1.3	-2.9	-2.2	-1.0	-3.2
<b>Current operating profit</b>	<b>20.0</b>	<b>-1.4</b>	<b>18.7</b>	<b>25.4</b>	<b>-1.3</b>	<b>24.1</b>
<b>% rents</b>	<b>76.7%</b>		<b>71.4%</b>	<b>77.6%</b>		<b>73.5%</b>
Income from disposals		-0.04	-0.04		0.9	0.9
Change of fair value of buildings		-14.0	-14.0		-24.5	-24.5
Other operating income and expenses	-0.1		-0.1	0.1	-0.1	0.0
<b>Operational result</b>	<b>19.9</b>	<b>-15.4</b>	<b>4.5</b>	<b>25.5</b>	<b>-25.0</b>	<b>0.5</b>
<b>% rents</b>	<b>76.1%</b>		<b>17.4%</b>	<b>77.9%</b>		<b>1.6%</b>
Cost of net debt	-7.4		-7.4	-10.8		-10.8
Other financial income and expenses		-5.4	-5.4		9.6	9.6
<b>Net financial result</b>	<b>-7.4</b>	<b>-5.4</b>	<b>-12.7</b>	<b>-10.8</b>	<b>9.6</b>	<b>-1.1</b>
<b>Net result before tax</b>	<b>12.5</b>	<b>-20.7</b>	<b>-8.2</b>	<b>14.8</b>	<b>-15.4</b>	<b>-0.6</b>
Taxes	0.0		0.0	-0.1		-0.1
<b>Net profit</b>	<b>12.5</b>	<b>-20.7</b>	<b>-8.2</b>	<b>14.7</b>	<b>-15.4</b>	<b>-0.7</b>
<b>% rents</b>	<b>47.9%</b>		<b>-31.4%</b>	<b>44.7%</b>		<b>-2.1%</b>
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net result (Group share)</b>	<b>12.5</b>	<b>-20.7</b>	<b>-8.2</b>	<b>14.7</b>	<b>-15.4</b>	<b>-0.7</b>
<b>Net result (Group share) per share (*)</b>	<b>2.0</b>	<b>-3.3</b>	<b>-1.3</b>	<b>2.4</b>	<b>-2.5</b>	<b>-0.1</b>

(\*) Number of shares: 6,253,916 at 30/06/2014 as compared to 6,227,218 at 30/06/2013

Restated by adjustments to values performed on assets and liabilities, asset transfers and non-recurring items of income, the operating result stands at € 19.9m for the first half of 2014 and the recurring EPRA net profit at € 12.5m, as compared, respectively, to € 25.5m and € 14.7m for the first half of 2013.

The current operating margin has decreased slightly to 76.7% of rents as compared to 77.6% during the first half of 2013.

## b) Consolidated balance sheet

At 30 June 2014, the balance sheet total amounted to € 756.8m as compared to € 758.5m at 31 December 2013.

The main changes are summarised below:

### ▪ **Assets:**

- The net decrease of 19.4 M€ of investment properties and assets intended for sale (from 701.0 M€ to 681.6 M€) is explained as follows:

Fair value of assets at 31/12/2013	701.0	
<i>of which investment properties</i>	692.4	
<i>of which Assets for disposal</i>	8.6	
Acquisitions and expenditure subsequent to the acquisition	2.8	<b>(1)</b>
Transfers	-7.8	<b>(2)</b>
Aborted projects	-0.3	
Fair value effect	-14.0	
Fair value of assets at 30/06/2014	681.6	
<i>of which investment properties</i>	640.5	
<i>of which Assets for disposal</i>	41.1	

- (1) - of which € 1m of expenditure within the framework of the building permit for the Power Park project in Massy (SCI Arman Ampère)
  - of which € 0.5m of capital expenditure on the Parc du Perray in Nantes, subject to an undertaking to sell at 30 June 2014 (SAS Locafimo)
  - of which € 0.5m of capital expenditure on the Montigny asset (SAS Locafimo)

- (2) La Poste Warehouses (€ 7.2m), Parcs Eiffel (€ 0.6m)

- The net increase in cash presented in the balance sheet under assets of € 14.5m.

▪ **Liabilities:**

- The decrease in shareholders' equity of € 7.9m mainly related to the degradation of the consolidated result (loss of € 8.2m at 30 June 2014 as compared to a loss of € 1.9m at 31 December 2013), itself mainly related to adjustments in fair value on assets and hedging instruments (non-cash).

In view of the public offerings made during the first half, the annual ordinary General Meeting was not held and the result for financial year 2013 is therefore still under allocation (final dividend for 2013 not paid). In fact, on 19 May 2014, the Commercial Court granted the Company until 31 December 2014 to hold this General Meeting, so that it is held on the basis of a stabilised shareholding, post-public offerings.

- The reduction of bank debt (-€ 8.9m) related in particular to the disposals during the first half;
- The increase of € 14.8m in other operating debts is explained mainly by:
  - ✓ The increase in other financial liabilities (+€ 5.4m) principally related to the loss of value of € 5.2m in hedging instruments over the first half;
  - ✓ The increase in trade and other payables (+€ 7.7m), in particular due to:
    - The recording by SCI Arman Ampère of a debt of € 3.5m relating to an advance payment received on the sale of a plot of land during the first half of 2014;
    - The supplement of € 1.8m received from the insurance company within the framework of a claim for structural damage, for the time being recorded in other debts while waiting for the works to be completed.

**c) Cash flow statement**

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

- Cash flows relating to operations: they dropped from € 28.7m at the end of June 2013 to € 25.2m at the end of June 2014. This decrease is mainly due to:
  - (i) A decrease in rents (disposals);
  - (ii) The decrease in the change in working capital linked to operations (-€ 0.8m).
- Cash flows related to investment operations: the evolution between June 2013 and June 2014 (-€ 77m), from € 82m to € 5m is mainly due to the exceptional level of sales of buildings in 2013 within the framework of the refocusing policy implemented by the Company;



- Cash flows related to financing operations: these flows stood at –€ 15.6m at 30 June 2014 as compared to –€ 92.3m at 30 June 2013 mainly due to higher net loan repayments in 2013 (mainly caused by disposals of assets) and the reduction in dividends paid in cash to shareholders (from € 7.2m to € 0m at the end of June 2014 due to the deferral of the General Meeting to approve the 2013 accounts within the framework of the public offerings in progress).

Therefore, the Group's net cash position increased from € 21.5m at 1 January 2014 to € 35.9m at 30 June, i.e. an improvement of € 14.5m for the first half of financial year 2014.

#### d) Current cash-flow

in M€	30/06/2014	30/06/2013	Variation
Gross rents	26.1	32.8	-20.2%
Property expenses	-4.5	-5.1	-12.1%
Overhead costs	-1.3	-2.2	-42.3%
Financial interest paid	-6.7	-11.4	-41.3%
<b>Current cash-flow</b>	<b>13.7</b>	<b>14.0</b>	<b>-2.5%</b>

#### in € / share

<b>Current cash-flow after dilution (*)</b>	<b>2.19</b>	<b>2.25</b>	<b>-2.9%</b>
<b>Current cash-flow before dilution (*)</b>	<b>2.20</b>		<b>-2.5%</b>

(\*) Dilution consecutive to the capital increase following the exercise of the stock options of the plan of 11/12/2008 (creation of 26,698 new shares)

The current cash-flow stood at 13.7 M€ at the end of June 2014 as compared to 14.0 M€ at the end of June 2013, i.e. a decrease of 2.5% explained by the reduction in gross rents (disposals of assets) partially off-set by the decrease in overhead costs, and financial interests paid due to the partial repayment of loans.

### 1.2.3 - The Group's Assets

All the assets of Société de la Tour Eiffel Group were subject to a complete valuation on 30 June 2014 (with the exception of 3 assets covered by an undertaking to sell), by one of the following independent valuers commissioned: BNP Paribas Real Estate Valuation, Savills, Cushman & Wakefield Expertise and Crédit Foncier Expertise.

During the first half, the Group did not perform any rotation of experts; this rotation will take place during the second half. The distribution of files between the experts is based on the geographical location of buildings as well as on the type of buildings subject to appraisal.

The Group's assets stand at € 681.6m, excluding transfer fees and costs, of which € 640.5m in investment properties and € 41.1m in buildings intended for sale.

Following the recommendations of the French financial markets regulator, *Autorité des Marchés Financiers*, these valuations were performed according to methods which are

recognised and homogeneous from one year to the next on the basis of net selling prices, i.e. excluding costs and duties.

### Evolution of assets at 30 June 2014

in millions of Euros	30/06/2014	31/12/2013	Variation H1 2014/2013	Var in %	% of assets at 30/06/2014
Paris-IdF Offices	477.8	485.7	-7.8	-1.6%	70.1%
<b>Core</b>	<b>477.8</b>	<b>485.7</b>	<b>-7.8</b>	<b>-1.6%</b>	<b>70.1%</b>
Regional Offices	139.5	141.6	-2.1	-1.5%	20.5%
Other assets	64.3	73.8	-9.5	-12.8%	9.4%
<b>Non-core</b>	<b>203.8</b>	<b>215.3</b>	<b>-11.5</b>	<b>-5.3%</b>	<b>29.9%</b>
<b>Total assets</b>	<b>681.6</b>	<b>701.0</b>	<b>-19.4</b>	<b>-2.8%</b>	<b>100.0%</b>

in millions of Euros	30/06/2014	31/12/2013	Variation H1 2014/2013	in %
<b>Paris-IdF Offices</b>	477.8	485.7	-7.8	-1.6%
<b>Regional Offices</b>	139.5	141.6	-2.1	-1.5%
<b>Warehouses/sorting centers</b>	53.9	62.1	-8.3	-13.3%
<b>Business premises/Commercial premises</b>	10.5	11.6	-1.2	-10.2%
<b>Total assets</b>	<b>681.6</b>	<b>701.0</b>	<b>-19.4</b>	<b>-2.8%</b>

### Methodology applied by the valuers

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

The results obtained are also cross-checked with the initial yield rate and the market values per m<sup>2</sup>.

The yield method consists in capitalising a net income in place or a market rent at an appropriate yield rate and taking into account the difference between actual rents and income through income losses or rental gains taken into account for their discounted value.

This method is based on the rental value (market rental value) of properties, compared to the net income collected. When the net rent is close to the rental value, the rent is capitalised on the basis of a market yield rate, reflecting in particular the quality of the building and of the tenant, the location of the property and the remaining fixed term of the lease.

The yield rate (ratio between the net income recorded (\*) on the building and the gross market value, including fees) chosen is assessed by comparison with the yield rates observed from transactions on the market. In the event where the net rent is substantially higher or lower than the rental value, the discounted rent difference until the next 3-year expiry date is added or deducted from the capitalised rental value at the yield rate adopted, discounted until the expiry of the lease.

*(\*) For buildings subject to vacancy, the net income recorded is increased by the market rental value of the vacant premises.*

For surfaces vacant at the time of the valuation, the rental value is capitalised at a market yield rate increased by a risk premium, then the shortfall in rental income during the estimated period of commercialisation is deducted. Vacant premises are valued in a weighted manner by the valuers on the basis of market rental values, minus carrying costs attached to a period of commercialisation assessed by the experts, and minus any commercial incentives likely to be granted to potential tenants.

The yield rates adopted by the valuers, for valuations at 30 June 2014, range between 5.50% and 9.50%; they are determined by the property experts according to the risk represented by a given asset class and include the impact of vacant premises.

For assets which include a residual land value, the experts issue a specific valuation. With respect to assets with no residual land value, the overall value of the appraisals already takes into account the value of the property.

### **Adjusted net asset value**

#### **- Triple Net EPRA Net Asset Value**

The Triple Net EPRA Net Asset Value corresponds to the Group's consolidated shareholders' equity at 30 June 2014, plus the unrealised gains on goodwill after taxes on intangible assets corresponding to the value of SNC Tour Eiffel Asset Management.

At 30 June 2014, the Triple Net EPRA Net Asset Value is of € 56.6 per share, as compared to € 58.1 at 31 December 2013, i.e. a decrease of 2.5 %. Excluding the dilution effect (see definition of number of diluted shares in section 1.6), this Net Asset Value is of € 56.8 per share at 30 June 2014, i.e. a decrease of 2.2 % as compared to 31 December 2013.

- EPRA Net Asset Value

The EPRA Net Asset Value corresponds to the Group's shareholders' equity at 30 June 2014:

- o plus the unrealised gains on goodwill after taxes on intangible assets corresponding to the value of SNC Tour Eiffel Asset Management;
- o excluding the fair value of the financial instruments;
- o excluding deferred tax assets and liabilities.

At 30 June 2014, the EPRA Net Asset Value is of € 58.9 per share as compared to € 59.6 per share at 31 December 2013, i.e. a decrease of 1.0 %.

**Calculation of the Triple Net EPRA Net Asset Value on the basis of consolidated shareholders' equity**

In millions of Euros	30/06/2014	31/12/2013	VAR in %
Shareholders' equity (group share)	348.3	356.2	-2.2%
Unrealised gains on intangible fixed assets	5.6	5.6	
Restatement Fair Value of Financial Instruments	14.7	9.6	
<i>assets</i> -	0.0	-	0.2
<i>liabilities</i>	14.8	9.8	
Restatement Deferred Taxes	- 0.3	- 0.3	
EPRA NAV	368.3	371.0	-0.7%
Restatement Fair Value of Financial Instruments	- 14.7	- 9.6	
Restatement Deferred Taxes	0.3	0.3	
EPRA NNAV	353.9	361.8	-2.2%
<i>Number of shares diluted at the end of the period</i>	<i>6,247,639</i>	<i>6,227,986</i>	<i>0.3%</i>
<b>Per share (€) (*)</b>			
EPRA NAV per share after dilution	58.9	59.6	-1.0%
NAV per share before dilution	59.1		-0.7%
Triple Net EPRA NAV per share after dilution	56.6	58.1	-2.5%
Triple Net EPRA NAV before dilution	56.8		-2.2%

(\*) Number of shares diluted: 6,247,639 at 30 June 2014 as compared to 6,227,986 at 31 December 2013

### Change from the Triple Net EPRA NAV at 31/12/2013 to that of 30/06/2014

	in €M	Per share in €
<b>Triple Net EPRA NAV at 31/12/2013</b>	<b>361.8</b>	<b>58.1</b>
Impact of the change in the number of shares		-0.2
Net result minus gains and losses on disposals and changes in FV	11.0	1.8
Distribution of dividends	0.0	0.0
Gain/loss from disposal	-0.05	0.0
Valuation of real estate assets	-14.0	-2.2
Valuation of hedge instruments	-5.2	-0.8
Others	0.3	0.1
<b>Triple Net EPRA NAV at 30/06/2014</b>	<b>353.9</b>	<b>56.6</b>
<i>Number of shares diluted at 30 June 2014:</i>	6,247,639	
<i>Number of shares diluted at 31 December 2013:</i>	6,227,986	

#### 1.2.4 - FINANCING OF THE GROUP

At 30 June 2014, the gross bank debt stood at 339.9 M€ as compared to 348.5 M€ at 31 December 2013.

The amount of the net bank debt, obtained by deducting cash invested, and the liquidities resulting from the different subsidiaries of the Group, is of 300.1 M€ at the end of the first half of 2014, as compared to 324.1 M€ at the end of 2013.

In M€	30/06/2014	31/12/2013
Gross bank debt	339.9	348.5
Cash invested	- 18.0	- 1.7
Cash deposit related to financing	- 3.9	- 2.9
Liquidities	- 18.0	- 19.8
<b>Net bank debt</b>	<b>300.1</b>	<b>324.1</b>

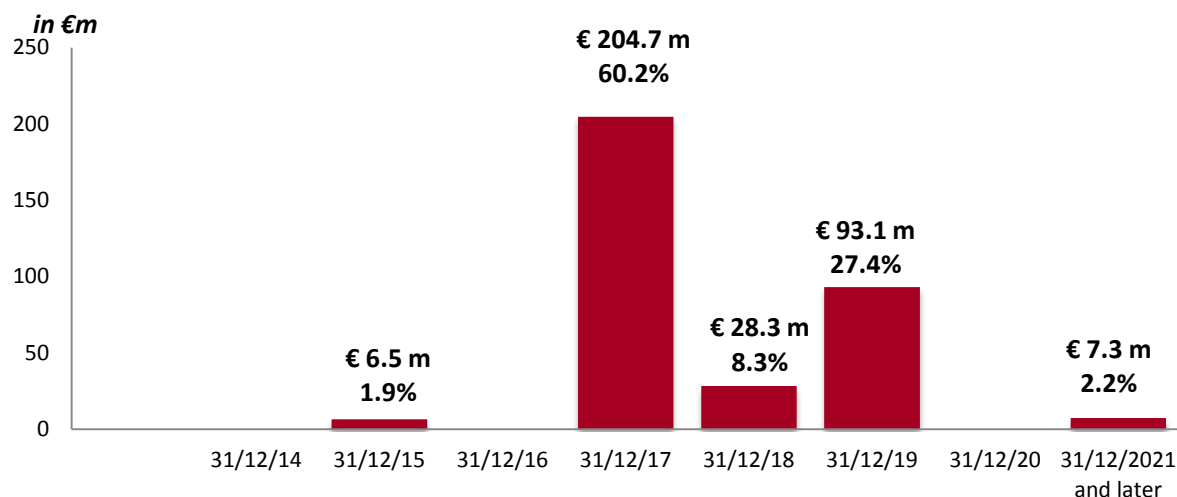
At 30 June 2014, the Group's level of indebtedness therefore represents 44.0 % of assets, the value of which is of 681.6 M€, as compared to 46.2 % (\*) at 31 December 2013.

(\*) *N.B.*:

From 30 June 2014, the cash deposit accounts, which amounted to 3,898 K€ at 30 June 2014, and to 2,949 K€ at December 31, 2013, are restated in deduction from the net financial debt in the calculation of the LTV ratio. These deposits, which belong to the Group, constitute an additional guarantee granted to one of the Group's banks.

	30/06/2014	31/12/2013
<b>LTV</b>	<b>44.6%</b>	<b>46.7%</b>
<b>LTV with restatement of Cash Deposits</b>	<b>44.0%</b>	<b>46.2%</b>

At 30 June 2014, the drawn bank financing of Société de la Tour Eiffel of 339.9 M€ is represented, by maturity, in the diagram below:



Following the refinancing in 2012, the average life of the Group's indebtedness stands at 3.9 years at 30 June 2014, compared to 4.4 years at the end of 2013.

The Group's average financing rate stands at 3.8 % for the first half of 2014, as it stood for the first half of 2013.

The debt ratios are summarised in the table below:

Debt ratios	30 06 2014	31 12 2013
Consolidated equity (M€)	348.3	356.2
Net banking debt (M€)	300.1	324.1
Net banking debt / Consolidated equity	86.2 %	91.0 %
Net banking debt / Total portfolio (LTV)	44.0 %	46.2 %
Financing ratios	30 06 2014	31 12 2013
Average cost of debt	3.84 %	3.85 %
Fixed-rate or capped loan	100 %	100 %
Maturity of the debt	3.9 years	4.4 years
coverage of financial costs by the Gross Operating Profit (*)	2.5	2.3

(\*) *Gross Operating Profit: Current operating result before adjustment of value, net allocation or write-back of depreciation and provisions and other operating income and expenditure*

### Banking covenant ratios:

The financial ratios the Group has undertaken to comply with under its bank financing agreements are summarised in the comparative table below, for the amounts at 30 June 2014 and by lending banking establishment.

It compares the last ratios, LTV and ICR, communicated to the banks during the period to those the Group undertook to comply with under the principal financing contracts concerned.

## Financing and main banking covenants at 30/06/2014

	30/06/2014	Banking covenants		Maturity date	Building financed
	Consolidated banking debt in M€	Maximum LTV	Minimum ICR		
Société Générale / BECM	15.3	65%	145%	15/04/2018	"La Poste" portfolio
Société Générale (50%) - Crédit Foncier (50%)	43.9	65%	110%	28/03/2017	Massy Ampère & Montpellier
Société Générale	6.5	NA	110%	14/01/2015	St Cloud
PBB-CFF-SG-CACIB pool	160.8	60%	120%	13/11/2017	Locafimo
SAAR LB	7.0	72%	176%	26/06/2019	Berges de l'Ourcq
	16.0	53%	192%	26/06/2019	Comète-Plessis
	19.6	63%	159%	26/06/2019	Champigny Carnot
	12.0	58%	178%	26/06/2019	Jean Jaurès
	11.5	52%	233%	26/06/2019	Caen Colombelles
	9.5	70%	148%	26/06/2019	Etupes de l'Allan
	17.5	56%	150%	26/06/2019	Rueil National
Crédit Agricole IdF	7.3	70%	115%	29/06/2022-29/06/2027	Vélizy Energy II
Crédit Foncier	13.0	65%	110%	30/06/2018	Montrouge Arnoux
<b>Total</b>	<b>339.9</b>				

The level of ratios under bank covenants at 30 June 2014 complies with all the Group's commitments under its financing agreements, with the exception of the DSCR ratio on the Rueil National asset. The Group is currently holding discussions with the SAAR bank to formalise a waiver, in particular in view of the amount of the cash deposit relating to the Grenoble asset sold in 2013, and which has no longer any purpose.

### 1.2.5 - EPRA PERFORMANCE INDICATORS

#### Recurring EPRA net profit

The Recurring EPRA net profit is defined as the net recurring profit from current activities.

\*

		<b>30/06/2014</b>	<b>30/06/2013</b>	<b>variation</b>	<b>variation %</b>
--	--	-------------------	-------------------	------------------	------------------------

Recurring EPRA net profit	in M€	12.5	14.7	-2.1	-14.5%
Recurring EPRA net profit / share (*)	in € per share	2.0	2.4	-0.3	-14.8%

(\*) Dilution consecutive to the capital increase following the exercise of the stock options of the plan of 11/12/2008 (creation of 26,698 new shares)

The reduction of the net recurring result is mainly explained by the decrease in rents linked to the disposals of assets in 2013 and 2014.

### EPRA NAV and Triple Net EPRA NAV

		<b>30/06/2014</b>	<b>31/12/2013</b>	<b>variation</b>	<b>variation %</b>
--	--	-------------------	-------------------	------------------	------------------------

EPRA NAV after dilution	in € per share	58.9	59.6	-0.6	-1.0%
EPRA NAV before dilution	in € per share	59.1		-0.4	-0.7%

Triple Net EPRA NAV after dilution	in € per share	56.6	58.1	-1.4	-2.5%
Triple Net EPRA NAV before dilution	in € per share	56.8		-1.3	-2.2%

The NAV at 30 June 2014 was strongly impacted by the variation in fair value of real estate assets (-€ 2.2/share), and of derivatives (-€ 0.8/share).

### EPRA yield

		<b>30/06/2014</b>	<b>31/12/2013</b>	<b>variation</b>	<b>Variation %</b>
--	--	-------------------	-------------------	------------------	------------------------

EPRA yield Topped-up (*)	in %	7.26%	7.44%	-18 bp	-2.4%
EPRA yield (**)	in %	7.05%	6.95%	+10 bp	+1.4%

(\*) Rent at 30 June annualised, excluding reductions relating to rearrangements of current rents, net of expenses, divided by the assessment of assets in value, including duties

(\*\*) Rent at 30 June annualised, including reductions relating to rearrangements of current rents, net of expenses, divided by the assessment of assets in value, including duties



## EPRA vacancy rate

The EPRA vacancy rate is defined as the ratio between the market rent of vacant premises and the market rent of the entire surface (rented and vacant).

in %	30/06/2014	31/12/2013	Variation	Variation in %
Paris IdF Offices	4.62%	2.17%	+2.45%	+112.6%
Regional Offices	16.70%	21.21%	-4.50%	-21.2%
Other assets	0.00%	0.00%	0.00%	0%
<b>Total assets</b>	<b>6.83%</b>	<b>6.32%</b>	<b>+0.51%</b>	<b>+8.0%</b>

## 1.3 – GOVERNANCE

The employment agreement concluded between Mr. Robert Waterland, director, and the subsidiary Tour Eiffel Asset Management, ended on 28 February 2014.

As the directorships of Ms. Mercedes Erra and Mr. Richard Nottage are to expire at the end of the General Shareholders' Meeting called to approve the accounts for 2013, it is proposed to this meeting to renew them in their terms of office. It is also proposed to appoint Ms. Sophie Stabile as director. In addition to the interest this nomination represents for the Company, her appointment would bring the proportion of women within the board of directors to over 20%.

This General Shareholders' Meeting will be held during the second half of 2014. By a judgement of 19 May 2014, the President of the Commercial Court of Paris accepted the request of Société de la Tour Eiffel to extend the period in which to hold its annual General Shareholders' Meeting until 31 December 2014.

This extension was requested due to the Public Offerings made during the period concerning the Company's securities and the time limits for appeals and applications for suspension of operations to which some of these Offerings were subject.

In this context, the Company will inform its shareholders at a later date of the date on which the annual General Shareholders' Meeting will be held, as well as of the final dividend which will be decided during this meeting.

## **1.4 – OUTLOOK AND RISK MANAGEMENT**

### **1.4.1 - Events after the balance sheet date**

The following events occurred subsequent to June 30, 2014:

- 1 July 2014: AMF approval n° 14-349 on the information notice established by the Company in response to the public offering initiated by Eurobail.
- 2 July 2014: sale of the Parc du Perray in Nantes by Locafimo.
- 2 July 2014: AMF approval n° 214C1270 setting at 6 August 2014 the date of closure of the public offerings initiated by Eurobail and SMABTP (NB: withdrawal of the Eurobail offer announced on 9 July 2014).
- The exercise of 1,232 options took place on 30 June 2014, but was only notified to the Company on 3 July 2014. Consequently, this non-material modification (€ 57K) of shareholders' equity will only be taken into account in July 2014.

### **1.4.2 - Foreseeable evolution of the Company's situation and prospects for the future**

During the second half of 2014, the Company will continue the implementation of the third component of the strategic plan initiated in 2012, i.e. a recovery of investments on office real estate in Paris and the Ile-de-France region, generating growth based on a deleveraged financial structure.

Within the framework of the current capital structure, this phase is closely linked to the disposal of other assets which do not correspond to strategic priorities, in particular the business complexes located in the Regions: these disposals will only take place in return for equivalent investments on core assets to maintain the generation of cash-flows by the Company.

A change in the shareholding structure of the Company is likely to lead to a review of this strategy.

### **1.4.3 - Risk factors**

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

Société de la Tour Eiffel is concerned only by the market risk arising from the evolution of interest rates; it relates to loans taken out by the Group and intended to finance the investment policy and to maintain the level of necessary financial liquidity.

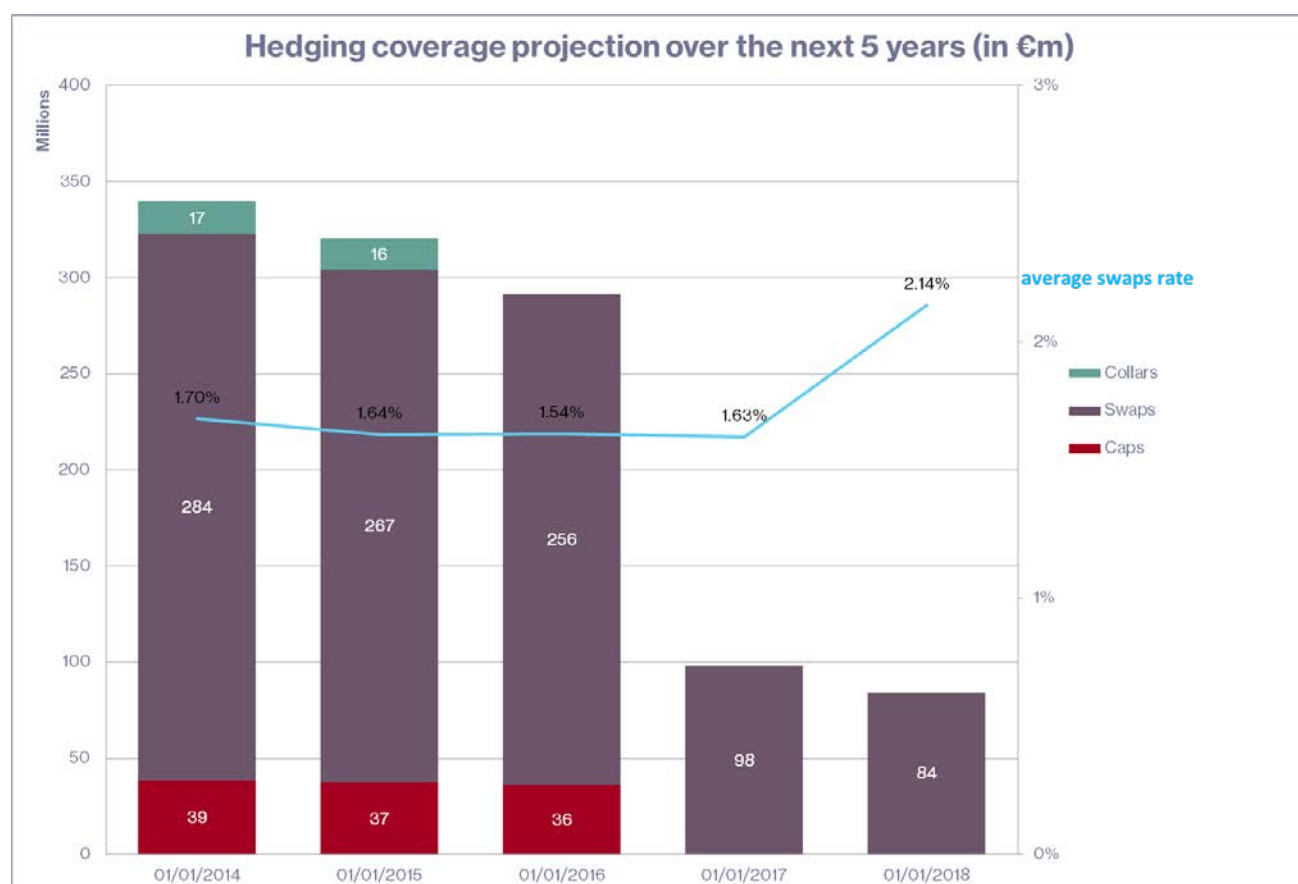
Société de la Tour Eiffel's policy for managing interest rate risk aims at limiting the impact of a significant change in interest rates on the Group's consolidated result, and to keep the total costs of its debt as low as possible.

To achieve these objectives, Société de la Tour Eiffel generally borrows at a variable rate and uses derivatives (caps, swaps and collars) to cover the interest rate risk. The Company does not perform any market transactions for any purpose other than to hedge its interest rate risk, and it personally centralises and manages all the transactions performed, according to the recommendations of the banking establishments it regularly works with.

On the establishment of new lines of financing or refinancing, they are systematically backed by a hedging instrument, and the Company chooses, after the establishment of quotes by several banks, the appropriate tool in terms of maturity and cost, depending on market conditions and the underlying financed.

The establishment of derivatives to limit the interest rate risk exposes the Company to a possible counterparty default. In order to limit the counterparty risk, it only enters into hedging operations with top-ranking financial institutions.

In order to optimise interest rate risk management, and taking account of transfers of assets and early repayments of debts carried out, the Group wholly or partially settled certain hedging instruments during the period.



### Measurement of the interest rate risk:

At 30 June 2014, the Group's consolidated gross indebtedness to banks was €339.9m, comprising €298.5m of fixed rate debt (of which €298.5m were hedged with fixed-rate swaps) and €41.4m of variable rate debt, entirely hedged by interest rate caps. Thus at 30 June 2014, debt was entirely hedged.

On the basis of the outstanding debt as at 30 June 2014, an average rise in the Euribor 3-month interest rates of 100 basis points would have after hedging effect a negative impact (on an annual basis) on recurring net income, estimated at €0.4 million.

Conversely, a drop in interest rates to reach a 0% Euribor 3-month rate would reduce the financing cost by an estimated €0.01m, resulting after hedging effect in an equivalent positive impact on the recurring net income.

## **1.5 – STE AND ITS SHAREHOLDERS**

### **1.5.1 - Dividends**

The Company will pay the final dividend for 2013 subsequent to the annual General Shareholders' Meeting called to approve the 2013 accounts, for which the time limit for holding the meeting has been extended to 31 December 2014, following the order of 19 May 2014 of the President of the Commercial Court of Paris.

### **1.5.2 - Capital increase**

There was no capital increase during the first half of 2014.

### **1.5.3 - Share buy-back programme - liquidity agreement**

The share buy-back programme set up on 24 July 2013 by the Board of Directors, under the powers conferred by the General Shareholders' Meeting of 30 May 2013 in its tenth resolution, will be effective for a maximum duration of eighteen months from the date of said General Shareholders' Meeting, i.e. until 30 November 2014.

The purpose of this programme is as follows:

- to stimulate the market or liquidity of the share within the framework of a liquidity agreement concluded with an investment services provider,
- to cancel all or part of the securities thus redeemed, in the conditions set forth in Article L. 225-209 of the Commercial Code, and subject to authorisation to reduce the share capital granted by the General Shareholders' Meeting,
- to dispose of shares which can be allocated to its corporate officers and employees as well as to those of related companies in the conditions and according to the procedures provided by law, in particular within the framework of stock-option plans or plans for the free allocation of existing shares or company or inter-company savings plans,
- to keep shares and allocate them at a later date as payment or an exchange within the framework of external growth, merger, division or contribution operations, within the limit of 5% of the capital,
- to acquire and keep shares for asset and financial management purposes.

At 30 June 2014, Société de la Tour Eiffel held 72,594 treasury shares under the share buy-back programme. It held no treasury shares under the liquidity agreement.

The liquidity agreement associated with the share buy-back programme was interrupted on 30 January 2014, following the filing with AMF of a proposed public offering relating to the Company's securities by the SMABTP.

#### **1.5.4 - Crossing of thresholds**

Maison d'Investissement M.I. 29, formerly Compagnie MI 29, declared that on 10 January 2014, it had individually crossed over the threshold of 20% of the capital and voting rights of Société de la Tour Eiffel and to individually hold 20.01% of the Company's capital.

Mr. Chuc Hoang declared to have crossed over on 4 June 2014, through Maison d'Investissement M.I. 29, formerly Compagnie MI 29, Eurobail and Foncière Wilson he controls, the threshold of 30% of the capital and voting rights of Société de la Tour Eiffel and to together hold 30.31% of the Company's capital.

Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics declared to have crossed over:

- on 1 July 2014, the threshold of 5% of the capital and voting rights of Société de la Tour Eiffel and to hold 5.31% of the Company's capital;
- on 10 July 2014, the threshold of 10% of the capital and voting rights of Société de la Tour Eiffel and to hold 13.28% of the Company's capital.
- on 14 July 2014, the thresholds of 15 and 20% of the capital and voting rights of Société de la Tour Eiffel and to hold 21.25% of the Company's capital.

CBRE Clarion Global Real Estate Income Fund declared that on 14 July 2014, it had fallen below the threshold of 5% of the capital and voting rights of Société de la Tour Eiffel and to no longer hold any of the Company's shares.

#### **1.5.5 – Public offerings**

During the first half of 2014, four public offerings relating to the Company's shares were initiated:

- a) A first public offering was filed with AMF on 29 January 2014 by the Société Mutuelle d'Assurance du Bâtiment et des Travaux Publics (SMABTP), at a price of 48 Euros per share.
- b) An improved offer was then filed on 16 April 2014 by SMABTP at a price of 53 Euros per share.

- c) On 4 June 2014, Eurobail filed a competing offer at a price of 55 Euros per share. Within the framework of this offer, Eurobail concluded two investment agreements, one with Caravelle, the other with Effi Invest II, under which i) Caravelle undertook to buy a maximum number of 942,352 shares if Eurobail came to directly or indirectly hold more than 55% of the capital following the offer, ii) Effi Invest II undertook to buy a maximum number of 64.36 % of the shares held directly or indirectly by Eurobail following the offer, beyond 70% and below 83.27 % of the capital.
- d) On 13 June 2014, SMABTP then filed an improved offer of 58 Euros per share.

These offers were all declared compliant by AMF.

However, they were subject to appeals lodged exclusively by (i) Eurobail against the three offers of SMABTP and (ii) SMABTP against the offer made by Eurobail. The Court of Appeal refused to pronounce a suspension of operations within the framework of these appeals.

The Board of Directors' meeting held on 25 June 2014 considered that the SMABTP Offer is in the best interests of the Company, its shareholders and employees and recommended to all the Company's shareholders to contribute their shares to the SMABTP Offer. Eurobail withdrew its offer subsequent to this opinion, on 9 July, 2014.

## 1.6 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 hedging of financing expenses 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 1.2.3 "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 existing assets over the entire duration of the two periods, which therefore excludes certain 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 tangible assets).

It should be noted that from 30 June 2014, the cash deposit accounts, which amounted to € 3,898K at 30 June 2014, and to € 2,949K at 31 December 2013, are restated in deduction from the net financial debt in the calculation of the LTV ratio (see section 1.2.4 of the management report). These deposits, which belong to the Group, constitute an additional guarantee granted to one of the Group's banks.

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's" method of calculation defined above.

### **Net financial debt**

Gross debt minus cash in hand and equivalents. It should be noted that from 30 June 2014, the cash deposit accounts, which amounted to € 3,898K at 30 June 2014, and to € 2,949K at 31 December 2013, are restated in deduction from the net financial debt.

### **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 30 June 2014 amounted to 6,247,639 shares. A calculation is provided in note 17 of the consolidated accounts.



### **Recurring cash-flow**

Recurring cash flow represents operating cash flow after 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.

Details of the recurring Cash-Flow are provided in section 1.2.2.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 defined 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:  $\text{secured annualised rental income} / (\text{secured annualised rental income} + \text{potential rental income})$

### **Yields**

- The rate of return is the ratio between the overall potential income (\*) and the gross market value, transfer tax included (assets excluding developments and land reserves);  
(\* ) For buildings subject to vacancy, the net income recorded is increased by the market rental value of the vacant premises.

- 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.  
(potential rental income corresponds to the product of the market rental value of vacant space in sq. m. (excluding strategic vacancy)).

## II - CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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## BALANCE SHEET – ASSETS

Euros, in thousands	Notes	30.06.2014	31.12.2013
<b>NON CURRENT ASSETS</b>			
Tangible assets		97	121
Investment properties	1	640,498	692,376
Goodwill		-	-
Intangible assets		13	14
Financial assets	2	4,333	3,615
Deferred taxes		322	322
<b>TOTAL NON-CURRENT ASSETS</b>		<b>645,263</b>	<b>696,448</b>
<b>CURRENT ASSETS</b>			
Trade and related receivables	4	19,087	20,786
Other receivables and adjustment accounts	5	15,100	10,916
Cash and cash equivalents	6	36,183	21,688
<b>TOTAL CURRENT ASSETS</b>		<b>70,371</b>	<b>53,390</b>
Non-current assets and assets for disposal	3	41,148	8,630
<b>TOTAL</b>		<b>756,782</b>	<b>758,468</b>

## BALANCE SHEET – LIABILITIES

Euros, in thousands	Notes	30.06.2014	31.12.2013
<b>SHAREHOLDERS' EQUITY</b>			
Capital	7	31,270	31,270
Premiums linked to capital	7	58,438	58,438
Legal reserve		3,055	3,055
Consolidated reserves		265,614	265,284
Unallocated income	13	(1,892)	
Consolidated income for the financial year		(8,201)	(1,892)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>348,284</b>	<b>356,156</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings and financial debts	8	320,045	334,856
Other financial liabilities	8	16,889	11,515
Long-term provisions		268	255
Other long-term liabilities		705	715
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>337,907</b>	<b>347,340</b>
<b>CURRENT LIABILITIES</b>			
Borrowings and financial debt (less than one year)	8	20,582	14,414
Other current financial liabilities	8	4,547	4,562
Tax and social liabilities	9	14,079	12,358
Trade accounts payable and other debts	10	31,383	23,639
<b>TOTAL CURRENT LIABILITIES</b>		<b>70,591</b>	<b>54,972</b>
<b>TOTAL</b>		<b>756,782</b>	<b>758,468</b>

## CONSOLIDATED INCOME STATEMENT

Euros, in thousands	Notes	30/06/2014	30/06/2013
Turnover	11	31,294	39,196
Consumed purchases		(15)	(20)
Employee charges	12	(2,411)	(3,199)
External expenses	12	(6,329)	(7,270)
Taxes and duties	12	(3,859)	(4,640)
Net allowances for depreciation		(27)	(49)
Net allocations to provisions		(135)	197
Net value adjustment balance	13	(13,962)	(24,450)
Other operating income	14	8,583	92,286
Other operating expenses	14	(8,601)	(91,512)
<b>Operational result</b>		<b>4,538</b>	<b>539</b>
Income from cash and cash equivalents		6	4
Gross cost of financial indebtedness		(7,380)	(10,756)
<b>Net financial debt costs</b>	<b>15</b>	<b>(7,375)</b>	<b>(10,752)</b>
Other financial income and expenses	16	(5,364)	9,627
Taxes on profits		-	(111)
<b>NET RESULT</b>		<b>(8,201)</b>	<b>(696)</b>
Minority interests		-	-
<b>NET PROFIT (LOSS) (GROUP SHARE)</b>		<b>(8,201)</b>	<b>(696)</b>
Profit (loss) per share	17	(1.33)	(0.12)
Diluted profit (loss) per share	17	(1.31)	(0.11)
<b>NET RESULT</b>		<b>(8,201)</b>	<b>(696)</b>
Gains and losses recorded directly in shareholder's equity		-	-
<b>COMPREHENSIVE PROFIT (LOSS) (GROUP SHARE)</b>		<b>(8,201)</b>	<b>(696)</b>

## CASH FLOW STATEMENT

Euros, in thousands	30/06/2014	30/06/2013
<b>CASH FLOW FROM OPERATIONS</b>		
<b>Consolidated net profit</b>	<b>(8,201)</b>	<b>(696)</b>
Restatement:		
Net financial allowances for depreciation and provisions	(31)	(55)
Net balance from value adjustments of investment properties	13,962	24,450
Profits/losses on value adjustments on the other assets and liabilities	5,126	(9,000)
Capital gains & losses from disposals	(167)	(4,653)
Calculated charges and income from payments in shares	327	489
<b>Cash flow from operations after net cost of financial indebtedness and income tax</b>	<b>11,016</b>	<b>10,535</b>
Income tax expense	-	111
Net financial debt costs	7,384	10,748
<b>Cash flow from operations before net cost of financial debt and income tax</b>	<b>18,400</b>	<b>21,394</b>
Taxes paid	7	(270)
Change in working capital requirement linked to operations	6,778	7,547
<b>Net cash flow from operations</b>	<b>25,185</b>	<b>28,671</b>
<b>CASH FLOW LINKED TO INVESTMENT TRANSACTIONS</b>		
Acquisition of fixed assets		
Intangible and tangible	(2,703)	(12,235)
Financial	(1)	-
Disposal of fixed assets	8,525	95,203
Change in loans and financial receivables agreed	(901)	(973)
Impact of changes in the consolidation scope	-	-
<b>Net cash flow linked to investment transactions</b>	<b>4,920</b>	<b>81,995</b>
<b>CASH FLOW LINKED TO FINANCING TRANSACTIONS</b>		
Dividends paid to parent company shareholders	-	(7,234)
Dividends paid to minority interests	-	-
Capital increase	-	-
(Purchase) / sale of treasury shares	-	(278)
Borrowings issued	3,128	2,719
Repayment of borrowings	(11,288)	(75,668)
Net financial interest paid	(7,466)	(11,858)
Operating subsidy	-	-
<b>Net cash flow from financing activities</b>	<b>(15,626)</b>	<b>(92,320)</b>
<b>CASH FLOW VARIATION</b>	<b>14,480</b>	<b>18,346</b>
Cash flow at opening	21,444	3,138
Cash flow at closing	35,924	21,484
<b>Cash flow variation</b>	<b>14,480</b>	<b>18,346</b>

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Euros, in thousands	Capital	Premiums	Legal reserve	Consolidated reserves	Period-end net profit(loss)	Total Group share	Minority interests	Total equity
<b>Balance at 31.12.2012</b>	<b>30,553</b>	<b>52,877</b>	<b>2,868</b>	<b>290,466</b>	<b>(6,071)</b>	<b>370,693</b>	-	<b>370,693</b>
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	-	-	-	-	-	-	-	-
Net profit/loss for the period	-	-	-	-	(1,892)	(1,892)	-	(1,892)
Share subscription warrants	-	-	-	-	-	-	-	-
Stock option plans	-	-	-	974	-	974	-	974
Other movements	-	-	-	-	-	-	-	-
Share buy-back	-	-	-	103	-	103	-	103
<b>Balance at 31.12.2013</b>	<b>31,270</b>	<b>58,438</b>	<b>3,055</b>	<b>265,286</b>	<b>(1,892)</b>	<b>356,157</b>	-	<b>356,157</b>
Appropriation of net profit/loss			-		(*)	-	-	-
Dividends paid						-	-	-
Capital increase	-	-				-	-	-
Cost of capital increase	-	-	-	-	-	-	-	-
Net profit/loss for the period	-	-	-	-	(8,201)	(8,201)	-	(8,201)
Share subscription warrants	-	-	-	-	-	-	-	-
Stock option plans	-	-	-	326	-	326	-	326
Other movements	-	-	-	2	-	2	-	2
Share buy-back	-	-	-	-	-	-	-	-
<b>Balance at 30.06.2014</b>	<b>31,270</b>	<b>58,438</b>	<b>3,055</b>	<b>265,614</b>	<b>(10,093)</b>	<b>348,284</b>	-	<b>348,284</b>

(\*) In view of the public offerings made during the first half, the annual ordinary general meeting was not held and the result for financial year 2013 is therefore still under allocation (Note 18)



## APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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'Evêque, Paris.

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

The publication of the financial statements for the accounts at 30 June 2014 was approved by the Board of Directors on 23 July 2014. They are presented in thousands of Euros unless otherwise indicated.

### 2. Accounting methods

The H1 2014 summary of the consolidated financial statements for Société de la Tour Eiffel and its subsidiaries (the Group) has been prepared following standard IAS 34 on "Interim Financial Reporting". Since this is a summary of financial statements, these do not include all information required by the IFRS and must be read in conjunction with the Group's annual consolidated financial statement published during the financial year closing 31 December 2013. The main accounting principles applied in the preparation of the summary of the intermediate consolidated financial statements are in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable on 30 June 2014.

- IFRS 10 : Consolidated financial statements
- IFRS 11 : Joint agreements
- IFRS 12 : Information to provide on holdings in other entities
- Amendments to IFRS 10, 11, 12 : Transition guidance
- Amendments to IAS27 : Individual financial statements
- Amendments to IAS28 : Participation in associated companies and in joint ventures
  
- Amendments to IFRS 10, 12 and IAS 27 : Investment entities
- Amendments to IAS 32 : Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 36 : Information to be provided - Recoverable amount of non-financial assets
- Amendments to IAS 39 : Novation of derivative products and continuation of hedge accounting

The accounting principles applied for the consolidated financial statements at 30 June 2014 are identical to those used in the consolidated financial statements at 31 December 2013, with the exception of adopting the following new standards and interpretations which must be applied by the Group:

These standards had no significant impact on the Group's consolidated financial statements at 30 June 2014.

The following texts are published by the IASB but not yet compulsory:

- IFRIC 21 : Duties or taxes
- Annual Improvements (cycle 2010-2012) : Annual improvements of the IFRS published in December 2013
- Annual Improvements (cycle 2010-2013) : Annual improvements of the IFRS published in December 2013
- Amendment to IAS 19 : Contribution of staff
- IFRS 14 : Regulatory carry-forward accounts (regulated activities)
- Amendments to IFRS 11 : Acquisition of a holding in a JO
- Amendments to IAS 16 and IAS 38 : Clarifications on the acceptable depreciation methods
- IFRS 15 : Revenue recognition (turnover)

The Group did not apply any standard or interpretation in advance.

The main estimations and judgements for the establishment of the half-yearly financial statements are identical to those outlined in note 5 of the 2013 Appendix to the consolidated financial statements.

## 2. Scope of consolidation

All companies in the Group are registered in France and have a common address: 20-22, Rue de la Ville l'Evêque, 75008 Paris

The changes in the scope of consolidation which have occurred since 1 January 2014 are as follows:

- SCI Grenoble Pont d'Oxford was subject to a Total Transfer of Assets to the benefit of Société de la Tour Eiffel on 31 May 2014;
- SCI Verdun was created on 25 April 2014. It is held at 99% by Société de la Tour Eiffel and at 1% by SCI Arman F02.

## 3. Management of financial risks

### *Market risks*

The changes in interest rates have a direct impact on borrowings 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.

The Group's policy for managing interest rate risk aims at restricting 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 30 June 2014, the group's consolidated gross banking debt stood at 339.9 M€ comprising 298.5 M€ of fixed-rate debt (of which 298.5 M€ were hedged with fixed-rate swaps) and 41.4 M€ of variable-rate debt, entirely hedged by interest rate caps. Thus at 30 June 2014, debt was entirely hedged.

On the basis of the outstanding debt as at 30 June 2014, an average rise in the Euribor 3-month interest rates of 100 basis points would have after hedging effect a negative impact (on an annual basis) on recurring net income, estimated at €0.4 million.

Conversely, a drop in interest rates to reach a 0% Euribor 3-month rate would reduce the financing cost by an estimated 0.1 M€ (on an annual basis), resulting after hedging effect in an equivalent positive impact on the recurring net income.

### ***Risks on treasury shares***

As part of the share buyback programme authorised by the General Shareholders' Meeting of 30 May 2013, 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 30 June 2014, or 72,594 shares, the inherent risk of a 10% drop in the Société de la Tour Eiffel share price is estimated to be €0.4m.

### ***Counterparty risk***

The company only enters into hedging agreements with world-class banking institutions.

### ***Exchange 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.

Among others, these cases include default in payment of an amount payable, non-compliance with certain financial ratios, breach of the various commitments taken by the Company or its subsidiaries, inaccuracy of various statements and guarantees taken out; the occurrence of an event that has a material adverse effect on the Group's business, or its financial, legal or tax situation, or on the property owned by the Group; the lack of validity and of enforceable nature of the commitments, the lack of registration of a mortgage lien at the agreed rank, the realisation of guarantees by a creditor of the Company over assets financed by amounts drawn on the master agreement; the existence of class action suits; dissolution of the Company; merger not authorised by the lender; the sale of a portion of the securities of a subsidiary whose real estate asset had been financed via the master agreement; the existence of a requisition / expropriation proceeding over a property financed by the master agreement once the compensation is inadequate to make it possible to repay the financed share, the recovery of a tax following a non-disputed tax revision that has a material adverse effect; loss of eligibility for the tax status as a SIIC not as a result of a change to legislation; reservations of the auditors when they have a material adverse effect or the entire loss of a property financed using the master agreement.

As a result of the occurrence of one of the events listed above, and if it has not been cured within 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 realise 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 real estate assets financed;
- ICR ratio: commonly defined as the hedging of financing expenses by net rentals.

The average maturity of our debt is now 3.9 years, particularly subsequent to the 2012 refinancing of the Group's two main credit lines.

The LTV ratio went from 46.7% at 31 December 2013 to 44 % at 30 June 2014, in line with the debt reduction strategy adopted by the Group and current market expectations.

### **Financing and main banking covenants at 30 June 2014**

The level of ratios under bank covenants at 30 June 2014 complies with all the Group's commitments under its financing agreements, with the exception of the DSCR ratio on the Rueil National asset. The Group is currently holding discussions with the SAAR bank to formalise a waiver, in particular in view of the amount of the cash deposit relating to the Grenoble asset sold in 2013 with no purpose any longer.

## **4. Notes on the balance sheet, the income statement, and the cash flow statement**

### **NOTE 1: Investment properties**

Variance by type

Euros, in thousands	Investment properties
<b>Close at 31.12.2013</b>	-
Net opening balance	872,789
Acquisitions	5,484
Subsequent expenditures	3,877
Transfers	(148,804)
Net transfer to buildings earmarked for sale	(7,230)
Changes in consolidation scope	-
Fair value effect (profit and loss)	(33,739)
<b>Net balance at close</b>	<b>692,376</b>
<b>Close at 30.06.2014</b>	-
Net opening balance	692,376
Acquisitions	-
Subsequent expenditures	2,413
Divestments (*)	(580)
Net transfer to buildings destined for sale	(39,748)
Changes in consolidation scope	-
Fair value effect (profit and loss)	(13,962)
<b>Net balance at close</b>	<b>640,498</b>

### **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 2: Financial assets**
**Non-current financial assets - Type**

Euros, in thousands	SWAP and CAP valuation	Deposits and sureties paid	Loans and other long- term receivables	Total Financial assets
<b>Close at 31.12.2013</b>	-	-	-	-
Net opening balance	240	437	1,001	1,678
Increases	191	-	1,948	2,139
Reclassification	(201)	-	-	(201)
Decreases	-	(2)	-	(2)
Redemptions	-	-	-	-
Fair value effect (profit and loss)	-	-	-	-
<b>Net balance at close</b>	<b>230</b>	<b>435</b>	<b>2,949</b>	<b>3,615</b>
<b>Close at 30.06.2014</b>	-	-	-	-
Net opening balance	230	435	2,949	3,615
Increases	-	-	948	948
Reclassification	-	-	-	-
Decreases	-	-	-	-
Redemptions	-	(18)	-	(18)
Fair value effect (profit and loss)	(211)	-	-	(211)
<b>Net balance at close</b>	<b>19</b>	<b>417</b>	<b>3,897</b>	<b>4,333</b>

The other long-term receivables mainly stem from cash transferred into a cash deposit account as collateral for the new Saar LB line of financing.

**Derivative instruments:**

The 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 calculated by a specialised external service provider.

Any changes in the value of financial instruments from one year-end to another were recorded under financial result.

The adjustment to fair value at 30 June 2014 results in an overall negative financial impact in other financial income and charges of €5,166 K.

The fair value of derivative instruments was determined by way of a recognized valuation model using observable data (second level of the fair value hierarchy).

**Main characteristics of financial instruments held at 30 June 2014**

Type of contract	Subscription date	Expiration date	Notional amount in thousands of €	Benchmark rate	Guaranteed rate	Fair value in K€
CAP	14-11-2012	13-11-2017	40,309	3-month Euribor	2%	20
<b>TOTAL</b>						<b>20</b>

**NOTE 3: Assets for disposal**

Euros, in thousands	Properties selected for disposal
<b>Close at 31.12.2013</b>	
Net opening balance	42,600
Net transfer from investment properties	7,230
Acquisitions	1,359
Transfers	(41,250)
Fair value effect (profit and loss)	(1,309)
<b>Net balance at close</b>	<b>8,630</b>
<b>Close at 30.06.2014</b>	
Net opening balance	8,630
Net transfer from investment properties	39,748
Acquisitions	-
Transfers	(7,230)
Fair value effect (profit and loss)	-
<b>Net balance at close</b>	<b>41,148</b>

The H1 2014 disposals are:

- € 3,310K for the Les Souhesmes building of Nowa,
- € 3,920K for the La Roche-sur-Yon building of Nowa,

The balance corresponds:

- to Building E and to half of Building G of Locafimo's Parc des Tanneries in Strasbourg,
- to Locafimo's plot of land in Orsay,
- to Locafimo's business complex in Chartres,
- to Locafimo's Parc du Perray in Nantes,
- to Locafimo's building at 8 rue Paul Langevin in Herblay,
- to Arman Ampère's plot of land (unit K3).

#### NOTE 4: Trade and related receivables

<b>Euros, in thousands</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Gross	19,892	21,468
Provisions	(804)	(682)
<b>Total net trade receivables and related accounts</b>	<b>19,088</b>	<b>20,786</b>

#### NOTE 5: Other receivables and adjustment accounts

<b>Euros, in thousands</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
- Advances and deposits paid	15	15
- Personnel and related accounts	19	8
- State receivables	8,238	7,975
- Current accounts (assets)	-	-
- Accounts receivable	3,230	105
- Prepaid expenses	1,241	278
- Other receivables	4,373	4,550
<b>Total gross value</b>	<b>17,116</b>	<b>12,932</b>
- Provisions on other receivables	(2,016)	(2,016)
<b>TOTAL</b>	<b>15,100</b>	<b>10,916</b>

State receivables mainly correspond to forthcoming VAT refunds and credits.

The other receivables mainly comprise at 30 June 2014 € 2,016K corresponding to the Locafimo bank claims with Pallas Stern bank, and € 1,099K in calls for funds at Locafimo and € 1,241K in prepaid expenses.

#### NOTE 6: Cash and cash equivalents

The marketable securities mainly consist of monetary UCITs valued at their closing price.

<b>Euros, in thousands</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Marketable securities	17,971	1,655
Liquid Assets	18,212	20,033
<b>Total cash assets</b>	<b>36,183</b>	<b>21,688</b>
Bank credit balance	(259)	(244)
<b>Net cash and cash equivalents as reported in the statement of cash flows</b>	<b>35,924</b>	<b>21,444</b>



## NOTE 7: Capital and premiums linked to capital

### 1) Composition of share capital

	Number of ordinary shares	Nominal value of the share  (in €)	Total capital  (in K€)	Issue premium  (in K€)	TOTAL  (in K€)
<b>At 31 December 2012</b>	<b>6,110,611</b>	<b>5</b>	<b>30,553</b>	<b>52,877</b>	<b>83,430</b>
Capital increase	143,305	5	717	5,561	6,278
Reduction in capital	-	-	-	-	-
Issue costs	-	-	-	-	-
Dividends paid	-	-	-	-	-
Appropriation to retained earnings	-	-	-	-	-
<b>At 31 December 2013</b>	<b>6,253,916</b>	<b>5</b>	<b>31,270</b>	<b>58,438</b>	<b>89,708</b>
Capital increase	-	-	-	-	-
Reduction in capital	-	-	-	-	-
Issue costs	-	-	-	-	-
Dividends paid	-	-	-	-	-
Appropriation to retained earnings	-	-	-	-	-
<b>At 30 June 2014</b>	<b>6,253,916</b>	<b>5</b>	<b>31,270</b>	<b>58,438</b>	<b>89,708</b>

All the issued shares have been fully paid up.

### 2) Issue of stock options

#### The Conditions

There are performance conditions and obligations to purchase shares for the stock options of plans allocated in 2012 and 2013:

For 2012:

- two thirds of stock options may be exercised if the company's equity capital has been reinforced, bank debt has been refinanced under favourable conditions, and the management team has presented a strategic plan for the company following this refinancing;
- one third of stock options may be exercised on the condition that the consolidated operating cash flow on a likeforlike basis, adjusted to capital gains or losses on sales of the last financial year closed on the strike date, is at least 5% higher than the three previous financial years cash flow average.
- The beneficiaries of these stock options will receive only one quarter of the options allocated if they do not purchase directly and/or indirectly on the market, within the six months preceding or following the allocation of bonus shares decided upon on 4 September 2012 and 11 October 2012.

For 2013:

- two thirds of stock options may be exercised if the company's equity capital has been reinforced,
- one third of stock options may be exercised on the condition that the consolidated operating cash flow on a likeforlike basis, adjusted to capital gains or losses on sales of the last financial year closed on the strike date, is at least 5% higher than the three previous financial years cash flow average.

- The beneficiaries of these stock options will receive only one quarter of the options allocated if they do not purchase directly and/or indirectly on the market, within the six months preceding or following the allocation of bonus shares decided upon on 11 April 2013.

### **Allocated in 2008**

28,198 share subscription options were granted to the company's officers and top executives during the financial period.

The strike price is €32.87.

All of the options could be exercised as of the date of their allocation, i.e. starting 11 December 2008. The options have a contractual term of five years. They were entirely exercised in November and December 2013.

On 20 February 2014, the Board of Directors noted the completion of a capital increase of €133,490 resulting 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 options amounted to €744,073.

### **Allocated in 2009**

28,427 share subscription options were granted to the company's officers and top executives during the financial period.

The strike price is €45.95.

All of the options could 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 price and 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.

In March and April 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 price and number of stock subscription or purchase options previously granted to the company's 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 €7,500 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 options amounted to €41,805.

### **Allocated in 2012**

85,000 share subscription options were granted to the company's officers and top executives.

The strike price is €43.49.

All of the options may be exercised at the earliest two years after their date of allocation, i.e. starting 4 September 2014. The options have a contractual term of five years.

14,862 share subscription options were granted to one executive.

The strike price is €41.54.

All of the options may be exercised at the earliest two years after their date of allocation, i.e. starting 11 October 2014. The options have a contractual term of five years. 11,147 stock options expired due to the non-fulfilment of the share purchase obligation. Therefore, there remain 3,716 options which can be exercised on this plan.

### Allocated in 2013

During the first half of 2013, 14,862 subscription options were allocated to one employee.

The strike price is €44.56.

All of the options may be exercised at the earliest two years after their date of 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:

<i>(In thousands €)</i>	30-June-2014		31-Dec.-2013	
	Average strike price		Average strike price	
	(in € per share)	Options: (in units)	(in € per share)	Options: (in units)
<b>At 1 January</b>	43.89	132,005	40.96	154,987
Granted	-	-	-	14,862
Expired	-	-	-	(11,147)
Exercised	-	-	-	(26,698)
Adjustment after distribution	-	-	-	-
Due	-	-	-	-
<b>Final position</b>	<b>43.89</b>	<b>132,005</b>	<b>43.89</b>	<b>132,005</b>

Out of the 132,005 options in circulation on 30 June 2014, 28,427 options may be exercised.

In addition, the exercise of 1,232 options took place on 30 June 2014, but was notified to the Company on 3 July 2014. Consequently, this exercise will only be taken into account in July 2014.

The principal assumptions of the model are as follows:

Date granted	Status	Strike date	Adjusted option strike price	Underlying price	Standard deviation of the anticipated yield	Annual risk-free interest rate
11/12/2008	terminated	11/12/2013	32.87€	14.90€	69%	3.00%
15/10/2009	In progress	15/10/2014	45.95€	36.44€	60%	2.60%
04/09/2012	In progress	04/09/2014	43.49€	27.35€	32.62%	0.96%
11/10/2012	In progress	04/09/2014	41.54€	25.58€	32.62%	0.91%
11/04/2013	In progress	11/04/2015	44.56€	30.63€	31.08%	0.596%

### **3) Allocation of 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 became final at the end 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 attendance 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 is first reinforced and that banking debt has been 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 is higher by at least 5% of the average of the three previous financial years on the date of acquisition.

##### **Share allocation plan of 8 December 2011**

The fair value of bonus shares granted during fiscal 2011 stood at 540,770 Euros.

The principal assumptions of the model are as follows: fair value of the share of €30.04.

##### **Allocated in 2012**

During the period, bonus shares were allocated to executives and employees, namely, 31,900 and 2,100 shares respectively. The three bonus share allocation plans are:

- 4 September 2012, 30,000 bonus shares to company's officers,
- 11 October 2012, 1,900 bonus shares to company's officers,
- 5 December 2012, 2,100 bonus shares to employees.

##### **Plan of 4 September 2012:**

On 4 September 2012, 30,000 bonus shares were allocated to company's officers.

The allocation of shares will be final at the end 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 fulfilled:

- one third of shares will be definitively allocated if the STE's equity capital has been reinforced and the bank debt has been refinanced under favourable conditions, and if the management team has presented a strategic plan for the company following this refinancing,

- two thirds of shares will be definitely allocated on the condition that the consolidated operating cash flow on a likeforlike basis of the last financial year preceding the date of definitive attribution is at least 5% higher than the average cash flow of the three previous financial years.

The beneficiaries of these shares will receive only one quarter of the bonus shares in the event that they do not purchase directly and/or indirectly on the market, within the six months preceding or following the allocation of bonus shares.

The fair value of bonus shares granted by this plan stands at €1,095,525.

The principal assumptions of the model are as follows: fair value of the share of €36.52.

On 30 June 2014, 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 €272,000.

#### **Plan of 11 October 2012:**

On 11 October 2012, 1,900 bonus shares were allocated to company's officers.

The allocation of shares will be final at the end 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 2016.

Two performance conditions must be fulfilled:

- one third of shares will be definitively allocated if the STE's equity capital has been reinforced and the bank debt has been refinanced under favourable conditions, and if the management team has presented a strategic plan for the company following this refinancing,
- two thirds of shares will be definitely allocated on the condition that the consolidated operating cash flow on a likeforlike basis of the last financial year preceding the date of definitive attribution is at least 5% higher than the average cash flow of the three previous financial years.

The beneficiaries of these shares will receive only one quarter of the bonus shares in the event that they do not purchase directly and/or indirectly on the market, within the six months preceding or following the allocation of bonus shares.

1,425 rights to bonus shares expired due to the non-fulfilment of the share purchase obligation. Consequently, 475 rights to bonus shares remain on this plan.

The fair value of bonus shares granted by this plan stands at €66,061.

The principal assumptions of the model are as follows: fair value of the share of €34.77.

On 30 June 2014, 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 €16,000.

#### **Plan of 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 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 one attendance condition for the beneficiaries, but no performance conditions for shares granted to employees.

The fair value of bonus shares granted by this plan stands at €80,162.

The principal assumptions of the model are as follows: fair value of the share of €38.17.

As at 30 June 2014, the rights acquired are recorded on the income statement (staff charges) and the contra item posted to shareholders' equity in the amount of €20,000.

**Plan of 11 April 2013:**

On 11 April 2013, 1,900 bonus shares were allocated to an employee with the status of "managing executive" within the meaning of Article L-3111-2 of the Labour Code.

The allocation of shares will be final at the end 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.

Two performance conditions must be fulfilled:

- One third of the shares will be definitively allocated on the condition that the Company's equity is first reinforced
- two thirds of shares will be definitely allocated on the condition that the consolidated operating cash flow on a likeforlike basis of the last financial year preceding the definitive attribution is at least 5% higher than the average cash flow of the three previous financial years.

The fair value of bonus shares granted by this plan stands at €75,927.

The principal assumptions of the model are as follows: fair value of the share of €39.96.

As at 30 June 2014, the rights acquired are recorded on the income statement (staff charges) and the contra item posted to shareholders' equity in the amount of €19,000.

**NOTE 8: Borrowings and financial debts**
**Borrowings and financial debts – Variance by type**

Euros, in thousands	Balance at 31.12.2013	Increases	Decreases	Fair value	Reclassification	Balance at 30.06.2014
Bank loans	334,856	733	(6,766)	-	(8,778)	320,045
- CAP and SWAP liabilities	5,276	-	-	4,930	-	10,206
- Deposits and sureties received	6,239	-	444	-	-	6,683
Total other financial liabilities	11,516	-	444	4,930	-	16,889
<b>Total non-current debts</b>	<b>346,372</b>	<b>733</b>	<b>(6,322)</b>	<b>4,930</b>	<b>(8,778)</b>	<b>336,934</b>
- Bank loans	13,652	-	(2,535)	-	8,778	19,895
- Accrued interest	599	757	(668)	-	-	687
- Bank credit lines	163	-	(163)	-	-	-
Borrowings and financial debts (less than one year)	14,414	757	(3,366)	-	8,778	20,582
- CAP and SWAP liabilities	4,522	-	-	25	-	4,547
- Deposits and sureties received	40	-	(40)	-	-	-
Total other financial liabilities	4,562	-	(40)	25	-	4,547
<b>Total current debts</b>	<b>18,976</b>	<b>757</b>	<b>(3,406)</b>	<b>25</b>	<b>8,778</b>	<b>25,130</b>
<b>TOTAL BORROWINGS AND FINANCIAL DEBTS</b>	<b>365,348</b>	<b>1,490</b>	<b>(9,728)</b>	<b>4,955</b>	<b>0</b>	<b>362,064</b>

**Borrowings from credit institutions – Fixed rate / Variable rate**

<i>(in millions of Euros)</i>	Fixed rate	Variable rate	TOTAL
Borrowings from lending institutions	298.5	41.4	<b>339.9</b>

The Group's average interest rate for financing was 3.8% at 30 June 2014.

After consideration of the fixed-rate SWAP instruments, the total fixed-rate debt comes to €298.5 million.

Furthermore, variable rate debt, totalling €47.9 million, was entirely hedged by CAP instruments.

**Maturity dates of non-current bank loans**

<i>(In thousands €)</i>	30 June 2014	31 December 2013
From 1 to 5 years	314,264	244,500
Due in more than 5 years	5,781	90,356
<b>Total</b>	<b>320,045</b>	<b>334,856</b>

**Schedule of the extinction of total bank debt and payable interest:**

<i>(In thousands €)</i>	<b>Nominal value</b>	<b>Interest</b>	<b>Total</b>
30 June 2014	19,895	8,504	<b>28,399</b>
30 June 2015	13,892	8,092	<b>21,984</b>
30 June 2016	50,981	7,551	<b>58,532</b>
30 June 2017	156,894	4,676	<b>161,569</b>
30 June 2018	92,496	1,964	<b>94,460</b>
30 June 2019	330	152	<b>483</b>
30 June 2020	347	143	<b>490</b>
30 June 2021	3,157	135	<b>3,292</b>
30 June 2022	1,947	149	<b>2,096</b>
<b>Total</b>	<b>339,940</b>	<b>31,366</b>	<b>371,306</b>



**CAP and SWAP liabilities**

The 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 liability-side financial instruments held at 30 June 2014:

Type of contract	Subscription date	Effective date	Expiration date	Notional amount in thousands of €	Benchmark rate	Guaranteed rate	Fair value (thousands of Euros)
SWAP	28-06-2012	28-06-2012	28-06-2017	44,852	3-month Euribor	2.46%	(2,996)
SWAP	26-06-2012	26-06-2012	26-06-2019	7,040	3-month Euribor	2.15%	(559)
SWAP	26-06-2012	26-06-2012	26-06-2019	19,824	3-month Euribor	2.15%	(1,587)
SWAP	26-06-2012	26-06-2012	26-06-2019	16,207	3-month Euribor	2.15%	(1,284)
SWAP	26-06-2012	26-06-2012	26-06-2019	12,144	3-month Euribor	2.15%	(972)
SWAP	26-06-2012	26-06-2012	26-06-2019	11,656	3-month Euribor	2.15%	(926)
SWAP	26-06-2012	26-06-2012	26-06-2019	9,587	3-month Euribor	2.15%	(765)
SWAP	26-06-2012	26-06-2012	26-06-2019	17,634	3-month Euribor	2.15%	(1,408)
SWAP	28-03-2012	28-06-2013	30-06-2018	13,140	3-month Euribor	1.91%	(801)
SWAP	10-04-2012	28-09-2012	29-09-2017	7,426	3-month Euribor	1.50%	(294)
SWAP	14-11-2012	28-06-2013	13-11-2017	15,349	3-month Euribor	0.94%	(302)
SWAP	14-11-2012	14-11-2012	13-11-2017	12,781	3-month Euribor	0.75%	(172)
SWAP	14-11-2012	28-06-2013	13-11-2017	95,613	3-month Euribor	0.94%	(1,872)
SWAP	01-08-2012	01-08-2012	02-02-2015	6,538	3-month Euribor	4.61%	(214)
Collar/Tunnel	26-04-2011	28-04-2011	15-04-2016	8,709	3-month Euribor	2%/3%	(298)
Collar/Tunnel	26-04-2011	02-05-2011	15-04-2016	8,709	3-month Euribor	2%/3%	(301)
<b>TOTAL</b>							<b>(14,751)</b>

**NOTE 9: Tax and social liabilities**

<b>Euros, in thousands</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Taxes owed (exit tax)	-	-
Other tax indebtedness	-	-
<b>TOTAL non-current tax debts</b>	-	-
Social debts	854	1,170
Taxes owed (exit tax – current portion owed)	-	-
Other tax liabilities (VAT collected and taxes owed)	13,225	11,188
<b>TOTAL current tax and social security related debts</b>	<b>14,079</b>	<b>12,358</b>
<b>TOTAL</b>	<b>14,079</b>	<b>12,358</b>

**NOTE 10: Trade accounts payable and other debts**

<b>Euros, in thousands</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Trade payables	8,178	5,665
Debts associated with acquisitions of tangible fixed assets	-	10
Current account liabilities	-	-
Attendance fees	-	122
Advances and deposits received	1,187	1,176
Due to clients	(94)	(79)
Other operating debts	7,141	1,796
Prepaid income	14,971	14,949
<b>TOTAL</b>	<b>31,383</b>	<b>23,639</b>
<b>Other long-term liabilities</b>		
Prepaid income	705	715
Other operating debts	-	-
<b>TOTAL</b>	<b>705</b>	<b>715</b>

Prepaid income is made up chiefly on 30 June 2014 of invoiced rents for the third quarter of 2014.

**NOTE 11: Turnover**
**Comparative analysis by type**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
Rental income	26,149	32,759
Other Rental income	5,145	6,437
<b>Total turnover</b>	<b>31,294</b>	<b>39,196</b>

Other rental income consists mainly of levies for property taxes and office taxes passed on to tenants.

**NOTE 12: Staff expenses, external expenses, taxes and duties**
**Staff expenses**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
Staff remuneration	(1,431)	(1,744)
Social charges	(654)	(966)
Charges on payments in shares	(326)	(489)
<b>Total Staff Expense</b>	<b>(2,411)</b>	<b>(3,199)</b>

**External expenses**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
- Rentals and rental expenses	(2,741)	(3,440)
- Maintenance and repairs	(139)	(125)
- Insurance premiums	(308)	(482)
- Miscellaneous documentation, seminars	(28)	(41)
- Remuneration of intermediaries and fees (1)	(2,877)	(2,597)
- Advertising, publishing and public relations	(82)	(88)
- Goods transport, collective staff transport	(1)	(3)
- Travel, assignments and receptions	(46)	(81)
- Postal and telecommunications costs	(21)	(29)
- Banking and related services	(65)	(344)
- Other external services	(19)	(40)
<b>Total external expenses</b>	<b>(6,327)</b>	<b>(7,270)</b>

(1) These amounts correspond mainly to costs incurred while seeking and managing assets and properties.

**Taxes and duties**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
Property taxes	(2,357)	(3,070)
Other duties and taxes	(1,502)	(1,570)
<b>Total duties and taxes</b>	<b>(3,859)</b>	<b>(4,640)</b>

**NOTE 13: Net value adjustment balance**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
- Investment property	(13,962)	(24,538)
- Assets for disposal	-	88
<b>TOTAL</b>	<b>(13,962)</b>	<b>(24,450)</b>

**NOTE 14: Other operating income and expenses**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
- Miscellaneous current operating income	-	178
- Proceeds from disposals of investment property	1,044	50,600
- Proceeds from transfers of assets for disposal	7,230	41,478
- Other extraordinary income	309	30
<b>Other operating income</b>	<b>8,583</b>	<b>92,286</b>
- Miscellaneous current operating expenses	(77)	(100)
- Value of investment property	(877)	(47,320)
- Properties selected for disposal	(7,230)	(40,105)
- Building divestment expenses	(212)	(3,775)
- Other extraordinary expenses	(205)	(90)
- Irrecoverable receivables losses	-	(122)
<b>Other operating expenses</b>	<b>(8,601)</b>	<b>(91,512)</b>

The transfers mainly concern the SCI Nowa's buildings intended for sale at 31 December 2013 in La Roche-sur-Yon and Souhesmes and Building 2 of Locafimo's Parc du Perray.

**NOTE 15: Net financial debt costs**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
- Marketable securities income	6	4
- Loan income	-	-
<b>Total income from cash and near cash</b>	<b>6</b>	<b>4</b>
- Interest on financing deals	(7,380)	(10,756)
<b>Total gross financial debt costs</b>	<b>(7,380)</b>	<b>(10,756)</b>
<b>TOTAL NET FINANCIAL COSTS</b>	<b>(7,374)</b>	<b>(10,752)</b>

**NOTE 16: Other financial income and expenses**

<b>Euros, in thousands</b>	<b>30/06/2014</b>	<b>30/06/2013</b>
- Other financial income (1)	72	9,790
- Income from securities transfers	-	-
<b>Total other financial income</b>	<b>72</b>	<b>9,790</b>
- Other financial expenses (1)	(5,436)	(163)
- Net book value of transferred securities	-	-
<b>Total other financial expenses</b>	<b>(5,436)</b>	<b>(163)</b>
<b>TOTAL</b>	<b>(5,364)</b>	<b>9,627</b>

(1) Of which €5,166K for adjustment in the value of financial instruments at 30/06/2014 as compared to an upwards adjustment of €9,772K at 30/06/2013.

**NOTE 17: 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.

<b>(In K€)</b>	<b>30 June 2014</b>	<b>30 June 2013</b>
Period-end net profit(loss)	(8,201)	(696)
Average weighted outstanding shares	6,181,322	6,020,078
Basic earnings per share (€per share)	(1.33)	(0.12)

**Diluted Earnings**

The diluted earnings per share is 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 stock 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 warrants attached to the stock options in circulation. The number of shares calculated this way is compared with the number of shares which could have been issued if the options had been exercised.

<b>(In K€)</b>	<b>30 June 2014</b>	<b>30 June 2013</b>
Period-end net profit(loss)	(8,201)	(696)
Weighted average number of ordinary shares used to calculate the diluted result per share	6,247,639	6,084,836
Diluted earnings per share (€per share)	(1.31)	(0.11)

### Dilutive instruments

The number of shares at 30 June 2014 which can give access to the share capital is as follows:

	Number of securities	Giving right to number of securities
Shares	6,253,916	6,253,916
Stock options	31,842	31,842
Bonus shares	34,475	34,475
Treasury shares	(72,594)	(72,594)
<b>TOTAL</b>	<b>6,247,639</b>	<b>6,247,639</b>

### NOTE 18: Unallocated income

In view of the public offerings made during the first half, the annual ordinary general meeting was not held and the result for financial year 2013 is therefore still under allocation. In fact, on 19 May 2014, the Commercial Court granted the Company until 31 December 2014 to hold this General Meeting, so that it is held on the basis of a stabilised shareholding, post-public offerings.

### NOTE 19: Transactions with related parties

€147,000 in fees was paid to Bluebird Investissements, a related party, during the first half of 2014.

The remunerations paid to corporate executive officers during the first half of 2014 are presented in the table below:

SOCIETE DE LA TOUR EIFFEL Remunerations paid to corporate executive officers during the first half of 2014 Gross amounts			
	Renaud HABERKORN Chief Executive Officer (1)	Frédéric MAMAN Deputy Managing Director	Mark INCH President of the Board of Directors (2)
<b>fixed remuneration</b>			
STE	49,989 €	na	50,000 €
TEAM	248,077 €	120,000 €	na
<b>variable remuneration</b>			
STE	0 €	na	na
TEAM	0 €	78,000 €	na
<b>exceptional remuneration</b>			
STE	0 €	na	na
TEAM	0 €	0 €	na
<b>benefits in kind</b>			
STE	3,560 €	na	851 €
TEAM	11,523 €	1,851 €	na
<b>attendance fees</b>	0 €	0 €	0 €
<b>valuation of options granted</b>	0 €	0 €	0 €

valuation of performance shares granted	0 €	0 €	0 €
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(1) The variable remuneration of Mr. Renaud Haberkorn was paid in December 2013, distributed between Société de la Tour Eiffel for € 100,000 and Tour Eiffel Asset Management for € 200, 000

(2) Mr. Mark Inch is also majority shareholder and manager of Bluebird Investissements, which is bound to Société de la Tour Eiffel by a service agreement and received in this respect an annual amount of € 147,000 during the first half of 2014. The conclusion of this agreement, falling within the scope of Article L225-38 *et seq.* of the Commercial Code, was authorised by the Board of Directors of 5 December 2012 and approved by the General Shareholders' Meeting of 30 May 2013. It is described in the statutory auditor's special report on regulated agreements and commitments.

## NOTE 20: Off-balance sheet commitments

### Off-balance sheet commitments related to the operating activities of the issuer

Only the significant new off-balance sheet commitments of the period are presented below, in addition to those indicated in the Group's annual consolidated financial statements published for the financial year ended on 31 December 2013.

#### *Commitments received*

<i>(In thousands €)</i>	Starting date	Expiration date	30-June-14	31-Dec.-13
<b><i>Commitments to sell on buildings</i></b>				
Plot of land in Orsay (1)	07/02/2014	07/02/2016	1,423	-
Parc du Perray Nantes minus the financial participation for works	19/05/2014	30/06/2014	16,390	-
Paul Langevin Building in Herblay	24/04/2014	10/07/2014	3,350	-
Plot 5K3 Massy Zac Ampère (1)	31/01/2014	30/03/2015	7,425	-
Chartres Business Park	17/06/2014	15/10/2014	10,260	-
			<b>38,848</b>	<b>0</b>

(1) Reciprocal commitment.

### *Commitments given*

<i>(In thousands €)</i>	<b>Starting date</b>	<b>Expiration date</b>	<b>30-June-14</b>	<b>31-Dec.-13</b>
<b><i>Commitments to purchase buildings</i></b>				
Inner-rim building	05/05/2014	30/06/2014	23,330	-
<b><i>Deposit and guarantee (1)</i></b>	26/02/2014	30/03/2015	<b>3,500</b>	
			<b>26,830</b>	<b>0</b>

(1) in consideration of the receipt by Société de la Tour Eiffel Group of the advance payment of €3.5m paid within the framework of the reciprocal commitment to sell relating to plot 5K3 Massy Zac Ampère of 31 January 2014

Remarks:

On the basis of mandates signed thus far, the consultancy fees relating to the operation will amount to 700,000 Euros if the public offering is successful, after the expiry of current and potential appeals.

The exit of STE and its subsidiaries from the SIIC regime in 2014 would give rise to a taxation of potential gains, which is estimated on a preliminary basis at approximately 5 million Euros.

### **NOTE 21: Events after the balance sheet date**

The following events occurred subsequent to June 30, 2014:

- 1 July 2014: AMF approval n° 14-349 on the information notice established by the Company in response to the public offering initiated by Eurobail.
- 2 July 2014: sale of the Parc du Perray in Nantes by Locafimo.
- 2 July 2014: AMF approval n° 214C1270 setting at 6 August 2014 the date of closure of the public offerings initiated by Eurobail and SMABTP
- The exercise of 1,232 options took place on 30 June 2014, but was only notified to the Company on 3 July 2014. Consequently, this non-material modification (€ 57K) of shareholders' equity will only be taken into account in July 2014.



### III - DECLARATION OF THE STATUTORY AUDITORS

**Expertise & Audit SA**  
39 avenue Friedland  
75008 Paris

**PricewaterhouseCoopers Audit**  
63, rue de Villiers  
92200 Neuilly-sur-Seine

#### **STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION**

*Period from 1 January to 30 June 2014*

To the shareholders of:

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**SOCIÉTÉ DE LA TOUR EIFFEL**

A public limited company with a capital of 31,269,580 Euros

20-22 rue de la Ville l'Evêque  
75008 PARIS

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Period from 1 January 2014 to 30 June 2014

In compliance with the assignment entrusted to us by your Annual General Meeting and in application of Article L. 451-1-2 III of the Monetary and Financial Code, we have performed:

- a limited review of the half-year consolidated financial statements of Société de la Tour Eiffel, relating to the period from 1 January 2014 to 30 June 2014, as they are attached to this report;
- the verification of the information provided in the interim management report.

These half-year consolidated accounts have been prepared under the responsibility of the Board of Directors. Our role, on the basis of our limited review, is to express an opinion on these financial statements.

### Conclusion on the accounts

We conducted our limited review according to the standards of professional practice applicable in France. A limited review consists essentially in meeting with the members of the management in charge of accounting and financial matters and to implement analytical procedures. This work is less extensive than that required for an audit carried out according to the standards of professional practice applicable in France. Accordingly, the assurance that the accounts, taken as a whole, do not contain any material misstatement, obtained in the framework of a limited review is a moderate insurance, lower than that obtained in the framework of an audit.

Based on our limited review, nothing has come to our attention that challenges, in the light of the IFRS set of accounting standards such as adopted by the European Union, the regularity and sincerity of the consolidated half-year financial statements and the true and faithful image they give of the assets and financial position at the end of the half year, as well as the results for the previous six-month period for the group made up of the persons and companies included within the scope of the consolidation.

### Specific check

We also verified the information provided in the interim management report commenting on the consolidated half-year financial statements which were subject to a limited review by us. We have no observations to report as to their sincerity and consistency with the half-year consolidated accounts.

Paris and Neuilly-sur-Seine, 23 July 2014

The statutory auditors

**Expertise & Audit SA**

**PricewaterhouseCoopers Audit**

Hélène Kermorgant

Yves Nicolas

#### **IV - CERTIFICATION OF THE PERSON RESPONSIBLE FOR THE FIRST HALF FINANCIAL REPORT**

I, the undersigned, Renaud Haberkorn, Chief Executive Officer,

Certify that, to the best of my knowledge, the consolidated accounts at 30 June 2014 have been prepared in accordance with the applicable accounting standards and give a faithful image of the assets, financial position and results of Société de la Tour Eiffel and of all the consolidated companies, and that the interim management report gives a faithful presentation of the important events which have occurred over the first six months of the financial year, their incidence on the accounts, the main related party transactions as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Done in Paris,  
23 July 2014

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and is provided solely for information purposes.  
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has legal force.*