

2015 Half-Year Results

Strong fundamentals - a clear strategic plan

The Board of Directors met on 22 July 2015 under the chairmanship of Hubert Rodarie and approved the interim financial statements at 30 June 2015. The limited review procedures of these accounts were carried out and the corresponding reports are being issued.

Consolidated figures (audited)

In M€	H1 2015	H1 2014
Rents	26.1	26.1
EPRA operating result	20.9	20.0
<i>% Rents</i>	80.1%	76.7%
EPRA earnings	13.1	12.5
<i>% Rents</i>	50.2%	47.9%
IFRS Net Profit (Group Share)	12.0	-8.2
<i>Including fair value adjustment</i>	-1.7	-19.1
Cash flow	13.6	13.7
<i>Per share in €</i>	1.4	2.2

	30/06/2015	31/12/2014
Value of property portfolio excl. taxes	819.3	765.1
Net LTV	32.4%	47,7%
EPRA financial occupancy rate	88.2%	89.6%
EPRA Triple Net NAV (in €/share)	56.2	58;2

Note: the LTV ratio now includes cash collateral bank accounts deducted from the net financial debt (LTV 48.3% at 31/12/2014 and 33.2% as 30/06/2015 excluding this restatement).

Stable operating indicators

Consolidated turnover (rents and rental income on buildings) posted a slight increase from € 31.3 million to € 32.3 million between the first halves of 2014 and 2015. After significant disposals in 2013 (€ 200 million) and in 2014 (€ 38 million), this increase is related to the acquisitions during the 2nd half of 2014 (Suresnes and Bagneux) and the 1st half of 2015 (Vélizy and Guyancourt). The Company also carried out large-scale work on lease renewals and securing rental income, in particular on major lines of its portfolio (Asnières, Le Plessis Robinson, Champigny sur Marne, and Caen Collombelles).

Operating result increased slightly to € 20.9 million in H1 2015 against € 20.0 million in H1 2014.

Cash flow remained stable at € 13.6 million against € 13.7 million.

Investments in secure real estate and active development

The company continued its investment policy in the first half 2015 with the acquisition of two buildings:

- Le Vauban in Vélizy, a 7,000 m² office building fully let for a fixed term of 6.5 years.
- Le Berlioz in Guyancourt, a new 6,200m² office building let for a fixed term of 9 years.

These acquisitions form part of the development strategy based in particular on the acquisition of secure assets in good locations with good yields and leased to quality tenants.

In addition, the company is implementing the development of its land reserves by preparing development projects suited to rental demand:

- On the Eiffel d'Orsay business park, an immediate development of 15,000 m² of additional offices;
- On the Eiffel Campus in Massy, the launch of the pre-leasing of a development complex of 55,000 m² involving several buildings;
- In Marseille, on the Parc des Ayalades, the development of a 3,600 m² building complementing existing 16,000 m².

Stability in portfolio value

The value of the Group's portfolio stands at € 819.3 million excluding transfer duties and fees, of which nearly 80% are office buildings in the Ile-de-France region. It was € 765.1 million at 31 December 2014, the variation mainly being due to acquisitions during the period.

The valuation of the buildings indicates an average net yield (EPRA topped up) of 6.1% (against 6.5% at year-end 2014).

The vacancy rate changed from 10.4% at year-end 2014 to 11.8% at 30 June 2015, the change primarily being due to the freeing of the Montpellier asset.

On this basis and after dividend distribution, the EPRA triple net asset value per share stood at € 56.2. It was € 58.2 per share at year-end 2014 and € 56.6 per share at 30 June 2014.

Reduction in debt and Loan To Value ratio (LTV)

Overall gross debt as at 30 June 2015 stood at € 431.2 million, as against € 384.1 million at 31 December 2014.

Net debt (adjusted for cash invested and cash equivalents) amounted to € 265.5 million.

The average interest rate for financing stood at 3.6% for the first half of 2015, against 3.8% for the first half of 2014.

The group is committed to continuing to reduce its debt ratios. The ratio stood at 47.7% at 31 December 2014. It stood at 32.4% at 30 June 2015 thanks to the capital increase.

Capital increase and change in the governance

The first half was marked by the strengthening of the Company's capital base when its capital was opened and the issuance of share subscription warrants (BSA), 20 warrants entitling subscribers to 11 new shares at a strike price of € 58 per share.

This capital increase of more than € 180 million resulted in:

- An equity investment in the Company by several leading institutions,
- A reduction in the SMA shareholding to under 60% (its stake being nearly 90% after the takeover bid launched in 2014),
- The maintenance of the Company's SIIC status.

The distribution of capital and voting rights of the Company at 30 June 2015 was as follows:

SMA Group	59.77%
Malakoff Médéric	10.94%
Suravenir	9.11%
AG Finance	7.32%
Mutuelle Générale	2.75%
Humanis	2.75%
Other shareholders	7.36%

To take into account the new shareholders, the General Assembly has accepted the Board's proposal to appoint three new directors: AG Real Estate (AG Insurance), represented by Ms Brigitte Gouder de Beauregard, MM Puccini (Malakoff Médéric) represented by Mr. Guy Charlot, and Suravenir (Crédit Mutuel Arkea) represented by Mr. Thomas Guyot.

Dividend

It is recalled that the General Meeting of 28 May 2015 resolved to distribute a dividend of € 3.0 per share, paid in cash on 30 June 2015.

Outlooks

"After the successful takeover of Société de la Tour Eiffel in 2014 by SMA, the strengthening of equity achieved in H1 2015, the entry to the capital of leading institutional investors alongside SMA, the maintenance of our SIIC status, the continuation of our investments and the restructuring of our debt, the real estate company has strong fundamentals in order to carry out its strategic plan and double our portfolio in the next 3-5 years," said Philippe Lemoine, Managing Director.

Agenda: - 13 November 2015 Q3 2015 – Turnover

About Société de la Tour Eiffel

A listed real estate investment company (SIIC) on NYSE Euronext Paris, the company pursues a strategy focused on the ownership and the development of quality offices capable of attracting a wide range of quality tenants. The company's portfolio stood at 819 million Euros for 385,000 sq. m of assets mainly located in the Paris region as at 30 June 2015.

Société de la Tour Eiffel is listed on NYSE Euronext Paris (Eurolist B) - ISIN code: FR0000036816 - Reuters: TEIF.PA - Bloomberg EIFF.FP. Indexes: IEIF Foncières, IEIF Immobilier France

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Cash flow and dividend

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Financial structure

Valuation ratios

EPRA key performance indicators



Key figures

	30Jun2015	31Dec2014
Portfolio		
Portfolio value (excl. Transfer costs) (€m)	819.3	765.1
<i>of which IFRS portfolio value</i>	819.3	765.1
EPRA NAV (*)	57.5	60.4
EPRA NNNAV (*)	56.2	58.2
Results		
Rental income (€m)	26.1	26.1
Current operating profit (€m)	21.5	18.7
Net profit - Group share (€m)	12.0	-8.2
Net profit - Group share per share (€) (**)	1.3	-1.3
EPRA earnings	13.1	12.5
Cash flow and dividend		
Recurring Cash Flow (€m)	13.6	13.7
Recurring Cash Flow per share (€) (**)	1.4	2.2
Dividend per share (€)	3.0	0.0
Pay out Ratio (Dividend / recurring Cash flow)	209%	0%
Market capitalisation		
Number of shares (**)	9 463 307	6 328 181
Share price (€)	47.3	43.8
Market capitalisation (€m)	447.1	277.0
Financial structure		
Consolidated Equity (€m)	526.4	362.7
Shareholders' equity / Investment properties values	64.2%	47.4%
Gross finance debt / Shareholders' equity	0.8	1.1
Net Group LTV	32.3%	47.7%
EBITDA / Financial costs	2.7	2.5
Valuation ratios		
Cash flow multiple (Capitalisation / cash flow)	16.4	10.3

(*) fully diluted number of shares end of period



EPRA key performance indicators

	H1 2015	H1 2014	Diff %
EPRA earnings (1)			
EPRA earnings in €m	13.1	12.5	4.6%
EPRA earnings in € per share (**)	1.4	2.0	-30.9%

(1) EPRA earnings are defined as net recurring result coming from recurring activity.

The increase in the EPRA earnings mainly stems from the decrease in recurring real estate and corporate costs. The increase in the EPRA earnings per share mainly refers to the capital increase which led to the issuance of more than 3.1 million stocks. Such operation made it possible to collect €181.5 m, amount which has not been invested yet, and thus did not generate significant earnings as at 30 June 2015.

	30Jun2015	31Dec2014	Diff %
EPRA NAV and EPRA NNAV			
EPRA NAV in €m	544.2	382.1	42.4%
EPRA NAV in € per share (*)	57.5	60.4	-4.7%
EPRA NNAV in €m	532.0	368.3	44.5%
EPRA NNAV in € per share (*)	56.2	58.2	-3.4%

EPRA NNAV was impacted positively by the capital increase, and net recurring result (+€1.5 per share), and negatively by the distribution (- € 3.0 per share). EPRA NNAV per share is decreasing, positively impacted by the distribution (because partly drawn on the share premium), and positively by net recurring result (+€1.5 per share).

	30Jun2015	31Dec2014	Diff %
EPRA yield (EPRA NIY)			
EPRA topped-up yield (2)	6.08%	6.47%	-6.0%
EPRA yield (3)	5.69%	6.14%	-7.4%

(2) EPRA topped-up yield (Net Initial Yield EPRA topped-up) : annual rent as at 30 June, not adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

(3) EPRA yield (Net Initial Yield EPRA) : annual rent as at 30 June, adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

	30Jun2015	31Dec2014	Diff %
EPRA vacancy rate (4)			
Portfolio up and let	11.80%	10.36%	14.0%

(4) EPRA vacancy rate : it corresponds to an end of period spot rate defined as the ratio between the vacant space market rent and the up and let global portfolio (net of developments and redevelopments) market rent.

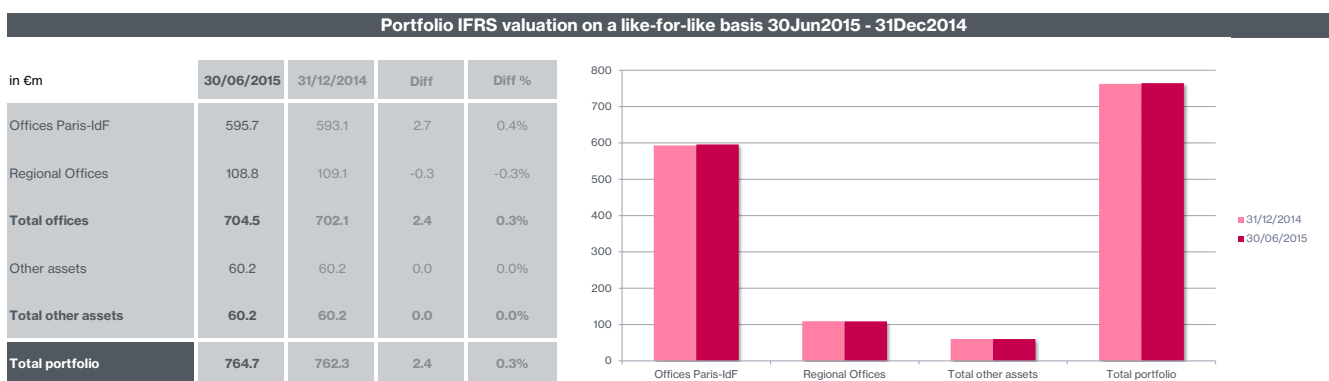
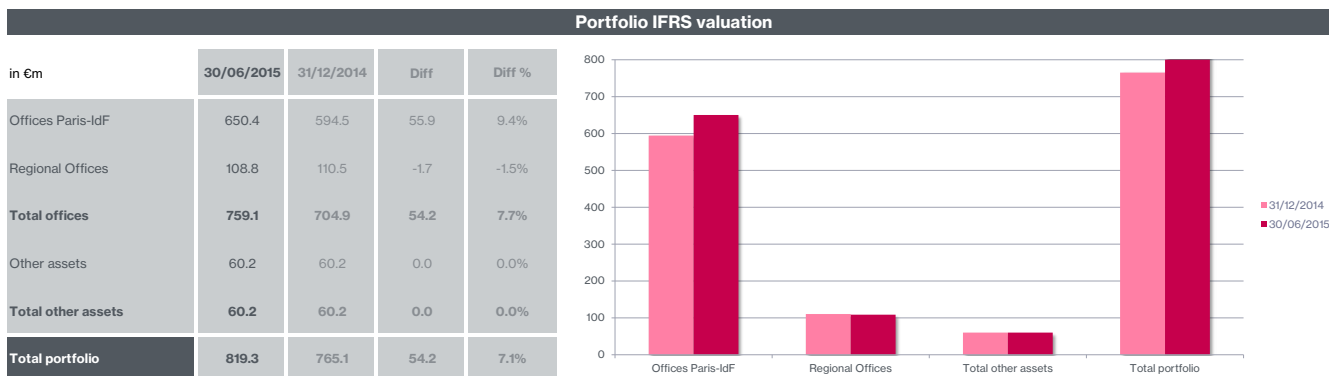
(*) fully diluted number of shares end of period

(**) number of shares end of period

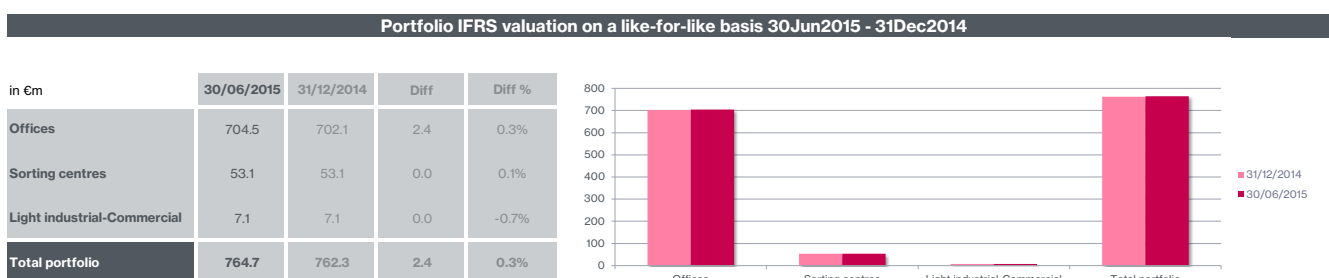
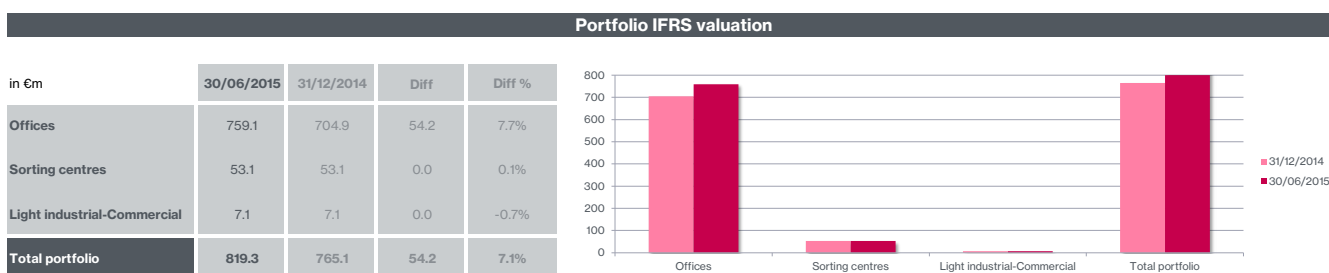
Portfolio



Portfolio value variation: core & non core business



Portfolio value variation by type of assets



Portfolio value variation on a like-for-like basis = +0.3%

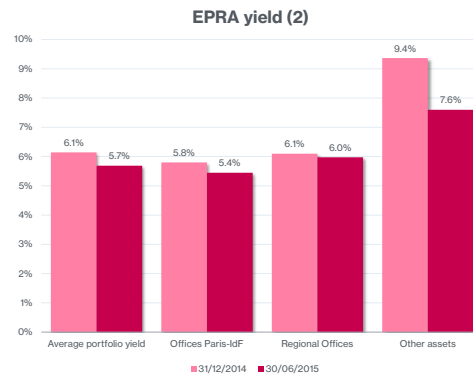
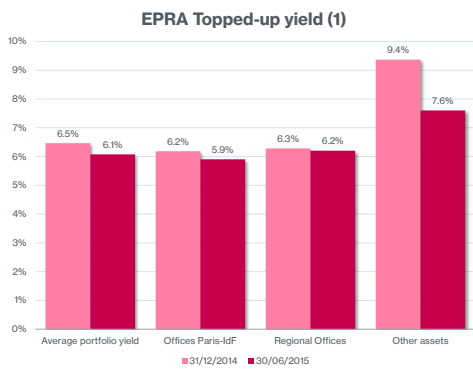
Amount of 2015 investments: € 56.8 m (cost price)/ Amount of 2015 disposals: € 3.0 m



Portfolio EPRA yield

EPRA Topped-up yield	30/06/2015	31/12/2014
Average portfolio yield	6.1%	6.5%
Offices Paris-IdF	5.9%	6.2%
Regional Offices	6.2%	6.3%
Total offices	5.9%	6.2%
Other assets	7.6%	9.4%
Total other assets	7.6%	9.4%

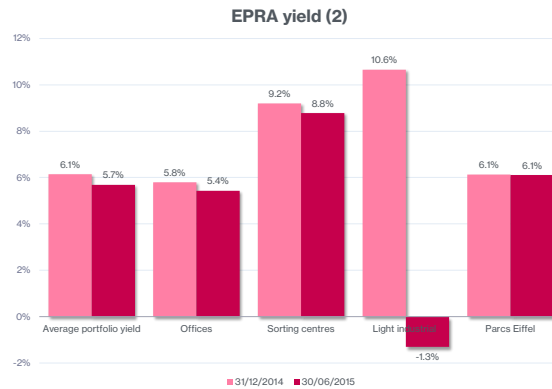
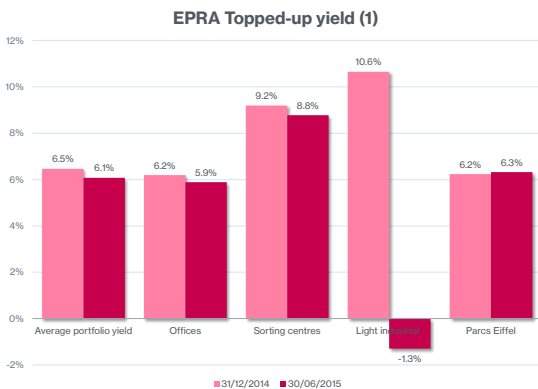
EPRA yield	30/06/2015	31/12/2014
Average portfolio yield	5.7%	6.1%
Offices Paris-IdF	5.4%	5.8%
Regional Offices	6.0%	6.1%
Total offices	5.5%	5.8%
Other assets	7.6%	9.4%
Total other assets	7.6%	9.4%



Portfolio EPRA yield by type of assets

EPRA Topped-up yield	30/06/2015	31/12/2014
Average portfolio yield	6.1%	6.5%
Offices	5.9%	6.2%
Sorting centres	8.8%	9.2%
Light industrial	-1.3%	10.6%
Parcs Eiffel	6.3%	6.2%

EPRA yield	30/06/2015	31/12/2014
Average portfolio yield	5.7%	6.1%
Offices	5.4%	5.8%
Sorting centres	8.8%	9.2%
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(1) EPRA topped-up yield (Net Initial Yield EPRA topped-up): annual rent as at 30 June, not adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

(2) EPRA yield (Net Initial Yield EPRA): annual rent as at 30 June, adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

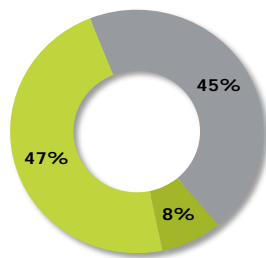


Portfolio key indicators

Buildings < 10 years : 55%

(in % of the net of transfer cost value)

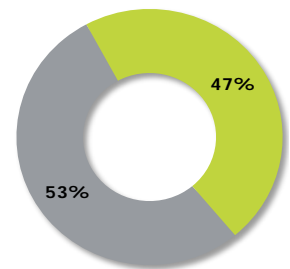
- New and refurbished
- Other buildings < 10 ans
- Buildings > 10 years



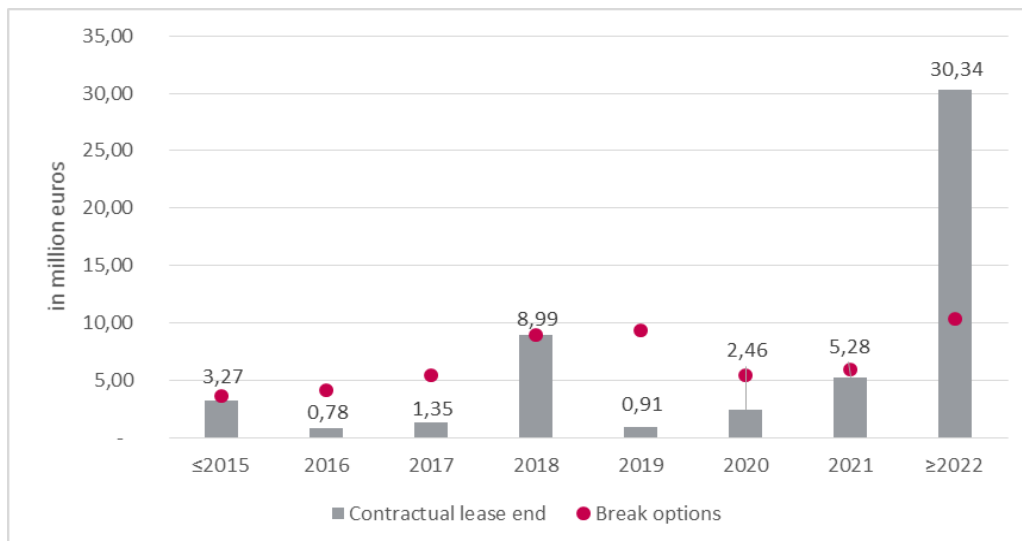
Non Labelled buildings

(in % of the net of transfer cost value)

- Labelled new buildings
- Non Labelled buildings



Average lease term maturity in €m



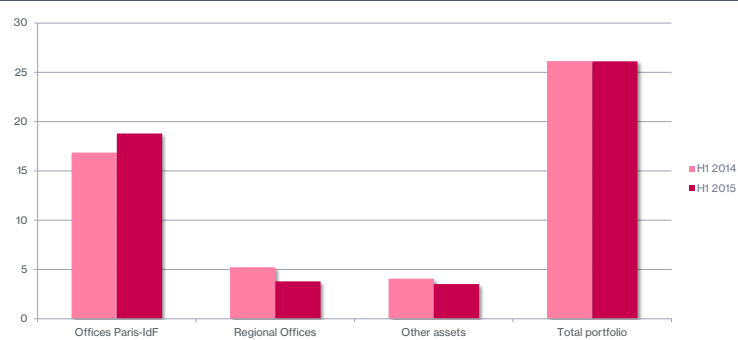
Rental income



Rental income variation

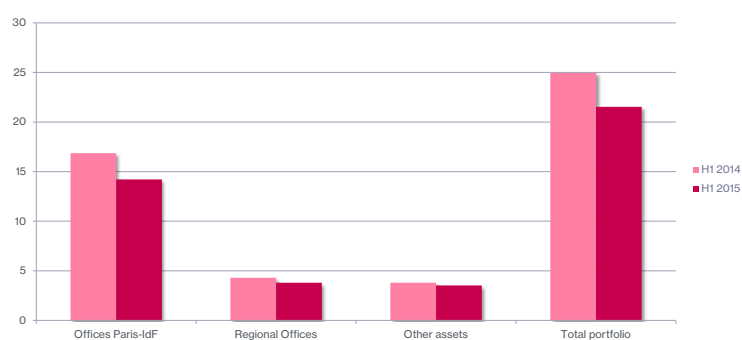
IFRS Rental Income variation

in €m	H1 2015	H1 2014	Diff	Diff %
Offices Paris-IdF	18.8	16.9	1.9	11.5%
Regional Offices	3.8	5.2	-1.4	-27.3%
Total offices	22.6	22.1	0.5	2.3%
Other assets	3.5	4.1	-0.5	-13.4%
Total other assets	3.5	4.1	-0.5	-13.4%
Total portfolio	26.1	26.1	0.0	-0.1%



IFRS Rental Income variation on a like-for-like basis H1 2015 - H1 2014

in €m	H1 2015	H1 2014	Diff	Diff %
Offices Paris-IdF	14.2	16.9	-2.6	-15.7%
Regional Offices	3.8	4.3	-0.5	-11.8%
Total offices	18.0	21.2	-3.2	-14.9%
Other assets	3.5	3.8	-0.3	-7.0%
Total other assets	3.5	3.8	-0.3	-7.0%
Total portfolio	21.5	25.0	-3.4	-13.7%



IFRS Rental income variation on a like-for-like basis = -13.7%

Impact of investments on Rental income variation : € +4.6 m / Impact of disposals on Rental income variation : € -1.2 m

Financing

Debt maturity schedule

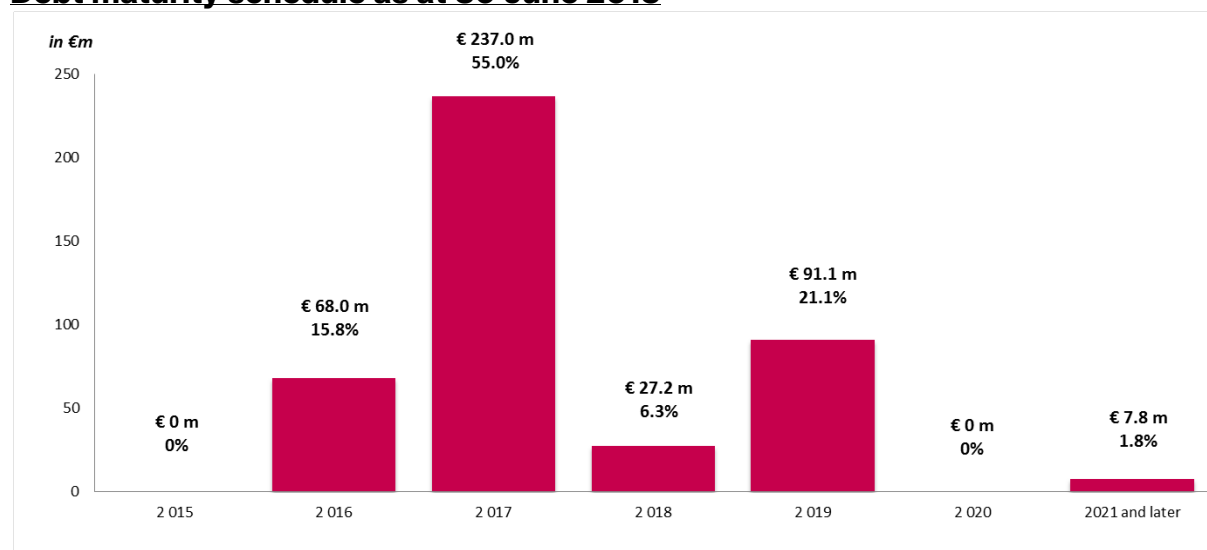
Summary as at 30 June 2015

Financial structure

Hedging



Debt maturity schedule as at 30 June 2015



Amount of the consolidated debt as at 30 June 2015 : € 431.2 m

Financing - Summary as at 30 June 2015

As at 30 June 2015	Net consolidated debt in €m	Maturity	
PPB bank pool	135.7	11/17	- Average financial cost 3.59%
SAAR LB	91.1	06/19	- Hedging 100%
Société Générale / Crédit Foncier	41.6	03/17	- Global net LTV 32.4%
BECM / Société Générale	14.6	04/18	- ICR global 265%
OTHERS	20.5		
Majority shareholder loan	127.6	10/16 and 03/17	
TOTAL GROSS CONSOLIDATED DEBT	431.2		
TOTAL NET CONSOLIDATED DEBT	265.5		



Financial structure ratios

in €m	30Jun2015	31Dec2014	31Dec2013
Shareholders' equity	526.4	362.7	356.2
Gross financial debt	431.2	384.1	348.5
Net financial debt	265.5	364.7	327.1
LTV (*)	32.3%	47.7%	46.2%
Average cost of finance	3.59%	3.8%	3.9%
Hedging	100%	100%	100%
Debt maturity	2.6 years	3.1 years	4.4 years
Group ICR (EBITDA / Financial cost)	2.7	2.5	2.3

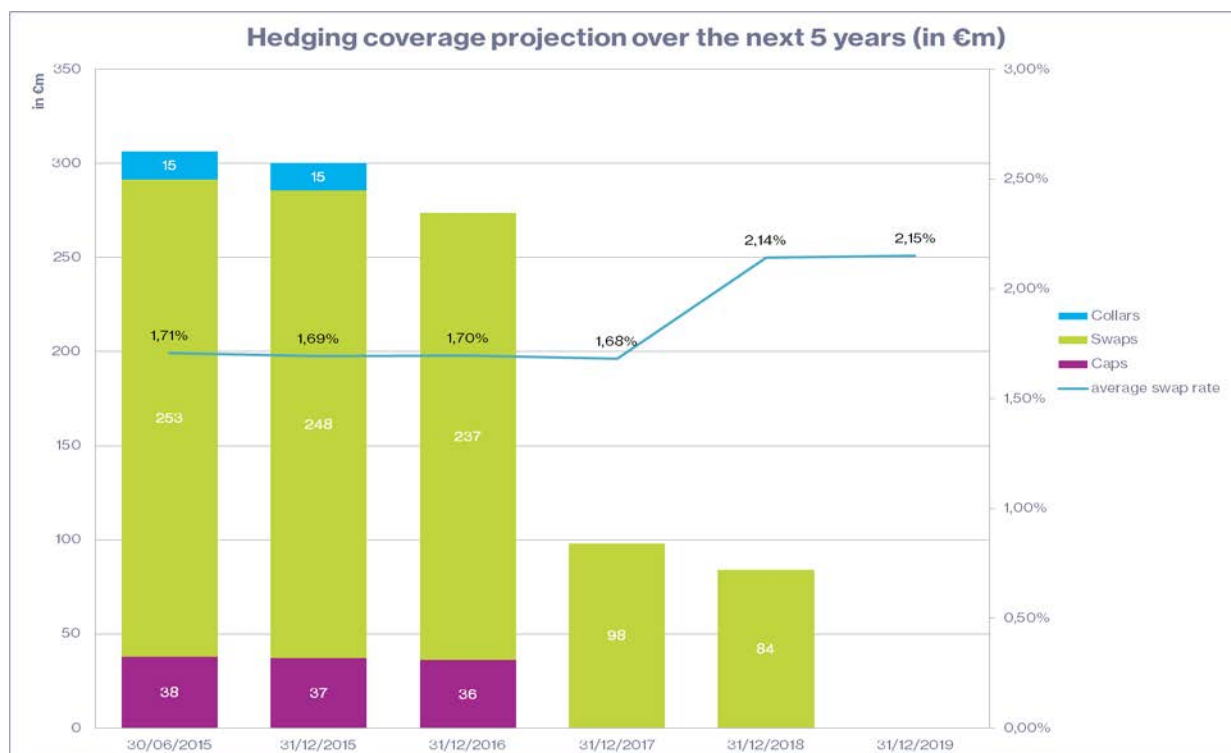
(*) From 2014 onwards, cash deposits have been deducted from the net consolidated debt to determine the Group's LTV ratio. These cash deposits amount to € 6.5 m as at 30 June 2015 and € 4.7m as at 31 Dec 2014 and are recorded in the balance sheet as other financial assets. They are fully owned by the Group but are used as an additional guarantee to one of its core banks.

	31 December 2014	31 December 2014
LTV	33.2%	48.3%
LTV after Cash Deposit adjustment	32.4%	47.7%

NB:

- Sensibility to a 100 bp increase to 3M Euribor on cost of debt : +€ 0.2 m (on a yearly basis)

Hedging - 30 June 2015



Hedging instruments notional as at 30 June 2015 : € 306.3m

Difference with gross consolidated debt is primarily linked to the main shareholder's loan (€ 127.6m - fixed rate) and IFRS debt adjustment.

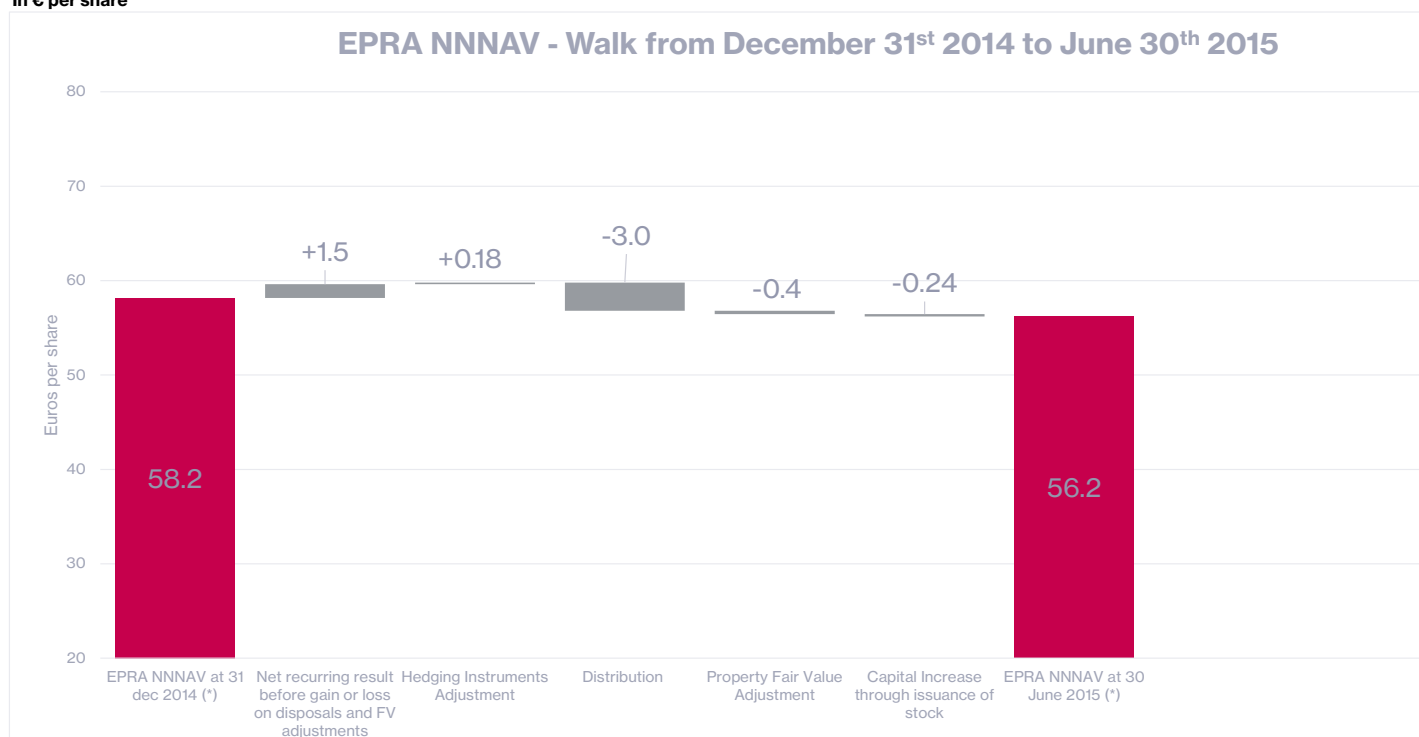
NAV



EPRA NNAV

Variation of EPRA NNAV from 31/12/2014 to 30/06/2015

In € per share



(*) Post-dilution total shares outstanding: 9 465 027 as at 30/06/2015, and 6 330 337 as at 31/12/2014

Cash flow and summarised financial statements

H1 2015 Cash flow

Summarised consolidated accounts

Consolidated balance sheet and income statement

Corporate balance sheet and income statement



Recurring cash flow

in €m	H1 2015	H1 2014	Variation
Gross rental income	26.1	26.1	-0.1%
Recurring property operating expenses	-3.9	-4.5	-12.7%
Recurring corporate expenses	-1.3	-1.3	-1.3%
Net finance costs	-7.3	-6.7	9.4%
Recurring cash flow	13.6	13.7	-0.6%
Recurring cash flow (in € / share *)	1.4	2.2	-34.3%

(*) number of shares as at 30/06/2015: 9 463 307 , number of shares as at 30/06/2014: 6 253 916



Net consolidated result and EPRA earnings

in €m	H1 2015			H1 2014			Diff. EPRA (%)
	EPRA earnings	Non recurring	Result	EPRA earnings	Non recurring	Result	
Gross rental income	26.1		26.1	26.1		26.1	-0.1%
Property operating expenses (*)	-3.9	-0.2	-4.1	-4.5	-0.1	-4.6	
Corporate expenses	-1.3	0.8	-0.5	-1.6	-1.3	-2.9	
Current operating income	20.9	0.6	21.5	20.0	-1.4	18.7	4.3%
% of rents	80.1%		82.4%	76.7%		71.4%	
Result from disposals		0.0	0.0		0.0	0.0	
Property fair value adjustment		-3.3	-3.3		-14.0	-14.0	
Other operating income and expenses	0.3		0.3	-0.1		-0.1	
Operating income	21.3	-2.7	18.5	19.9	-15.4	4.5	6.8%
% of rents	81.4%		71.0%	76.1%		17.4%	
Net finance cost	-8.1		-8.1	-7.4		-7.4	
Other financial income and expenses		1.6	1.6		-5.4	-5.4	
Net financial results	-8.1	1.6	-6.5	-7.4	-5.4	-12.7	9.9%
Profit/loss before tax	13.2	-1.1	12.1	12.5	-20.7	-8.2	4.9%
Tax	0.0		0.0	0.0		0.0	
Net profit / loss (Group share)	13.1	-1.1	12.0	12.5	-20.7	-8.2	4.6%
% of rents	50.2%		46.1%	47.9%		-31.4%	
Net profit / loss (Group share) per share (**)	1.4	-0.1	1.3	2.0	-3.3	-1.3	-30.9%

(*) including Tour Eiffel Asset Management costs

(**) number of shares as at 30/06/2015: 9 463 307 ; number of shares as at 30/06/2014: 6 253 916