

HALF YEAR RESULTS 2017

25 JULY 2017



**SOCIETE
DE LA
TOUR EIFFEL**

SUMMARY

- 
- 1 REAL ESTATE MARKET
 - 2 STRATEGY
 - 3 2017 HALF-YEAR RESULTS
 - 4 DEVELOPMENTS
 - 5 OUTLOOK



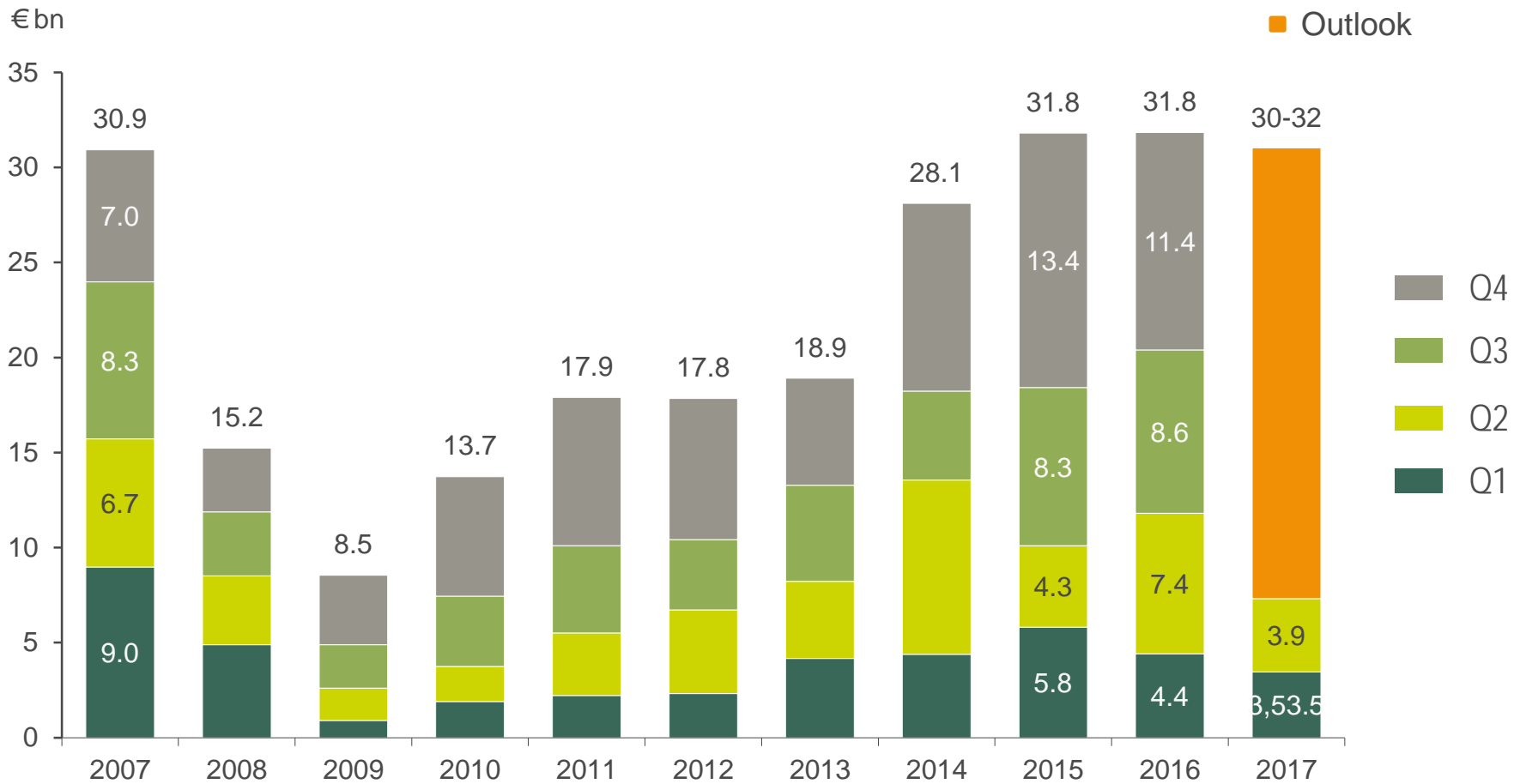


REAL ESTATE MARKET



INVESTMENT IN FRENCH COMMERCIAL REAL ESTATE

GLOBALLY STABLE AT A HIGH LEVEL



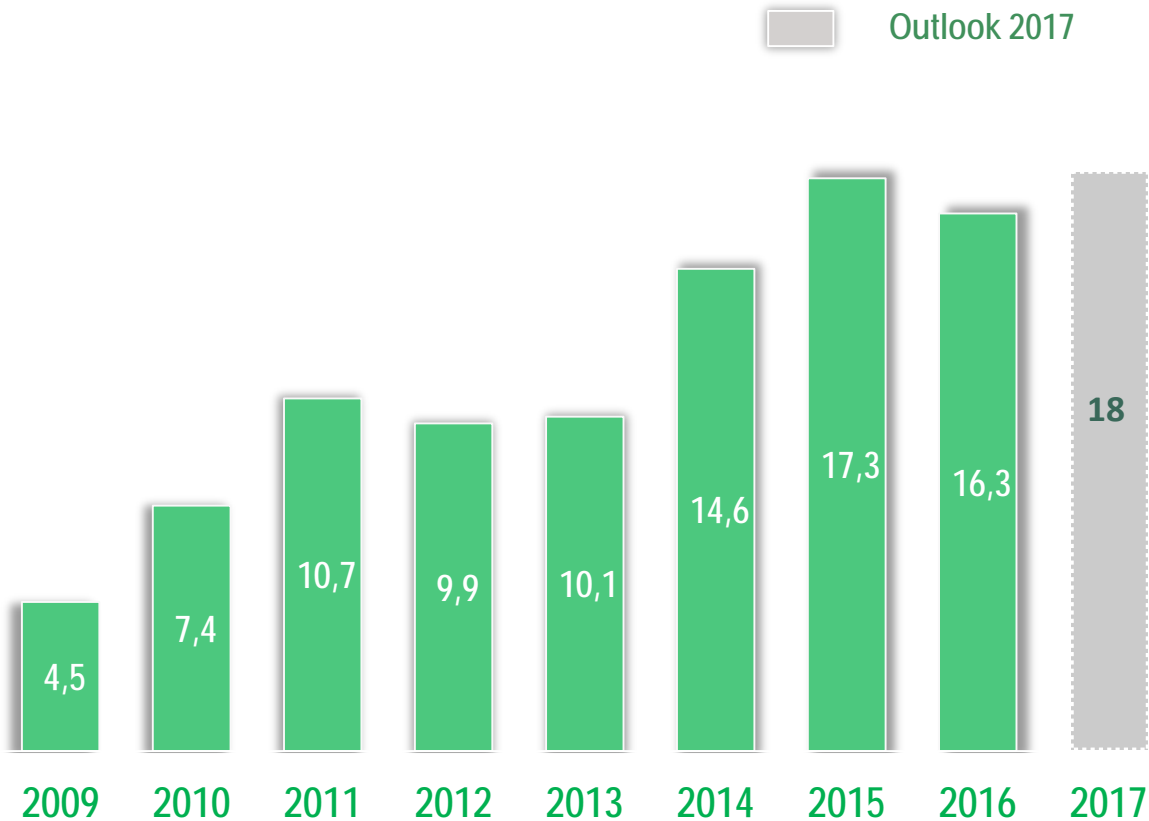
SOCIETE
DE LA
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2017 half-year results

Source BNP PARIBAS

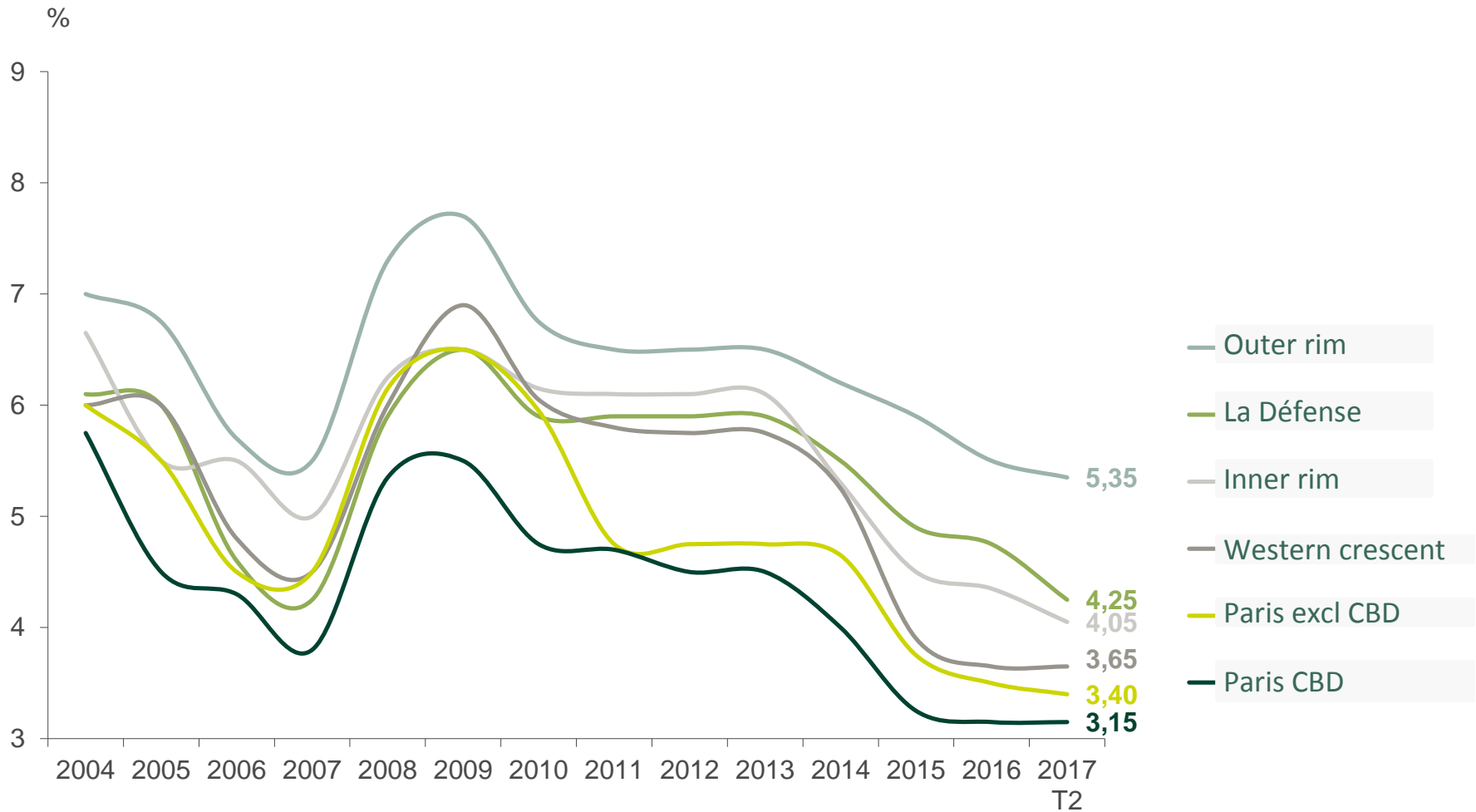
PARIS REGION OFFICES – EVOLUTION OF INVESTED AMOUNTS

STILL DYNAMIC, ABOVE 10-YEAR AVERAGE



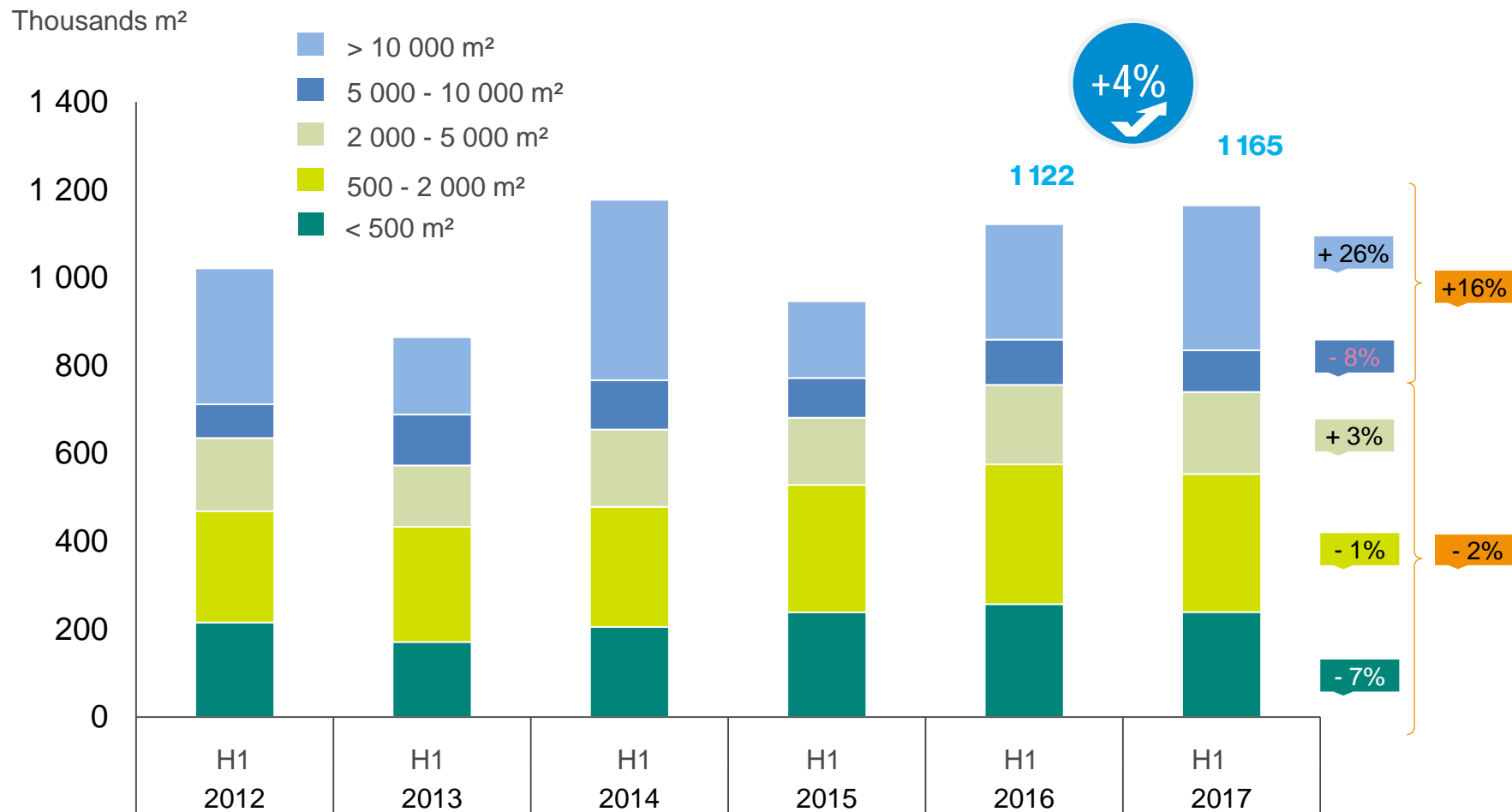
PARIS REGION OFFICES - YIELDS

FURTHER COMPRESSION



RENTAL TAKE UP – BY SURFACE AREA IN THE PARIS REGION (HALF-YEARLY)

ON THE INCREASE





STRATEGY



THE STRATEGIC PLAN PURSUED

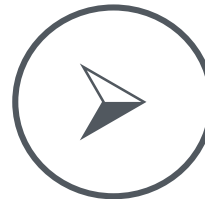
Objective : to increase the portfolio to € 1.5 bn within the next years

● Three growth areas:

- Direct **acquisition** of secure assets
- **Development** of new buildings on existing land or to be acquired
- **External growth**

● Targeted development in established locations (transport, economic areas) in particular within Greater Paris :

- Creation of business **parks** providing services meeting tenants' requests
- Investments in **service areas**



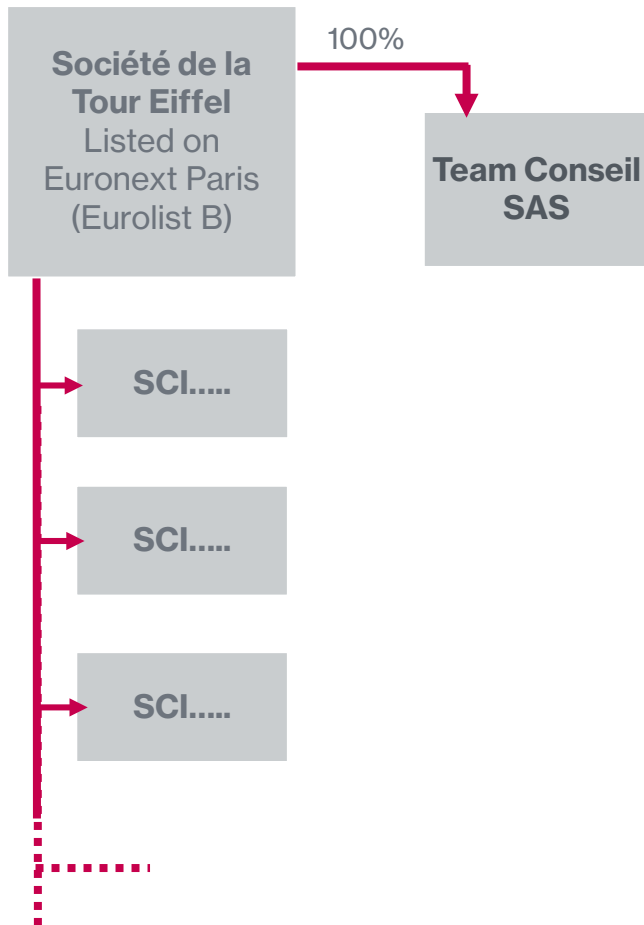
- Critical size
- High rental dynamic
- Support for tenants' needs

● Closer management with tenant customers:

- **Internalised property management** (rental, commercial, technical and administrative)
- **ISO 9001 et 14001** (obtained early 2016 and maintained early 2017)
- High level of **environmental commitment**



AN INTEGRATED OPERATOR WITH TEAM CONSEIL



- **A team of competent, responsive professionals**
- **Business authorisations : Management and Transactions**
- **Skills internalised**
 - Leasing
 - Acquisitions and disposals
 - Delegated Project Management
 - Administrative management
 - Technical management
 - Financial management
- **Dual certification (obtained early 2016 and maintained early 2017)**
 - ISO 9001 Quality
 - ISO 140001 Environment
- **Third-party asset and property management**
- **A dedicated website: www.team-conseil.fr**



COMPLEMENTARY SKILLS TO BENEFIT THE PROPERTY PORTFOLIO





2017 HALF-YEAR RESULTS

- ① OPERATIONAL RESULTS
- ② FINANCIAL RESULTS





PURSUING ITS INVESTEMENT POLICY



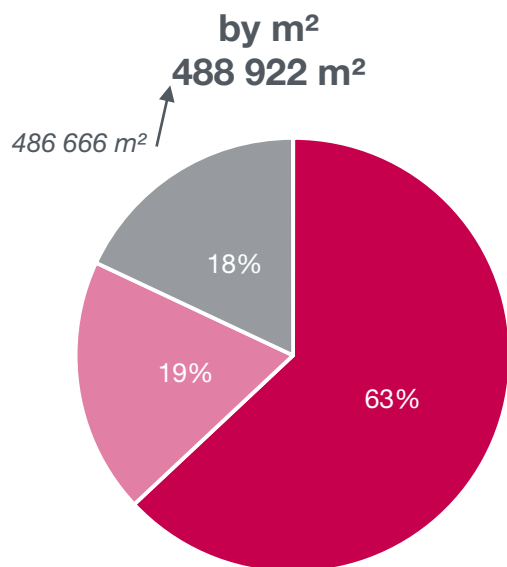
ACQUISITIONS

- 28 April 2017 : on Parc du Golf in Aix-en-Provence, acquisition of the building 11 (1 357 m² - two levels)
- 2 May 2017 : on Parc Orsay Université, acquisition of building D (1 295 m²), the company now owns the whole business park (17 000 m²)
- 21 July 2017 : new acquisition on Parc du Golf à Aix en Provence : building 8 (1 037 m² two levels) ; the company owns 70% of the park (30 000 m² out of 43 000 m²)



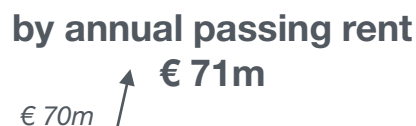
A STILL GROWING PORTFOLIO AS AT 30 JUNE 2017

(COMPARED TO 31.12.2016)

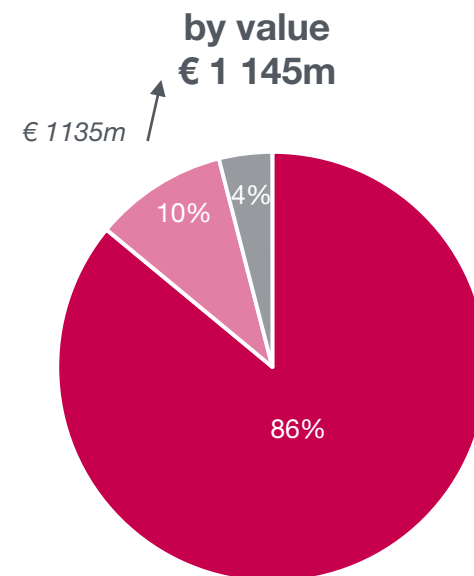


Number of assets: 48
Number of buildings: 136

■ Paris region offices ■ Region offices ■ Other assets (Warehouses/Parcel depots - Light industrial)



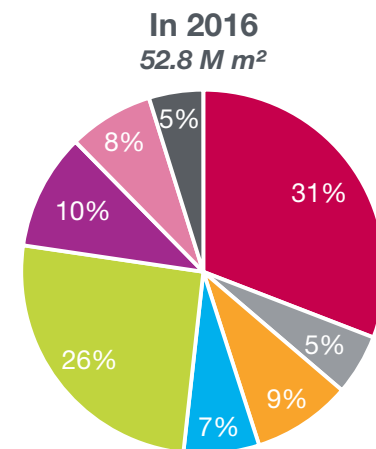
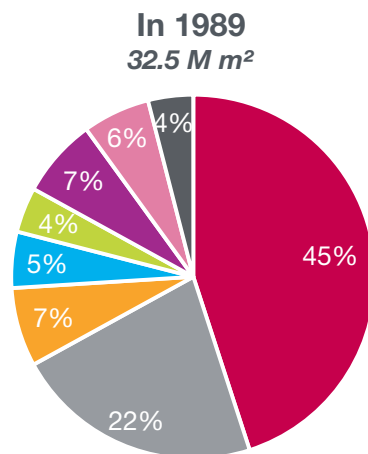
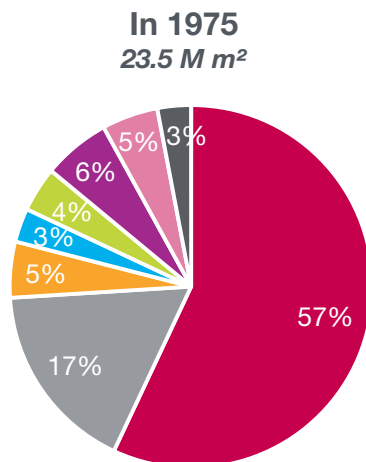
Average rent: 175 €/m²



Share of offices: 96%
Paris region share: 87%



DEVELOPMENT OF THE OFFICE PORTFOLIO BY DEPARTMENT IN THE PARIS REGION



■ Paris ■ Hauts-de-Seine ■ Seine-Saint-Denis ■ Val-de-Marne ■ Seine-et-Marne ■ Yvelines ■ Essonne ■ Val-d'Oise

Department	1975	1990	2016	CAGR* 1975-2016
75	13 530 987	14 656 718	16 388 681	0.5%
77	893 020	1 515 913	2 863 632	2.9%
78	1 301 317	2 567 668	4 672 017	3.2%
91	1 233 244	2 204 064	3 552 502	2.6%
92	3 941 431	7 605 608	13 584 530	3.1%
93	1 261 203	2 282 974	5 478 989	3.6%
94	769 599	1 857 411	3 997 497	4.1%
95	596 118	1 198 344	2 564 748	3.6%
Total Ile-de-France	23 526 919	33 888 700	53 102 596	2.0%

CAGR: Compound average growth rate

Source ORIE



**SOCIETE
DE LA
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2017 half-year results

A PORTFOLIO FOCUSED ON ILE-DE-FRANCE (PARIS REGION)

Department	Area (per m²)	% by location	% whole portfolio	Passing rent (€)	% by location	% whole portfolio
ILE-DE-FRANCE						
PARIS	12 341	4%	3%	3 847 103	6%	5%
SEINE & MARNE	9 756	3%	2%	812 083	1%	1%
YVELINES	52 557	15%	11%	9 851 098	16%	14%
ESSONNES	34 739	10%	7%	6 791 887	11%	10%
HAUTS-DE-SEINE	190 056	56%	39%	33 674 075	56%	48%
SEINE-ST-DENIS	28 207	8%	6%	2 180 901	4%	3%
VAL-DE-MARNE	14 153	4%	3%	2 676 347	4%	4%
	341 810	100%	70%	59 833 494	100%	85%
REGIONS						
BOUCHES-DU-RHONE	40 517	28%	8%	4 257 757	40%	6%
CALVADOS	14 763	10%	3%	2 139 016	20%	3%
DOUBS	28 165	19%	6%	612 729	6%	1%
HAUTE-GARONNE	13 814	9%	3%	944 296	9%	1%
LOIRET	4 436	3%	1%	272 684	3%	0%
MARNE	11 350	8%	2%	795 835	7%	1%
BAS-RHIN	34 067	23%	7%	1 699 028	16%	2%
	147 112	100%	30%	10 721 345	100%	15%

**End 2015
Ile-de-France
rents on
whole
portfolio:
85%**



ON-GOING PROCESS OF CERTIFYING ASSETS

To increase attractiveness of the assets and maintain their value

Main targets of 2017 : rate of 70% of labelled buildings

Continuous improvement strategy of asset performance

● **FRANAY-SAINT CLOUD : launch of an HQE EXPLOITATION**
4.104 m²

● **BERLIOZ-GUYANCOURT : launch of an HQE EXPLOITATION certification process :**
6.222 m²



Integration of new assets on the park NANTERRE SEINE :

● **NIVEOLE : launch of a BREEAM IN USE certification : 10.485 m²**

● **NARVAL : launch of a BREEAM IN USE certification : 13.550 m²**



After the PARC EIFFEL in ORSAY, the PARC DU GOLF in AIX EN PROVENCE has been awarded the ECO JARDIN label





2017 HALF-YEAR RESULTS

- ① OPERATIONAL RESULTS
- ② FINANCIAL RESULTS



KEY FIGURES

STRONG FUNDAMENTALS

	30/06/2017	31/12/2016	
Portfolio value exluding transfer duties	€ 1 145.2m	€ 1 135.1m	
Portfolio value at amortised cost	€ 934.4m	€ 934.4m	➤ Potential gains above € 200m
Net financial debt	€ 412.0m	€ 410.1m	
Financial debt rate	1.86%	1.85%	➤ A suitable debt structure
Net LTV	36.0%	36.2%	
EPRA NNNAV (in €/share)	57.3	58.9	➤ A dividend distribution of € 3 per share
	H1 2017	H1 2016	
Rental income	€ 34.4m	€ 28.9m	➤ Increase by +19%
<i>EPRA financial occupancy rate</i>	87.3%	87.5%	
Net profit/loss	€ 8.0m	€ 5.7m	
Net recurring profit/loss	€ 8.0m	€ 7.3m	
EPRA earnings	€ 21.5m	€ 16.0m	➤ increasing results
Cash-flow	€ 24.9m	€ 20.8m	➤ High increase of cash-flows by +20%
in €/share	2.0	2.2	



EPRA INDICATORS

OPERATING PERFORMANCE

	H1 2017	H1 2016
EPRA earnings	€ 21.5m	€ 16.0m
	30/06/2017	31/12/2016
EPRA net initial yield	5.33 %	5.27 %
EPRA topped-up net initial yield	5.52 %	5.54 %
EPRA vacancy rate	12.7 %	12.5 %
EPRA NAV per share	€ 57.3	€ 58.8
EPRA NNNNAV per share	€ 57.3	€ 58.9

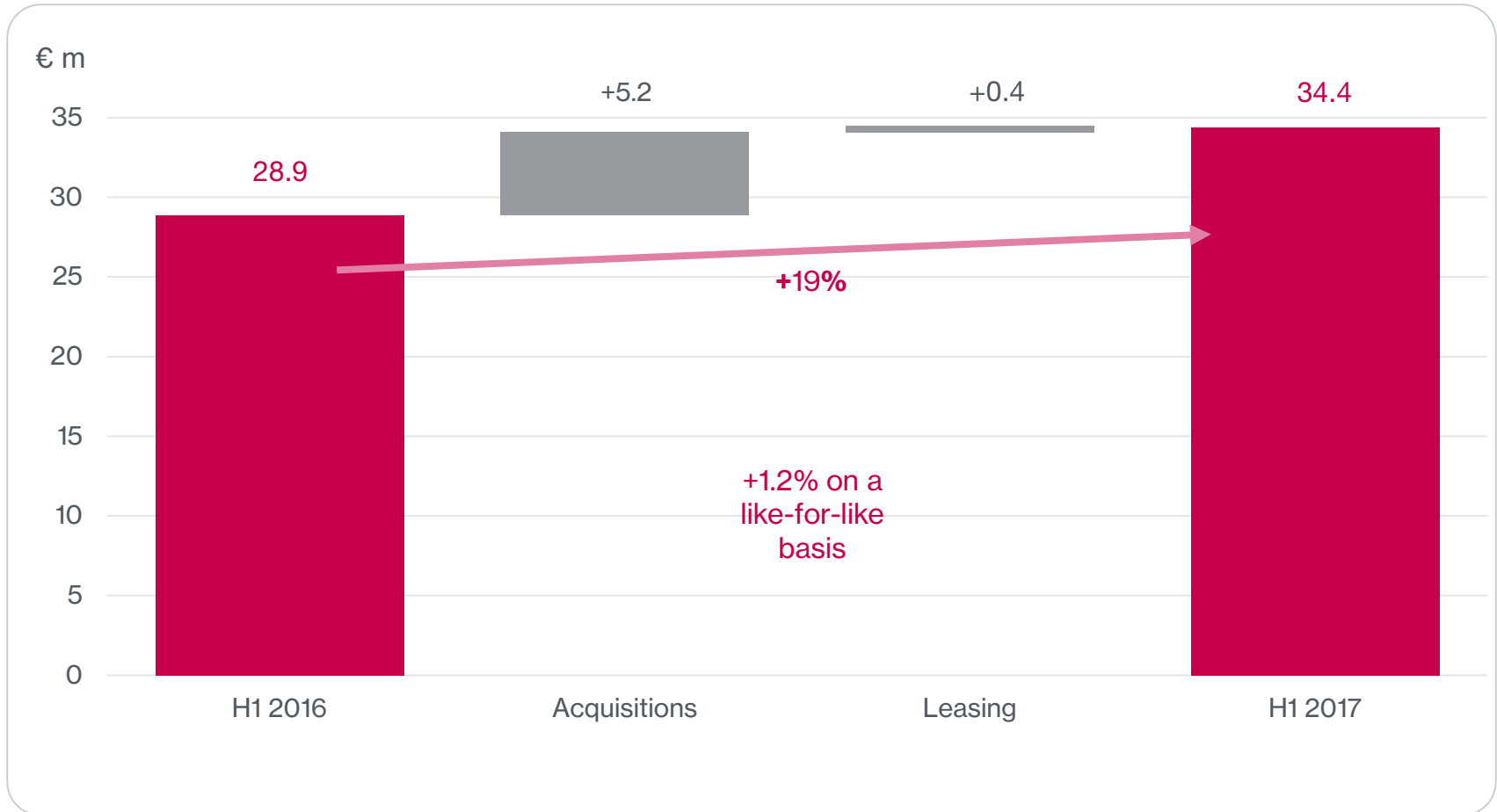
CONSOLIDATED INCOME STATEMENTS

HIGH GROWTH IN RESULTS

	HY 2017	HY 2016	
	Net Income	Net Income	Change in Net Income (%)
<i>En M€</i>			
Gross rental income	34.4	28.9	19.1%
Property operating expenses	-3.7	-3.7	
Net operating income	30.7	25.2	21.7%
Corporate expenses	-5.2	-4.3	
EBITDA	25.5	20.9	21.7%
Net depreciation	-13.3	-9.9	
Impairment & provisions	0.0	-0.2	
Current operating income	12.1	10.8	12.1%
% of rents	35.2%	37.4%	
Result from disposals	-	-	
Other operating income and expenses	0.3	-0.1	
Operating income	12.4	10.7	16.5%
% of rents	36.2%	37.0%	
Net financial cost	-4.2	-4.5	
Other financial income and expenses	-0.2	-0.5	
Net financial results	-4.4	-5.0	-12.3%
Net income before tax	8.1	5.7	41.6%
Tax	-0.1	0.0	
Net profit/loss (Group share)	8.0	5.7	41.3%
% of rents	23.3%	19.6%	
Résultat net (Part du Groupe) par action (*)	0.7	0.6	9.2%

RENTAL INCOME

SUBSTANTIAL INCREASE



CONSOLIDATED BALANCE SHEET

A SEMESTER FOR CONSOLIDATION

<i>in €m</i>	<i>30/06/2017</i>	<i>31/12/2016</i>	<i>Diff</i>	<i>Diff%</i>
Assets				
Investment properties	930.1	930.1	0.0	0.0%
Assets earmarked for disposal	4.3	4.3	0.0	0.0%
Tangible fixed assets	0.6	0.6	0.0	-0.8%
Intangible fixed assets	0.0	0.0	0.0	-71.4%
Receivables	37.3	42.4	-5.1	-12.0%
Cash and equivalent	19.8	22.6	-2.8	-12.4%
Total ASSETS	992.2	1 000.0	-7.9	-0.8%
LIABILITIES				
Share capital and reserves	485.4	506.9	-21.5	-4.2%
<i>including result</i>	8.0	17.1	-9.1	-53.2%
Long term debt	431.8	432.7	-0.9	-0.2%
Other liabilities	75.0	60.5	14.5	23.9%
Total LIABILITIES	992.2	1 000.0	-7.9	-0.8%



PORTFOLIO EVOLUTION VALUED AT FAIR VALUE

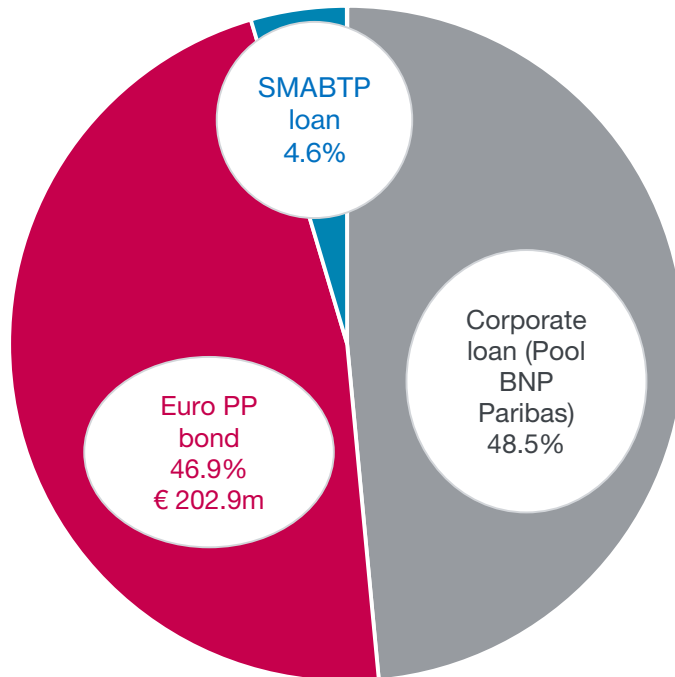
GROWTH IN THE PORTFOLIO



FINANCIAL DEBT

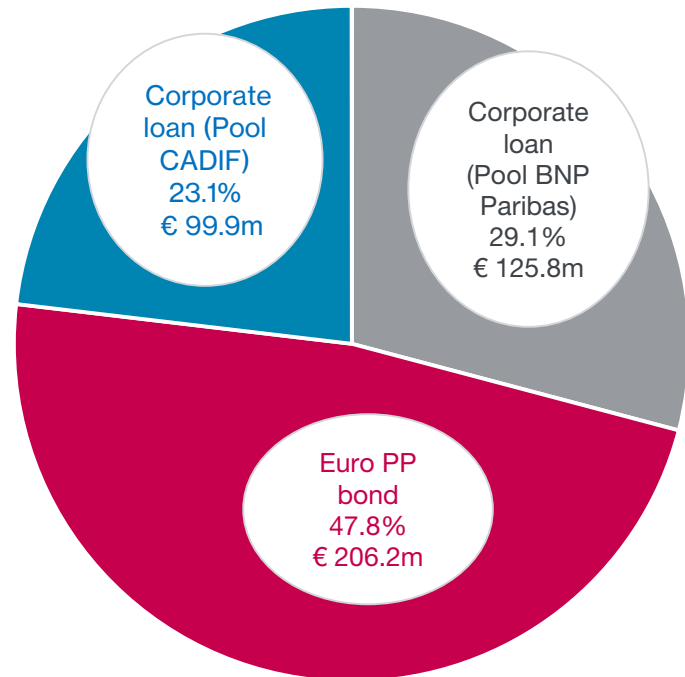
DIVERSIFIED SOURCES OF FINANCING

As at 31/12/2016



- ▶ 3 lines for a total of € 432.7m
- ▶ No guarantees on the properties

As at 30/06/2017



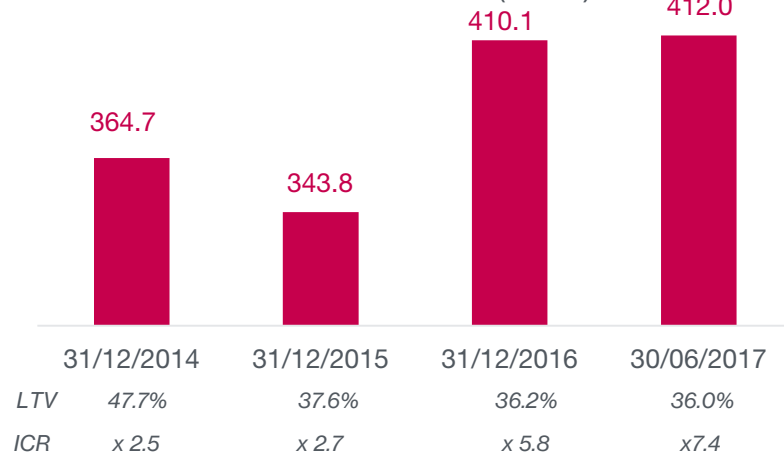
- ▶ 3 lines for a total of € 431.8m
- ▶ No guarantees on the properties



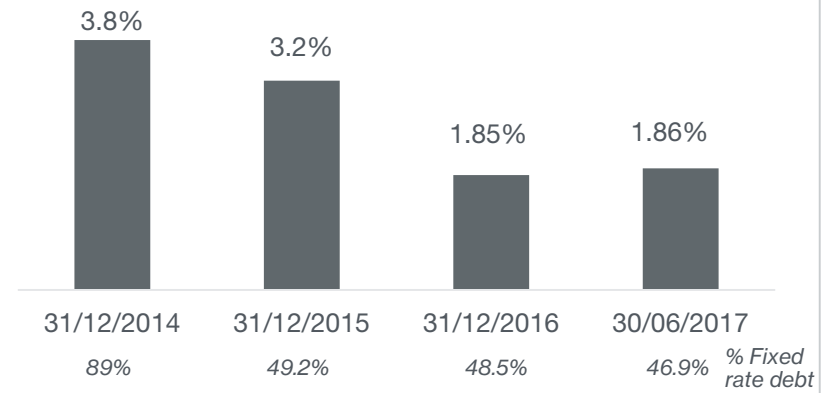
DEBT

A STRONG SIGNATURE AND A CAREFUL MANAGEMENT

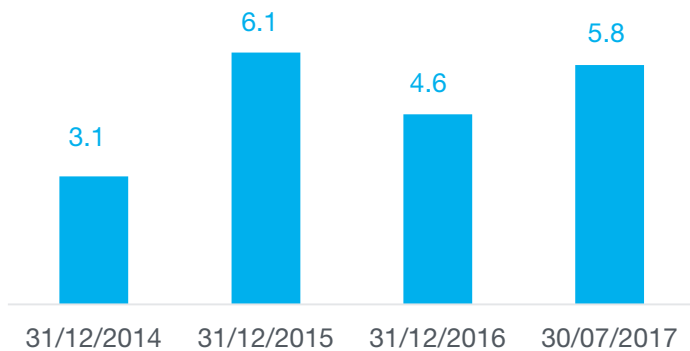
Net financial debt (in €m)



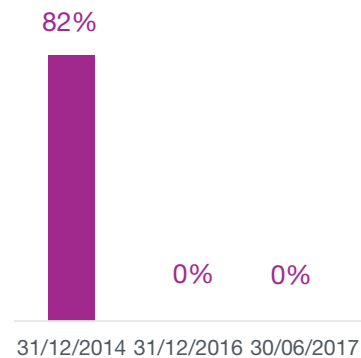
Average debt rate



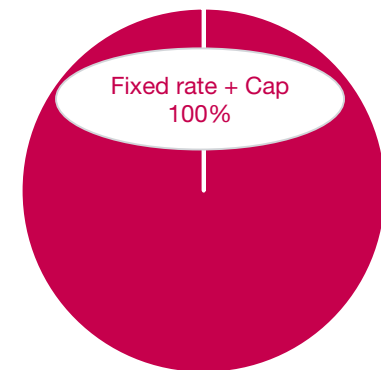
Maturity (years)



Security rights

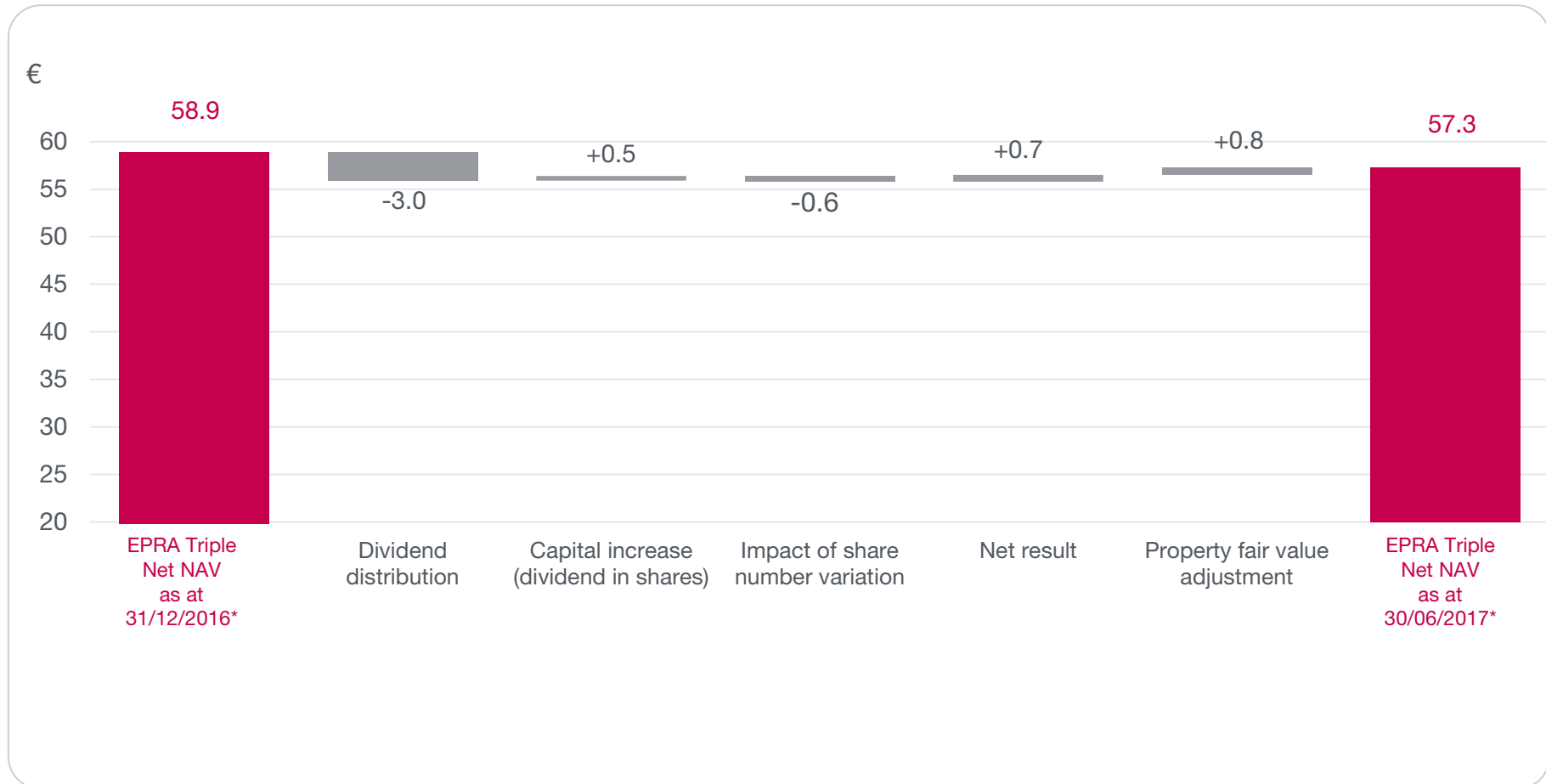


Debt coverage ratio



EPRA NNNAV (IN € PER SHARE)

A €3 PER SHARE DIVIDEND FOR 2016 PAID IN 2017



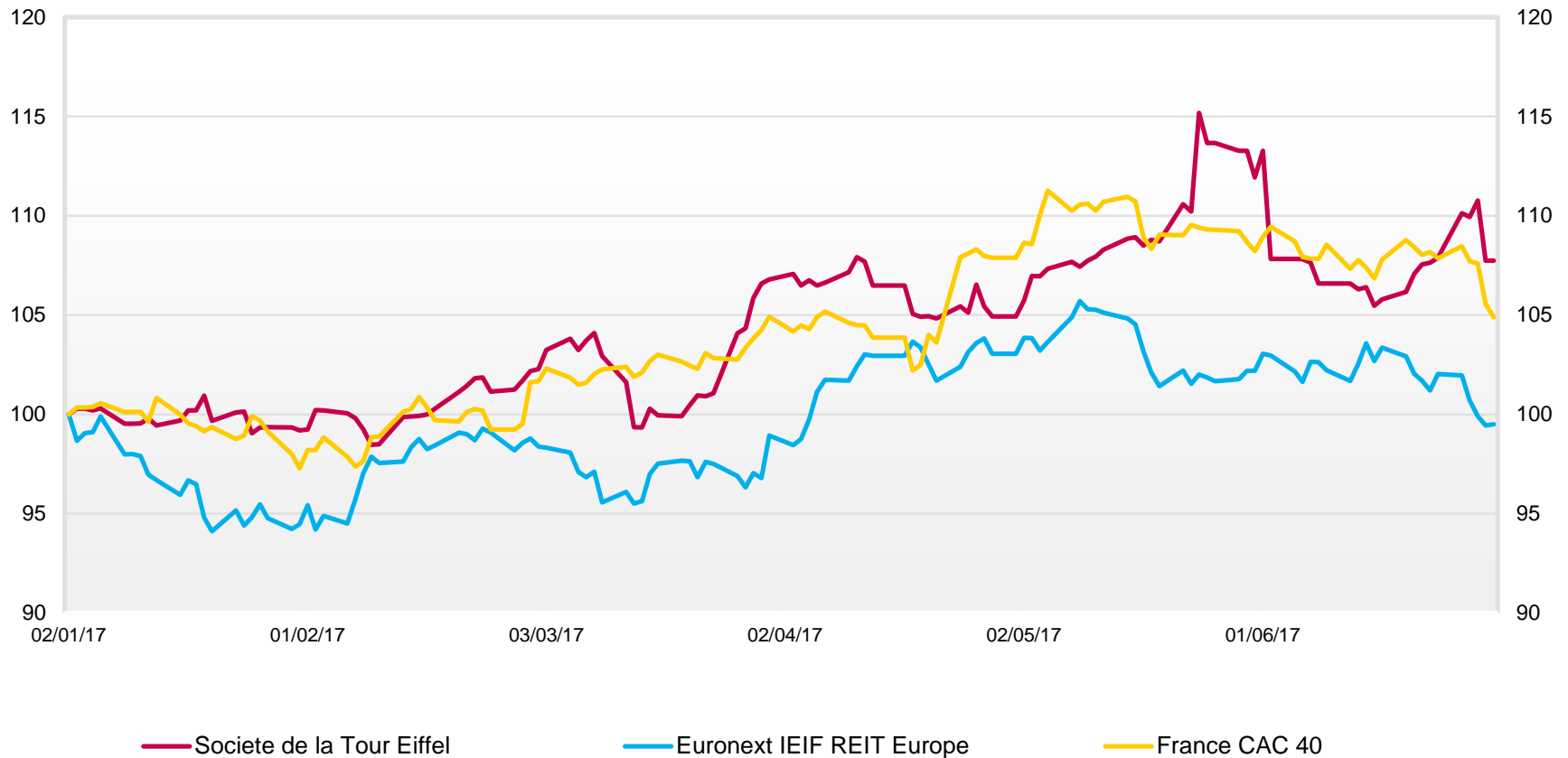
* Fully diluted share number: 12 256 310 as at 30/06/2017 and 12 134 254 as at 31/12/2016



2017 STOCK MARKET HALF-YEAR

GROWTH IN STOCK PRICE

Stock relative to sector-based indices trend, basis 100 as at 01/01/2017



Average price: € 54.63
Highest price: € 60.30
Lowest price: € 51.55



SOCIETE
DE LA
TOUR EIFFEL

2017 half-year results



DEVELOPMENTS



DEVELOPMENTS IN PARIS REGION



DÉVELOPPEMENTS EN ILE-DE-FRANCE

ORSAY / MASSY / NANTERRE

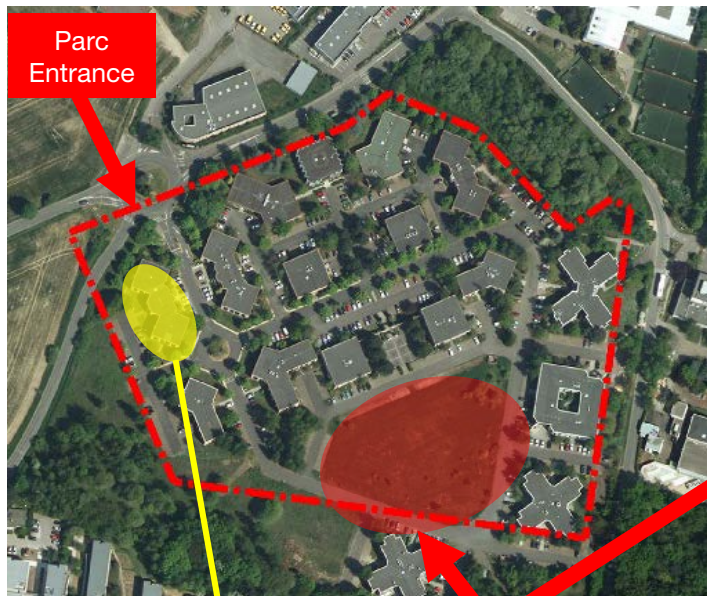


- ❑ In **Orsay**, within the Parc Eiffel d'Orsay, 17,500 m² of office space on 16 buildings in the heart of one of the flagship projects in Greater Paris: the Paris-Saclay science campus (Ecole Normale Sup, Paris Sud University, Polytechnique, etc.)
- ❑ In **Massy**, within the Ampère Atlantis integrated development zone (ZAC) with access to the largest transport hub in the outskirts south of Paris:
 - 2 regional express railway lines (RER), 1 high-speed train station, Orly airport, South Express tramway
- ❑ In **Nanterre**, the Défense Nanterre Seine park benefits from the dynamic of La Défense, first European business district closeby. This park lined by the Seine river and well served by public transportation.

ORSAY PARK (17 500 M²) IMMEDIATLY PLANNED : 13 600 M² ON AVAILABLE LAND

The Parc Eiffel d'Orsay is located 300 m from the future Greater Paris train station (scheduled for 202) within the Le Moulon integrated development zone

PRESENT PARK OCCUPANCY RATE: 92%

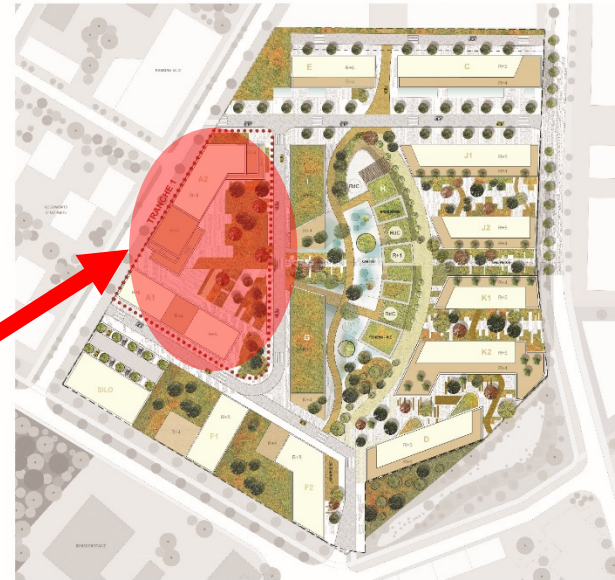


Future subway
Line 18
Station Orsay - GIF

Development of 13,600 m²
Approval modified and obtained
02/12/2016
Building permit to be filed July 2017

Acquisition of D building (1 295 m²)
signed on 02.05.2017

FUTURE CAMPUS



ORSAY – PROJECT PHASE 1 : 13 600 M² CERTIFIED HQE EXCELLENT

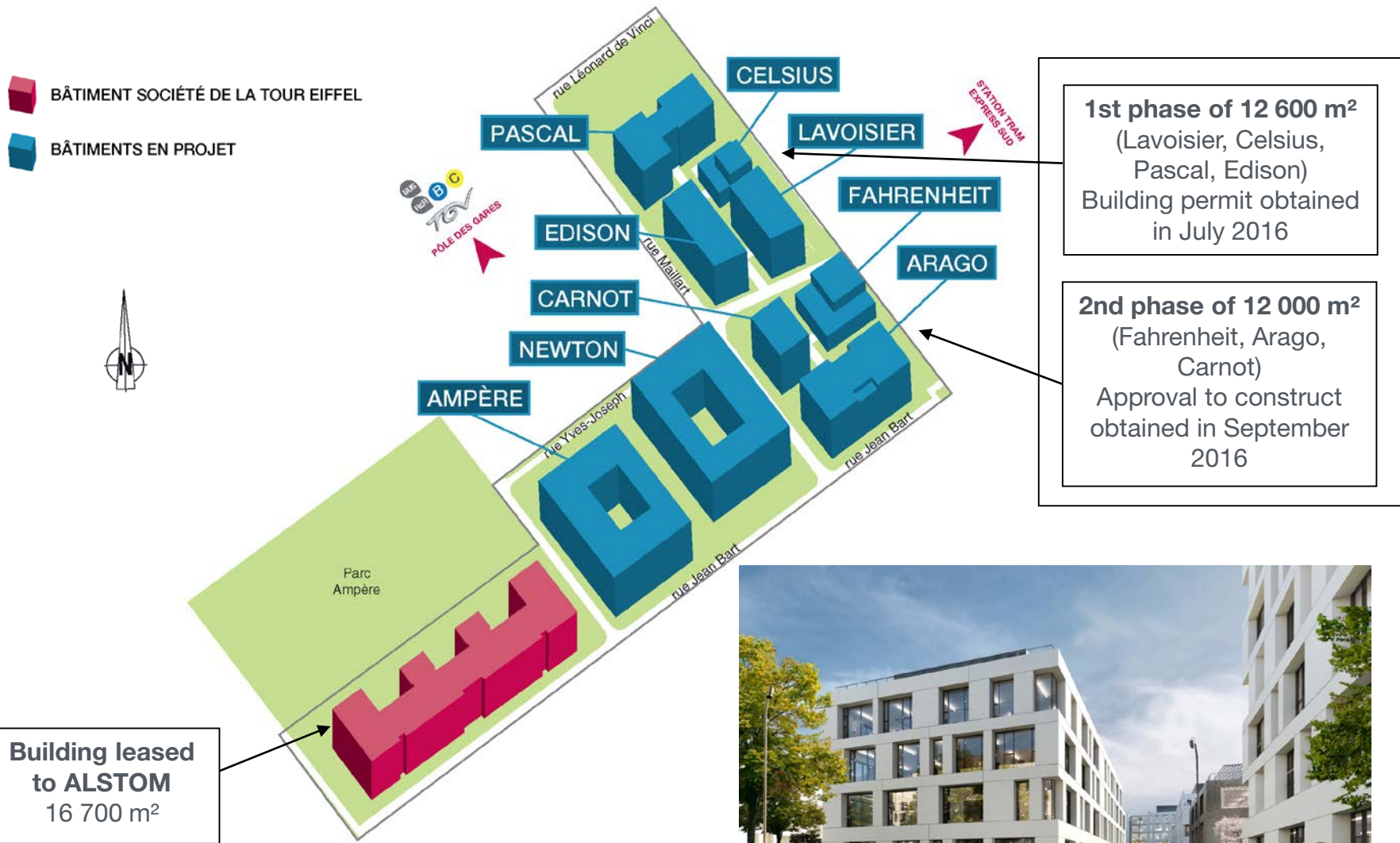
ARCHITECT PAUL MAYLA



SOCIETE
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TOUR EIFFEL

2017 half-year results

CAMPUS EIFFEL MASSY : 70 000 M² EN COURS DE VALORISATION



CAMPUS EIFFEL MASSY – PHASE 1 – CERTIFIED HQE EXCELLENT

ARCHITECTS : SIMONETTI, MALASPINA & ASSOCIES



**SOCIETE
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TOUR EIFFEL**

2017 half-year results

PARC DÉFENSE NANTERRE SEINE (70 000 M²)

PROJECTS UNDER STUDY



● NANTURRA : Development planned

- Development of a 3 000 m² building for Offices and Light industrial
- Development of a service building to meet needs of the park's tenants

● NAVARQUE : Building under refurbishment

- Restructuring of a 6 423 m² building to be suited for Offices and Light industrial





DEVELOPMENTS IN THE REGIONS



AIX-EN-PROVENCE – PARC DU GOLF (43.000 M²)

OWNER OF 30 000 M² (OF WHICH 4 300 M² UNDER CONSTRUCTION)

In an exceptional landscape offering a privileged work place

- Closed and secure park
- Numerous parking lots
- Landscaped and treelined area
- Quality work space, pedestrian areas, recreational areas
- 44 tenant companies

-  SOCIETE DE LA TOUR EIFFEL'S PROPERTY
-  PLANNED DEVOLPMENT
-  OTHER LANDLORDS
-  LAND RESERVES



- AZUR**
Firm off-plan lease agreement (February 2016)
- 5-level 4 300 m² office building located at le Parc du Golf in Aix-en-Provence
 - Investment : € 11m
 - CAC 40 indexed tenant
 - Planning permit obtained – Delivery planned for 1st quarter 2018 – Progress at 30/06/2017 : 51 %
 - Certification BREEAM Very Good

Acquisition of the 8 building (1 037 m²)
signed on 05.05.2017

Acquisition of the 11 building (1 357 m²)
signed on 28.04.2017



**SOCIETE
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TOUR EIFFEL**

2017 half-year results

MARSEILLE - PARC EIFFEL DES AYGALADES (23 000 M²)

OWNER OF 18 000 M² (OF WHICH 2 000 M² UNDER CONSTRUCTION)



SOCIÉTÉ DE LA TOUR EIFFEL'S PROPERTIES



BUILDING UNDER CONSTRUCTION



PLANNED DEVELOPMENT



OTHER LANDLORDS



CYPRES

Firm off-plan lease agreement

- 1.967 m² office building (3 levels)
- Investment: € 4.4m
- Tenant: SERAMM
- Planning permit obtained 19/12/2016 – Beginning of work : April 2017 – Delivery planned for Q2 2018



L'OLIVIER

Ideally located, 5 levels

250 m² retail and 3 390 m² offices plus parking lots

Planning permit obtained in November 2015 – non-recourse and non-withdrawal certificate obtained February 2017



SOCIÉTÉ
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TOUR EIFFEL

2017 half-year results

PARC DES TANNERIES – STRASBOURG (34 000 M²)

At the heart of a landscaped, tree lined and closed environment, a business park on the cities of Strasbourg, Ostwald and Lingolsheim

- 34 000 m² of offices and light industry
- and over 15 000 m² to develop.





OUTLOOK



2016 OUTLOOK

● **Raise the size of the portfolio to € 1.5 bn within the next years**

● **2017: a year unfolding according to the strategic plan**

- Improve our services to serve our tenants
- Continue acquisitions
- Develop our projects and pre-leasing in Orsay, Massy and Nanterre
- Focus on the prospects for our portfolio in other regions (Marseille, Aix-en-Provence, Strasbourg)

● **Société de la Tour Eiffel is in line with a trend of strong growth in its cash flows**

