



SOCIÉTÉ DE LA  
TOUR EIFFEL

# Press Release 5<sup>th</sup> March 2009

## 2008 ANNUAL RESULTS

### Solid rental income flow and financial parameters under control

#### Key figures

##### Consolidated

In M€	2008	2007
Rents	70.6	72.4
Net operating income	50.6	52.7
Net result	- 16.7	91.6
Portfolio value net of transfer costs	1 104.3	1 082.8

  

In € / share*		
Net cash flow	3.6	4.5
NAV net of transfer costs	88.5	101.9

##### Corporate

Net profit (M€)	28.2	31.6
Dividend** (€/share)	5	6

\* number of shares as at 31st December 2008 and 2007: 5 193 003

\*\* subject to Annual General Meeting deliberation

#### Sustained operational activity in 2008

Against a deteriorating economic background, Société de la Tour Eiffel concluded more than 100 000 m<sup>2</sup> of lettings (total portfolio 713 000 m<sup>2</sup>), including 76 000 m<sup>2</sup> of lease renewals (12.5 M€ of annual rent) with major tenants, mostly for a nine year fixed term. As a result **some 2/3<sup>rd</sup>s of global rental income stems from 20 quality tenants for an average term expiring 2015**. The remainder of the rental income flows from some 400 leases offering a wide geographical spread and at reasonable, competitive rental levels.

## A rejuvenated portfolio and limited downward NAV adjustment

Following 50 000 m<sup>2</sup> of development completions in 2008, the company's property portfolio stood at 1 104M€ in the year end consolidated accounts compared to 1 083M€ end 2007. **Some 62% of the company's portfolio** now comprises **new or renovated properties**.

The overall value increase results from:

- **a substantial net gain through acquisitions and development completions** which amounted to twice the value of disposals (92M€),
- a limited reduction in the value of the core portfolio:
  - rental indexation partially offsetting yield expansion,
  - relative resistance of regional properties to upward yield adjustment,
- **active asset management of key properties.**

The Net Asset Value, net of transfer costs, amounts to 88.5€ per share as at 31<sup>st</sup> December 2008, compared to 101.9€ end 2007, 3.8€ of the reduction being due to value adjustment on hedging.

## Financial resources and debt maturity under control

The company renegotiated a substantial part of its financing facilities in 2008 notably extending the maturity of 2/3<sup>rds</sup> of its debt from 2010 to 2013. **Consequently 80% of the company's bank finance is now secured beyond 30<sup>th</sup> June 2013.**

**The company remains within its banking covenants** as at 31<sup>st</sup> December 2008, both globally and separately in terms of LTV and ICR.

## Dividend

Further to the interim dividend of 3.50€ per share paid in August 2008, the Board will propose to the Annual General Meeting on 14<sup>th</sup> May a final dividend of 1.5€ making **5€ for the year 2008.**

**Mark INCH, Chairman,** declares: « *Société de la Tour Eiffel's current share price of around 19 € appears totally decorellated from the current NAV and dividend yield* ».

## Outlook

In the wake of the accomplishments of 2008, the company expects to complete during 2009/10 another 50 000 m<sup>2</sup> of new developments (all financed and in majority prelet) and continue to **secure its rental income flow. Selective disposals** will be reviewed in the light of investment market conditions.

The redevelopment potential at Massy and in the business parks will be pursued only if market circumstances permit, be it in terms of return on investment, pre letting, pre sales or other acceptable financing arrangements.

Performance indicators, occupancy rates, debt ratios and maturities will continue to be carefully monitored.

## **FURTHER DATES:**

- **14<sup>th</sup> May 2009** : General Meeting, Automobile Club de France, Place de la Concorde  
75008 Paris
- **27<sup>th</sup> May 2009** : Payment of final dividend 2008

### ***About Société de la Tour Eiffel***

*A « SIIC » quoted on the Euronext Paris Exchange, the company pursues a strategy focused on the ownership and the development of quality office and business space capable of attracting a wide range of tenants in both established and emerging locations. The company's portfolio stands at 1.1 billion Euros of assets spread evenly between the Paris area and the regions.*

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