



2013 Half-year results

LTV reduction to 48.9% pro-forma at 30 June 2013

The 2013 half-year accounts were adopted by the Board of Directors at its meeting of 24 July 2013 under the chairmanship of Mark Inch.

Consolidated figures

In €m	H1 2013	H1 2012
Rents (*)	32.8	35.0
<i>LFL Growth</i>	5.2%	n/a
EPRA recurring operating result	25.5	27.2
% rents	77.9%	77.8%
EPRA earnings	14.7	16.6
IFRS operating result	0.5	27.2
IFRS net result (Group share)	-0.7	16.3
<i>Of which fair value adjustments and proceeds from disposals</i>	-13.8	0.6
Cash flow	14.0	16.7
<i>In € / share (**)</i>	2.3	2.8
Portfolio valuation	808.6	955.3

	30/06/2013	31/12/2012
Net LTV	52.1%	55.9%
EPRA financial occupancy rate	91.8%	91.6%
EPRA NNAV (In € / share (**))	59.5	62.2
Portfolio valuation	808.6	915.4
Rents LFL growth	5.2%	4.5%

(*) disposals amounting to € 51.3m in 2012 and € 88.9m during first half 2013

(**) number of shares: 6 227 218 as at 30 June 2013 and 5 919 688 as at 30 June 2012, i.e. a 5.2% dilution

NB: LTV assuming the completion of disposals contracted as at 30 June 2013 amounts to 48.9%



1 – Strategic plan well in hand

Disposals completed at a steady pace and in excess of appraisal value

Disposals completed in line with the new strategy based on an improved debt ratio and refocusing of the portfolio on Parisian offices (which will represent 60% of the total portfolio vs 49% as at 31.12.12) have enabled a rapid reduction in the Loan-to-Value ratio (LTV) from 55.9% to 52.2%. The Company's portfolio now consists of 85% offices.

Selected disposals of non-core assets were achieved on satisfactory terms despite continuing sluggish market conditions: € 88.9m of sales completed during the first half (net sales price) compared to a standing valuation of € 86.9m as at 31 December 2012, i.e. 2.4% in excess of appraisal.

Furthermore, initial sales contracts have been signed on additional such assets for € 57.6m giving a total of pro forma disposals as at 30 June of € 146.5m. Final completion of these transactions is expected during the second half 2013 after which the Group LTV as at 30 June would represent 48.9%.

Sustained rental performance on a like-for-like basis

The intentional reduction in the property portfolio mechanically triggers a corresponding reduction in rents invoiced, -6.4% for H1 2013 vs H1 2012. However, this reduction is less pronounced than the portfolio value, partly due to the timing of the transactions during the year but also to the excellent overall rental stability on a like-for-like basis (+5.2%), which in turn demonstrates the Company's occupancy rate performance.

Successful leasing of Eiffel O² Montrouge

The Company's latest 5,200 m² office development delivered in May was successfully prelet to La Poste group on a 6-year closed lease for an annual rent of € 1.8m.

Operating costs under control

Elsewhere, during a period of change, regular operating costs (EPRA basis) are under control. The EPRA net recurring operating result is lower by 6.3% at € 25.5m compared to € 27.2m for H1 2012, demonstrating, that despite the sales and the reduction in portfolio size, the margin has slightly improved (77.9% against 77.8% for H1 2012). The cost control policy initiated during the first half of the year continues to prove fruitful with the generalization of tender procedures and implementation of day-to-day controls. The full impact is anticipated for the second half of 2014 when it is expected that a run rate of € 3m of annual savings will be achieved compared to 2012 cost base.



2 – Impact on the half-year results

Profit and Loss account

According to EPRA standards, the reduction in operating costs (-6.3%) is in line with rents (-6.4%) implying a very slight improvement in the margin in terms of operating result amounting to € 25.5m, for a net EPRA earnings of € 14.7m.

According to IFRS, non-recurring costs (€ 1.3m) and asset depreciation (€ 24.5m) are partly compensated by an uplift in the value of hedging instruments (€ 8.9m) and capital gains on disposals (0,9 M€). The operating result therefore amounts to € 0.5m for a net result of -€ 0.7m.

Balance sheet

The outcome resulting from disposals is a further improvement in debt ratios and in particular LTV which reduces from 55.9% to 52.1% between 31 December 2012 and 30 June 2013. Assuming the completion of disposals which are currently under contract, the ratio comes out at 48.9%. The Group is therefore clearly ahead of its objectives.

A reduction in the fixed assets is a direct consequence of both the sales completed and the standing portfolio valuation, itself based on half-yearly appraisals. Downgrades on this front are predominantly linked to non-core assets, which justifies the Company's new strategy concentrated on office property in the Paris region.

Agenda: 14 November 2013 : Q3 2013 turnover and operations

About Societe 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 in Paris and its region capable of attracting a wide range of tenants in both established and emerging locations. The company's portfolio stands at 809 million Euros of assets spread between the Paris area and the regions. Societe de la Tour Eiffel is listed on NYSE Euronext Paris (compartment B) - ISIN code: 0000036816 - Reuters: TEIF.PA - Bloomberg EIFF.F. Indexes: GIEIF Foncières, IEIF Immobilier France.

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APPENDIX

<i>Key figures</i>	Page 5
<i>Portfolio</i>	Page 8
<i>Financing</i>	Page 12
<i>NAV</i>	Page 15
<i>Cash flow and financial statements</i>	Page 17

Key figures

Portfolio

Result

Cash flow and dividend

Market capitalisation

Financial structure

Valuation ratios

EPRA key performance indicators

Key figures

	H1 2013	2012
Portfolio		
Portfolio value (excl. Transfer costs (€m))	808.6	917.4
<i>of which IFRS portfolio value</i>	808.6	915.4
EPRA NAV (*)	61.1	65.4
EPRA NNNAV (*)	59.5	62.2
EPRA NNNAV before dilution	60.6	66.6

	H1 2013	H1 2012
Results		
Rental income (€m)	32.8	35.0
Current operating profit (€m)	24.1	26.6
Net profit - Group share (€m)	-0.7	16.3
Net profit - Group share per share (€) (**)	-0.1	2.8
EPRA earnings	14.7	16.6

	H1 2013	H1 2012
Cash flow and dividend		
Recurring Cash Flow (€m)	14.0	16.7
Recurring Cash Flow per share (€) (**)	2.3	2.8
Dividend per share (€)	2.1	2.1
Pay out Ratio (Dividend / recurring Cash flow)	93%	74%

	H1 2013	2012
Market capitalisation		
Number of shares (**)	6 227 218	6 110 611
Share price (€)	45.3	44.5
Market capitalisation (€m)	282.2	271.9

	H1 2013	2012
Financial structure		
Capital (€m)	363.0	370.7
Shareholder's equity / Investment properties values	44.9%	40.5%
Gross finance debt / Shareholder's equity	1.2	1.4
Net Group LTV	52.1%	55.9%
EBITDA / Financial costs	2.3	2.7

	H1 2013	H1 2012
Valuation ratios		
Cash flow multiple (Capitalisation / cash flow)	10.1	8.1

(*) fully diluted number of shares end of period

(**) number of shares end of period

EPRA key performance indicators

	H1 2013	H1 2012	Diff %
EPRA earnings (1)			
EPRA earnings in €m	14.7	16.6	-11.9%
EPRA earnings in € per share (**)	2.4	2.8	-16.3%

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

The drop in the EPRA earnings stems from the decrease in rental income due to asset disposal

	H1 2013	2012	Diff %
EPRA NAV and EPRA NNAV			
EPRA NAV in €m	378.4	397.8	-4.9%
EPRA NAV in € per share (*)	61.1	65.4	-6.6%
EPRA NNAV in €m	368.6	378.1	-2.5%
EPRA NNAV in € per share (*)	59.5	62.2	-4.3%

H1 2013 EPRA NNAV was impacted by the property fair value adjustment(-€ 24,5m), distribution (-€ 7,2m), partly balanced by hedging instruments fair value revaluation (+ € 9.8m).

	H1 2013	H1 2012	Diff %
EPRA yield (EPRA NIY)			
EPRA topped-up yield (2)	7.3%	7.0%	+5,2%
EPRA yield (3)	6.9%	6.6%	+5,7%

(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

	H1 2013	2012	Diff %
EPRA vacancy rate (4)			
Portfolio up and let	8.25%	8.38%	-1,5%

(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

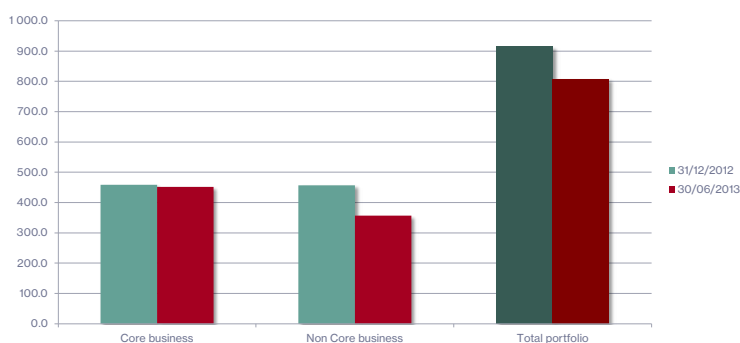
(**) number of shares end of period

Portfolio

Portfolio value variation: core & non core business

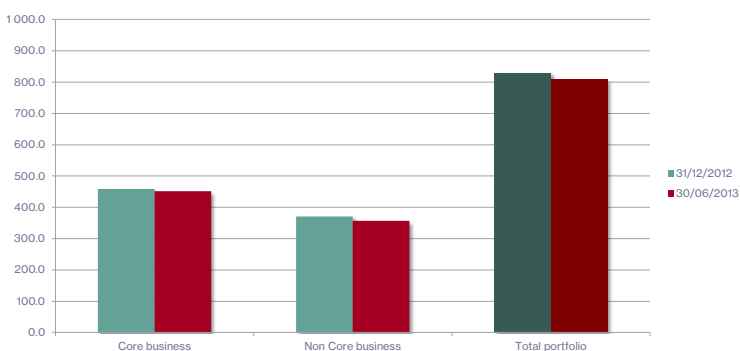
Portfolio IFRS valuation

in €m	30/06/2013	31/12/2012	Difference H12013/2012	%
Offices Paris-IdF	451.6	458.7	-7.1	-1.5%
Core business	451.6	458.7	-7.1	-1.5%
Regional Offices	235.6	308.6	-72.9	-23.6%
Other assets	121.3	148.2	-26.8	-18.1%
Non Core business	357.0	456.7	-99.7	-21.8%
Total portfolio	808.6	915.4	-106.8	-11.7%



Portfolio IFRS valuation on a like-for-like basis H1 2013 -2012

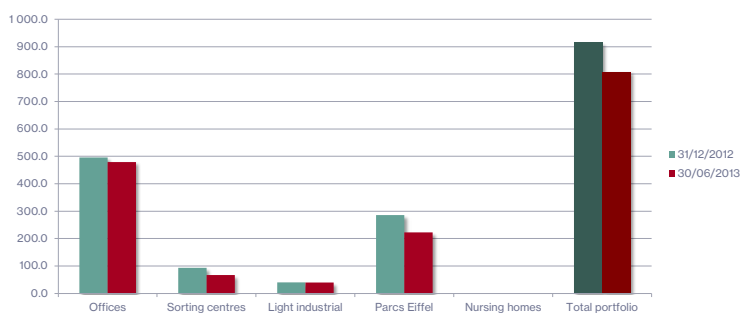
in €m	30/06/2013	31/12/2012	Difference H12013/2012	%
Paris-IdF Offices	451.6	458.7	-7.1	-1.5%
Core business	451.6	458.7	-7.1	-1.5%
Regional Offices	235.6	249.2	-13.6	-5.5%
Other assets	121.3	121.4	-0.1	-0.1%
Non Core business	357.0	370.6	-13.7	-3.7%
Total portfolio	808.6	829.3	-20.7	-2.5%



Portfolio value variation by type of assets

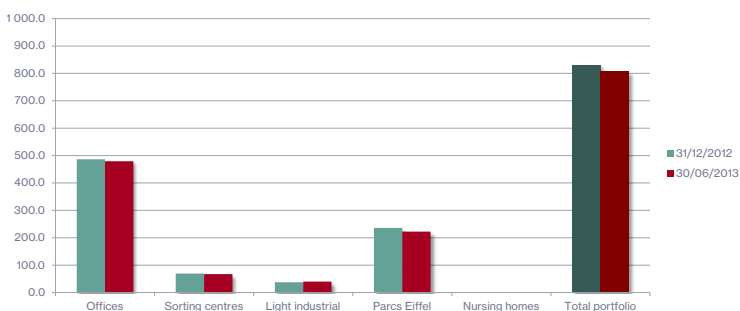
Portfolio IFRS valuation

in €m	30/06/2013	31/12/2012	Difference H12013/2012	%
Offices	479.2	495.8	-16.6	-3.3%
Sorting centres	67.2	93.2	-26.1	-28.0%
Light industrial	39.8	40.5	-0.7	-1.8%
Parcs Eiffel	222.4	285.9	-63.4	-22.2%
Nursing homes	0.0	0.0	0.0	0.0%
Total portfolio	808.6	915.4	-106.8	-11.7%



Portfolio IFRS valuation on a like-for-like basis H1 2013-2012

in €m	30/06/2013	31/12/2012	Difference H12013/2012	%
Offices	479.2	486.6	-7.4	-1.5%
Sorting centres	67.2	69.2	-2.0	-2.9%
Light industrial	39.8	37.8	2.0	5.3%
Parcs Eiffel	222.4	235.8	-13.3	-5.7%
Nursing homes	N/A	N/A	N/A	N/A
Total portfolio	808.6	829.3	-20.7	-2.5%



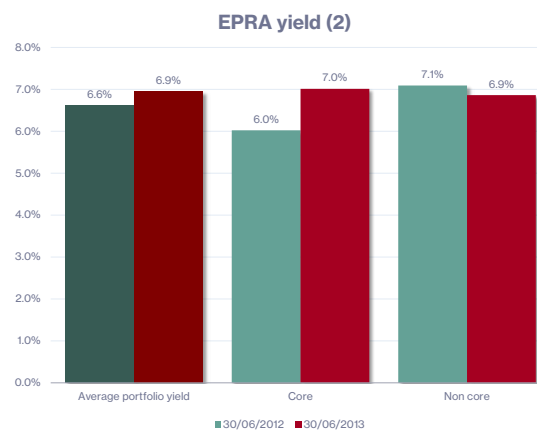
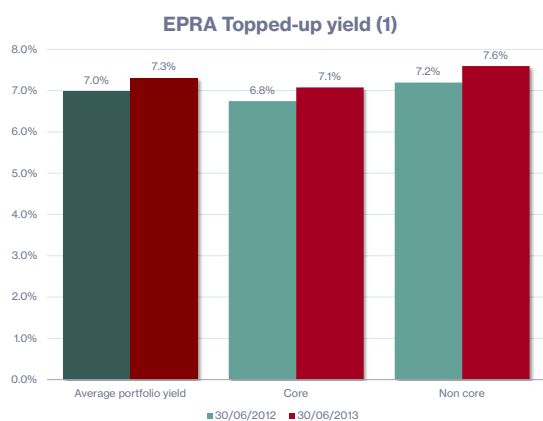
Portfolio value variation on a like-for-like basis = -2.5%

Amount of H1 2013 disposals: 88.9 M€

Portfolio EPRA yield : core & non core business

EPRA Topped-up yield	30/06/2013	30/06/2012
Average portfolio yield	7.3%	7.0%
Core	7.1%	6.8%
Non core	7.6%	7.2%

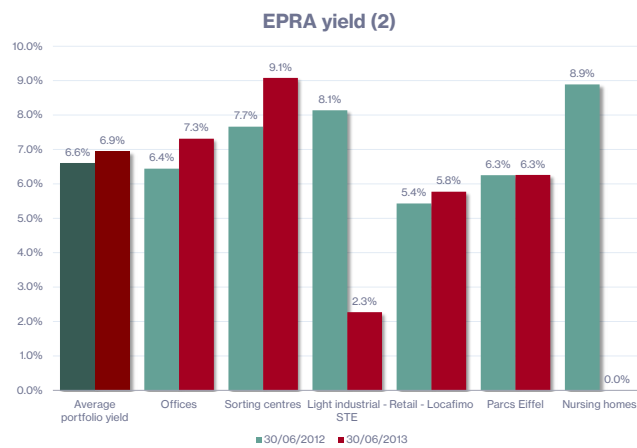
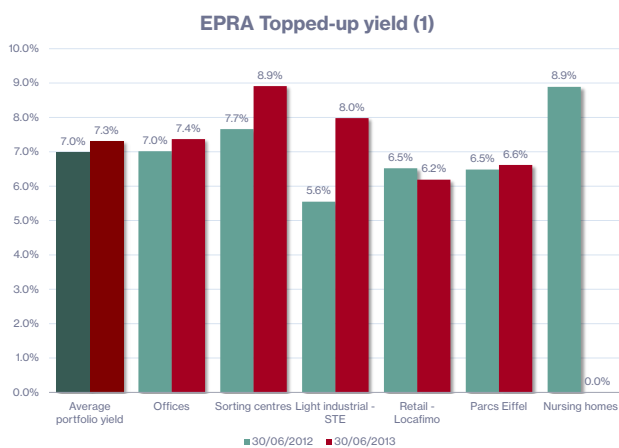
EPRA yield	30/06/2013	30/06/2012
Average portfolio yield	6.9%	6.6%
Core	7.0%	6.0%
Non core	6.9%	7.1%



Portfolio EPRA yield by type of assets

EPRA Topped-up yield	30/06/2013	30/06/2012
Average portfolio yield	7.3%	7.0%
Offices	7.4%	7.0%
Sorting centres	8.9%	7.7%
Light industrial - STE	8.0%	5.6%
Retail - Locafimo	6.2%	6.5%
Parcs Eiffel	6.6%	6.5%
Nursing homes	N/A	8.9%

EPRA yield	30/06/2013	30/06/2012
Average portfolio yield	6.9%	6.6%
Offices	7.3%	6.4%
Sorting centres	9.1%	7.7%
Light industrial - STE	2.3%	8.1%
Retail - Locafimo	5.8%	5.4%
Parcs Eiffel	6.3%	6.3%
Nursing homes	N/A	8.9%

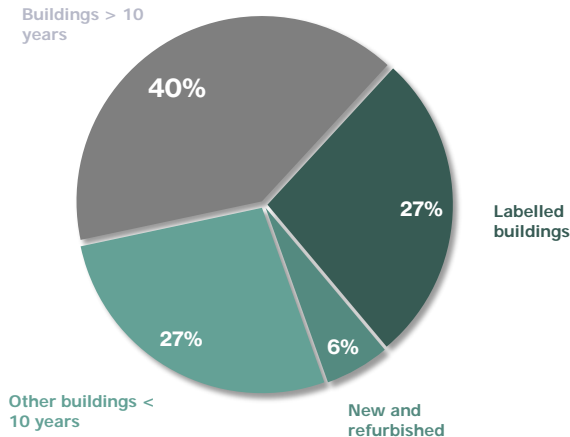


(1) EPRA topped-up yield (Net Initial Yield EPRA topped-up) : annual rent as at 30 June, not adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

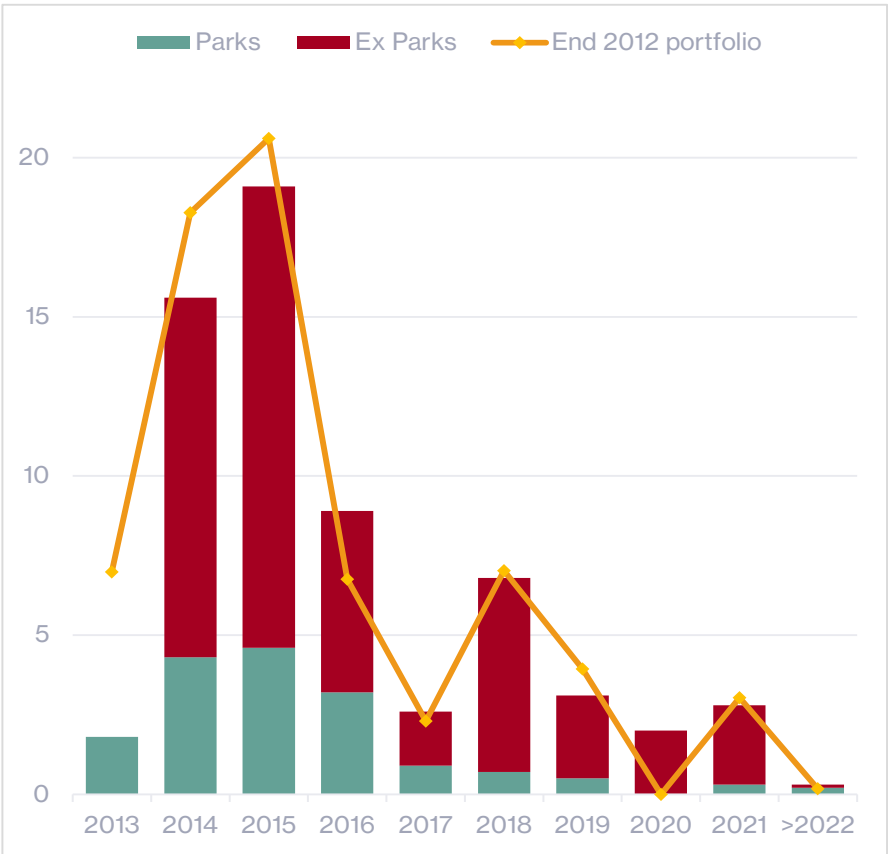
(2) EPRA yield (Net Initial Yield EPRA) : annual rent as at 30 June, adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

Portfolio key indicators

Buildings < 10 years : 60%
 (in % of the net of transfer cost value)



Average lease term maturity in €m



Financing

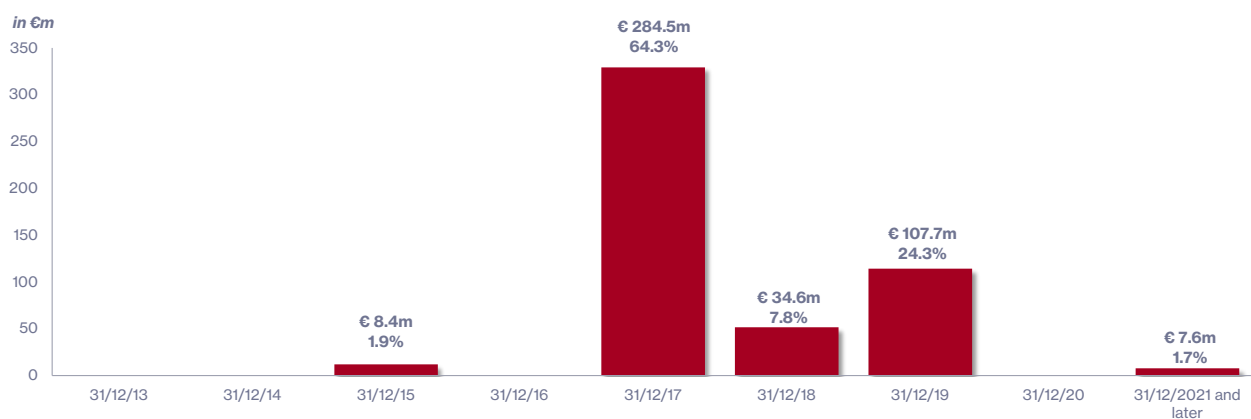
Debt maturity schedule

Summary as at 30/06/2013

Financial structure

Hedging

Debt maturity schedule as at 30 June 2013



Amount of the consolidated debt as at 30 June 2013 : € 442.8m

Financing - Summary as at 30 June 2013

As at 30/06/2013	Net consolidated debt as at 30 June 2013 in €m	Maturity	
PPB bank pool	239.1	11/17	- Average financial cost 3.8%
Société Générale / Crédit Foncier	45.4	03/17	- Hedging 100%
BECM / Société Générale	22.1	04/18	- Global net LTV 52.1%
SAAR LB	107.7	06/19	- ICR global 224%
OTHERS	28.5		
TOTAL GROSS CONSOLIDATED DEBT	442.8		
TOTAL NET CONSOLIDATED DEBT	421.3		

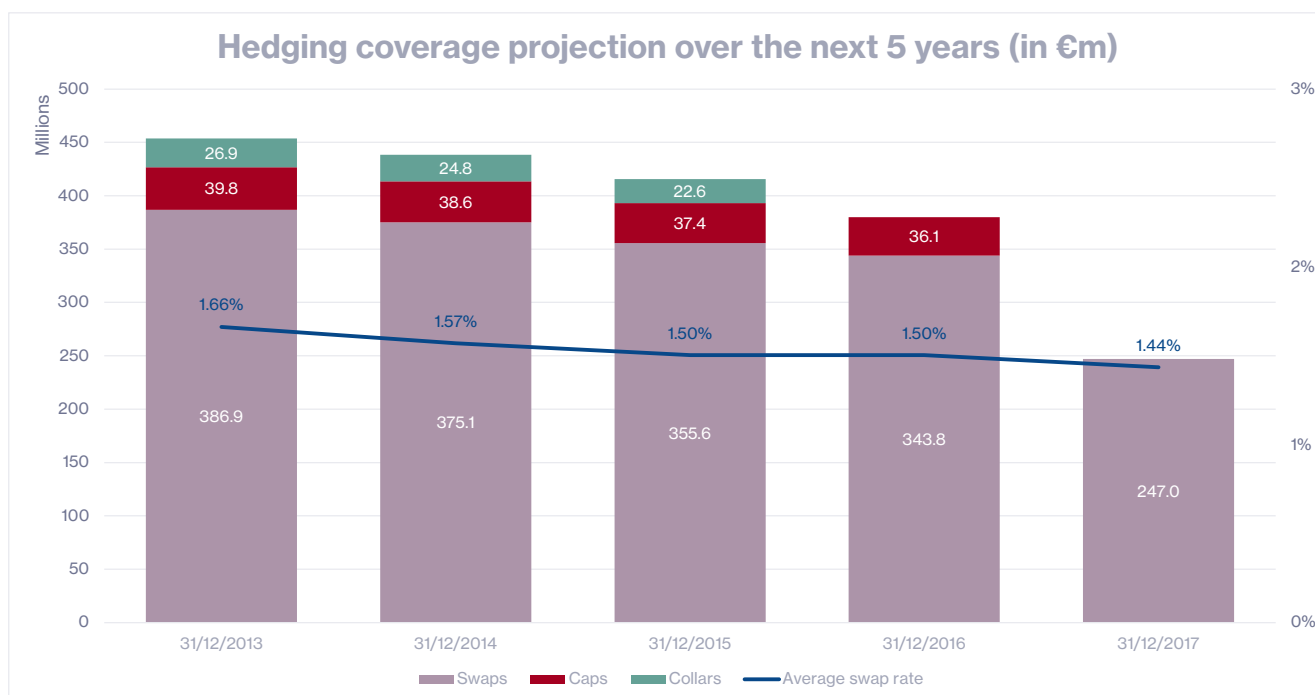
Financial structure ratios

<i>in €m</i>	H1 2013	2012	2011
Shareholder's equity	363.0	370.7	387.2
Gross financial debt	442.8	514.6	591.6
Net financial debt	421.3	511.5	575.3
LTV	52.1%	55.9%	57.6%
Average cost of finance	3.8%	3.2%	3.5%
Hedging	100%	99%	93%
Debt maturity	4,8 ans	5.3 years	2.2 years
Group ICR (EBITDA / Financial cost)	2.2	2.7	2.4

NB:

Sensibility to a 100 bp increase to Euribor 3M on cost of debt : +€ 0.2m

Hedging - 30 June 2013



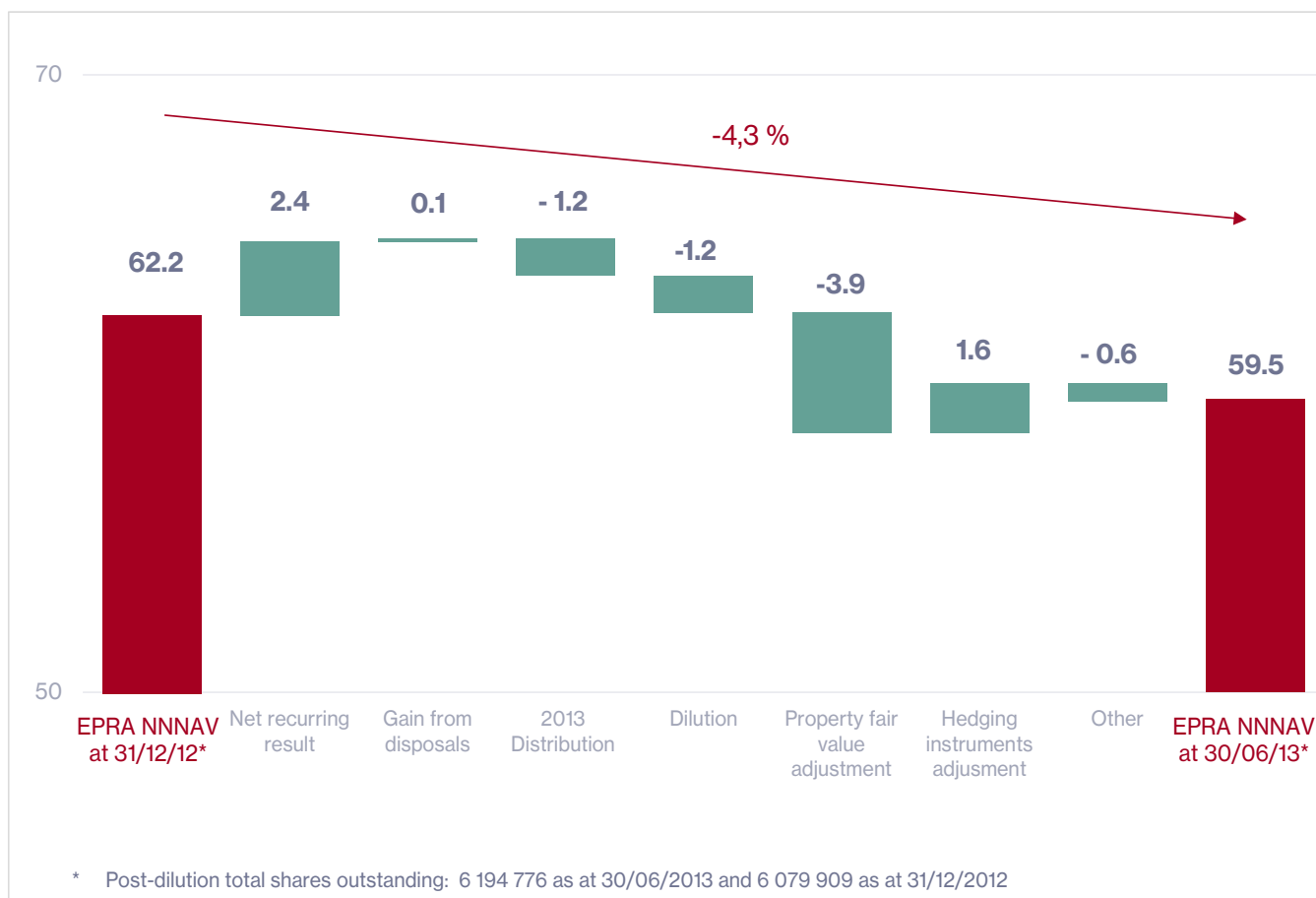
Hedging instruments notional as at 30 June 2013 : € 465.1m

NAV

EPRA NNAV

Variation of EPRA NNAV from 31/12/2012 to 30/06/2013

In € per share



Cash flow and summarised financial statements

H1 2013 Cash flow

Summarised consolidated accounts

Consolidated balance sheet and income statement

Corporate balance sheet and income statement

Recurring cash flow

in €m	H1 2013	H1 2012	Variation
Gross rental income	32.8	35.0	-6.4%
Property operating expenses	-5.1	-5.5	-7.2%
Corporate expenses	-2.2	-2.2	1.8%
Net finance costs	-11.4	-10.6	7.7%
Recurring cash flow	14.0	16.7	-16.2%

in € / share *			
Recurring cash flow after dilution	2.3	2.8	-20.3%
Recurring cash flow before dilution	2.4		-16.2%

(*) Dilution of 5.2 % due to the scrip 2012 interim dividend and the scrip final 2012 dividend (creation of 307 530 new shares)
(number of shares as at 30/06/2013: 6 227 218 , number of shares as at 30/06/2012: 6 919 688)

Net consolidated result and EPRA earnings

in €m	30/06/2013			30/06/2012			Diff. EPRA (%)
	EPRA earnings	Non recurring	Result	EPRA earnings	Non recurring	Result	
Gross rental income	32.8		32.8	35.0		35.0	-6.4%
Property operating expenses (*)	-5.1	-0.4	-5.5	-5.5	-0.6	-6.1	
Corporate expenses	-2.2	-1.0	-3.2	-2.3		-2.3	
Current operating income	25.4	-1.3	24.1	27.2	-0.6	26.6	-6.7%
<i>% of rents</i>	<i>77.6%</i>	<i>0.0%</i>	<i>73.5%</i>	<i>77.8%</i>		<i>76.0%</i>	
Result from disposals		0.9	0.9		2.5	2.5	
Property fair value adjustment		-24.5	-24.5		-1.7	-1.7	
Other operating income and expenses	0.1	-0.1	0.0		-0.2	-0.2	
Operating income	25.5	-25.0	0.5	27.2	0.1	27.2	-6.3%
<i>% of rents</i>	<i>77.9%</i>		<i>1.6%</i>	<i>77.8%</i>		<i>77.8%</i>	
Net finance cost	-10.8		-10.8	-10.6		-10.6	
Other financial income and expenses		9.6	9.6		-0.3	-0.3	
Net financial results	-10.8	9.6	-1.1	-10.6	-0.3	-10.9	-1.4%
Profit/loss before tax	14.8	-15.4	-0.6	16.6	-0.2	16.3	-11.3%
Tax	-0.1		-0.1	0.0		0.0	
Net profit / loss (Group share)	14.7	-15.4	-0.7	16.6	-0.2	16.3	-11.9%
<i>% of rents</i>	<i>44.7%</i>		<i>-2.1%</i>	<i>47.5%</i>		<i>46.6%</i>	
Net profit / loss (Group share) per share (**)	2.4	-2.5	-0.1	2.8	0.0	2.8	-16.3%

(*) including asset management costs

(**) number of shares as at 30/06/2013: 6 227 218 ; number of shares as at 30/06/2012: 5 919 688

Consolidated balance sheet

in €m	30/06/2013	31/12/2012
Assets		
Investment properties	750.9	872.8
Assets earmarked for disposal	57.6	42.6
Tangible fixed assets	0.3	0.4
Intangible fixed assets	0.0	0.0
Receivables	38.9	35.7
Cash and equivalent	22.3	3.2
Total ASSETS	870.1	#VALEUR!
LIABILITIES		
Share capital and reserves	363.0	370.7
<i>of which result</i>	<i>-0.7</i>	<i>-6.1</i>
Long term debt	442.8	514.6
Other liabilities	65.0	69.4
Total LIABILITIES	870.1	954.7