SOCIÉTÉ DE LA
TOUR EIFFEL

Public Limited Company with board of directors with capital of €249,264,144
Registered office: 20-22, rue de la Ville l'Evêque, 75008 Paris
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COMBINED GENERAL SHAREHOLDER'S MEETING TO BE HELD ON 14TH MAY 2009

MANAGEMENT REPORT 2008

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The events of 2008 were divided into two clear-cut phases.

During first half of the year, when the financial crisis migrated from the United States in late 2007, the economy began to lose impetus. The breakdown of the financial markets strongly affected the attitude of investors, in particular their willingness to undertake leverage operations.

Société de la Tour Eiffel was able to take advantage of this calm period on the market to carry out some modest operations of much greater profitability than that of the operations carried out during the previous year.

In addition, since the rental market remained robust, the decision was made to launch certain development operations, in particular the Topaz project in Vélizy and new buildings in certain business parks, such as those in Bordeaux and Marseilles.

Unfortunately, a clear break occurred during the second half of the year when the financial crisis grew much worse in October, symbolised by the bankruptcy of Lehman Brothers, and the arrival of the economic recession.

The real estate market was severely affected both in terms of leasing operations and the fall in asset value, and the company, after years of strong growth, was forced to cease all investment activity and concentrate its efforts on keeping lessees and marketing its new buildings in a particularly difficult market.

I- BUSINESS AND HIGHLIGHTS

1.1 Highlights in the business of the Company and the Group

Business was buoyant for Société de la Tour Eiffel in 2008 with regard to the marketing of existing assets and the development of new buildings, confirming the legitimacy of an investment strategy focusing on moderate rents with long-term security, a highly relevant approach in the current economic environment. Business outside Paris showed particularly encouraging results.

a) Investment policy

The Group continued its growth during the first half of 2008 following its selective investment criteria, acquiring several properties representing a total value of almost €40m in financial commitments, and €3m in mid-year rents:

- In Amiens, the Group acquired a recently-constructed building comprising 18,000 sq. m. of warehouses and offices on a 33,500 sq. m. plot of land; the selling party remained tenant under a fixed-term lease of 9 years. In addition to an initial yield of 8.5%, the site presents interesting long-term prospects for redevelopment, as it is located in the Saint Lodre integrated development zone, a highly developed commercial district including in particular the presence of a Carrefour supermarket. €5.5m have been invested.

- In Chartres, at the Jardin d'Entreprises integrated development zone, the first phase of an office/business and warehouse scheme was acquired. Two 5,700 sq. m. buildings will be delivered in late 2009 in the heart of Cosmetic Valley, near the A11 motorway. €13.5m have been invested for an anticipated yield of 7.5%. In time, this scheme will be expanded to a total 22,800 sq. m. The Company holds an option on the future phases.

- In Saint-Cloud, 48 quai Carnot, a recently-constructed building was purchased comprising 4,000 sq. m. of studios and offices, signed on for a 9-year lease. The initial yield of this operation, involving an investment of approximately €12m, is 8%. The property offers considerable possibilities for redevelopment.

- In Aix-Les-Milles (near Aix-en-Provence), the Group acquired a 100% shareholding in the DURANNE SUD SCI. On 8 January 2008, this company acquired on building plot located in the Parc de la Duranne integrated development zone in Aix-Les-Milles, and signed a real estate promotion contract on 4 March 2008 relating to the construction of a property complex, currently fully leased, comprising a 2,747 sq. m. building and car parks, scheduled for delivery in early 2009.

- In Marseilles, at Parc des Aygalades, the Company acquired a property complex of 2,846 sq. m. under a 6-year fixed-term lease, at a price of €1.3m (initial yield of 7.7%). Also in July 2008, a 513 sq. m. building was acquired at a price of €0.5m, and will be renovated. Further to these 2 acquisitions, Locafimo, the owner of all the Group's business parks, now holds over 85% of this Marseilles business park.

These acquisitions form part of the investment strategy of the company, anchored in the acquisition of new or recently-constructed buildings offering secure, long-term yield and redevelopment possibilities.

During the second half of 2008, the company focused on operations enabling the acquisition of the blocks of buildings not yet in its possession, as well as on operations carried out on its own land reserves.

b) Valuation of the land reserves of the group

The redevelopment operation of the Massy Ampère site started solidly with the signature of a fixed-term lease of nine years with Alstom on 23 February 2008, for a first building of 18,000 sq. m., on which construction began in March 2008. This building was designed by architect Jean-Michel Wilmotte, will be HEQ certified and delivered in late 2009, complete with a staff cafeteria and a two-level car park.

Parallel to the construction of this building, in accordance with the Land Transfer Requirements contract signed with the semi-public company S.E.M. Massy in October 2007, Société de la Tour Eiffel carried out the following operations as part of the redevelopment scheme of the Ampère integrated development zone initiated by Massy town hall:

- Sale in March 2008 of one small island to the S.E.M. Massy;
- Sale of one residential block (9,714 sq. m.) to a developer as part of a residential scheme (commitment signed on 4 December 2007, extended until 29 February 2009);
- Assignement of land to S.E.M. MASSY for the construction of public facilities and new roadwork (commitment signed on October 24, 2008);
- Divestment of one residential block to a developer as part of a social housing scheme (commitment signed in 2008).

These divestments will generate over €10m in revenue, thus reducing the real estate ratio to 65,000 sq. m. of offices which Société de la Tour Eiffel will develop according to rental demand. In the meantime, the Company continues land optimisation in accordance with administrative authorisations.

A further decision made regarding this large-scale real estate operation was to isolate a portion of the land to be developed in an ad hoc structure in order to facilitate, if required, construction projects and partner shareholdings; the Arman Ampère SCI was formed for this purpose on 4 December 2008 by the Arman F02 SCI, owner of the Massy Ampère site (99%), and Société de la Tour Eiffel (1%). A commitment to sell was signed between the two companies on 24 December 2008.

c) Business parks:

The Société de la Tour Eiffel Group has become a leading player in the French business park market.

Accordingly, the continued renovation and upgrading of the Group's 12 business parks was one of the major focuses for development in 2008. The new buildings launched by the Company take into account the requirements of users and have been renovated. As a result, these parks will appeal to an upscale market, increasing their value. In 2008, the company continued to obtain administrative authorisations and ground was broken on new buildings, in particular in Nantes, Aix, Strasbourg, and Marseilles.

As it is now a large majority owner and sometimes even the sole owner of these business parks, in 2008 the Company decided to launch the "Parc Eiffel" label. The idea is to create a chain effect by creating a shared identity for the parks by way of similar services and amenities. Renovation work on the common areas and vacant floor space and the construction of new buildings have contributed to this move upmarket.

Over and above the considerable renovation work involved in the creation of the "Parc Eiffel" label, the entire approach taken by the Group with regard to these business parks has been reworked in order to improve their user-friendliness and visibility. Société de la Tour Eiffel intends to step up the development of personal services – particularly catering – at these offices.

The merger between Parcoval and Locafimo in July 2008 simplified the companies' internal legal structures, as each possesses a complimentary business park holding, and has also initiated economies of scale at both the operational and functional levels.

In particular, in 2008 the following operations were carried out regarding these business parks:

- In Marseilles – Parc des Aygalades: Development of a new building named "La Mazarade", 3,800 sq. m. and partially rented, which is scheduled for delivery in February 2009.

- In Nantes – Parc du Perray: Signature of a commitment to sell in September 2008 for the acquisition of an office building comprising 1,253 sq. m. of floor space at a price of €1.2m. This building will be entirely renovated before being placed back on the rental market in 2010. Following this acquisition, Locafimo will be the sole owner of the business park.

In addition, a 2,000 sq. m. building under a fixed-term lease of six years was constructed and delivered in early 2009, and the Company is planning the construction of a second building of 2,000 sq. m.

- In Strasbourg – Parc des Tanneries: The site is being revamped, with the planned construction of a 1,680 sq. m. building under a fixed-term lease of 9 years, scheduled to be delivered in late 2009. In parallel, the Group is divesting certain land reserves and atypical buildings.

- In Lyon – Parc des Moulins: Construction and delivery of a new inter-company cafeteria in 2008.

- In Aix-en-Provence – Parc du Golf: Completion and delivery in 2008 of three fully pre-rented buildings (3,100 sq. m.). A building of 2.000 sq. m., pre-rented, is under construction and will be delivered in August 2009.

- In Bordeaux/Mérignac – Parc Cadéra: Delivery of two partially rented buildings (4,000 sq. m.).

- In Aix-en-Provence – Parc de la Duranne: Construction of a building of 2,745 sq. m., under a fixed-term lease of 7/9 years, scheduled for delivery in February 2009.

- In Nantes/La Chapelle sur Erdre – Parc du Connemara: Delivery in July 2008 of a 2,460 sq. m. building rented entirely to a single tenant.

- In Le Bourget – Parc d'Activités de l'Espace: Delivery in 2008 of a property complex of 9,641 sq. m., partially leased.

Overall, the buildings completed and delivered in 2008 in the business parks of the Group represented a total investment of €24m for 20,000 sq. m. in floor space.

d) Non-business park development

In addition to the sustained development carried out in the business parks, the following buildings were completed in 2008, reducing the average age of the assets of the Group:

- In Rueil-Malmaison the "CitiZen" building, pre-rented under a fixed-term lease of 6/9 years, was delivered in July 2008.

- In Paris – Porte des Lilas, the "Domino" building was delivered in October 2008 and is HEQ certified (13,000 sq. m.). Three leases were signed in December 2008, covering a total 3,800 sq. m. in floor space.

- A Vélizy, the "Energy II" building was delivered in October 2008 following major renovation work.

In Saint Gibrien (near Chalon-en-Champagne), an extension to a Post Office sorting office was delivered in first semester 2008, in conjunction with a fixed-term lease of 9 years for the entire site.
The four property complexes delivered in 2008 represent a total investment of €90m for over 30,000 sq. m. in floor space.

Further to the delivery of some 50,000 sq. m. of floor space in new buildings in 2008, 62% of the Group's assets are less than 10 years old, with a value of €1,104m as recorded in the consolidated financial statements dated 31/12/2008, against €1,083m at the end of 2007. This net rise in value is the combined result of:

- Changes in the scope of consolidation (new acquisitions and a creation of value through new buildings worth twice the value of the €93m of divestments carried out during the year).

- A relative decrease in the value of the portfolio on a like-for-like basis (active asset management on the strategic buildings, and the indexation of rents partially compensating for the increase in yield, less pronounced outside Paris).

In addition, the company broke ground on the "Topaz" building (former head office of Cogéma) in Vélizy, where 15,000 sq. m. are scheduled for delivery in mid-2010, for an investment (pre-financed) of €35m.

-In Aix-en-Provence –Parc de la Duranne : Construction of a building of 2,745 sq.m., subject to a fixed-term lease of 7/9 years, scheduled for delivery in Febuary 2009.

e) Business activity

Business activity was particularly buoyant in 2008 with regard to the existing portfolio, both in terms of lease renewals and the signature of new leases. The Société de la Tour Eiffel teams signed over 100,000 sq. m. (out of 713,000 sq. m. in total assets) in rentals over the course of 2008, including 76,000 sq. m. in secure lease renewals (€12.5m) with well-established tenants, most of whom signed on to fixed-term leases of 9 years. What stands out regarding the rental situation is the fact that as of 31 December 2008, nearly two thirds of the total rents have been secured with some fifteen top tenants, whose average lease term ends during the first quarter of 2015. Rental income from these properties is generated by multiple-tenant buildings (400 leases), and all the assets benefit from a wide geographical distribution and competitive, moderate rents.

As of 31 December 2008, the physical occupancy rate of operated assets stands at 88.2%; after adjustment for the buildings delivered in 2008 (in the process of being rented), the physical occupancy rate remains stable at 91.4% in relation to the figures at 31 December 2007; the financial occupancy rates stand at 88.6% and 93.1% respectively (excluding buildings delivered in 2008) as of 31 December 2008, compared to 90% at 31 December 2007.

f) Arbitrage policy

Building upon actions carried out in 2006 and 2007, the Société de la Tour Eiffel continued to deploy its business model in 2008, centred on the development of the new buildings in its portfolio and the selective divestment of certain assets considered non-strategic, mature, or producing insufficient yield.

During the first half of 2008, the Company concluded the sale of a portfolio of buildings valuated at nearly €92m as well as a plot of land on the Massy Ampère site.

The following assets of this €92m portfolio have been divested:

- Massy Campus 2: 13,600 sq. m. of new offices, entirely rented
- Maine Montparnasse Tower: Paris – 1,750 sq. m. on the 13th floor to be renovated
- Crédit Lyonnais Tower: Lyon – 10,500 sq. m. on 9 levels with multiple tenants.

The transaction was concluded above the appraised value at 31 December 2007, with a profit on the Massy assets which offsets a lower valuation of the two older towers, which sold at a price reflected in the renovation work in progress.

The operation enabled Société de la Tour Eiffel to:

- post distributable capital gains
- limit its debt
- increase its resources for financing its own development projects
- divest two non-strategic assets (blocks under joint ownership in the two towers).

The divestment of the Massy Campus, a quality asset of Société de la Tour Eiffel, also reduced the exposure of the Group to the Massy market, where the group is currently constructing an HEQ building of 18,000 sq. m. for Alstom.

In addition, a commitment to sell was signed in October 2008 for the building located on Rue Dumont d'Urville in Paris (75016) at a price of €15m, which should be confirmed in early 2009.

Following these events, the value of the portfolio of commitments at 31 December 2008 rose to €1,161.9m, including investment property recorded in the group accounts at 31 December 2008 (€1,077.2m), the buildings under construction at their fair value once completed (€66.4m) and the assets intended to be divested (€18.3m under commitment to sell, signed before 31 December 2008).

1.2 Highlights relating to the financing of the Company and Group

In 2008, the Group adjusted its financing requirements according to completed acquisitions, initiated and/or completed development operations and completed divestments, and renegotiated 60% of its total debt with one of the two main financial partners of the group in order to prolong debt maturity and simplify use and operating conditions.

To this end, and in order to simplify its obligations to the bank which has ensured its financing since 2001, on 30 June 2008 Locafimo concluded a 2008 Consolidated and Modified Version of its June 2001 loan agreement, under the terms of which:

- the outstanding debt of the tranches successively set up during the financing of Locafimo operations have been consolidated into a single loan,
- the balance of the loan principal is extended to a maximum amount of €424m, including a newly granted credit line of up to €56m.
- the term of the Senior Credit agreement has been extended a further 3 years to 30 June 2013,

This contract took effect on 21 July 2008, the date of the merger of the Parcoval and Lyon Lilas companies with SAS Locafimo.

Société de la Tour Eiffel obtained a loan of €4m in January 2008 in order to finance the acquisition of a building located in Amiens, and another loan of €9.7m to finance the building located in Saint Cloud.

The Arman F02 SCI obtained two loans on 28 March 2008, the first for €63.5m in order to i) reimburse its existing loans and ii) finance €40m worth of the redevelopment costs of the Massy site located in the AMPERE integrated development zone, the second totalling €8.8m in order to finance the VAT on this redevelopment operation.

Lastly, the Duranne Sud SCI obtained a loan of €5.5m on 18 June 2008 intended to finance i) €4.5 m worth of the price of the property development contract for the construction of a building located in Aix-en-Provence, and €1.05m for the VAT on the construction of this building.

All of these financing and refinancing operations were complemented with rate hedging instruments in the form of fixed-rate swap contracts.

1.3 Other highlights

Internal reorganisation

On 21 July 2008, Locafimo authorised the PARCOVAL and LYON LILAS companies to transfer to the LOCAFIMO Company all of their assets, rights, and obligations in the form of a merger, with the goal of standardising business and management policy, creating economies of scale, searching for synergies and simplifying their internal legal structures, as Locafimo and Parcoval carry our similar activities and each hold a complementary portfolio of business parks.

In addition, the Marne Haute Maison and Marseilles Sauvagère SCI, which no longer held assets following divestments carried out in late 2007, were dissolved without liquidation.

Governance

Two new independent administrators, Mr Philippe Prouillac and Mr Marc Allez, were appointed to the Board of Directors in 2008.

In addition, the Board of Directors introduced two special committees: an audit and accounts committee and a remuneration committee.

Share buy-back programme – liquidity contract

On 29 July 2008, the company set up a new share buy-back programme similar to that previously implemented.

The purpose of the programme is to:

- ensure, by means of an investment services company and through a liquidity contract compliant with the code of practice of the French Association of Investment Firms, the oversight of investments and the liquidity of transactions,

- enable the issuance of shares to employees or officers of the Company or Group who receive stock options under the provisions of articles L.225-177 *et seq.* of the French Commercial Code, and issue bonuses as per the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code,

- deliver stocks in payment or exchange as part of operations for external growth.

The maximum number of shares authorised for buy-back is 519,300 – representing 10% of the capital of Société de la Tour Eiffel.

The liquidity contract concluded on 28 June 2007 with Natixis Securities remained in effect during 2008.

2 - ECONOMIC AND FINANCIAL PERFORMANCE REPORT

2.1 Consolidated financial statements of Société de la Tour Eiffel

2.1.1. Accounting principles and methods

The consolidated financial statements of the Société de la Tour Eiffel Group have been prepared at 31 December 2008 in accordance with IFRS standards as adopted by the European Union and applicable on the date of preparation. The accounting methods applied are the same as those implemented to produce the annual financial statements closed on 31 December 2007. The options retained by the Group for the application of IFRS standards are compliant with the recommendations of European Public Real Estate Association* (EPRA).
* EPRA: best practices policy recommendations – November 2007

As of 31 December 2008, the scope of consolidation comprises 28 companies versus 30 at 31 December 2007, under the combined effect of the inclusion resulting from an acquisition and the creation of companies and, inversely of the exclusion of 2 merged companies and two others which were the subject of a Global Transfer of Assets.

2.1.2 Analysis of consolidated statement of income

Consolidated income statement

Consolidated sales turnover, which comprises rental income from investment properties, grew 0.8% between 2007 and 2008, from €83.9 to 84.6m, including €72.4 and 70.6m in rents, respectively. This net decrease in rental income is primarily due to the rents from the properties divested in 2007/2008 (- €5.5 m) and those related on the net income from re-renting plots of land on which redevelopment schemes began in 2008 (- €2.7m), after deduction of the delivery of new rented buildings (+ €3.2m) and the indexation of rents on existing assets (+ €3.2 m).

Operational charges, representing €34.8m in 2008 versus €32.6 m in 2007, followed the increase in business of the company: they consist mainly of rental charges (€12.2m versus €10.1m in 2007), payroll expense (€4.7m versus €7.7 m) including €4.1m, under IFRS standards, of the valuation in 2008 of share subscription options and free shares and general expenses and operating costs of the companies in the Société de la Tour Eiffel Group.

The net balance of fair value adjustments is mainly due to an increase in the fair value of investment properties in 2008 (- €13.1m).

After inclusion of a net loss on the sale of assets in the amount of €0.4m, the net operating profit stands at €36.2m in 2008 compared with €123.7m in 2007.

The cost of net financial debt (net cash finance charges) was €33.8m in 2008 versus €27.3m, under the combined effect of the appreciable increases in the portfolio financed and interest rates.

Other financial income and charges (net financial charges in 2008 of €18.4m versus €2.0m in net financial income in 2007) mainly comprised the re-valuation of derivative instruments due to falling interest rates at the end of 2008 on the one hand, and the discounting of the Group's exit tax on the other.

Taking the above into account along with income tax in the amount of €0.7 m, the net consolidated income for 2008 stands at € -16.7m versus €91.6m in 2007, either -€3.2 per share based on the average weighted number of shares outstanding during the year, i.e. 5,193,003 shares.

After adjusting the valuation of assets and liabilities as well as the divestment of assets, the operating results from ordinary activity currently stand at €52.1m for 2008 and net income at €17.6m, versus €56.8m and 28.9m in 2007, respectively.

Cash flow after income tax and the cost of net financial debt is €18.4m in 2008 versus €23.5m 2007.

Consolidated balance sheet

At 31 December 2008 net non-current assets amount to €1,090.5m versus €1,105.6m at year-end 2007. This decrease during the year is mainly due to the acquisition of the property assets described above (decrease in tangible assets and increase in investment properties), and, on the other hand, to property sales in 2008 (€93.1m in net book values from divested buildings, fair value adjustment of investment properties and financial assets).

Current assets represent €99.0m at 31 December 2008, compared with €65.0m at the end of the preceding financial year, reflecting an increase in operating receivables, and two IFRS assets designated as assets to be divested for the sum of €18.3m.

On the liabilities side, consolidated equity for the year stands at €418.3m versus €471.5m at year-end 2007, a change due in particular to the appropriation of 2007 earnings and the distribution of 2008 dividends and net income 2008.

The net increase in overall debt, which rose from €699m to €770.9 m between 31 December 2007 and 2008, can be explained by the rise in banking loans having financed acquisitions during the year, and to a lesser extent, by that of the total operating debt.

2.2 Financial resources

In many respects, 2008 will be remembered as a difficult year for the financial markets in terms of bank liquidity, credit spread, and the volatility of interest rates.

2.2.1 Liquidity

In 2008, the Group adjusted its financing needs according to the acquisitions and development projects launched and adapted its interest rate hedging policy.

New resources were obtained, mainly during the first half of 2008, on the banking market from reputed financial institutions by setting up new credit lines and by extending existing master agreements, exclusively in the form of mortgages.

As described in the highlights relating to financing, in 2008 the Group financed and refinanced €92.6 m of its bank indebtedness in the form of mortgage loans. One of the major events of the year was the renegotiation of the mortgage financing granted to Locafimo according to the loan agreement dated 1 June 2001, refinancing nearly 60% of the total bank financing of the Group. The term of this €357m loan – initially July 2010 – has been extended to July 2013 for an increased amount of €368m under the same conditions. In addition, a new, undrawn liquid asset line of €56m has been offered subject to conditions; about half of these assets were already available at year-end 2008.
At 31 December 2008, the Group has €60.7m of unused credit lines (not including the new liquid asset line of €56m granted in 2008).

2.2.2 Debt structure at 31 December 2008

Global gross debt at 31 December 2008 stood at €682.5m, versus €606.1m at 31 December 2007.

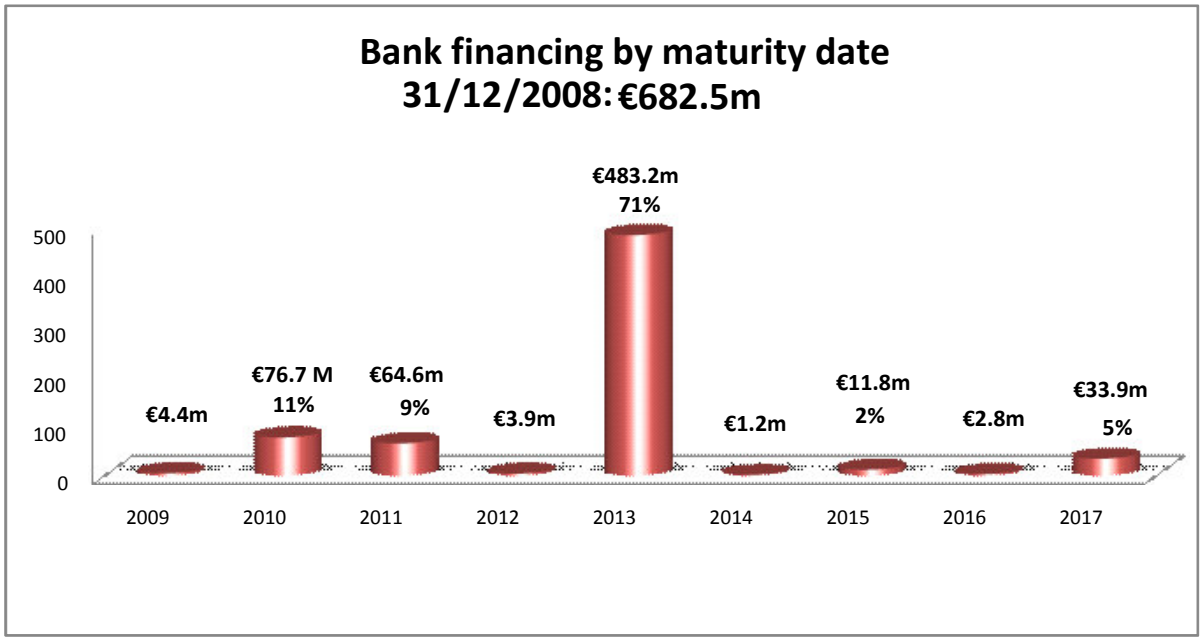
Net debt recorded on the balance sheet, obtained by deducting from the global debt all financial investments in the form of cash securities held by the bank financing property assets currently under construction, liquid asset investments, and available assets of the Group's subsidiaries from overall debt, amounted to €654m at year-end 2008 versus €567,7m at year-end 2007.

In M€	31/12/2007	31/12/2008
Global debt	606.1	682.5
Invested cash reserves	-16.2	-17.4
Liquidity	-10.7	-10.8
Financial investments	-11.5	-0.3
Net debt on balance sheet	**567.7**	**654.0**

Thus, with the financial resources set up and used this year mainly in the form of mortgages, the LTV ratio at 31 December 2008 represents 59,2 % of property assets, valued at €1,104.3m.

Debt by maturity date

The €682.5m in bank financing of Société de la Tour Eiffel drawn at 31 December 2008, represented by maturity date:



The average maturity of the Company's debt is 4.3 years at 31 December 2008.

71% of the global debt has a time to maturity of 4.5 years, and 8.5% from 5 to 9 years.

Average cost of debt:
The average cost for Group refinancing was 5.2% in 2008 (5% in 2006). This change in the average cost of the debt is explained by the significant rise in interest rates between January and October 2008 of almost 70 BP, applied to the bank financings recently set up. The interest rates strongly decreased at the very end of 2008 and the beginning of 2009.

2.2.3 Management of market risks

Société de la Tour Eiffel is only concerned by the market risk resulting from the change in interest rates; it relates to loans collected to finance the investment policy and maintain the requisite financial liquidity.

The aim of the interest rate risk policy of Société de la Tour Eiffel is to limit the impact of a variation in interest rates on income, and to keep the global cost of debt as low as possible. To meet these objectives, the Company usually borrows at a variable rate and uses derivative products (caps and swaps only) to hedge the rate risk. It does not carry out operations in the market with any other purpose than to hedge its rate risks and all operations performed are centralized and managed by the Company itself, according to the recommendations of the banking houses with which it works regularly. When new financing or refinancing lines are set up, they are systematically backed with a suitable rate hedging instrument, chosen as a result of consultation with several competing banks in terms of maturity and cost according to market conditions and the underlying subject finance.

Setting up derivative products to limit the risk of rate exposes the Company to the possible failure of a counterparty. To limit the counterparty risk, Société de la Tour Eiffel carries out hedging operations only with first-rate financial institutions.

Evaluation of interest rate risk:

At 31 December 2008, gross bank financial debt amounted to €682.5 m, of which €623.1m is issued at variable rates and €59.4m at fixed rate. After taking into account the fixed rate swap instruments, the total debt at fixed rate stands at €342.4m, i.e. 50% of the total debt. In addition, the debt at variable rate was hedged for a total of €279.5m by CAP instruments which would allow the Group to profit from the fall in the interest rates during the 2009 year. In this way, at 31 December 2008, the debt was hedged overall to a total ratio of 91%.

On the basis of the situation in Euribor 3-month interest rates at 31 December 2008 and the hedgings in place, an average rise in the interest rates of 100 base points in 2009 would have a negative impact on recurring net income, estimated at €2.8m.

A contrario, in the event of drop in the interest rates of 100 basic points, a decrease in financial expenses estimated at €2.8m would occur, resulting in equivalent positive impact on the recurring net income for 2009.

As a reminder, between 1st October 2008 and the end of February 2009, the Euribor 3-month rates, the sole reference rate applied to the variable-rate bank financings of the Group, fell from 5.29% to 1.8%.

2.2.4 Financial structure ratios

Indebtedness ratios	2008	2007	2006
Consolidated equity €M	418.7	471.6	410.8
Net financial debt €M	654.0	567.7	450.8
Net financial debt/ Consolidated equity	156%	120%	110%
Net debt/Total property assets (Loan to Value)	59.2%	52.4%	49.6%
Financing ratios	**2008**	**2007**	**2006**
Average cost of debt	5.2%	5%	4%
Fixed-rate or capped debt	91%	99%	82%
Maturity of debt	4.3 years	4 years	4.8years
Hedging of financial costs by GOP*	1.5	1.9	2.7

**GOP: Gross Operating Profit = Operating income before adjustment of value and other income and operating expenses*

These financial structure ratios reflect those of a company which has heavily invested each year since its redeployment in 2004, and consequently required significant financial resources, either in the form of capital or of bank financing (hedged by suitable derivative products). In particular, new issues of capital carried out in 2003, 2004 and 2005 significantly affected debt ratios which in 2006 represent optimal use of gearing, associated with the high yield profile of the property assets financed.

Banking covenant ratios:

The financial ratios that the Group has committed to respect as part of its bank financings are summarised in the table below, for the highest amounts posted at 31 December 2008 and by lending financial institution. The table compares the latest ratios communicated to the banks at 31 December 2008 (LTV = amount of financing commitments compared with the value of property investments financed, ICR = coverage of financial expenses incurred during the 4th quarter of 2008 and projections of financial expenses over the first three quarters of 2009 for the net rents of the 2nd quarter 2008 and those projected over the first 3 quarters 2009) with those the Group committed to respect in accordance with its main financing contracts.

Financing and main banking covenants at 31/12/2008

	31/12/2008	Contractual Thresholds		Covenants at 31/12/2008		
in €m	**Debt drawn**	**LTV maximum**	**ICR minimum**	**LTV**	**ICR**	**Term**
RBS / AXA / Calyon	144.4	75%	170%	52%	318%	15/06/2013
RBS / Calyon / Crédit Foncier / AXA	72.5	75%	180%	66.2%	247%	31/03/2010
Calyon	60.6	80%	125%	52.0%	207%	15/04/2011
Société Générale / Crédit Foncier	38.6	-	110%	-	N/A	17/03/2017
Hypo Real Estate	349.3	72.5%	140%	62.6%	179%	30/06/2013

The level of the loan covenants at 31 December 2008 complies with all the commitments of the Group as established by each of its financing contracts.

2.3 Appraisal of assets and NAV

2.3.1 Property assets of the Group

All the property assets of the Société de la Tour Eiffel Group were appraised at 31 December 2008 by one or the other of the following independent valuers: Atisreal Expertises, Savills Expertises, Drivers Jonas, Cushman and Wakefield and Ad Valorem. The Group named Ad Valorem as a new consultant and rotated two consultants for one portion of its property assets. The distribution of the properties between the consultants is determined by the geographical location of the buildings as well as by the type of buildings to be appraised.

The property assets of the group stand at €1,104.3m, excluding transfer charges and expenses, of which €1,095.5m represent investment properties and €8.8m represent current plant, property, and equipment including buildings under construction, valued at cost price depending on their state of progress at 31 December 2008.

In compliance with the recommendations of the Autorité des Marchés Financiers (France's Financial Markets Authority), these appraisals were performed year-by-year according to recognised, homogenous methods based on net selling prices, i.e. excluding expenses and taxes.

Evaluation of Property Assets

	31/12/2007		31/12/2008	
	in €m	in %	in €m	in %
Offices	535.1	53.1%	579.7	52.9%
Parcs Eiffel	272.8	27.1%	311.1	28.4%
Warehouses	103.5	10.3%	107.7	9.8%
Light Industrial space	60.5	6.0%	60.2	5.5%
Nursing homes	35.9	3.6%	36.8	3.4%
Total	**1,007.9**	**100.0%**	**1,095.5**	**100.0%**

	Change	
	in €m	in%
Offices	44.5	8%
Parcs Eiffel	38.4	14%
Warehouses	4.1	4%
Light Industrial space	-0.3	-1%
Nursing homes	0.9	2%
Total	**87.5**	**9%**

Methodology retained by the experts

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

The results obtained are also cross-checked with the initial yield and the market capital values per sqm.

The capitalisation method consists in capitalizing the current net income or a market rent after making suitable allowances for disparities above or below this level in the prevailing income.

This method is based on the rental value (market rent) of the assets, compared with the perceived net income. When the net rent is close to the rental value, the rent is capitalized on the basis of a market rate of return, reflecting in particular the quality of the building and the tenant, the location of the property, and the fixed term remaining. The adopted rate of return is compared in relation to the rates of return arising from the transactions occurring on the market. If the net rent is appreciably higher or lower than the rental value, the

difference in rent until the next triennial due date is added or discounted from the rental value capitalized at the adopted rate of return.

For vacant space at the time of the valuation, the rental value is capitalized at a market rate of return plus an allowance for risk, and then the rental shortfall for the estimated leasing up period deducted.

2.3.2 Net asset value

Net asset value including taxes

To calculate net asset value including taxes, properties are first assessed for their tax-inclusive value according to appraisals made by independent specialists. For buildings under construction, although they represent potential capital gains, they appear, in accordance with IFRS standards, in the consolidated financial statements, at cost. As a matter of interest, to calculate the net asset value, were added the potential capital gains on buildings under construction, based on their appraisal value excluding taxes (on delivery) determined by independent valuers, less the cost of works remaining to be carried out, were null at 31 December 2008 with respect to the calculation of NAV.

The net asset value corresponds to the consolidated shareholders' equity at 31 December 2008, plus the unrealised gains after tax on plant, property, and equipment (value of Awon Asset Management as estimated by Deloitte at 31 December 2008).

The net asset value including taxes (replacement NAV) stands at €93.3 per share at 31 December 2008 compared with €107.4 per share at 31 December 2007 – a reduction of 13%.

Net asset value excluding taxes

A second calculation provides net asset value excluding taxes. Transfer charges are estimated at 5% of the new value of the company owning an asset. This same transfer cost calculation method has been used for every six month period since the Company began its property investment activities.

At 31 December 2008, the transfer taxes and other divestment expenses estimated by the Company, compared with the taxes already deducted from the value of the assets, issued by independent property experts and represented in the consolidated balance sheet (pursuant to IFRS standards), result in an adjustment of €28.7m.

The net asset value including taxes (liquidation NAV) stands at 88.5 euros per share at 31 December 2008 versus 101.9 euros per share at 31 December 2007, a total percentage decrease of 13%.

Calculation of Net Asset Value excluding taxes from consolidated shareholders' equity

In €m	31/12/2007	31/12/2008
Consolidated shareholders' equity	**471.6**	**418.7**
Appreciation on intangible assets	1.9	2.7
Appreciation on buildings under construction	21.8	0
Net adjustment of the transfer taxes:	**27.4**	**28.7**
+ Taxes deducted from the value of assets on the balance-sheet	*55.6*	53.2
- Estimated divestment taxes and fees	*28.2*	24.5
NAV excluding taxes	**522.7**	**450.1**
Number of shares (excluding treasury shares)	5,130,878	5,085,145
NAV excluding taxes by share in €	**101.9**	**88.5**
Change compared with 31/12/2007		-13.1%

Change in NAV excluding taxes from 31/12/2007 to 31/12/2008

	In €m	By share in €
NAV excluding taxes at 31/12/2007	**522.7**	**101.9**
Impact of the change in number of shares		0.9
Recurring net income	17.6	3.5
Distribution of 2008 dividends	-33.1	-6.5
Capital gains on divestments	-0.4	-0.1
Valuation of property assets (*)	-34.9	-6.9
Valuation of hedging instruments	-18.4	-3.6
Other	-2.9	-0.7
NAV excluding taxes at 31/12/2008	**450.6**	**88.5**

Number of shares (excluding treasury shares) at 31 December 2008: *5,085,145*

Number of shares (excluding treasury shares) at 31 December 2007: *5,130,878*

** including €21.8m at 31/12/2007 and 0 at 31/12/2008 for buildings under construction, which were all delivered in 2008*

2.4 Corporate financial statements of Société de la Tour Eiffel

It should be noted that a change in accounting method relating to the plans for share subscription or purchase options and the plan for granting free shares was carried out in 2008, following the new regulation enacted by the Accounting Regulatory Committee in December 2008. The impact of this change was €969,695 as of 1 January 2008, recorded in the income statement in accordance with the option issued by the aforementioned regulation.

The total balance sheet of Société de la Tour Eiffel at 31 December 2008 amounted to €418.1m versus €380.3m at 31 December 2007.

Assets:

Plant, property and equipment include, on the one hand, the Vélizy buildings acquired at year-end 2006 and the Amiens and Saint Cloud buildings (acquired in early 2008) (total accounting net value of €29.5m at 31 December 2008) and, on the other hand, the equity interests in subsidiaries and related receivables. The rise in the value of equity interests (from €260.6m to €261.3m) is due to the acquisition of the Southern Duranne SCI in March 2008.

Conversely, the receivables related to equity interests, representing stable financing from the parent company to the subsidiaries, decreased by €20.0m in 2008, from €78.9m in 2007 to €58.9m, mainly due to the settlement of the subordinated loan of the Massy Campus II SCI (following the sale of its Massy building), and the collection of dividends by subsidiaries.

The increase in current assets from 2007 to 2008 (€28.9 to €68.0m) is above all due to the increase in operating receivables of €27.2 m, the financing of subsidiaries' property investments by current accounts of associates, and the Company cash assets (€14.3m). Conversely, the marketable securities representing the treasury shares obtained through the currently applicable share buy-back programme and liquidity contract (107,358 shares at 31 December 2008 versus 65,744 at 31 December 2007) posted a net decrease of €1.7m, under the combined effect of an increase in gross value related to acquisitions (€2.0 m) and an additional provision in 2008 of €3.7m (owing to the fall in the share price of Société de la Tour Eiffel).

Liabilities:

Equity decreased by €313.8m at 31 December 2007 to €308.9m at year-end 2008, under the combined effect, on the one hand of the rise in the appropriation of 2007 earnings to legal reserves and carry forward (€0.9m), and on the other hand of the decrease in net company earnings and the interim dividend distributed during the year (-€5.8m).

The increase in overall debt, from €66.5m at 31 December 2007 to 108.2m at year-end 2008, reflects in particular the rise in financial debt (including €30.8m drawn in 2008 from the corporate line of credit, €9.7m from the line allocated to the acquisition of the Saint-Cloud building and €3.9m from that of the Amiens building), and in addition, the reduction in operating debt and intra-group debts (€2.7m).

Income statement:

Operating income (€7.4m in 2008 versus €6.4m in 2007) is mainly derived in 2008 from Société de la Tour Eiffel having re-invoiced its subsidiaries for administration and asset management expenses and investments charges and the rental income from its buildings (€1.4m versus €0.7m, respectively). Running costs include costs in relation to the master asset management agreement with Awon Asset Management, certain financing and investment charges and Société de la Tour Eiffel general expenses. The overall increase of €3.6m in 2008 is primarily due to the €1.0m in provisions, on the basis of purchase cost, of the own shares granted as free shares as well as the impact of the free share plans, for which the definitive issuance occurred in 2008 (€2.0m).

The operating loss is - €5.6m in 2008 versus - €3.0m in 2007.

The financial profit, which amounts to €33.7m in 2008 versus €34.9m in 2007, mainly comprises equity interest income and related receivables, net cash reserve income and financial charges on intra-group debt and corporate bank financing, as well as provision for depreciation of own shares held (charges of €4.2 m and write-backs of €0.5m in 2008).

These aforementioned elements together with a small insignificant non-recurring profit and corporate tax of €28.2m in 2008 versus €31.6m in 2007.

The income statement required under article R 225-102 of the French Commercial Code is appended to the present report.

Expenditure on luxuries and charges that are not tax deductible

In compliance with the terms of Articles 223 (4) and 223 (5) of the Tax Code, we specify that the accounts for the past financial year do not include expenses which are not tax deductible.

2.5 Activities of the main subsidiaries

The business activities of subsidiaries and holdings were presented in our introductory statement on the business activities of both the Company and the Group.

A table presenting our subsidiaries and holdings, presented as an appendix to the balance sheet, shows the key indicators for sales turnover and earnings in 2008.

Also shown above are acquisitions of shareholdings made in 2008.

At 31 December 2008, the consolidation of the Société de la Tour Eiffel group encompassed 27 companies (not including Société de la Tour Eiffel): 26 are wholly-owned companies as per the list appended to the consolidated accounts, 90% of the share capital is owned in one company. Among the 27 subsidiaries, 26 are companies that own buildings, and one is a company providing consultancy services (asset management).

These subsidiaries do not hold any shares in Société de la Tour Eiffel.

3 - CORPORATE GOVERNANCE

3.1 Composition of the Board of directors and senior management

Mark Inch, Chairman and Chief Executive Officer
Business address: Société de la Tour Eiffel

Robert Waterland, Deputy Managing Director and Board member
Business address: Société de la Tour Eiffel

Jerome Descamps, Deputy Managing Director and Board member
Business address: Société de la Tour Eiffel

Michel Gauthier, Board member
Home address: 31 rue Boissière, 75116 Paris

Claude Marin, Board member
Home address: 1 rue du Louvre, 75001 Paris

Philippe Prouillac, Board member
Home address: 6 Villa Pauline, 92100 Boulogne

Marc Allez, Board member
Home address: 109 avenue Général Guisan - 1009 Pully - Switzerland

Over one half of the board comprises independent Board members, in accordance with the recommendation of the AFEP-MEDEF Code of corporate governance for listed companies dated December 2008. This report defines an independent Board member in the following way: "*Board members are independent when they do not entertain any relation of any kind with the company, its group, or its management that might compromise their independent judgment*".

3.2 Role and operation of the Board of Directors

The members of the administrative and management bodies are not related to Société de la Tour Eiffel by a contract of employment, except for Mr Robert Waterland.

Mr Robert Waterland has a contract of employment with the Company in his capacity as Director of Property, under the terms of remuneration indicated in paragraph 3.5 below.

Mr Jérôme Descamps has a contract of employment with the Awon Asset Management Company a subsidiary of Société de la Tour Eiffel.

There is a service contract between the Company and the Bluebird Investissements Company, of which Mr Mark Inch is the manager. The services provided by Bluebird Investments, consisting in assistance for the development of the asset management business, mandate research and negotiation, are subject to an assistance contract which gives rise to an

annual contractual fee of €670,000. The Company shares the cost between itself and its subsidiaries.

The board of directors comprises four independent Board members out of a total of seven members. The independent Board members do not have any link of dependence with the Company, from which they do not receive any direct or indirect remuneration apart from the attendance fees mentioned in paragraph 3.5 below, as well as the remuneration of their functions within the special committees, the audit committee and the remunerations committee.

Given the size of the firm and the fact that its business is concentrated in a single sector, all the strategic issues and decisions are dealt with by the board of directors.

Nevertheless, on 29 July 2008 the Board of Directors appointed an audit committee and a remunerations committee to act in an advisory role.

3.3 Mandates held by the directors in 2008

Mark Inch
Born 12 February 1950 in Edinburgh (United Kingdom)
Address: 76 Avenue Paul Doumer, 75016 Paris

Main function held in the Company:
Chairman and Chief Executive Officer

Date of appointment:
Appointed as Board member: 10 July 2003, renewed 29 March 2007
Appointed as Chairman of the Board of Directors: 22 July 2003, renewed on 29 March 2007
Appointed as Chief Executive Officer: 10 July 2003, renewed on 29 March 2007
Expiry of term of office: 2010

Other offices and mandates held outside Société de la Tour Eiffel at 31 December 2008:
Board member of Fondation de la Société de la Tour Eiffel

Other offices and mandates held outside the Company at 31 December 2008:
Manager, Bluebird Holding
Manager, Bluebird Investissements SARL
Manager, SNC Albion
Board member, Fédération des Sociétés Immobilières et Foncières
Director, Eiffel Holding Limited
Director, Eiffel Management Limited

Other effective mandates and functions having expired during the past five years:
Chairman of the Board of Osiris Gestion de Entidades S.L.U.
Deputy Board member, Albion Development SA
Manager, SNC Cergy La Bastide
Manager, SNC Manufacture Colbert
Director, Douglasshire International Holding BV (Netherlands)

Robert Guy Waterland
Born 28 February 1948 in Gravesend (United Kingdom)
Address: 39 bis Rue Cortambert, 75116 Paris

Main function held in the Company:
Deputy Managing Director

Date of appointment
Appointed as Board member: 22 July 2003, renewed on 29 March 2007
Appointed as Deputy Managing Director: 14 March 2005, renewed on 29 March 2007
Expiry of term of office: 2010

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2008:
Chairman of Fondation de la Société de la Tour Eiffel
Chairman, SAS Locafimo
Manager, SCI du 153 avenue Jean Jaurès
Manager, SCI Arman F02
Manager, SCI des Berges de l'Ourcq
Manager, SCI Caen Colombelles
Manager, SCI Champigny Carnot
Manager, SCI Comète
Manager, SCI Etupes de l'Allan
Manager, SCI Grenoble Pont d'Oxford
Manager, SCI Lyon Genlis
Manager, SCI Malakoff Valette
Manager, SCI Marceau Bezons
Manager, SCI Massy Campus II
Manager, SCI Nowa
Manager, SCI Porte des Lilas
Manager, SCI Rueil National
Manager, SCI Daumesnil d'Etudes and Promotion Sodeprom
Manager, SCI Arman Ampère

Other offices and mandates held outside the Company at 31 December 2008:
Board member, ORIE
Manager, SNC Awon Participations – SNTP
Manager, SNC Foncière Eiffel Développement
Manager, SNC Albion
Manager, SC Layla

Other effective mandates and functions having expired during the past five years:
Managing Director, Osiris Gestion de Entidades S.L.
President, SAS Parcoval
President, ORIE
Manager, SNC Awon Asset Management
Manager, SNC Cergy La Bastide
Manager, SNC Manufacture Colbert
Board member, SA Les Platières
Board member, CER
Board member, Financière CER
Managing Director, Awon Conseil
Manager, Awon Gestion
Director, Douglasshire International Holding BV (Netherlands)

Michel Gauthier
Born 26 December 1935 in Rabat (Morocco)
Address: 31 Rue Boissière, 75016 Paris

Main function held in the Company:
Board member

Date of appointment: 30 September 2003 (renewed during the General shareholders' meeting of 27 March 2008)
Expiry of term of office: 2011

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2008:
President of the Société de la Tour Eiffel audit committee

Other offices and mandates held outside the Company at 31 December 2008:
Receiver, La Salamandre Investissements France
Member of the Supervisory Board, ADL Partner
Manager, Omnium Pavoie Provect
Board member, Compagnie des Caoutchoucs du Pakidié (Ivory Coast)
Manager, ADL Partner Marketing Gmbh (Germany)
Manager, Suscripciones España (Spain)

Other effective mandates and functions having expired during the past five years:
Chairman of the supervisory board of France Abonnements (until June 2005), then member of the supervisory board of France Abonnements
Permanent representative of France Abonnements to the ADLPartner Board of Directors until December 2005
Board member, ADLPartner Italia
Permanent representative of a Board member, Macaci
Chairman and Managing Director, La Salamandre Investissements France

Claude Marin
Born 11 September 1925 in Paris
Address: 1 Rue du Louvre, 75001 Paris

Main function held in the Company:
Board member

Date of appointment: 30 April 2002 (renewed during the General Assemby of 27 March 2008)
Expiry of term of office: 2011

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2008:
Board member, Société de la Tour Eiffel Foundation
President of the Société de la Tour Eiffel remunerations committee

Other offices and mandates held outside the Company at 31 December 2008:
Board member, Société Greco
Member of the Supervisory Board, Editions Actes Sud
Board member, PIM Gestion
Member of the Supervisory Board, Banque Safra

Other effective mandates and functions having expired during the past five years:
Chairman and Chief Executive Officer, Société Greco

Marc Allez
Born 21 April 1937 in Paris 8th district
Address: 109 avenue Général Guisan, 1009 Pully - Suisse

Main function held in the Company:
Board member

Date of appointment: 27 March 2008
Expiry of term of office: 2011

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2008:
Member of the Société de la Tour Eiffel audit committee
Member of the Société de la Tour Eiffel remunerations committee

Other offices and mandates held outside the Company at 31 December 2008:
Honorary notary
Board member, Les Editions P. Amaury Company, since 1999

Other effective mandates and functions having expired during the past five years:
None

Philippe Prouillac
Born 6 April 1953 in Dakar (Senegal)
Address: 6 Villa Pauline - 92100 Boulogne

Main function held in the Company:
Board member

Date of appointment: 12 Februrary 2008
Expiry of term of office: 2010

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2008:
Member of the Société de la Tour Eiffel audit committee
Member of the Société de la Tour Eiffel remunerations committee

Other offices and mandates held outside the Company at 31 December 2008:
Acting Manager, CIPA company

Other effective mandates and functions having expired during the past five years:
Board member and General Manager, Aareal Bank France
President, Banque Monsart
President, Atisreal Expertise
President, Atisreal Consult

Jérôme Descamps
Born 11 June 1967 in Saint-Amand-les-Eaux (France)
Address: 15/17 Rue de Dantzig, 75015 Paris

Main function held in the Company:
Deputy Managing Director

Date of appointment
Appointed as Board member: 14 November 2003, renewed on 29 March 2007
Appointed as Deputy Managing Director: 30 September 2003, renewed on 29 March 2007
Expiry of term of office: 2010

Other offices and mandates held outside the Company at 31 December 2008:
Finance Director, SNC Awon Asset Management

Other effective mandates and functions having expired during the past five years
Manager, SNC Albion

3.4 Special committees

On 29 July 2008, the Board of Directors appointed an audit committee and a remunerations committee to act in an advisory role. The members of these committees are also independent Board members.

The main role of the audit committee is to i) oversee the conditions under which the corporate and consolidated financial statements are established ii) verify that the company is equipped with the means (audit, accounting and legal) required to prevent risks and anomalies related to the management of the company's business. This committee comprises three members: Mr Michel Gauthier, President, Mr Marc Allez and Mr Philippe Prouillac.

The main role of the remunerations committee is to ensure that the remunerations of corporate officers and changes to these remunerations are consistent with the interests of the shareholders and the performance of the company. This committee comprises three members: Mr Claude Marin, President, Mr Marc Allez and Mr Philippe Prouillac.

3.5 Remunerations, allowances, and benefits of corporate officers and benefits in kind

TABLE 1
Summary table of gross remunerations and options and shares granted to each corporate officer

Mark Inch, Chairman and Chief Executive Officer (1)	**2007**	**2008**
Remunerations due for the financial period (detailed in table 2)	€140,000	€140,000
Valuation of options granted during the financial period (detailed in table 4)	€564,165	€50,452
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€371,259	0
TOTAL	**€1,075,424**	**€190,452**

(1) Mr Mark Inch is also a majority shareholder and manager of Bluebird Investissements, which is tied to Société de la Tour Eiffel under a service agreement and receives an annual remuneration of €670,000 to this effect. The conclusion of this agreement, provided for by article L225-38 *et seq.* of the French Commercial Code, was authorised by the Board of Directors on 29 November 2006. This agreement is subject to an advance notice of termination of three years.

Robert Waterland, Deputy Managing Director	**2007**	**2008**
Remunerations due for the financial period (detailed in table 2)	€636,592	€638,471
Valuation of options granted during the financial period (detailed in table 4)	€564,165	€50,452
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€371,259	0
TOTAL	**€1,572,016**	**€688,923**

Jérôme Descamps, Deputy Managing Director	**2007**	**2008**
Remunerations due for the financial period (detailed in table 2)	€225,033	€240,033
Valuation of options granted during the financial period (detailed in table 4)	€533,343	€26,603
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€193,127	0
TOTAL	**€951,503**	**€266,636**

TABLE 2
Summary table of the remunerations of each corporate officer

Mark Inch, Chairman and Chief Executive Officer (1)	2007		2008	
	due	paid	due	paid
fixed remuneration	€120,000	€120,000	€120,000	€120,000
variable remuneration	na	na	na	na
exceptional remuneration	na	na	na	na
attendance fees	€20,000	€20,000	€20,000	€20,000
allowances and benefits	na	na	na	na
TOTAL	**€140,000**	**€140,000**	**€140,000**	**€140,000**

(1) Mr Mark Inch is also a majority shareholder and manager of Bluebird Investissements, which is tied to Société de la Tour Eiffel under a service agreement and receives an annual remuneration of €670,000 to this effect. The conclusion of this agreement, provided for by article L225-38 *et seq.* of the French Commercial Code, was authorised by the Board of Directors on 29 November 2006

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Robert Waterland, Deputy Managing Director (2)	2007		2008	
	due	paid	due	paid
fixed remuneration - as Deputy Managing Director - as Director of Property	 €100,000 €500,000	 €100,000 €500,000	 €100,000 €500,000	 €100,000 €500,000
variable remuneration	na	na	na	na
exceptional remuneration	na	na	na	na
attendance fees	€20,000	€20,000	€20,000	€20,000
allowances and benefits	€16,592	€16,592	€18,471	€18,471
of which: GAN insurance *car* *mobile telephone*	*€16,566€* *-* *€26*	*€16,566* *-* *€26*	*€16,960* *€1,477* *€34*	*€16,960* *€1,477* *€34*
TOTAL	**€636,592**	**€636,592**	**638,471**	**€638,471**

(2) Mr Robert Waterland is also entitled to the following severance package:
- remuneration liable to be due in the event of severance: one year of wages including bonus,
- two years' notice in the event of dismissal.

On 12 February 2008, the allocation of the portion of these allowances exceeding the amounts set forth in the Collective Agreement was tied to the following performance-based conditions by the Board of Directors:
- average annual growth of at least 5% of consolidated sales turnover (excluding any reduction in rents resulting from divestment) from January 1, 2007 onward,
- average annual increase in the dividend of at least 5% from 2007 onward.

Jérôme Descamps, Deputy Managing Director (3)	2007		2008	
	due	paid	due	paid
fixed remuneration	€150,000	€150,000	€165,000	€165,000
variable remuneration (4)	€55,000	€55,000	€55,000	€55,000
exceptional remuneration	na	na	na	na
attendance fees	€20,000	€20,000	€20,000	€20,000
allowances and benefits (portable telephone)	€33	€33	€33	€33
TOTAL	**€225,033**	**€225,033**	**€240,033**	**€240,033**

(3) Remuneration paid by Awon Asset Management, a controlled company, for his services as chief financial officer

(4) This variable remuneration is provided for by the employment contract signed with Awon Asset Management prior to the appointment of Mr. Descamps as a corporate officer. The remuneration takes into account individual performance and the achievement of objectives during the previous financial period.

TABLE 3
Table of attendance fees and other remunerations collected by non-management corporate officers

Members of the Board	2007	2008
ALLEZ Marc		
attendance fees	(a)	€20,000
remuneration as a member of the audit committee	(b)	€1,250
remuneration as a member of the remunerations committee	(b)	€1,250
GAUTHIER Michel		
attendance fees	€20,000	€20,000
remuneration as a president of the audit committee	(b)	€2,500
MARIN Claude		
attendance fees	€20,000	€20,000
remuneration as president of the remunerations committee	(b)	€2,500
PROUILLAC Philippe		
attendance fees	(a)	€20,000
remuneration as a member of the audit committee	(b)	€1,250
remuneration as a member of the remunerations committee	(b)	€1,250
TOTAL	**€40,000**	**€90,000**

(a) appointed to the Board in 2008
(b) committees formed in 2008

TABLE 4 Share subscription or purchase options granted during the financial period to each corporate officer by the issuer and by each company of the group						
Name of corporate officer	Plan number and date	Type of options (purchase or subscription)	Valuation of options according to the method selected for the consolidated financial statements	Number of options granted during the financial period	Strike price	Financial period
Mark Inch	No. 7 11/12/08	subscription	€50,452	8,500	€35.69	From 11/12/08 to 11/12/13
Robert Waterland	No. 7 11/12/08	subscription	€50,452	8,500	€35.69	From 11/12/08 to 11/12/13
Jérôme Descamps	No. 7 11/12/08	subscription	€26,603	4,482	€35.69	From 11/12/08 to 11/12/13
Total			**€127,507**	**21,482**		

The recipients, in their capacity as senior executives, must ensure that a third of their shares remain registered until the suspension of their functions.

TABLE 5 Share subscription or purchase options exercised during the financial period by each corporate officer			
Options exercised by managing corporate officers	Plan number and date	Number of options exercised during the financial period	Strike price
Mark Inch	na	nil	na
Robert Waterland	na	nil	na
Jérôme Descamps	na	nil	na
total		nil	

TABLE 6 Performance-based shares granted to each corporate officer						
Performance-based shares granted by the General Shareholders' Assembly during the financial period to each corporate officer the issuer and by all companies of the group	Plan number and date	Number of shares granted during the financial period	Valuation of the shares according to the method selected for the consolidated financial statements	Date of acquisition	Date of availability	Performance-based conditions
Mark Inch	Plan no. 5 29/07/2008	5,000 (1)	0	29/07/2010	29/07/2012 (2)	-
Robert Waterland	Plan no. 5 29/07/2008	5,000 (1)	0	29/07/2010	29/07/2012 (2)	-
Jérôme Descamps	Plan no. 5 29/07/2008	1,300 (1)	0	29/07/2010	29/07/2012 (2)	-

(1) Provided that the dividend amount per share approved at the next annual assembly represents an increase of €1 compared with the dividend distributed during the 2007 financial period.

(2) Senior executives must ensure that a third of their shares remain registered until the suspension of their functions.

TABLE 7 **Performance-based shares which became available to each managing corporate officers during the financial period** (1)			
Performance-based shares newly available to managing corporate officers	Plan number and date	Number of shares available during 2008 (1)	Conditions of acquisition
Mark Inch	plan no. 1 14/06/2006	4,000	-
	plan no. 2 29/11/2006	4,000	-
Robert Waterland	plan no. 1 14/06/2006	4,000	-
	plan no. 2 29/11/2006	4,000	-
Jérôme Descamps	plan no. 1 14/06/2006	1,400	-

(1) Free shares acquired by recipients during the financial period must be kept for a period of 2 years; at the expiry of this 2-year term, the recipients must, as senior executives, ensure that a third of their shares remain registered until the suspension of their functions.

TABLE 8

History of allocation of share subscription or purchase options

information on share subscription or purchase options							
	plan no. 1	plan no. 2	plan no. 3	plan no. 4	plan no. 5	plan no. 6	plan no. 7
date of shareholders'meeting	12/05/05	12/05/05	12/05/05	17/05/06	17/05/06	29/03/07	29/03/07
date of Board of Directors or executive committee meeting where applicable	26/12/05	22/03/06	17/05/06	14/09/06	29/03/07	16/10/07	11/12/08
total number of shares available for subscription or purchase	111,530	28,516	10,750	132,400	23,300	25,951	25,965
number available for subscription or purchase by corporate officers	*106,530*	*26,016*	*0*	*107,500*	*17,440*	*19,464*	*21,482*
Mark Inch	*50,765*	*11,758*		*50,000*	*6,540*	*6,488*	*8,500*
Robert Waterland	*50,765*	*11,758*		*50,000*	*6,540*	*6,488*	*8,500*
Jérôme Descamps	*5,000*	*2,500*		*7,500*	*4,360*	*6,488*	*4,482*
starting date of the exercise of options							
Mark Inch	26/12/05	22/03/06		14/09/06	29/03/07	16/10/07	11/12/08
Robert Waterland	26/12/05	22/03/06		14/09/06	29/03/07	16/10/07	11/12/08
Jérôme Descamps	26/12/06	22/03/07		14/09/07	29/03/08	16/10/07	11/12/08
Frédéric Maman, Manager of SCI Champigny Carnot	26/12/06	22/03/07		14/09/07	29/03/08	16/10/07	11/12/08
executive personnel			17/05/06	14/09/07			
non-executive personnel			17/05/06	14/09/06	29/03/07		
date of expiry	26/12/10	22/03/11	17/05/11	14/09/11	29/03/12	16/10/12	11/12/13
price of subscription or purchase	€68.44	€83.77	€87.78	€100.04	€124.48	€115.34	€35.69
terms of exercise (when the plan comprises several tranches)							
Jérôme Descamps	options exercisable by a maximum tranche of 25%	options exercisable by a maximum tranche of 25%		options exercisable by a maximum tranche of 25%	options exercisable by a maximum tranche of 25%		

Frédéric Maman, Manager of SCI Champigny Carnot	options exercisable by a maximum tranche of 25%	options exercisable by a maximum tranche of 25%		options exercisable by a maximum tranche of 25%	options exercisable by a maximum tranche of 25%		
executive personnel				options exercisable by a maximum tranche of 25%			
number of shares subscribed as of 31 December 2008	1,250	0	1,500	0	0	0	0
cumulated number of share subscription or purchase options cancelled or null and void shares	0	0	0	2,250	0	0	0
number of share subscription or purchase options remaining at the end of the financial period	110,280	28,516	9,250	130,150	23,300	25,951	25,965

TABLE 9			
share subscription or purchase options granted to the top ten non-corporate officer employees and options exercised by these individuals	**numbers total options allotted/of subscribed or bought shares**	**balanced average price**	**plan no. 7**
options granted during the financial period by the issuer and all companies included within the scope of option allocation, to the ten employees of this issuer and all companies included within this perimeter, of which the number of options granted is the highest (overall information)	4,483	35.69 €	4,483
options held on the issuer and the previously noted companies, exercised during the financial period by the ten employees of the issuer of these companies, of which the number of options granted is the highest (overall information)	nil	nil	nil

TABLE 10								
managing corporate officers	**employment contract**		**additional pension plan**		**allowances or benefits due or likely to be due in the event of suspension or change of functions**		**allowance relating to an exclusive rights clause**	
	yes	no	yes	no	yes	no	yes	no
Mark Inch Chairman and CEO mandate start date: 2003 mandate expiry date: 2010		X		X		X		X
Robert Waterland Deputy Managing Director mandate start date: 2003 mandate expiry date: 2010	X			X	X (1)			X
Jérôme Descamps Deputy Managing Director mandate start date: 2003 mandate expiry date: 2010	X (2)			X		X		X

(1) Mr Robert Waterland is also entitled to the following severance package:
- remuneration liable to be due in the event of severance: one year of wages including bonus,
- two years' notice in the event of dismissal.

On 12 February 2008, the allocation of the portion of these allowances exceeding the amounts set forth in the Collective Agreement was tied to the following performance-based conditions by the Board of Directors:
- average annual growth of at least 5% of consolidated sales turnover (excluding any reduction in rents resulting from divestment) from January 1, 2007 onward,
- average annual increase in the dividend of at least 5% from 2007 onward.

(2) with a subsidiary

4 - FUTURE PROSPECTS AND RISK MANAGEMENT

4.1 Events since closing of year-end accounts

Since 1 January 2009, two deliveries have been carried out: the Aix La Duranne property complex (Aix-en-Provence), as well as La Mazarade - Parc des Aygalades in Marseilles.

The sale of the building located at 17 rue Dumont d'Urville in Paris (75016) took place on 8 January 2009.

In addition, to the best of the Company's knowledge, there has been no significant change in the financial or commercial standing of the company since the end of the 2008 financial period.

4.2 Future prospects

The identified and secured rental income of Société de la Tour Eiffel, for the property assets held at 31 December 2008, will be at least €76m in 2009, €81m in 2010, €86m in 2011 and €89m in 2012 (before potential transfers).

In 2009, Société de la Tour Eiffel will pursue its prudent development strategy in new buildings, according to market conditions in real estate and financing. Indeed, in this period of financial and economic crisis, rental demand is exclusively generated by efforts to cut costs and streamline operations, and continues to focus on modern offices with moderate and competitive rents.

With regard to its existing property assets, Société de la Tour Eiffel will also continue the valuation of buildings under construction (pre-financed) scheduled for delivery in 2009/2010. For Locafimo in particular, the Company considers it can further optimise the occupancy levels of its business parks, and continue their renovation.

The Company will also endeavour to secure further long-term rental incomes, in particular for buildings delivered in 2008 by letting 13,500 sq. m. of latest-generation offices and 7,500 sq. m. of business premises.

The development of property reserves at the Massy Ampère site (65,000 sq. m.) will expand according to pre-rental agreements.

Marketing campaigns for properties currently under construction will increase rental income growth potential within a well-positioned market and reduce the rental risks of existing properties through firm and secure lease agreements, increasing our capacity to assume new property developments.

The Company intends in 2009 to carry out new targeted divestments of its property assets, according to market conditions.

The Company stands by its long-term objective of ensuring that the net income per share provides shareholders with a recurring source of significant revenues that will continue to increase over time.

4.3 Risk factors and insurance

RISK FACTORS

These are risks whose occurrence is liable to have a significant adverse effect on the Group, its activity, its financial standing, its earnings, or the price of Company shares and which are important for making investment decisions. The company has proceeded to review its risks and considers that there are no significant risks, apart from those presented below and in the appendix to the consolidated financial statements, which it considers to be relevant. Attention is drawn to the fact that the list of risks presented below is not exhaustive and that other risks, either unknown or whose occurrence is not considered likely to have an adverse effect on the Group, its activity, its financial standing, its earnings, or the price of Company shares, may exist.

The description of the financial risks (rates, counterparty, currency exposure and liquidity) is developed in paragraph 4 of the appendix to the consolidated financial statements 2007.

Risks related to the change in the economic environment

Since the property assets of the Group mainly consist of office property and industrial premises located in France, changes in the principal French macroeconomic indicators are liable to affect the level of activity of the Group, its rental income, the value of its property portfolio, as well as its policy for investment and the development of new assets, and thus its prospects for growth. The activity of the Group can be influenced in particularly by the economic situation, level of interest rates, and that of the national index of the cost of construction ("ICC").

The general economic situation is liable to encourage or on the contrary to slow down demand in the branch of business in which the Group operates and, consequently, the need to develop its base of office property and industrial premises. It can also affect the occupancy rate of its property assets and the capacity of tenants to pay their rents.

The capacity of the companies in the Group to maintain or increase rental income when lease agreements are renewed also depends at the same time on trends in supply and demand and the market, which are influenced by the general economic situation.

The value of the property portfolio of the Group also depends on a number of factors, including the level of supply and demand on the market, factors which also change according to the general economic environment.

The level of rental income of the Group and its earnings, the value of its property assets and its financial standing as well as its prospects for development may therefore be subject to the influence of these factors and be affected in the event of downward trends.

The vacancy rate of operated assets at 31 December 2008, for example, stands at 11.8%. Given the economic forecasts for 2009, this rate could increase.

Risks related to the competitive environment

Risks related to the competitive environment

In carrying out its business, the Group is confronted with a number of players and must face strong competition within the framework of its investment business and in that of its property rental activities.

The Group is in competition with many players, some of which have a larger financial scope and greater assets, and their own capacity for real-estate development. In certain cases, these agents, as well as independent operators, can also have the benefit of deeper regional or local roots than the Group.

This financial capacity and this aptitude to undertake large-scale real-estate development projects on their own allow the largest market operators to reply to invitations to tender concerning of development operations or acquisitions of assets with a high potential rate of return at prices conditions which do not necessarily correspond to the investment criteria and acquisition objectives the Group has set itself.

More specifically, and in particular due to greater competitive pressure, the increase in the prices of acquisitions of property assets liable to interest the Group within the framework of its development could lead the Group to give up acquiring these assets insofar as their rental profitability would not meet its expectations and objectives, which could have an adverse effect on its growth, and on its future business and earnings.

Against a background marked by the maturity of the market and the scarcity of sites likely to meet its development and acquisition objectives, and faced with the multiple forms of competition, the Group may not be capable of carrying out its development strategy, which could have an adverse effect on its growth, and on its future business and earnings.

Risks related to the office property and industrial premises market

The levels of rental income and the valuation of office property and industrial premises are considerably influenced by the state of supply and demand. An unfavourable change in demand in relation to supply could affect the Group's earnings, its business, the value of its property assets and its financial standing. Furthermore, the development of the Group's business partly depends on the availability of property assets with the requisite characteristics and qualities, in particular in terms of location and rental area. The maturity of the market and the scarcity of sites likely to satisfy the development objectives of the Group, as well as the intensification of competition, can therefore have significant consequences on its future business and prospects for growth.

Legal risks

To the Company's knowledge, there is no lawsuit, arbitration or unusual event likely to have or having had in the recent past a significant impact on the financial situation, income, business activity or assets of the Company and the group formed by the Company. Litigation currently underway is appropriately provisioned.

Property acquired by the Group is systematically carried out by means of notarial acts, drafted on the basis of procedures implemented by professional agents who check the legal risks inherent to the buildings.

In carrying out its business of holding and managing property assets, in addition to the taxation rules inherent to the SIIC tax status, the Group is held to comply with a number of regulations of specific or general application governing, among other things, town planning, operating licences, the construction of buildings, public health, as well as environment and safety. Any substantial change in these regulations is liable to have an impact on the operating income or the prospects for development or growth of the Group.

In addition, the Group cannot guarantee that all its tenants strictly comply with all the regulations applicable to them, with particular regard to public health, the environment, safety and town planning. The consequences of irregularities for which these tenants may be responsible, could incur the application of sanctions to the companies of the Group, in their capacity as owner, which could affect its earnings and financial standing.

Risks due to the constraints of the SIIC tax status, to an eventual change in the methods of acquiring status or to the loss of benefit of this status

Our Company is subject to the tax regime of French listed property investment companies (SIIC) and therefore, is not required to pay corporate income tax. The main advantage of this regime is derived from our obligation under this status to redistribute a significant portion of any profits the Group and could be called into question in the event of a breach of that obligation.

If we were to no longer be eligible for the SIIC tax status and related tax efficiencies, the Group's financial position could be significantly and adversely affected.

Under the terms of the directive issued 25 September 2003, 4 H-5-03 no. 55, the breach of the conditions on which SIIC status is granted during any subsequent financial years shall result in exclusion from the SIIC regime affecting both the parent company and any subsidiaries having opted for the status. This exclusion is retroactive as of the first day of the financial year in which the Company is excluded. Income recorded by the Company and its subsidiaries is therefore not entitled to an exemption even if income for the financial year in question is duly distributed. However, the status remains applicable to the income of any financial years preceding the exclusion.

If a SIIC ceases to benefit from the regime within ten years of having taken up the option, any gains on the transfer of the SIIC and any subsidiaries having opted for the status, usually taxed at a rate of 16.5%, are taxed at the standard rate, or discounted rate if the unrealised gains on securities held by the persons stipulated in article 8 are eligible for a discounted rate at the time of the transfer, applicable during the year in which the status ceases to apply, less the 16.5% in tax already paid at the time of the transfer (CGI art. 208 C, IV). This is intended to reinstate the SIIC and its subsidiaries in the context that would have been applicable if these gains had not been taxed at the privileged rate of 16.5%. In addition, in accordance with the provisions introduced by the 2009 *Loi de Finances* ("SIIC 5"), for exclusions entering into effect as from January 2, 2009, the SIIC and its subsidiaries must reinstate the fraction of distributable gains existing at the closing date of this financial period and resulting from previously exempted sums into their taxable income from the financial period of their exclusion. The amount of corporation tax is therefore increased to a

rate of 25% of the unrealised gains on the buildings, taxes pertaining to a property-lease purchasing and shareholding, acquired during the regime, decreased by a tenth per financial year since entry into the regime.

The *Loi de Finances* 2006 introduced new provisions entitled "SIIC 4", effective as of 1 January 2007.
Two specific measures need to be mentioned due their risk potential:

a) One or more shareholders acting jointly must not hold, directly or indirectly, 60% or more of the share capital of an SIIC. Otherwise, the special tax regime may no longer be applicable.

   The *Loi de Finances* 2009 ("SIIC 5") deferred from 1 January 2009 to 1 January 2010 the entry into force of a condition relating to the capital holdings of SIIC having opted for the exemption regime before 1 January 2007, provided that the company opted for the SIIC tax system before 1 January 2007.

   In addition, the *Loi de Finances* 2009 states that in the event of non-observance of the shareholding ceiling of 60% during a given financial period, the SIIC tax system may, under certain conditions, be suspended for the duration of this financial period if the situation is regularised before the accounts are closed for the financial period. During this suspension period, the SIIC is subjected to corporation tax under the conditions of common law, subject to the capital gains from the divestment of buildings which are taxed, after deduction of the depreciation previously deducted from the exempted results, at a reduced rate of 19%. The return to the exemption scheme during the following financial period carries with it the consequences of the suspension of company business and, in particular, the taxation at a reduced rate of 19% of unrealised gains on property assets, solely on the fraction acquired since the first day of the financial period during which the ceiling was exceeded. The suspension is applicable only once during the ten years following the option and during the ten years that follow.

   Our Company currently complies with this new provision with regard to its capital holdings. Nonetheless, we are unable to guarantee that this obligation will be respected in so far as it is subject to the decision of the shareholders, both current and future, over which the Company has no influence.

   Furthermore, the stock market on which SIICs are listed in France could globally be affected by this measure which may significantly increase the offer of this class of securities on the market.

b) SIICs must pay a contribution equally 20% of the amount of dividends distributed as of 1 July 2007 to any individual shareholders owning more than 10% of the share capital when distributed income is not subject to corporate income tax or an equivalent tax.

   The contribution made paid by the SIIC means decreased returns for the shareholders who bear the contribution either directly or indirectly.

Given the aforementioned provisions, introduced by article 208 C II B of the General Tax Code, the statutes of the Company were modified by decision of the extraordinary general shareholders' meeting held on 27 March 2008, on the one hand in order to oblige shareholders affected by these provisions to register their shares under penalty of having their maximum voting rights reduced to a tenth of the number of shares held (article 8) and, on the other hand, to transfer liability to the aforementioned shareholders for the sum due by the Company as a result of the situation of the said shareholders (article 33).

Industrial risks and those related to the environment and health

The business of the Group is subject to laws and regulations relating to the environment and public health. These laws and regulations relate in particular to the possession or use of facilities liable to be a source of pollution, the use of toxic substances or materials in constructions, their storage and handling. If these applicable laws and regulations became more stringent, the Group could be obliged to incur additional expenditure to adapt its assets to the new standards applicable.

Furthermore, the buildings held by the Group can be exposed to problems involving issues of public health or safety, in particular related to the presence of asbestos, legionella, lead and polluted soil. The liability of the companies of the Group can nevertheless be engaged, in the event of failure to fulfil its obligation to monitor and control the facilities they own. If such problems occurred, they could have a negative impact on the financial standing, earnings and reputation of the Group.

Lastly, the buildings held by the Group can be exposed to the risks of flooding, collapse, or be subject unfavourable reports by the qualified safety commissions. Such events could involve closing all or part of the office building or industrial premises concerned, and have a significant adverse effect on the image and the reputation of the Group, on the attractivity of its assets, and on its business and earnings.

In addition to insurance coverage of its assets, the Company also systematically verifies, prior to an acquisition, the conformity of technical facilities which could have impact on the environment or the safety of individuals (fire-fighting equipment, ventilation, air conditioning systems, electrical installations, lifts etc.). These verifications are performed by independent inspection authorities. Observations by these inspection authorities are then taken into account by the technical managers appointed by the Company in order to reply, where required, to the observations made by inspection authorities.

As a result of thorough research prior to acquisitions, the Company has all necessary work performed in accordance with current legislation and standards.

Rental risks

The marketing of the property assets of the Group is supervised by Awon Asset Management. The objectives of this marketing (price, time limits, targets) are defined in conjunction with the Awon Asset Management team, which also ensures that tenants are financially solvent. Leases are drafted by jurists on the basis of standard lease agreements.

The principal tenants of the Company's properties are either front-ranking companies or state organisations, thus reducing exposure to the risk of insolvency.

On signing lease contracts, the Group requires that its tenants pay a financial guarantee in the form of a rental deposit, a bank guarantee or caution representing 3 months of rent.

Nevertheless, as part of its development, the Group has acquired companies whose rental portfolio is not based on the same selection criteria in particular with regard to the profile of the tenants or the guarantees or sureties they provide, which is the case for the rental portfolio of the Locafimo Group in particular. Such a situation could have a significant impact on the exposure of the Group concerning the insolvency of its tenants and more generally on the profitability, growth, business and future earnings of the Group.

The invoicing of financial items relating to lease agreements is carried out by the outside property management company exclusively mandated by the Company. The organisation and monitoring of the invoicing and recovery of rents and charges are centralised.

Certain operating costs of the assets held by the Group are billed to tenants. These consist mainly of services provided within the framework of annual agreements.

Late payments are systematically followed by a reminder and give rise to penalties. Lateness is monitored by Awon Asset Management staff members who decide on the preliminary procedures or legal action required.

At 31 December 2008, the dependence of the Group with regard to its tenants was as follows:

:NO.	TENANTS	PROPERTY	% of total rental income 2008
1	La Poste	13 buildings + Millénaire Locafimo building + Cadéra Sud building + Parc des Tanneries in Strasbourg	16%
2	Alstom	Massy Campus + Montpellier + Velizy	8%
3	C&S Communication	Massy + Nancy + Parc du Perray + Parc des Tanneries	6%
4	NXP	Caen	5%
5	Air Liquide	Champigny + Parc du Perray	4%
6	French Ministry of the Interior	Asnières Quai Dervaux	4%
7	Medica	4 nursing homes	4%
8	Soletanche (Vinci)	Rueil-Malmaison	3%
9	Gefco	Sochaux	2%
10	Atos	Aubervilliers	2%
11	DRASS DDASS	PC Millénaire Parcoval	2%
12	Seine-Saint-Denis General Council	Bobigny	2%
13	Schneider	Grenoble Polytec + parc du golf (2 leases) + Viséo	2%
14	Colt	Malakoff + Aubervilliers	2%
15	VCF	Saint Cloud	1%
16	Other business	Other business (<1% by tenants)	37%
TOTAL			100%

Risks related to the delay or absence of effective handover of future constructions as part of sales in their future state of completion ("VEFA")

As part of its commitments portfolio, the Group acquires developments by the VEFA forward acquisition agreement system. The delay or absence of effective handover of these projects, in particular due to the failure of the development companies responsible for the construction of such buildings, could slow down the development strategy of the Group and have an adverse impact on its earnings, business, financial standing, and prospects for growth.

Risks related to the dependence with respect to certain key directors

The Group depends on certain key directors whose departure could adversely affect its development objectives. The current management team has considerable experience of the market in which the Group carries out its business. The departure of one or more of these directors could have a significant adverse effect on the business, financial standing, prospects and earnings of the Group.

Risks related to the dependence with respect to property managers

The Company considers the risks related to the dependence of the company with regard to property managers to be weak.

Insurance and risk coverage

The Group has an insurance program with leading insurance companies, covering damage its property assets may suffer as well as operating losses or rental income losses for compensation periods that vary according to the property assets in question.

The group's property assets are all insured at their new reconstruction value and are regularly appraised by specialist firms. Financial consequences of the group's civil liability toward third parties are also insured.

The construction and renovation works of the Group's property assets are covered by comprehensive site insurance and structural damage insurance. Management of these programs is centralised by the Company's asset manager who coordinates operations with insurance brokers at Group level. A significant portion of insurance premiums are re-invoiced to tenants in running costs. The Group benefits from the expertise of Awon Asset Management's teams who are specialised in property asset insurance.

The total amount of insurance premiums paid in 2008 amounts to €1,299k. The breakdown of this overall figure is as follows:

- "Multi-risk Building": €982k
- "Structural Damage" and "Contractor Total Coverage" insurance: €147k
- "Civil Liability" insurance: €138k
- Other insurance: €32k

All property assets held by the Group are covered under "Damage" and "Liability" benefits from "Multi-risk" insurance policies taken out with French insurance companies

Legal procedures and arbitrage

During the last twelve months, there have been no governmental, legal or arbitrage procedures or, to the best knowledge of the Company, any threat of such procedures, which could or did recently have significant effects on the financial standing or the profitability of the Company and/or the Group.

Research and development

Regarding Article L 232-1 of the Code de Commerce, we inform you that, in the course of the past financial year, the Company did not carry out activities in research and development.

5 - SOCIÉTÉ DE LA TOUR EIFFEL'S SHAREHOLDERS

5.1 Information on the capital ownership

5.1.1 Changes in the share capital over 5 years

Date	Transaction	Changes in the amount of share capital		Resulting share capital	Number of shares created	Number of shares after the transaction	Nominal share value
		Nominal	Prime				
Position on 1 January 1998	-	-	-	2,295,000F	-	91,800	25F
6 March 2001	Capital translated into euros	-	-	€349,758	-	91,800	€3.81
6 March 2001	Capitalisation of reserves	€17,329.50	-	€367,200	-	91,800	€4
14 November 2003	Capital increase by capitalisation of reserves	€4,039,200.00	-	€4,406,400	-	91,800	€48
31 December 2003	Share issue with pre-emptive rights maintained	€11,016,000.00	-	€15,422,400	229,500	321,300	€48
9 July 2004	Share issue with pre-emptive rights removed	€106,414,560.00	€16,627,275	€121,836,960	2,216,970	2,538,270	€48
21 December 2005	Share issue with pre-emptive rights maintained	€121,836,960.00	€35,535,780	€243,673,920	2,538,270	5,076,540	€48
18 May 2006	Exercise of A and B warrants	€5,458,224	€963,316	€249,132,144	113,713	5,190,253	€48
Position on 31 December 2006	–	–	–	€249,132,144	–	5,190,253	€48
Position on 31 December 2007*	–	–	–	€249,264,144	–	5,193,003	€48
Position on 31 December 2008	–	–	–	€249,264,144	–	5,193,003	€48

** After exercising the share purchase options in 2007*

5.1.2 Share purchasing operations

Below you will find the information required by article L 225-100 of the French Commercial Code relating to the share buy-back programmes set up on 28 June 2007 and 23 September 2008, the purposes of which are identical, i.e.:

- ensure, with the support of an investment services company and through a liquidity contract compliant with code of practice of the French Association of Investment Firms, the oversight of investments and the liquidity of transactions,

- enable the issuance of shares to employees or officers of the Company or Group who receive stock options under the provisions of articles L.225-177 *et seq.* of the French Commercial Code, and issue free shares as per the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code,

- deliver stocks in payment or exchange as part of operations for external growth.

2008 Buy-back programme summary			
	Quantity	Average price	Total
Purchases	173,676	€71.58	€12,431,660.47
Sales	113,262	€71.25	€8,069,489.32
Transfers	18,800		
Trading fees			€9,725.72

Number of shares registered in the name of the Company on the year end accounts: 107,358
Total value of these shares as determined at purchase: €8,622,994.56 (value per share: €80.32)

Nominal value for each of the transactions: nominal share value €48

Number of shares used: 18,800

Possible reallocations of the shares and the fraction of capital represented by these operations: nil

5.2 Group share ownership

Changes in the ownership structure over 2008

- Fortis Investment Management France declared that it crossed the 10% threshold of capital and voting rights on the upside on 1 April 2008.

- Sumitomo Mitsui Asset Management Co. Ltd declared on 17 July 2008 that it crossed the 5% threshold of capital and voting rights on the upside of Société de la Tour Eiffel and that it holds 260,098 shares representing as many voting rights, i.e. 5.0086% of capital and voting rights. The company later declared on August 27, 2008 that it had fallen below the threshold of 5% of the capital and the voting rights of the company, then to have risen above it on 1 September 2008.

Ownership structure on 31 December 2008

- Persons who hold over 1/20th of the capital or voting rights either directly or indirectly: ING Clarion, Nomura Asset Management Co. Ltd, DLIBJ Asset Management Co Ltd (1), Sumitomo Mitsui Asset Management Co. Ltd,

- Persons who hold over 1/10th of the capital or voting rights either directly or indirectly: Eiffel Ltd Holding (2), Fortis Investment Management France (3).

Our Company has not been notified of any other crossing of thresholds.

(1) Acting on behalf of the funds which it manages: DIAM International Open REIT Mother Fund, Total DIAM REIT Fund, Total DIAM REIT Fund 2, Total DIAM REIT Fund 3
(2) Including the shares held by the persons acting in concert
(3) Acting on behalf of the mutual funds that it manages: Valmy Immo, Fortis Property Fund, Fortis L Fund ; Flexifund, Fortis Personal Portfolio Fund, Fortis B Global, Fortis B Fund, FIM Institutional Fund, Maestro Strategy, Post-Global Fund

Material changes in the ownership structure over the three past years

Management is aware of the following changes over the 2006, 2007 and 2008 financial years:

- Colonial First State Investments Limited, which is controlled by Commonwealth Bank of Australia, acting on behalf of the funds which it manages, declared that it crossed the 5% threshold of capital and voting rights on the upside on 15 September 2005 and that it holds 7.8% of the capital. After declaring that it crossed the 10% threshold of capital and voting rights on the upside on 16 May 2007, this company declared that it crossed the same threshold on the downside on 12 June 2007, and then crossed the 5% threshold on the downside on 21 August 2007.

- Osiris Gestion de Entidades SLU declared that it crossed the 10% threshold of capital and voting rights of Société de la Tour Eiffel on 19 September 2006 following an acquisition of shares on the market and that it holds 519,843 shares representing the same number of voting rights, i.e. 10.02% of the capital and 10.32% of the voting rights. In the same declaration, Osiris Gestion de Entidades SLU declared that it acted alone, and that it plans to continue with its purchases as it can afford to do so, but that it does not intend to request a seat on the Board or that other persons be seated on the Board. Following the transfer of shares on 20 December 2007 between Osiris Gestion de Entidades and its parent company, Eiffel Holding Ltd, Osiris Gestion de Entidades declared on 26 December 2007 that it crossed the 10% and 5% thresholds of capital and voting rights on the downside on 20 December 2007 and that it directly holds 6,000 shares, or 0.115% of the capital and voting rights and that it holds 12,003 shares in concert with Mark Inch and Robert Waterland, or 0.229% of the capital and voting rights.

- Following the transfer of shares on 20 December 2007 between Osiris Gestion de Entidades and its parent company, Eiffel Holding Ltd, Eiffel Holding Ltd declared on 26 December 2007 that it crossed the 10% threshold of capital and voting rights on 26 December 2007 on the upside and that it holds in concert with Osiris Gestion de Entidades SLU, 524,843 shares representing the same number of voting rights, or 10.10% of the capital and voting rights. In the same declaration, it declared that it acted in concert with its subsidiary, Osiris Gestion de Entidades SLU, and that it has no plans to increase its equity stake above around 10%. It also does not intend to acquire a controlling stake in Société de la Tour Eiffel, and it has no intention to ask for a seat on the Board for itself or any other person.

- Fortis Investment Management France, acting on behalf of clients under its management, declared as an adjustment, that it crossed the 5% threshold of Société de la Tour Eiffel's capital and voting rights on the upside on 23 December 2005 It then declared to have crossed the 10% threshold of capital on 1 April 2008, this crossing a result of the consolidation of the positions of the Fortis Investments Management and ABN AMRO Asset Management companies following their merger on 1 April 2008;

- Sumitomo Mitsui Asset Management Co. Ltd declared on 17 July 2008 that it crossed the 5% threshold of capital and voting rights on the upside of Société de la Tour Eiffel

and that it holds 260,098 shares representing as many voting rights, i.e. 5.0086% of capital and voting rights. The company later declared on August 27, 2008 that it had fallen below the threshold of 5% of the capital and the voting rights of the company, then to have risen above it on 1 September 2008

- Nomura Asset Management Co. Ltd, acting on behalf of the funds that it manages, declared on an adjustment basis, that it crossed the 5% threshold of Société de la Tour Eiffel's capital and voting rights on the upside on 8 September 2005 and that it holds 5.02% of the Company's capital and voting rights. Nomura Asset Management Co. Ltd specified that it held 5.90% of the capital and voting rights on 16 March 2007. In a letter dated 4 April 2007, Nomura Asset Management Co. Ltd was deprived of a portion of the voting rights on 386 shares, or 0.015% of the capital, that it held in the Company for any shareholders' meeting that will be convened until 19 March 2009 pursuant to Article L 233-14 of the French Commercial Code.

- DLIBJ Asset Management Co. Ltd, acting on behalf of the funds that it manages, declared on an adjustment basis on 17 July 2007, that it crossed the 5% threshold of Société de la Tour Eiffel's capital and voting rights on the upside on 6 February 2006 and that it holds 257,450 shares, or 5.07% of the Company's capital. On 10 September 2007, it declared that it held 329,392 shares, or 6.35% of the capital and voting rights. In a letter dated 31 October 2007, DLIBJ Asset Management Co. Ltd was deprived of a portion of the voting rights on 69,880 shares, or 1.35% of the capital, that it held in the Company for any shareholders' meeting that will be convened until 21 September 2009 pursuant to Article L 233-14 of the French Commercial Code.

Shareholders holding more than 5% of capital and/or voting rights

situation at 31/12/2008	situation at 31/12/2007	situation at 31/12/2006
*- Eiffel Holding Ltd ** *- Fortis Investment Management France* *- ING Clarion* *- Nomura Asset Management Co Ltd* *- DLIBJ Asset Management Co Ltd* *- Sumitomo Mitsui Asset Management Co Ltd*	*Eiffel Holding Ltd ** *- ING Clarion* *- Fortis Investment Management France* *- Nomura Asset Management Co Ltd* *- DLIBJ Asset Management Co Ltd*	*Osiris Gestion de Entidas, S.L.U.** *- ING Clarion* *- Colonial First State Investments Ltd* *- Fortis Investment Management France*
* companies in which a majority stake is held by Mr Mark Inch, Chairman and CEO of Société de la Tour Eiffel, and Mr Robert Waterland, Deputy Managing Director of Société de la Tour Eiffel		

5.3 Dividends paid over the last five financial periods

Dividends over five years

Financial year	Dividend	Number of shares	Nominal value
2003	0	321,300	€48
2004	€1.57	2,538,270	€48
2005	€2.00 (interim)	2,538,270	€48
2005	€0.85	5,076,540	€48
2006	€1.15 (interim)	5,190,253	€48
2006	€2.50 (interim)	5,190,253	€48
2006	€2.50	5,192,933	€48
2007	€3.00 (interim)	5,192,933	€48
2007	3.00	5,193,003	€48
2008	€3.50 (interim)	5,193,003	€48

Dividend policy

The dividend distribution policy follows the rules under the SIIC status. In particular, 85% of the earnings from building rentals are distributed before the financial year end following the year they were recorded. 50% of the capital gains from building disposals and units in tax transparent property companies or the shares of subsidiaries subject to the company income tax which opted for SIIC status are distributed before the end of the second year following the year they were recorded. Dividends received from subsidiaries that opted for SIIC status are entirely distributed over the financial year following the one they were paid.

The SIIC option was exercised on 15 April 2004 effective from the 2004 financial year.

The dividends and interim dividends declared but not claimed revert to the government once five years have elapsed from the time they were declared under Article 2277 of the French Civil Code.

Société de la Tour Eiffel plans to continue to pay out dividends twice a year for as long as its earnings and expanding business activity allow it to do so.

5.4 Transactions involving the Company's shares

5.4.1 Buy-backs

During the 2008 financial year, two share buy-back programmes were implemented:

The first, authorised by the Mixed General Shareholders' Meeting of 29 March 2007, was set up on 28 June 2007.
The second, authorised by the Mixed General Shareholders' Meeting of 27 March 2008, was set up on 23 September 2008.

The purpose of this programme, identical to that which preceded it, is as follows:

- to provide liquidity and smooth out stock price fluctuations through an investment services firm and a liquidity agreement that conforms to the AFEI's ethics charter,

- to grant equity shares to the Company or its group's employees, officers and directors who have share purchase options pursuant to Articles L. 225-177 et seq. of the French Commercial Code and to grant free shares pursuant to Articles L.225-197-1 et seq. of the Commercial Code,

- to tender shares in payment or exchange in order to make acquisitions.

The maximum number of securities whose repurchase is allowed was 519,300 on the date of the communiqué, representing 10% of Société de la Tour Eiffel's capital.

The liquidity contract associated with the first share buy-back programme continued in 2008.

5.4.2 Share subscription or purchase options

The combined general shareholders' meeting of 29 March 2007 empowered the Board of Directors to grant share subscription or purchase options to some or all employees or to certain categories of personnel and to the Company's officers and directors and/or those of affiliated companies by the terms of Article L 225-180 of the French Commercial Code. This delegation was granted for a 38-month period.

These options will entitle the holders to subscribe or buy stock up to the limit of 1.5% of the share capital over a three-year period in the absence of an equity issue. Should there be a capital increase, this limit will be replaced over the same three-year period by a limit of 3% of the number of new shares issued during the capital increase(s) in question.

The options granted during the 2008 financial year are indicated in paragraph 3.5 above.

Table of share subscription options outstanding

INFORMATION ON SHARE SUBSCRIPTION OPTIONS AUTHORISED BY THE GENERAL SHAREHOLDERS' MEETING OF 12 MAY 2005			
Board of Directors meeting date:	26.12.2005	22.03.2006	17.05.2006
	plan no. 1	plan no. 2	plan no. 3
Total number of shares which can be subscribed by:	111,530	28,516	10,750
company officers and directors	106,530	26,016	0
Top ten employees with the most options			9,700
Expiration date	26.12.2010	22.03.2011	17.05.2011
Subscription price	€68.44	€83.77	€87.78
Number of shares exercised and sold in 2007	1,250	0	1.500
Share options cancelled during the year	0	0	0
Remaining share options	110,280	28,516	9,250

INFORMATION ON SHARE SUBSCRIPTION OPTIONS AUTHORISED BY THE GENERAL SHAREHOLDERS' MEETING OF MAY 17, 2006		
Board of Directors meeting date:	14.09.2006	29.03.2007
	plan no. 4	plan no. 5
Total number of shares which can be subscribed by:	132,400	23,300
company officers and directors	116,900	21,800
Top ten employees with the most options	15.500	1,500
Expiration date	14.09.2011	29.03.2012
Subscription price	€100.04	€124.48
Number of shares exercised and sold in 2008	0	0
Share options cancelled or voided during the year	2,250	0
Remaining share options	130,150	23,300

INFORMATION ON SHARE SUBSCRIPTION OR PURCHASE OPTIONS AUTHORISED BY THE GENERAL SHAREHOLDERS' MEETING OF MARCH 29, 2007		
Board of Directors meeting date:	16.10.2007	11.12.2008
	plan no. 6 purchase options	plan no. 7 subscription options
Total number of shares which can be subscribed by:	25,951	25,965
company officers and directors	25,951	25,965
Top ten employees with the most options	0	0
Expiration date	16.10.2012	11.12.2013
Subscription and purchase price	€115.34	€35.69
Number of shares purchased, exercised and sold in 2007	0	0
Share options cancelled during the year	0	0
Remaining share purchase and subscription options	25,951	25,965

5.4.3 Transactions conducted by company officers and directors

Transactions done in 2007 declared in 2008				
date	**acquisition/ divestment**	**Person**	**Number of shares**	**unit price**
10/05/2007	acquisition	Mr Mark Inch, Chairman and CEO	14 shares	€118.22
10/05/2007	acquisition	Natural person linked to Mr Mark Inch, Chairman and CEO	114 shares	€118.18
11/05/2007	acquisition	Mr Robert Waterland, Deputy Managing Director	45 shares	€118.47
11/05/2007	acquisition	Natural person linked to Mr Robert Waterland, Deputy Managing Director	66 shares	€118.00
20/12/2007	divestment	Osiris Gestion de Entidades SLU, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	518,843 shares	€91.35
20/12/2007	acquisition	Eiffel Holding Limited, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	518,843 shares	€91.35

Transactions done in 2008				
date	**acquisition/ divestment**	**Person**	**Number of shares**	**unit price**
14/03/2008	divestment	Osiris Gestion de Entidades, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	6.000 shares	€89.02
25/03/2008	divestment	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	2.000 shares	€88.00
26/03/2008	divestment	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	2.000 shares	€90.34
27/03/2008	divestment	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	6.000 shares	€92.59
28/03/2008	divestment	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	2.843 shares	€91.85
11/04/2008	acquisition	Natural person linked to Mr Mark Inch, Chairman and CEO	125 shares	€91.99
11/04/2008	acquisition	Mr Mark Inch, Chairman and CEO	164 shares	€91.90
11/04/2008	acquisition	Natural person linked to Mr Robert Waterland, Deputy Managing Director	42 shares	€91.1648
11/04/2008	acquisition	Mr Robert Waterland, Deputy Managing Director	72 shares	€91.26

19/05/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	60 shares	€87.99
19/05/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	10 shares	€87.994
19/05/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	180 shares	€88.00
19/05/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	250 shares	€87.75
19/05/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	250 shares	€87.50
30/06/2008	acquisition	Mr Mark Inch, Chairman and CEO	115 shares	€74.00
7/07/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	150 shares	€72.20
4/07/2008	acquisition	Mr Robert Waterland, Deputy Managing Director	55 shares	€71.99
24/07/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	100 shares	€75.00
24/07/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	20 shares	€74.99
24/07/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	10 shares	€74.97
24/07/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	10 shares	€74.93
24/07/2008	acquisition	Bluebird Holding limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	10 shares	€74.85
12/08/2008	acquisition	Mr Robert Waterland, Deputy Managing Director	106 shares	€73.48
12/08/2008	acquisition	natural person linked to Mr Robert Waterland, Deputy Managing Director	63 shares	€73.48
12/08/2008	acquisition	Mr Mark Inch, Chairman and CEO	123 shares	€74.00
12/08/2008	acquisition	Mr Mark Inch, Chairman and CEO	88 shares	€74.48
17/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	50 shares	€44.98
17/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	50 shares	€44.996
17/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	900 shares	€45.00
20/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	150 shares	€47.92
20/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	350 shares	€48.00
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	50 shares	€50.35
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	50 shares	€50.3558
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and	50 shares	€50.3754

		CEO		
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	150 shares	€50.48
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	50 shares	€50.9312
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	100 shares	€50.93
21/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	50 shares	€50.91
21/10/2008	acquisition	Mr Mark Inch, Chairman and CEO	10 shares	€50.96
22/10/2008	acquisition	Mr Mark Inch, Chairman and CEO	10 shares	€50.37
23/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€49.00
29/10/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€41.00
17/11/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€40.00
18/11/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€39.50
19/11/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€39.00
20/11/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€38.00
8/12/2008	acquisition	Bluebird Investissements limited liability company, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€34.00

5.5 Items liable to impact a take-over bid

In accordance with Article L. 225-100-3 of the French Commercial Code based on Law 2007-387 of 31 March 2007 which stipulates that companies must disclose factors which could have an effect during a take-over bid, we report the following:

- the services contract entered into with Awon Asset Management on 26 April 2004 as amended beginning on 1 January 2007 for a 5-year renewable term stipulates a termination penalty equal to two times the remuneration received over the year previous to the termination,

- the services contract entered into with Bluebird Investissements on 17 January 2004 as amended beginning on 1 January 2007 for an indefinite period stipulates a three-year advance notice in the event of termination,

- the bank borrowing agreements include cancellation clauses should there be a change in control,

- Mr. Robert Waterland's employment contract stipulates a maximum two years of severance pay in the event of termination,

- The General Shareholders' Meeting held on 12 May 2007 delegated various powers to the Board of Directors enabling it to issue new shares with or without removal of the pre-emptive subscription right for a maximum amount of €150m.

- The General Shareholders' Meeting held on 27 March 2008 authorised the Board of Directors to carry out a share buy-back programme of up to 10% of the capital for a maximum price of €150.

6 - CORPORATE INFORMATION AND SUSTAINABLE DEVELOPMENT

6.1 Company organisation

At 31 December 2008, Société de la Tour Eiffel had one employee.

The people who manage the Société de la Tour Eiffel group's real estate portfolio and manage its finances and administrative functions are employed by Awon Asset Management, its wholly owned subsidiary.

An asset management master agreement was entered into on 26 April 2004 with Awon Management. The Board of Directors authorized the agreement as a regulated convention on 2 April 2004 and the shareholders ratified it at their general meeting of 18 May 2004. Under the contract's terms, this company, which had no equity tie with Société de la Tour Eiffel before, has been invested with the following purposes: it provides advice on building acquisition, managing the buildings held by Société de la Tour Eiffel's subsidiaries to optimize the rental revenue and promote the building. It also administers Société de la Tour Eiffel.

The contract was amended by amendment no. 1 signed on 30 November 2006 with effect on 1 January 2007 to modify the term by raising it to five years starting on 1 January 2007. It can then be extended by tacit renewal. The amended contract also adds more corporate purposes and simplifies the financial terms owing to the consolidation of Awon Asset Management into the Société de la Tour Eiffel group.

Awon Asset Management now works almost entirely for Société de la Tour Eiffel.

At 31 December 2008, the group had 24 employees. It also employed 24 people at 31 December 2007 and at 31 December 2006, it had one employee at 31 December 2005. The staff consists of 15 women and 9 men. Seventeen of them are management or professional and 7 are not. The average age is 40 years. In 2008, 3 people were hired, and 3 left the Group. The expenditure carried out in 2008 for training activities stands at 21,515 euros. For informational purposes, the personnel does not hold any company shares on a collective basis.

Société de la Tour Eiffel entrusts the following company to manage the group's properties: Savills Gestion, CPMS (CBRE group), UFFI and Parcomie.

6.2 Activities of the corporate foundation

The Société de la Tour Eiffel Foundation, initiated by the SICC's managers with the support of the Board of Directors, commits the Company to a social welfare programme in line with its business and heritage. The foundation's mission is to offer a first chance to youth by enabling them to publish a first-time professional project in the areas of city planning, architecture or regional development.

"Because it goes back to the rich heritage of one of the greatest inventors of his century, a name like Société de la Tour Eiffel creates obligations", explain Mark Inch and Robert Waterland. "We are proud to share the values of corporate innovation and performance by extending a helping hand to youth who are interested in our trade in the broad meaning of the word. We ourselves are entrepreneurs who started on a shoestring and we remember how important it is – and it's tougher these days – to find a first job. The first step is crucial; it's the one that helps you to become known and to enter the professional circuit. Thus we have chosen to make this first step easier through an annual award".

The French Law of 1 August 2003 provided for a tax incentive that favours the creation of company foundations. 60% of the donations of legal entities can be deducted from the company income tax if they are spent on an action programme spanning several years. To be sure, these provisions overlay those of the special tax treatment for SIICs. It is nevertheless true that company foundations now rate as a strategic tool enabling companies to act on their commitments and issues of concern as a good corporate citizen through clearly identified initiative.

The Foundation organised its first competition with the support of the Abvent Group, an architecture software publisher, for the design of a tall structure on the Champ de Mars in Paris using contemporary techniques and materials. Limited to students enrolled in French architecture schools, the contest has been an undeniable success with over 90 designs entered for the competition. The jury, comprising representatives of the Foundation and the Abvent Group, well-known architects, a representative from the City of Paris and another from the Eiffel family, deliberated on 24 November 2008, and the awards ceremony will take place on 31 March 2009 at Cité de l'Architecture, during which over 41,000 euros in prizes in cash and software will be handed out to the winners. Selected works will be exhibited.

6.3 Environmental information

By favouring new construction, Société de la Tour Eiffel underscores its commitment to the development process that reconciles environmental protection with economic efficiency and social justice.

The Company adheres to France's high environmental quality (HQE) initiative. This programme seeks to fully engage the sustainable development issue by aiming to limit all of the environmental impacts caused by building construction and by opting for a harmonious integration in perfect suitability with the users' needs and comfort.

7 - PRESENTATION OF RESOLUTIONS

In this section of the report, we detail the main characteristics of the resolutions which shall be put before you.

We should also like to inform you that we can provide all of the Statutory Auditors' reports covering the issues put up for your vote.

7.1 Resolutions to be put before the ordinary shareholders' meeting

FIRST RESOLUTION – PRESENTATION AND APPROVAL OF THE COMPANY ACCOUNTS

The individual financial statements for the year ended 31 December 2008 which we submit for your approval were drawn up in accordance with the presentation and evaluation methods stipulated by current regulations.

These financial statements disclose a profit of 28,180,742 euros.

SECOND RESOLUTION – APPROPRIATION OF EARNINGS

We resolve to allocate the financial year's earnings as follows:

Financial year earnings of	28,180,742 euros
to which are added retained earnings	1,993,279 euros
	---
giving a total of	30,174,021 euros
-a legal reserve contribution of	1,409,038 euros
	---
leaving distributable earnings of	28,764,983 euros
from which has already been paid out an interim dividend of or €3.50 per share, as voted by the Board of Directors on 29 July 2008,	17,820,390 euros
resulting in a distributable earnings balance of	10,944,593 euros
- for distribution as the dividend balance or €1.50 per share	*7,789,504.50 euros
- with the balance of being considered as retained earnings,	*3,155,088.50 euros

** This amount could be adjusted.*

The total amount of the dividends and Retained Earnings account could be adjusted to take into account the following events:

- the new shares issued before the dividend payout date as the result of exercising share options will pay a dividend of €1.50 per share which will be withheld, when appropriate, as Retained Earnings.

- in the event that, when the dividend is paid, the Company happens to hold some of its own shares, the earnings corresponding to the dividends not paid on the aforesaid shares would be appropriated to Retained Earnings.

We resolve to offer to each shareholder the option of a payment in cash or in share dividends of up to € 1.50 per share. The option would apply to the entire dividend unit.

The share price used to calculate the dividend payment will be calculated as follows: 90% of the average closing market value of the 20 days of trading prior to the date on which the decision to distribute is made, minus the net amount of the dividend rounded up a cent, in so far as the issuing price is not less than the share's nominal value, as required by law, and as the ninth resolution is voted.

Shareholders who request payment of the dividend in shares will be able to exercise their option from 21 May 2009 to 4 June 2009 inclusive through financial intermediaries authorised by the Company to pay out the dividend. Once this deadline has passed, the dividend will be paid out in cash on 12 June 2009.

We also resolve to offer each shareholder, in the event of the allocation of interim dividends, the option of a cash payment or interim shares. The option would apply to the entire dividend unit.

The share price used to calculate the interim dividend payment will be calculated as follows: 90% of the average closing market value of the 20 days of trading prior to the date on which the decision to distribute is made, minus the net amount of the dividend rounded up a cent, as required by law.

The present authorisation would be valid until the next ordinary general shareholders' meeting ruling upon the books closed on 31 December 2009.

For individuals domiciled in France, all of the sums distributable and paid out in 2009, subject to the progressive tax scale are eligible for:

- firstly, a 40% tax deduction in accordance with Article 158-3-2 of France's General Tax Code as revised,
- secondly, a fixed annual tax deduction of €1,525 for single, divorced, widowed and married taxpayers filing separate returns and €3,050 for married taxpayers filing joint returns or who are bound by a civil union agreement qualifying them for a joint filing pursuant to Article 158-3-5 of the General Tax Code.

Individuals domiciled in France may opt to have 18% withheld (in addition to social security contributions) on the amounts distributed and paid in 2009 in lieu of the progressive income tax by the terms of Article 117 section 4 of the General Tax Code.

We inform you that, in accordance with article 243 bis of the General Tax Code, the dividends paid over the past three financial years were as follows:

	FY 2005	FY 2006	FY 2007
Number of shares	5,076,540	5,190,253	5,190,253 (4)
Net dividend per share	€2.85 (1)	€6.15 (2)	€6 (3)

(1) includes €2.00 eligible for the 50% tax deduction and €0.85 eligible for a 40% tax deduction benefiting individuals whose tax domicile is in France as stipulated by Article 158-3 of the General Tax Code.
(2) amount eligible for a 40% tax deduction benefitting individuals, fiscally domiciled in France, as declared in article 158-3 of the General Tax Code.
(3) amount eligible for a 40% tax deduction and for the option of a withholding at a rate of 18% benefitting individuals whose tax domicile is in France, as declared in article 158-3 of the General Tax Code.
(4) for the company's treasury shares, the earnings corresponding to the dividends not paid on the aforesaid shares would be appropriated to Retained Earnings.

THIRD RESOLUTION – CONSOLIDATED FINANCIAL STATEMENTS

We resolve to approve the group financial statements at 31 December 2008.

FOURTH RESOLUTION - MODIFICATION OF THE CONDITIONS OF THE DEFERRED REMUNERATION OF MR. ROBERT WATERLAND

We inform you that the Board of Directors has decided to limit the allowance liable to be paid to Mr Robert Waterland in the event of severance to two years of salary, in accordance with AFEP-MEDEF recommendations, and we submit for your approval a modification of the performance conditions tied to this deferred remuneration due to Mr Robert Waterland in relation to the termination of his employment contract, such as adopted by the Board of Directors on 12 February2008.

In particular, the condition tied to an average annual increase of at least 5% of the dividend appears unattainable given the current situation. We resolve to remove this condition and replace the condition related to an average annual growth in consolidated sales turnover of at least 5% (excluding the reduction of rents resulting from divestments) by the following condition: an increase in the consolidated operating cash-flow on a like-for-like basis, excluding the appreciation of divestments, at least 5% higher than the average of the past three financial years. We find this condition, which has a direct correlation with the performance of Mr Waterland, to be the most relevant.

FIFTH RESOLUTION – BOARD MEMBER MANDATES

We request you ratify the Statutory Auditors' special report on the agreements regulated by Article L. 225-38 and following of the Commercial Code, and approve the conclusions of the said report and the agreements mentioned therein.

We specify that no agreement concluded under normal conditions, which due to its purpose or financial implication is significant to the parties, was concluded during 2008.

SIXTH RESOLUTION - ATTENDANCE FEES

We propose to allocate attendance fees to the Board members for the current financial year for the global sum of 100,000 euros.

SEVENTH RESOLUTION - AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO IMPLEMENT A SHARE BUYBACK PROGRAMME

We request you authorise the Board of Directors to implement a new program to buy back the company's own shares in order to meet stock option plan attributions, the allocation of free shares, to make acquisitions in exchange for shares and, under the terms of a liquidity agreement, to stimulate the market, or alternatively to cancel them.

This authorisation would be valid for a period of eighteen months. It would be capped at 10% of the total number of shares making up the share capital adjusted to allow for any changes that come about during the authorised period. The maximum purchase price would be set at €90 exclusive of fees.

EIGHTH RESOLUTION - APPOINTMENT OF A NEW DIRECTOR

We propose to appoint a supplementary Board member. We propose the application of Mr Renaud Haberkorn, member of Grove International (ex Soros REP), former Board member of Société de la Tour Eiffel. The appointment of Mr Haberkorn will permit to the Board to benefit from his professional skills and from his knowledge of the real estate market. You can have further information on Mr Renaud Haberkorn upon request.

7.2 Resolutions of the extraordinary shareholders' meeting

NINTH RESOLUTION - REDUCTION OF CAPITAL BY REDUCTION OF THE NOMINAL VALUE SHARES

Considering that the nominal value of the shares is now significantly higher than the average market value, we resolve to reduce the share capital by way of a reduction in the nominal value, which would be brought down from 48 euros to 5 euros per share. In this way, the capital would be reduced from 249,264,144 euros to 25,965,015 euros.

The amount of the reduction in capital, 223,299,129 euros, would be assigned to a reserve line without allocation to the shareholders.

Such a reduction in capital would not alter the amount of the shareholders' equity in the Company.

TENTH RESOLUTION - CANCELLATION OF THE DELEGATIONS IN RESPECT TO CAPITAL INCREASES

Since no capital increases have been planned at present, we resolve to dissolve the delegations in respect to capital increases agreed upon by the Board of Directors under the twelfth with sixteenth resolutions of the Extraordinary General Shareholders' Meeting held on 29 March 2007, for the purpose of increasing capital by issuing transferrable securities.

ELEVENTH RESOLUTION - GRANT THE BOARD OF DIRECTORS AUTHORISATION TO WRITE-OFF CAPITAL BY CANCELLING OF TREASURY SHARES

As a complement to the proposal to renew the share buy-back programme which has been submitted to you, we propose to authorise the Board of Directors to carry out one or more reductions in capital by cancelling treasury shares, within a 10% limit of the Company's capital.

We remain at your disposal for any further information and we hope that you will choose to approve the resolutions put to vote.

The Board of Directors

8 - ANNEXES TO THE MANAGEMENT REPORT

8 - ANNEXES TO THE MANAGEMENT REPORT

8.1 Special report on share subscription or purchase options

SOCIETE DE LA TOUR EIFFEL
French joint stock company with €249,264,144 of capital
Registered office: 20-22 rue de la Ville l'Evêque 75008 Paris, France
No. 572 182 269 in the Paris Register of Trade and Companies

SPECIAL REPORT OF THE BOARD OF DIRECTORS TO THE **COMBINED GENERAL** MEETING OF **14 MAY 2009 ON** SHARE SUBSCRIPTION AND PURCHASE OPTIONS (ARTICLE L 225-184 OF THE FRENCH COMMERCIAL CODE)

Pursuant to Article L 225-184 of the French Commercial Code, we are providing information on the share subscription and/or purchase options transactions conducted during the financial year ended 31 December 2008.

1 – Conditions of the share subscription or purchase options granted and the procedures for their execution over the past year

On 11 December 2008, by the authority conferred by the special general shareholders' meeting of 29 March 2007 in its 17th resolution, the Board of Directors awarded the following share subscription options:

- Number: 25,965 share subscription options
- Expiration date: 11 December 2013
- Subscription price: €35.69

2 – Information on the options granted to the Company's officers and directors over the past financial year

Below is the individual and nominative information relating to the share subscription or purchase options granted to your company officers and directors:

2.1 – Options granted to the Company's officers and directors

Mr. Mark Inch, Chairman and Managing Director:

11/12/08	8,500 share subscription options	expiration date: 11/12/13	price: €35.69

Mr. Robert Waterland, Deputy Managing Director:

11/12/08	8,500 share subscription options	expiration date: 11/12/13	price: €35.69

Mr. Jérôme Descamps, Deputy Managing Director:

11/12/08	4,482 share subscription options	expiration date: 11/12/13	price: €35.69

Over the year ended 31 December 2008, the company officers and directors did not exercise any share subscription options.

2.2 – Options granted to the company officers and directors by the companies that are tied to them under the terms of Article L 225-180
NONE

2.3 – Options granted to the Company's officers and directors by the companies that are controlled in the meaning of L 233-16 of the French Commercial Code
NONE

3.- Information on the ten employees who received the most options

Below is the individual and registered information concerning the company's ten employees, excluding company officers or top executives, who hold the highest number of share subscription or purchase options.

Options granted by the Company to its ten employees, excluding company officers or top executives:

This provision does not apply to our Company since the sole employee is also a company officer and director, i.e. Mr. Robert Waterland, Deputy Managing Director.

Options granted to the ten employees who are not company officers or top executives by those companies affiliated with it as provided in article L 225-180 of the French Commercial Code:

NONE

8 - ANNEXES TO THE MANAGEMENT REPORT

8.2 Special report on free share attribution

SOCIETE DE LA TOUR EIFFEL
French joint stock company with €249,264,144 of capital
Registered office: 20-22 rue de la Ville l'Evêque 75008 Paris, France
572 182 269 in the Paris Register of Trade and Companies

***SPECIAL REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF* 14 MAY 2009 ON FREE SHARE ATTRIBUTION**
(ARTICLE L 225-197-4 OF THE FRENCH COMMERCIAL CODE)

Sirs,

We are honoured to provide you with the information relating to the granting of free shares to employees and top executives who did not hold more than 10% of our Company's share capital for the year ended 31 December 2008 in accordance with Article L 225-197-4 section 1 of the French Commercial Code.

We should stress that pursuant to Article L 225-197-4, these free shares did not result in the top executives holding over 10% of the share capital.

On 29 July 2008 by the authority conferred by the Extraordinary Shareholders' Meeting held on 29 March 2007 in its 18th resolution, the Board of Directors awarded 14,221 free shares to:

Mr. Mark Inch, Chairman and Managing Director of Société de la Tour Eiffel	5,000 free shares
Mr. Robert Waterland, Deputy Managing Director of Société de la Tour Eiffel	5,000 free shares
Mr. Jérôme Descamps, Deputy Managing Director of Société de la Tour Eiffel	1,300 free shares
Mr. Frédéric Maman, Manager of SCI Champigny Carnot, a company controlled by Société de la Tour Eiffel	1,300 free shares
Certain employees of SNC Awon Asset Management, a company controlled by Société de la Tour Eiffel	1,621 free shares

The granted of the aforementioned free shares is a tool used to motivate and foster loyalty among the Group's employees and/or company officers and executives based on their ability to boost the Company's performance. The number of free shares is based on a value equal to 20% of the growth in dividend per share times the number of shares with the reference value of the free shares being the average of the opening stock price quotations over the twenty trading sessions previous to the day when the free shares were awarded.

The free shares were issued provided the amount of the dividend per share approved at the next annual shareholders' meeting will be raised by €1 over the dividend for 2007. In the event the dividend amount voted by the Company's shareholders at their annual general meeting convened to approve the 2008 financial statements, including interim dividends, is not raised by €1 over the 2007 dividend, the number of free shares awarded on 29 July 2008 would be reduced by a decision of the Board of Directors to the number computed using the method shown below based on the dividend's actual growth.

In accordance with the law and the special general shareholders' meeting's decision, these new shares will not be granted to the aforementioned persons on a final basis until the acquisition period fixed at two years expires. Once this period expires, the free shares must be held by their beneficiaries for a two-year period. Those beneficiaries who are top executives of the company and/or its subsidiaries are required to retain one third of the shares resulting from exercising the options recorded on the Company's books until they relinquish their duties.

8 - ANNEXES TO THE MANAGEMENT REPORT

8.3 Table of results for the last five financial periods

THE COMPANY'S EARNINGS OVER THE PAST FIVE YEARS

Euros

INDICATORS	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SHARE CAPITAL AT YEAR-END					
Share capital	121,836,960	243,673,920	249,132,144	249,264,144	249,264,144
Number of shares issued	2,538,270	5,076,540	5,190,253	5,193,003	5,193,003
Nominal value of the shares	48	48	48	48	48
YEAR'S TRANSACTIONS AND RESULTS					
Turnover	1,076,229	2,960,611	5,570,553	6,047,457	6,537,292
Earnings before taxes, amortisation and provisions	4,402,065	9,721,606	36,535,247	31,891,065	32,246,005
Company income tax	-	1,125	229,197	314,906	-90,000
Employee profit sharing during the year	-	-	-	-	-
Earnings before taxes, employee profit sharing, depreciation and provisions	4,201,998	9,720,481	36,403,314	31,576,159	28,180,742
Dividend paid	3,985,083.90	9,391,599	31,920,056	31,033,971	25,448,857
EARNINGS PER SHARE					
Earnings after taxes and before amortisation and provisions (1)	3.14	3.70	7.00	6.19	6.23
Earnings after taxes, amortisation and provisions (1)	3.00	3.72	7.01	6.08	5.43
Dividend paid per share (net) (2)	1.57	2.85	6.15	6.00	5.00
PERSONNEL					
Average head count during the year	-	1	1	1	1
Payroll (3)	-	207,102	392,898	720,000	3,695,685
Amount of social security benefits paid in during the year (social security, community enterprises) (3)	-	66,628	115,762	392,751	238,323

(1) The earnings per share is computed based on an weighted average number of shares during the year
(2) Of which during FY 2008: €3.5 of interim dividends paid and €1.5 proposed balance
(3) The payroll figure includes remuneration paid to the company officers and directors and cost of free shares attribution

8 - ANNEXES TO THE MANAGEMENT REPORT

8.4 Authorisation to assume sureties, guarantees and other warranties

Pursuant to Articles L 225-35 and R 225-28 of the French Commercial Code, the Board of Directors authorised the Managing Director to give sureties, guarantees and other warranties at its meeting held on 12 February 2008 up to a total cap of €550m.

This authorisation was given for a one-year term.

8 - ANNEXES TO THE MANAGEMENT REPORT

8.5 Summary table of delegations of powers in respect of capital increases

Authorisation granted	Use
I - Overall authorisation granted to the Board of directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares, or by the capitalisation of profits, premiums, reserves or others. 29 March 2007, the Special General Meeting of Shareholders granted the Board of Directors the powers necessary to increase share capital: - by issue of shares, warrants and/or securities giving access to the ordinary shares of the Company, - by capitalisation of profits, premiums, reserves or other, where capitalisation into the capital would be legally and statutorily possible and by allocating free shares or raising the nominal value of existing shares. Term of the delegation: twenty-six months as of the date of the aforementioned meeting. Overall cap: €150m.	**This authorisation has not been used.**
II Overall authorisation granted to the Board of directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares, or by the capitalisation of profits, premiums, reserves or other, with suppression of pre-emptive subscription rights. On 29 March 2007, the Special General Meeting of Shareholders, under its 13th resolution, granted the Board of Directors the powers necessary to increase share capital by the issue of shares, warrants and/or marketable securities giving access to ordinary securities in the Company, said issues being (a) intended to remunerate share contributions made to the Company within the scope of an exchange offer that meets the conditions stipulated in article L. 225-148 of the French Commercial Code, (b) limited to 10% of the share capital for the purpose of remunerating contributions in kind made to the Company that comprise rights in share capital or marketable securities giving access to share capital provided the provisions of article L. 225-148 of the French Commercial Code do not apply. Term of the delegation: twenty-six months as of the date of the aforementioned meeting. Overall cap: €150m	**This authorization was not used.**

III - authorisation granted to the Board of directors to award options to subscribe or purchase shares. On 29 March 2007, the Special General Meeting of Shareholders, under its 17th resolution, delegated to the Board of Directors the powers necessary to grant employees, or certain among them or certain categories of staff, and Corporate Officers, or certain among them, of either the Company itself or any French or foreign companies or economic interest groups directly or indirectly related to it, under the terms of article L.225-180 of the French Commercial code, options granting them the right to subscribe new shares in the Company to be issued for the purpose of a capital increase, or existing shares in the Company originating from share buybacks that comply with the conditions set down by law. Term of the delegation: thirty-eight months as from the above meeting. The total number of shares thus proposed must not grant the right to subscribe or purchase a number of shares equivalent to more than 1.5% of the share capital over a three-year period.	**Use:** The meeting of the Board of 16 October 2007 decided to allocate the following share purchase options: - to Mr. Mark Inch options granting him the right to buy 6,488 shares - to Mr. Robert Waterland options granting him the right to buy 6,488 shares - to Mr. Jérôme Descamps options giving him the right to buy 6,488 shares - to Mr. Frédéric Maman options giving him the right to buy 6,487 shares The meeting of the Board of 11 December 2008 decided to allocate the following options to subscribe shares: - to Mr. Mark Inch options granting him the right to subscribe 8,500 shares - to Mr. Robert Waterland options granting him the right to subscribe 8,500 shares - to Mr. Jérôme Descamps options giving him the right to subscribe 4,482 shares - to Mr. Frédéric Maman options giving him the right to subscribe 4,483 shares
IV - Authorisation granted to the Board of Directors to award free shares On 29 march 2007, the Special General Meeting of Shareholders, under its 18th resolution, delegated to the Board of Directors the powers necessary to grant certain executives and/or employees of the Company or its subsidiaries of its choice, 60,000 free shares either existing or to be issued. Term of the delegation: thirty-eight months	**Use:** The meeting of the Board of 16 October 2007 decided to allocate the following options to subscribe shares: - to Mr. Mark Inch 3,000 shares - to Mr. Robert Waterland 3,000 shares - to Mr. Jerome Descamps 800 shares - to Mr. Frederic Maman 800 shares - to employees of the Awon Asset Management company, 950 shares Provided the amount of the dividend which will be approved at the time of the next annual general meeting is as forecast. The Board of Directors on 29 July 2008 decided to award the following free shares: - to Mr. Mark Inch 5,000 shares - to Mr. Robert Waterland 5,000 shares - to Mr. Jerome Descamps 1,300 shares - to Mr. Frederic Maman 1,300 shares - to employees of the Awon Asset Management company, 1,621 shares Provided that the per-share dividend amount that will be approved at the next annual general meeting is increased by €1 over the 2007 dividend.