



SOCIÉTÉ DE LA
TOUR EIFFEL

2009

MANAGEMENT REPORT

Société anonyme au capital de 27.165.180 euros

Siège social : 20-22 rue de la Ville l'Evêque - 75008 PARIS

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MESSAGE FROM THE MANAGEMENT

After fears that the world would end with the collapse of Lehman Brothers in September 2008, the financial markets faltered somewhat during the first half of 2009 but have been buoyed by a wave of optimism since last summer, whereas the liquidity of bank financing marginally improved recovering in 2009.

The share price of Société de la Tour Eiffel was no exception to the rule and since the summer of 2009 has posted an upward trend that has at least had the merit of making up for the huge discount which prevailed in the first half.

The move seemed inevitable: the economic and financial crisis in 2009 accentuated the effects of the recession, which obviously impacted the commercial property market, which was not however faced with the structural crisis of the 1990s.

For Société de la Tour Eiffel, which focuses on office and business parks located on the outskirts of Paris and the provincial cities and is therefore far removed from the excesses of certain market players and the mega transactions which characterised the market prior to the collapse, the crisis also represents an opportunity to attract businesses and administrations in search of quality space at moderate rents.

The real estate market was severely affected both in terms of leasing and the fall in asset values. Consequently, the company, after several years of strong growth, in 2009 concentrated its efforts on maintaining tenants and marketing its new developments in a particularly difficult environment, thereby enhancing its rental income and the sustainability of its cash flow.

1 - BUSINESS AND HIGHLIGHTS

1.1 Group real estate highlights

Société de la Tour Eiffel's business operations remained satisfactory in 2009 with regard to the marketing of existing assets and the development of new buildings, confirming the legitimacy of its investment strategy and benefitting from the advantages of a defensive portfolio, encompassing modern, uniform assets; moderate rents (resistant to the crisis); high, stable occupancy rates; solid cash flow and properties with a limited lot size.

a) Investment policy

During the first half of 2009, Société de la Tour Eiffel, reacting to the impact of the economic situation on the real estate market both in terms of the rental sector and the decreased asset values, focused its investment activity on operations involving in-house land reserves, particularly business parks, responding to the evolution of tenant requirements, and the completion of developments commenced in 2008. In October 2009, the company also acquired the outstanding 10% minority stake held in SCI Porte des Lilas, owner the Porte des Lilas development in Paris.

With regard to investments initiated during the previous years, the La Duranne / Aix-en-Provence office building, was delivered on 20 February 2009, and sold on 18 June 2009 with the benefit of a 7/9-year fixed-term lease.

b) Valuation of the group's land reserves

Redevelopment operations on the Massy Ampère site

The building of 18,000 sq.m with a nine-year fixed-term lease to Alstom, conceived by the architect Wilmotte and HQE certified, was delivered on 30 November 2009. Parallel to the construction of this building, in accordance with the urban master plan signed with the local authority 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:

- assignment on 24 August 2009 of a 9,714 sq. m residential development site to a developer,
- assignment on 24 September 2009 of a plot of land of 10,588 sq. m to the S.E.M. MASSY(local authority),
- commitment to sell a plot of land of 4,700 sq. m signed in 2008 with a developer as part of a social housing scheme, which should be confirmed before 30 September 2010,
- a second commitment to sell a plot of land of 3,686 sq. m was signed on 4 June 2009 with the S.E.M. Massy earmarked for the construction of public facilities and new roadworks.

These site disposals generated € 7.8 million in revenue in 2009, which should be complemented by € 2 million in 2010. The company's land reserves were consequently reduced to a potential 67,000 sq. m of office development which will be initiated subject to rental demand but which could ultimately represent a total investment of some € 200 million and generate additional rental income of approximately € 15 million.

Following a commitment to sell signed in December 2008, an agreement was concluded on 31 March 2009 whereby part of the land to be redeveloped was ceded by SCI Arman F02 to its subsidiary SCI Arman Ampère. This transfer was carried out in order to facilitate the financing of eventual future development schemes and partnerships.

This ambitious urban renewal project was awarded the SIIC Trophy in the "Town and Future" category at the SIMI 2009 (Salon de l'Immobilier d'Entreprise).

c) Business parks:

The Group continued to renovate its business parks and construct new buildings tailored to user requirements.

The following buildings were delivered during the first half of 2009:

- In Nantes - Parc du Perray: a 2,000 sq. m. office building preleased on a 6 year fixed-term was delivered in January 2009.
- In Marseille – Parc des Aygalades: at the "La Mazarade" complex, two new buildings with a total floor space of 4,100 sq. m. were delivered in February 2009. The first building was fully - rented (6 year lease) from 1 May 2009; the second building was fully rented as from 1 January 2010.
- In Aix-en-Provence – Parc du Golf: a building of 2,000 sq. m., pre-leased, was delivered in August 2009.
- In Strasbourg – Parc des Tanneries: a building of 1,700 sq. m with a 9-year fixed-term lease, was delivered in December 2009.

Buildings completed and delivered in 2009 in the Parcs Eiffel represented a total investment of € 15 million for a floor space of almost 10,000 sq. m and an annual rental income of € 1.3 million.

The following buildings are under construction:

- In Strasbourg - Parc des Tanneries, construction work on a building of some 1,600 sq.m, 25% of which is pre-leased, representing an investment of € 2.7 million, was launched in April 2009; delivery is scheduled for March 2010.

- In Chartres – Business Park, Jardin d’Entreprises integrated development zone: two 5,700 sq. m. office/light industrial buildings and warehouses will be delivered in May 2010 in the heart of Cosmetic Valley adjacent to the A11 motorway. € 13.5m have been invested for an anticipated yield of 7.5%.

d) Non-business park development

In addition to the on-going development carried out in the business parks and on the site of Massy Ampère, construction continued in 2009 of Vélizy Topaz, a 15,000 sq. m. development scheduled for delivery in the first half of 2010, representing an investment of more than € 35 million. At 31 December 2009 overall progress on the project was almost 85%.

Property extension projects initiated in 2009:

- extension of the Post Office site in Caen Mondeville: property development contract was signed in August 2009 for the completion of the extension of a parcel sorting building of 4780 sq. m. The work was scheduled to last 8 months from 1 September 2009. The transaction included a new 9-year fixed-term lease. In 2010, the Post Office facility in Vitrolles will also be extended by approximately 2,500 sq. m backed by a new 9-year fixed-term lease.
- extension (1,800 sq. m) of the Bourg-en-Bresse nursing home, secured on a new 12-year fixed-term lease.

In summary, with nearly 30,000 sq. m of preleased deliveries in 2009, **60% of the Group's property assets**, valued at € 1,045 million in the consolidated accounts dated 31 December 2009 compared with € 1,096 million at year-end 2008, **are either new or less than 10 years old, and 25% of them are HQE-certified.**

This net decrease in value is the combined result of:

- the increase due to the investments made on buildings delivered in 2009 or under construction at 31 December 2009 (+ € 74.5 million),
- the decrease due to disposals in 2009 (- € 45.4 million) and adjustments to portfolio values on a like-for-like basis (- € 88.1 million) attributable mainly to the first half.

e) Business activity

Business activity continued to be encouraging in 2009 with regard to the existing portfolio, both in terms of lease renewals and the new lease signatures . The company completed leases for over 110,000 sq.m. (out of 670,000 sq.m. in total assets) during 2009, including 70,000 sq.m. long-term (€ 11.7m annual rent) with well-established tenants(pragmatic renegotiation of major leases). The marketing in 2009 of over 20,000 sq. m of new space should also be underlined, in particular at the Porte des Lilas in Paris (fully rented), Marseilles and Bordeaux.

The tenancy situation at 31 December 2009 indicates that nearly 2/3 of the total rents are secured with a dozen major covenants whose average lease term extends to the last quarter of 2015. The remaining rental income stems from multi-let properties (400 leases), with a wide geographical spread and competitive, moderate rents.

At 31 December 2009, the physical occupancy rate (the ratio between the let area of the portfolio and its total floor area) of properties in service improved, standing at 89.5%, against 88.2% at year-end 2008. The financial occupancy rate (the ratio between effective rental income (annualised) and total potential rental income excluding structural vacancies) showed a marked improvement, standing at 91.1% at 31 December 2009, against 88.6% at 31 December 2008.

f) Disposal policy

In 2009, as in previous years, the Company continued to pursue a policy of selective disposals.

Seven properties were sold in 2009:

- 17 rue Dumont d'Urville in Paris 75016 (January 2009),
- lots in an industrial building located in the freight zone at Roissy Charles de Gaulle Airport (March 2009),
- Parc du Connemara in Nantes (April 2009),
- Parc de la Duranne in Aix-en-Provence (June 2009),
- an office floor located in rue de Courcelles Paris 75008 (July 2009),
- two lots of the Massy Ampère reconversion project (August and September 2009),
- 100 Boulevard Malesherbes Paris 75008 (December 2009).

The overall proceeds from these disposals amount to € 45 million, i.e. less than 4% below the latest valuations.

The € 8.1m in buildings designated for sale appearing in the consolidated accounts dated 31 December 2009, comprise two buildings in the Parc des Tanneries in Strasbourg, and two lots in the Massy Ampère development complex.

Following these events, the value of the portfolio of commitments at 31 December 2009 stood at € 1,058m, comprising investment property recorded in the group accounts at 31 December 2009 (€ 1,036.6m, including buildings under construction reflecting their advancement at year-end 2009), the additional committed cost to completion, and assets earmarked for disposal (€8.1m under commitment to sell, signed before 31 December 2009).

1.2 Highlights relating to the financing of the Company and pertaining Group

In 2009, the Group's financing requirements increased because of development projects launched and/or completed as part of its organic growth, and decreased as a results of disposals.

The teams of Société de la Tour Eiffel consolidated the company's financial resources and carefully managed its level of debt, taking advantage of the successful payment of the balance of the 2008 dividend in shares and the favourable impact of the fall in interest rates to a low, stable level since the second quarter of 2009.

Upon the acquisition of the shares held by the minority shareholder outside the Group in SCI Porte des Lilas (10%), the subordinated loan to the subsidiary was taken over by Locafimo and then pledged to the bank financing the company.

An addendum No. 2 to the loan agreement extended on 28 March 2008 by two banks to SCI Arman F02 was signed on 30 July 2009 to partially fund the additional fitting out work to be carried out in the building built by the subsidiary on the Massy Ampère site and leased to Alstom.

1.3 Other highlights

Share capital

The general shareholders' meeting held on 14 May 2009 authorised the reduction in share capital of the Company from 249,264,144 euros to 25,965,015 euros by way of a reduction of the nominal value of each share from 48 euros to 5 euros, the 223,299,129 reduction in capital being allocated to reserves that can only be used for purposes of offsetting losses or recapitalization; the meeting conferred all related powers to the Board of Directors, which carried out the reduction in share capital on 10 June 2009.

The reduction in capital was followed by an increase in capital further to the decision made by the said general assembly to offer each shareholder the option of receiving payment of the € 1.50 final dividend for the 2008 financial period in either cash or shares.

The board of directors meeting of 10 June 2009 recorded that the number of options exercised by the shareholders required the creation of 240,033 new shares to pay the dividend. It therefore decided to increase the capital by 1,200,165 euros, from 25,965,015 euros divided into 5,193,003 shares to 27,165,180 euros divided into 5,433,036 shares of 5 euros each.

Governance

The Board of Directors was enlarged with the appointment during 2009 of two new independent directors, Mr. Renaud Haberkorn (who had already served as director of the Company between 2004 and 2006) at the general shareholders' meeting of 14 May 2009, and Mr. Aimery Langlois-Meurinne at the general shareholders' meeting held on 15 October 2009.

The appointment to the Board of Directors of Société de la Tour Eiffel of two independent directors illustrates the Group's intention to further improve its governance.

Share buyback programme – liquidity contract

On 10 June 2009 the board of directors of the company decided to establish a new share buyback programme for a period of 18 months after the general shareholders' meeting held on 14 May 2009, the purpose of which is as follows:

- meet requirements as to stock options, the allocation of free shares and convertible debts
- carry out external growth operations
- proceed, under the terms of a liquidity agreement, to stimulate the market for the company's shares,
- or alternatively to cancel them.

The maximum purchase price was set at € 90 per share. The maximum number of shares for which buyback is authorised is equivalent to 10% of the capital of Société de la Tour Eiffel.

As of 31 December 2009, Société de la Tour Eiffel held 92,594 treasury shares acquired through the various share buyback programmes and 2,930 treasury shares acquired through the liquidity contract.

The implementation of the liquidity contract, entered into with Natixis Securities and linked to the share buyback programme, continued during the 2009 financial year.

Distribution of part of the share premium

The general shareholders' meeting held on 15 October 2009 decided to distribute part of the share premium, or 2 euros per share excluding treasury shares, representing a total of € 10.7 million.

Internal reorganisation

On 30 November 2009, Société de la Tour Eiffel transferred to its subsidiary Locafimo, full ownership of the 1,000 shares held in Vélizy Topaz company for the sum of € 9,350,000, a contribution made on the basis of the net book value of the shares as at 30 September 2009.

In consideration for this contribution, 149,600 new SAS Locafimo shares, created through a capital increase, were assigned to Société de la Tour Eiffel, with a nominal value of 1.40 euro premium of 61.10 euros per share.

In addition, the SCI Massy Campus and the SCI Aix Golf, which no longer held assets, were dissolved without liquidation in 2009.

Listing of the company on the SBF 250 and CAC Small 90 indexes

Further to the decision taken on 21 December 2009 by the Index Scientific Committee at NYSE Euronext Paris, Société de la Tour Eiffel was listed on the SBF 250 and CAC Small 90 indexes, as a result of the scale of its capitalisation and the liquidity of its shares.

2 - ECONOMIC AND FINANCIAL RESULTS

2.1 Consolidated financial statements

2.1.1 – Principles and accounting methods

The consolidated financial statements of the Société de la Tour Eiffel Group have been prepared at 31 December 2009 in accordance with IFRS standards as adopted by the European Union and applicable on the date of preparation.

The accounting methods applied are strictly identical to those adopted for the production of the annual financial statements to 31 December 2008, excepting the standards required as from January 1st: IAS 1 R (presentation of financial statements), IFRS 8 (operating segments), amendments to IFRS 2 (vesting conditions and cancellations), amendments to IAS 32 (puttable financial instruments and obligations arising on liquidation), IAS 23R (borrowing costs), IFRIC 11 (group and treasury share transactions) and the revised version of IAS 40 (recognition of construction work in progress at fair value).

At year end, the scope of consolidation included 26 companies, consolidated using the method of global integration, against 28 as at 31 December 2008, further to the absorption of SCI Massy Campus 2 and Aix Golf on 30 November 2009.

2.1.2 Analysis of Consolidated Results

Consolidated income statement

Consolidated turnover, which comprises rental and service charge income from investment properties, grew 12.9% between 2008 and 2009, from € 84.6 to 95.5m, of which € 70.6 and 75.7m, respectively were represented by rents.

The net growth in rental income is essentially due to deliveries of new preleased properties (+ € 4.5m), the indexation of existing rental income (+€ 3.8m) and renewals and relettings (+ € 0.2m), net of rents lost on properties sold in 2008 and 2009 (- € 3.4m).

On a like-for-like basis, the increase in rental income between 2008 and 2009 amounts to 5.7%.

The significant change in other gross rental income is mainly due to the adjustment in Q4 2009 of € 5.8 million in respect of service charges invoiced to tenants for the years 2007 and 2008.

Operating expenses, which amounted to € 36.2m in 2009 against € 33.8m in 2008, slightly increased during the year. They mainly consist of the following:

- the non-recoverable service charges, increased from €12.2m end 2008 to € 14.5m end 2009 in line with the rental invoicing;

- property taxes (€ 9.3m against € 8.7m at year-end 2008);
- staff expenses (€ 4.4m against € 4.7m);
- overheads and operating costs of the Société de la Tour Eiffel Group

The net balance of value adjustments (- € 88.1m) corresponds to the decrease in property valuations during the financial period, adjusted for the disposals and deliveries made in 2009.

After inclusion of a net loss on the sale of assets in the amount of € 0.4m, operating income on ordinary activities stands at - € 28.4m at 31 December 2009 compared with € 36.2m at 31 December 2008.

The marked evolution in the financial result for the year of - € 52.2 million to - € 32 million, is directly associated with the fall in interest rates and outstanding levels of bank finance.

98% of the decrease in the gross cost of financial debt of 25% (from € 33.8m to € 25.4m) can be attributed to the fall in interest rates, and 2% to the level of outstanding bank debt.

The change in other financial income and expenses (- € 6.6 m at year-end 2009 against - € 18.4m at year-end 2008) can be attributed to the revaluation of hedging instruments in an environment of falling interest rates.

Taking the above into account along with corporation tax in the amount of 0.3 million euros, and the loss on minority interests (- € 0.5m), the net consolidated result Group share stands at - € 60.1m at 31 December 2009 versus - € 16.7m at 31 December 2008.

After adjusting the valuation of assets and liabilities as well as the divestment of assets, the operating results from regular activity stand at € 60.0m for 2009 and net profit at € 34.9m, compared with € 52.1m and € 17.6m respectively in 2008.

The current cash flow amounted to € 33.3m at year-end 2009 against € 18.4m at year-end 2008, representing a significant increase of 81% under the combined effect of higher net rental income and the sharp drop in the cost of financing.

Consolidated Balance Sheet

At 31 December 2009, total assets amounted to € 1,117.6m against € 1,189.5m at 31 December 2008.

The main changes are summarised below:

- **Assets:**
 - The net reduction of non-current assets of € 46.4m, results on the increment side from the € 74.5m increase through investments made in the buildings under construction (in

Vélizy, Massy and several business parks), and those completed, and the deletion of the heading “constructions in progress” included in the accounts under tangible assets (after the revision of IAS 40) whereas decreases stem from € 45.4m in disposals and the € 88.1m decline in the fair value of investment properties;

- The decrease in the amount of assets earmarked for disposal (4 properties under sale agreements at year-end 2009) worth € 8.1 million against € 13.2 million at year-end 2008;
- The reduction in cash of € 7.4m.

▪ **Liabilities:**

- The reduction in share capital of € 72.7m related to the loss recorded at year-end 2009 and the 2 distributions made in 2009 for a total of € 18.3m;
- The net reduction in borrowings and financial debts of € 11.3m (including € 6.9m on outstanding bank finance);
- The increase of € 12.2m in other operating liabilities primarily consisting of costs remaining to be committed on buildings under construction.

Cash flow statement

In the Group cash flow statement, a distinction must be made between the three categories of flows involved:

- Cash flow related to business: the overall increase from € 46.9m to € 53.7m in 2009 is mainly due to the improvement described above in recurring operating income (excluding the impact of valuation adjustments of investment properties and interest rate hedging instruments) and to the cost of financial debt.
- Cash flow related to investments: the changes between 2008 and 2009 (+€ 35m) from - € 49.4m to - € 14.5m due to fewer acquisitions in 2009 (+ € 80m) and disposals of property (- € 30m) and a decrease (- € 15m) in the loans agreed.
- Cash flow related to financing transactions: this flow stands at - € 46.6m in 2009 against € 3.8m in 2008 mainly due to the decline in disbursements (€ 15m in dividends, € 40m in repayments of loans, € 16m in financial and miscellaneous expenses), offset by the reduced recourse in 2009 of debt (- € 120m).

Thus the net total cash of the Group decreased by €7.3m over the year from € 28.2m at 1 January 2009 to € 20.9m at 31 December.

2.2 Financial resources

As during the second half of 2008, the year 2009 was a difficult period for the financial markets in terms of liquidity, credit margins and the volatility of interest rates.

2.2.1 Liquidity

During the 2009 financial period, the Group adjusted its financing needs. New resources were obtained (+ € 35.1m) for the development schemes in progress (all pre-financed), and debts were diminished (- € 42.1m) by repayments made to banks following asset disposals carried out during the year and the deferred payment received on a sale completed in 2008.

At 31 December 2009, the Group had at its disposal € 77.8 million in undrawn credit lines (including the € 50m credit line granted in 2008 to Locafimo).

2.2.2 Debt structure at 31 December 2009

Overall gross debt as at 31 December 2009 stood at € 675.6m, as against € 682.5m at 31 December 2008.

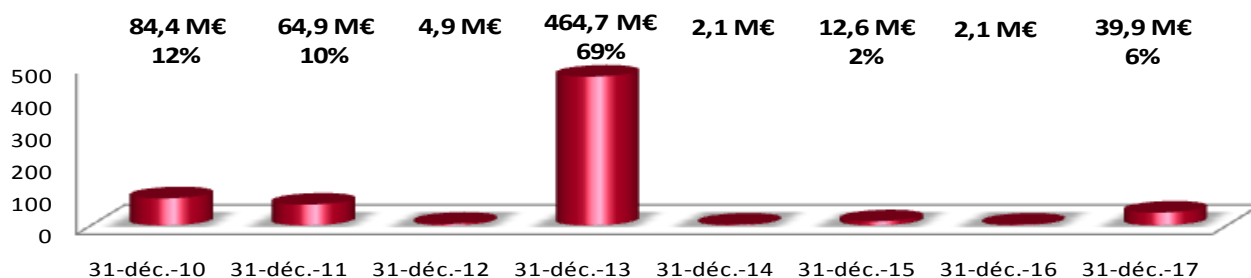
Net debt recorded on the balance sheet, obtained by deducting from the global debt all cash reserves, including the Group's subsidiaries, and financial investments in the form of cash pledges, amounted to € 650.8m at year-end 2009 versus € 654m at year-end 2008.

<i>In € m</i>	31/12/2009	31/12/2008
Gross financing debt	675.6	682.5
Invested cash reserves	- 10.7	- 17.4
Cash in hand and at bank	- 10.1	- 10.8
Financial investments (pledged cash)	- 4.0	- 0.3
Net debt on balance sheet	650.8	654.0

Thus, the LTV ratio at 31 December 2009 represents 62.3% of property assets, valued at € 1,044.7m.

Debt by maturity date

The bank financing drawn down by Société de la Tour Eiffel at 31 December 2009 of € 675.6m is shown, per maturity date, in the chart below:



The Company's average term of debt stood at 3.3 years at year-end 2009 against 4.3 years at year-end 2008.

Average cost of debt:

The average cost for Group refinancing was 3.9% at year-end 2009, to be compared with 5.2% at year-end 2008 and 4.2% during the first half of the year. This change in the average cost of the debt is explained by the significant drop in interest rates since October 2008 (from 5.29% to 0.7% at 31 December 2009 for the Euribor 3M), applied to the portion of variable rate debt.

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 relating to loans contracted to finance its investment strategy and maintain requisite financial liquidity.

The aim of the interest rate risk policy of Société de la Tour Eiffel is to limit the impact of changes in interest rates on results, 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 centralised and managed by the Company itself, according to the recommendations of the banks with which it regularly works.

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 nature of the underlying asset to be financed.

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 2009, bank financial debt amounted to € 675.6m, of which € 661.7m were at variable rates and € 57.7m at fixed rates. After taking into account the fixed-rate SWAP instruments, the total debt at fixed rate stood at € 357.1m, i.e. 54% of the hedged debt.

In addition, the debt at variable rate was hedged for a total of € 304.5m by CAP instruments, allowing the Group to profit from the significant fall in the interest rates since the end of 2008 and which explains the 25% plus reduction in the net cost of financing during the financial period.

Consequently, at 31 December 2009, the debt was hedged overall to a total ratio of 98%.

On the basis of the outstanding debt as at 31 December 2009, an average rise in the 3-month Euribor interest rates of 50 basis points in 2010 would have a negative impact (on an annual basis) on recurring net income, estimated at € 1.6 million. This impact is estimated at € 3.2m in recurring net income for an average increase of 100 basis points during 2010.

Conversely, a drop in the interest rates of 50 basis points would reduce the finance cost by an estimated € 1.6m, resulting in an equivalent positive impact on the recurring net income for 2010.

As a reminder, between 1 October 2008 and month-end December 2009, the 3-month Euribor, which is the only benchmark rate applied to the group's variable rate bank indebtedness, fell from 5.29% to 0.70%.

2.2.4 Financial structure ratios

Indebtedness ratios	2009	2008	2007
Consolidated equity (€ m)	345.6	418.7	471.6
Net financial debt (€ m)	650.8	654.0	567.7
Net financial debt / Consolidated equity	188 %	156 %	120 %
Net banking debt/Total property assets (Loan to Value)	62.3 %	59.2 %	52.4 %
Financing ratios	2009	2008	2007
Average cost of debt	3.9 %	5.2 %	5 %
Fixed or capped rate borrowings	98 %	91 %	99 %
Maturity of debt	3.3 years	4.3 years	4 years
Interest charge cover on GOP*	2.4	1.5	1.9

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

Loan covenant ratios:

The financial ratios that the Group has committed to in respect of its financing are included for each bank in the table below, as at 31 December 2009.

The table also compares the latest ratios communicated to the banks at 31 December 2009 with the company's contractual obligations (LTV, i.e. amount of financings compared with that of financed properties; ICR, i.e. coverage of finance costs incurred during the fourth quarter of 2009 and projected over the first three quarters of 2010 by the net rents of the fourth quarter of 2009 and those projected over the first three quarters of 2010) with those the Group committed to respect in accordance with its main financing contracts.

Banking financing and main covenants at 31/12/2009

<u>In € m</u>	31/12/2009	Bank loans		STE ratios		Due date
	Consolidated financial debt	Maximum LTV	Minimum ICR	LTV	ICR	
RBS / AXA / Calyon	140.5	75.0%	170%	54.8%	354%	15/06/2013
RBS / Calyon / Crédit Foncier / AXA	76.5	75.0%	180%	66.5%	323%	31/03/2010
Calyon	58.6	80.0%	125%	56.0%	397%	15/04/2011
Société Générale (50%) - Crédit Foncier (50%)	55.6	65.0%	110%	59.9%	210%	27/03/2017
Société Générale	13.1	NA	NA	NA	NA	14/01/2015
Hypo Real Estate	331.3	72.5%	140%	65.5%	382%	30/06/2013
Total	675.6					

The level of the loan covenants at 31 December 2009 complies with all the commitments of the Group as established by each of its financing contracts.

Risks on treasury shares

As part of the share buyback programme authorised by the General Shareholders' Meeting of 14 May 2009, the characteristics of which are described in paragraph 1.3 above and 5.1.2 below, the company is subject to a risk on the value of the shares it is liable to hold.

Based on the 93,083 shares held at 28 February 2010, the sensitivity of results to a decrease or increase of 10% of the Société de la Tour Eiffel share price is estimated to be € 0.5m.

2.3 – Asset Appraisal and NAV

2.3.1 Group property assets

All the property assets of the Société de la Tour Eiffel Group were appraised at 31 December 2009 by one or the other of the following independent valuers: BNP Paribas Real Estate, Savills Expertises, Cushman & Wakefield, and Ad Valorem.

During the financial period, the Group rotated two valuers for a portion of its property assets. Attributions between firms are determined by the geographical location and nature of the properties appraised.

The Group's property assets stand at € 1,044.7m, excluding transfer duties and expenses, of which € 1,036.6m represent investment properties (€ 48.1 million corresponding to the valuation of buildings under construction at year-end 2009 according to the revised IAS 40 standard) and € 8.1m represent assets earmarked for disposal.

In compliance with the recommendations of the Barthes de Ruyter Report (COB Report of the Working Group on the property valuation of the assets of publicly held companies), these appraisals are undertaken annually on a uniform manner based on net selling prices, i.e. excluding transfer costs.

Valuation of property assets	31/12/2009		31/12/2008		Change	
	In € m	In %	In € m	In %	In € m	In %
Offices	545.8	52.2%	579.7	52.9%	-33.9	-5.8%
Parcs Eiffel	309.2	29.6%	311.1	28.4%	-1.9	-0.6%
Warehouses	92.1	8.8%	101.6	9.3%	-9.5	-9.4%
Light industrial space	60.1	5.8%	66.3	6.0%	-6.1	-9.3%
Nursing homes	37.5	3.6%	36.8	3.4%	0.7	1.8%
Total	1 044.7	100.0%	1 095.5	100.0%	-50.8	-4.6%

Methodology retained by the valuers

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 both methodologies.

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

The capitalisation method consists in capitalising a net passing income or a market rent at a suitable rate of return taking into account discounted adjustments for future rental increments or shortfalls.

This method is based on the rental value (market rent) of the assets, compared with the passing rent. When the net rent is close to the rental value, the rent is capitalised on the basis of a market rate of return, reflecting in particular the quality of the building, its location, the tenant and the remaining fixed lease term.

The adopted rate of return reflects 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 is capitalised on a discounted basis up until the next lease break date and added or subtracted from the core result.

For vacant space at the time of the valuation, the rental value is capitalised at a market rate of return plus an allowance for risk, and then the loss of rent for the estimated marketing period is deducted. Vacant premises are valued on a weighted basis by the experts using market rental values, after deducting the carrying costs related to the lead-time for marketing the premises as assessed by the valuers, and after deducting any commercial incentives that may be granted to potential tenants.

Within the framework of the appraisals at 31 December 2009, the rates of return chosen by the property experts range from 6.3% to 9.5% and are determined by the valuers according to the risk posed by a particular asset class and comprise the impact of vacant premises.

For assets with residual land value, the valuers attribute a specific value. For assets with no residual land value, the total value includes the site.

2.3.2 – Net Asset Value

Replacement Net Asset Value

To calculate the net asset value including taxes (or replacement NAV), properties are first assessed for their tax-inclusive value according to the appraisals made by independent valuers.

Buildings under construction, however, although potentially offering capital gains, appear at cost in the consolidated financial statements as at 31 December 2008, in accordance with IFRS standards.

For the record, the potential capital gains on buildings under construction, based on their appraisal value excluding taxes (upon delivery) determined by independent valuers, less the cost of works remaining to complete, were null at 31 December 2008 with respect to the calculation of NAV.

As from 1 January 2009, in accordance with the revision of standard IAS 40, buildings under construction are recorded at fair value in the "investment properties" category.

The Net Asset Value corresponds to the consolidated shareholders' equity at 31 December 2009, plus the unrealised gains on goodwill (value of Awon Asset Management as estimated by Deloitte at 31 December 2009).

The Replacement Net Asset Value stands at € 74.0 per share at 31 December 2009 compared with € 93.3 per share at 31 December 2008, a reduction of 21%.

Liquidation Net Asset Value

A second calculation provides net asset value excluding taxes (or liquidation NAV). Transfer charges are estimated by the Company at 5% of the new value of the company owning an asset. This same transfer tax calculation method has been used for every year since the Company began its property investment activities.

As at 31 December 2009, the transfer taxes and other disposal 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 € 24.2m.

The Net Asset Value excluding taxes (liquidation NAV) stands at € 70.0 per share at 31 December 2009 versus € 88.5 per share at 31 December 2008, an overall decrease of 21%.

Calculation of Liquidation Net Asset Value from consolidated shareholders' equity

In thousands of euros

	31/12/2009	31/12/2008
Consolidated shareholders' equity	345,592	418,675
Appreciation on intangible assets	3,751	2,729
Appreciation on buildings under construction	0	0
Net adjustment of the transfer taxes:	24,197	28,714
+ <i>Taxes deducted from the value of assets on the balance sheet</i>	45,522	53,212
- <i>Estimated divestment taxes and fees</i>	21,325	24,498
NAV excluding taxes	373,540	450,118
Number of shares (excluding treasury shares)	5,337,582	5,085,145
NAV excluding taxes per share in €	70.0	88.5
<i>Change compared with 31/12/2008</i>	-20.9%	

Change in NAV excluding taxes from 31/12/2008 to 31/12/2009

	In € m	Per share in €
NAV excluding taxes at 31/12/2008	450.2	88.5
Impact of the change in number of shares		-4.2
Recurring net income	34.9	6.5
Distribution of 2009 dividends	-13.1	-2.5
Capital gains on divestments	-0.4	-0.1
Valuation of property assets	-88.1	-16.5
Valuation of hedging instruments	-6.6	-1.2
Other	-3.5	-0.5
NAV excluding taxes at 31/12/2009	373.4	70.0

Number of shares (excluding treasury shares) at 31 December 2009: 5,337,582

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

2.4 Corporate financial statements

The total balance sheet of Société de la Tour Eiffel at 31 December 2009 amounted to € 391.2m compared to € 418.1m at 31 December 2008.

Assets:

Fixed assets 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 net book value of € 28.9m at 31 December 2009) and, on the other hand, the equity interests in subsidiaries (€ 245.3m) and related receivables (€ 52.5m).

The decline in the value of the equity interests held by Société de la Tour Eiffel is due to the contribution, dated 30 November 2009, of the shares in SCI Vélizy Topaz to its subsidiary SAS Locafimo worth € 9.4m and by the recognition at year-end 2009 of a depreciation in the value of

shares in Locafimo SAS and SCI Duranne South, respectively amounting to € 11.3m and € 0.7m.

No shareholdings were acquired during the financial period.

Furthermore, the receivables related to equity interests, representing stable financing from the parent company to the subsidiaries, decreased by € 6.4m in 2009, from € 58.9m in 2008 to € 52.5m, mainly due to the receipt of dividends from subsidiaries.

The decrease in current assets from € 68.0m to € 64.2m calls for no special comment.

In 2009, the marketable securities representing the treasury shares obtained through the currently applicable share buy-back programme and the liquidity contract (95,524 shares at 31 December 2009 versus 107,358 at 31 December 2008) posted a net increase of € 0.7m, under the combined effect of an adjustment for over-provision of € 1.8 million, related to the higher share price in 2009, and a decrease of € 1.1 million in gross value linked to the various disposals.

It should be noted that the decrease in the level of available cash of € 15m was further to the disposal of marketable securities at year end.

Liabilities:

Shareholders' equity decreased from € 308.9m at 31 December 2008 to € 285.1m at year-end 2009, mainly because of the distribution as dividends of earnings from the 2008 financial period amounting to € 7.8m, and to the distribution of € 2 per share, levied and deducted from the "share premium" item, further to the decision of the general shareholders' meeting dated 15 October 2009, for a total of € 10.7m.

In addition, on 10 June 2009, the share capital in the Company was decreased by € 223.3 million by reducing the nominal value from € 48 to € 5. The reduction in share capital of the Company of € 223.3m was allocated to a special reserve that can only be used for purposes of offsetting losses or recapitalisation.

In addition, further to the payment of the final dividend in shares, the share capital and the "share premium" figures were increased by € 1.2m and € 3.9m respectively.

The change in operating liabilities during the year was characterised by a slight decrease of € 2.1m, representing a total of € 106.1m at the end of year.

Income statement

The turnover of the parent company (Société de la Tour Eiffel) came to € 7.4m (compared with € 6.5m at year-end 2008), comprising reinvoicing to subsidiaries (€ 5.6m) of various investment, financing and administrative costs, and asset management services (according to the terms of the asset management master agreement entered into with Awon Asset Management) and paid on their behalf as well as rental income from the Saint-Cloud and Amiens buildings (€ 1.8m).

Operating charges (€ 9.2m) are made up of the costs relating to the asset management master agreement entered into with Awon Asset Management, certain financing and investment charges, depreciation of buildings, and Société de la Tour Eiffel's general overheads.

The net operating loss for Société de la Tour Eiffel at 31 December 2009 amounted to - € 1.8m versus - € 5.6m at 31 December 2008.

The financial loss, which stood at - € 4.8m at year-end 2009 compared with € 33.7m at year-end 2008, mainly comprises dividend 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 treasury shares.

As at 31 December 2008, the results included in particular the appropriation of 80% of the € 19.4m profit of SCI Massy Campus (resulting from the capital gains on the sale of its property) and € 11.1 attribution of Locafimo's profits (from prior capital gains and recurring income).

As at 31 December 2009, the Group suffered financial losses not only because of the lack of capital gains, but also due to the € 12.0m depreciation in the share value of certain subsidiaries as a result of a decreased market value of their properties.

Given the above and an extraordinary loss of - € 4.1 million, related to the shortfall recorded further to the contribution of the shares in SCI Vélizy Topaz to SAS Locafimo, this results in a net loss of € 10.7m against a profit of € 28.2m at the close of 2008.

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

Expenditure on luxuries and non tax-deductible charges

In accordance with the terms of Articles 223 quater and 223 quinquies of the French 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 the introductory statement on the business activities of both the Company and the Group.

A table of subsidiaries and holdings, presented as an appendix to the balance sheet, shows the key indicators for sales turnover and earnings in 2009.

Also mentioned above in the "Buildings and Highlights" chapter are acquisitions of shareholdings made in 2009.

At 31 December 2009, the consolidation of the Société de la Tour Eiffel group encompassed 25 companies (not including Société de la Tour Eiffel), all of which are wholly-owned companies as per the list appended to the consolidated accounts. Among the 25 subsidiaries, 24 are companies that own properties, and one is a company providing consultancy services (SNC Awon Asset Management).

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

2.6 Research and development

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

2.7 Payment delay periods

The information required under article D.441-4 of the French Commercial Code is presented in the following table:

Trade accounts payable (in €)					
2009 financial year	Invoices within 30 days	Invoices within 45 days	Invoices within 60 days	Other delay periods	Total
2009 Invoices	119,772.02	48,066.92		52.09	167,891.03
Accounts payable not received				1,624,440.48	1,624,440.48
Trade notes and accounts payable	119,772.02	48,066.92	-	1,624,492.57	1,792,331.51

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

Jérôme Descamps, Deputy Managing Director and Board member

Business address: Société de la Tour Eiffel

Michel Gauthier, Board member

Address: 31 Rue Boissière, 75116 Paris

Claude Marin, Board member

Address: 1 Rue du Louvre, 75001 Paris

Philippe Prouillac, Board member

Address: 6 Villa Pauline, 92100 Boulogne

Marc Allez, Board member

Address: 109 avenue Général Guisan, 1009 Pully, Switzerland

Renaud Haberkorn, Board member

Address: 53 av Bosquet, 75007 Paris

Aimery Langlois-Meurinne, Board member

Address: 8 rue de l'Hôtel de Ville - 1204 Geneva - 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 director as follows: *“Directors are independent when they have no relationship of any sort whatsoever with the company, its group or its senior management which could compromise the exercise of their free 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 Real Estate 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 six independent Board members out of a total of nine 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.

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 management in 2009

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 CEO

Dates of appointment:

Appointed as Board member: 10 July 2003, renewed on 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 within the Société de la Tour Eiffel Group at 31 December 2009:

Board member, Société de la Tour Eiffel Foundation

Other offices and mandates held outside the Company at 31 December 2009:

Manager, Bluebird Investissements SARL

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:

Manager, Bluebird Holding SARL (until 29/12/09)

Manager, SNC Albion

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

Dates 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 2009:

Chairman, Société de la Tour Eiffel Foundation

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 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 Nowa

Manager, SCI Porte des Lilas

Manager, SCI Rueil National

Manager, SCI Vélizy Topaz (formerly Daumesnil d'Études et de Promotion Sodeprom)

Manager, SCI Arman Ampère

Other offices and mandates held outside the Company at 31 December 2009:

Manager, SNC Awon Participations – SNTF

Manager, SC Layla

Other effective mandates and functions having expired during the past five years:

Board member, ORIE

Manager, SNC Foncière Eiffel Développement

Manager, SNC Albion

Manager, SCI Champigny Carnot

Manager, SCI Massy Campus 2

Managing Director, Osiris Gestion de Entidades S.L.U.

Chairman, SAS Parcoval

Chairman, ORIE

Manager, SNC Awon Asset Management

Manager, SNC Cergy La Bastide

Manager, SNC Manufacture Colbert

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 2009:

Chairman of the Société de la Tour Eiffel audit committee

Other offices and mandates held outside the Company at 31 December 2009:

Member of the Supervisory Board, ADL Partner

Manager, Omnium Pavoie Provect

Board member, Compagnie des Caoutchoucs du Pakidié

Manager, ADL Partner Marketing GmbH

Manager, Suscripciones España

Other effective mandates and functions having expired during the past five years:

Receiver, La Salamandre Investissements France (mandate expired in 2009)

Chairman of the supervisory board of France Abonnements (until June 2005), then member of the supervisory board of France Abonnements until December 2005

Permanent representative of France Abonnements until December 2005 to the ADL Partner 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 on 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 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 2009:

Board member, Société de la Tour Eiffel Foundation

Chairman of the Société de la Tour Eiffel remunerations committee

Other offices and mandates held outside the Company at 31 December 2009:

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, Switzerland

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 2009:

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 2009:

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 February 2008:

Expiry of term of office: 2010

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2009:

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 2009:

Acting Manager, CIPA company

Other effective mandates and functions having expired during the past five years:

Board member and Chief Executive Officer, Aareal Bank France

Chairman, Banque Mansart

Chairman, Atisreal Expertise

Chairman, Atisreal Consult

Jérôme Descamps

Born 11 June 1967 in Saint-Amand-les-Eaux (France)

Address: 15, Rue de Dantzig, 75015 Paris

Main function held in the Company:

Deputy Managing Director

Dates 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 2009:

Chief Financial Officer, SNC Awon Asset Management

Other effective mandates and functions having expired during the past five years:

Manager, SNC Albion

Renaud Haberkorn

Born 23 February 1971 in Neuilly-sur-Seine

Address: 53 av Bosquet, 75007 Paris

Main function held in the Company:

Board member

Date of appointment: 14 May 2009

Expiry of term of office: 2012

Other offices and mandates held outside the Company at 31 December 2009:

Board Member, Grove International Investors UK Limited
Member of the Investment Committee, Redwood Grove International
Member of the Investment Committee, Captiva 2 SCA and Captiva SCA
Board Member, Hellenic BV
Board Member, Nowe Ogrody
Member of the Supervisory Board, Coöperatieve Redwood Grove International U.A.
Board Member, Cypress Grove International.D Coöperatieve U.A.
Board Member, Cypress Grove International.D Coöperatieve U.A.
Board Member, Karta Realty Limited
Board Member, Newswanlake B.V
Board Member, Polish Investments Real Estate Holding B.V.
Board Member, Polish Investments Real Estate Holding II B.V.

Other effective mandates and functions having expired during the past five years:

Board Member, Douglasshire International Holding BV
Board Member / Chairman, Spazio Industriale BV
Board Member / Chairman, Spazio Industriale 1 Srl
Board Member / Chairman, Spazio Industriale 2 Srl
Board Member / Chairman, Spazio Industriale 3 Srl

Board Member, Induxia Srl
Board Member, Med Group Leisure Investment BV
Board Member, IXIS Capital Partners Ltd
Member of the Supervisory Board, Event Hospitality Group BV
Board Member, SI Real Estate Holding B.V.

Aimery Langlois Meurinne

Born 27 May 1943 in Paris

Address: 8 rue de l'Hôtel de Ville - 1204 Geneva - Switzerland

Main function held in the Company:

Board member

Date of appointment: 15 October 2009

Expiry of term of office: 2012

Other offices and mandates held outside the Company at 31 December 2009:

Board member and Managing Director, PARGESA HOLDING SA

Chairman of the Board of directors, IMERYYS SA

Board Member, GROUPE BRUXELLES LAMBERT

Board member, IDI

Board Member, PARGESA NETHERLANDS

Board Member, PARGESA LUXEMBOURG

Other effective mandates and functions having expired during the past five years:

Board Member, CLUB MEDITERRANEE (mandate expired in 2009)

Board Member, EIFFAGE (mandate expired in 2008)

Board Member, SAGARD (mandate expired in 2007)

Board Member, PAI PARTNERS (mandate expired in 2007)

Board Member, PASCAL INVESTMENT ADVISERS (mandate expired in 2007)

3.4 Specialised Committees

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

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, Chairman, 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, Chairman, Mr Marc Allez and Mr Philippe Prouillac.

3.5 Remunerations, allowances and benefits of corporate officers

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

Mark Inch, Chairman and Chief Executive Officer (1)	2008	2009
Remunerations due for the financial period (detailed in table 2)	€ 140,000	€ 120,000
Valuation of options granted during the financial period (detailed in table 4)	€ 50,452	€ 144,553
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€ 0	€ 0
TOTAL	€ 190,452	€ 284,553

(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 a prior notice of termination of two years.

Robert Waterland, Deputy Managing Director	2008	2009
Remunerations due for the financial period (detailed in table 2)	€ 638,471	€ 618,986
Valuation of options granted during the financial period (detailed in table 4)	€ 50,452	€ 144,536
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€ 0	€ 0
TOTAL	€ 688,923	€ 763,522

Jérôme Descamps, Deputy Managing Director	2008	2009
Remunerations due for the financial period (detailed in table 2)	€ 240,033	€ 226,328
Valuation of options granted during the financial period (detailed in table 4)	€ 26,603	€ 84,209
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€ 0	€ 0
TOTAL	€ 266,636	€ 310,537

TABLE 2 Summary table of the remunerations of each corporate officer

Mark Inch, Chairman and Chief Executive Officer (1)	Allocated for 2008		Allocated for 2009	
	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	0	0
Allowances and benefits	NA	NA	NA	NA
TOTAL	€ 140,000	€ 140,000	€ 120,000	€ 120,000

(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.

Robert Waterland, Deputy Managing Director (2)	Allocated for 2008		Allocated for 2009	
	due	paid	due	paid
Fixed remuneration				
- as Deputy Managing Director	€ 100,000	€ 100,000	€ 100,000	€ 100,000
- as Director of Real Estate Property	€ 500,000	€ 500,000	€ 500,000	€ 500,000
Variable remuneration	NA	NA	NA	NA
Exceptional remuneration	NA	NA	NA	NA
Attendance fees	€ 20,000	€ 20,000	0	0
Allowances and benefits	€ 18,471	€ 18,471	€ 18,986	€18,986
<i>Including:</i>				
<i>GAN insurance</i>	€16,960	€ 16,960	€ 17,362	€ 17,362
<i>Car</i>	€ 1,477	€1,477	€ 1,590	€ 1,590
<i>mobile telephone</i>	€34	€34	€34	€34
TOTAL	€ 638,471	€ 638,471	€ 618,986	€ 618,986

(2) As Director of Real Estate Property, Mr Robert Waterland is also entitled to the following severance package:

- twelve months salary indemnity in the event of dismissal or conventional employment breakage ; the allocation of the portion of these allowances exceeding the amounts set forth in the Collective Agreement is tied to the following performance-based conditions: 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.

- compensation in lieu of notice of twenty-four months in the event of dismissal, if Mr. Robert Waterland is exempted from serving said notice.

The total amount of compensation which would be paid on his departure is capped at two years of remuneration, both fixed and variable.

Jérôme Descamps, Deputy Managing Director (3)	Allocated for 2008		Allocated for 2009	
	due	paid	due	paid
Fixed remuneration	€ 165,000	€ 165,000	€ 171,295	€ 171,295
Variable remuneration (4)	€ 55,000	€ 55,000	€ 55,000	€ 55,000
Exceptional remuneration	NA	NA	NA	NA
Attendance fees	€ 20,000	€ 20,000	0	0
Allowances and benefits (portable telephone)	€ 33	€ 33	€ 33	€ 33
TOTAL	€ 240,033	€ 240,033	€ 226,328	€ 226,328

(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. It takes into account the individual performance and 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	Allocated in 2008	Allocated in 2009
Marc Allez		
Attendance fees	€ 20,000	€ 21,000
Remuneration as a member of the audit committee	€ 1,250	-
Remuneration as a member of the remunerations committee	€ 1,250	-
Michel Gauthier		
Attendance fees	€ 20,000	€ 21,000
Remuneration as Chairman of the audit committee	€ 2,500	-
Claude Marin		
Attendance fees	€ 20,000	€ 21,000
Remuneration as Chairman of the remunerations committee	€ 2,500	-
Philippe Prouillac		
Attendance fees	€ 20,000	€ 21,000
Remuneration as a member of the audit committee	€ 1,250	-
Remuneration as a member of the remunerations committee	€ 1,250	-
Renaud Haberkorn (a)		
Attendance fees		€ 13,000
Aimery Langlois Meurinne (a)		
Attendance fees		€ 3,000
TOTAL	€ 90,000	€ 100,000

(a) appointed to the Board in 2009

TABLE 4						
Share subscription or purchase options granted during the financial period to each corporate officer by the issuer and by any 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	Exercise period
Mark Inch	AT 8 15/10/09	subscription	€ 144,553	8,583	€ 48.08	15/10/09 to 15/10/14
Robert Waterland	AT 8 15/10/09	subscription	€ 144,536	8,582	€ 48.08	15/10/09 to 15/10/14
Jérôme Descamps	AT 8 15/10/09	subscription	€ 84,209	5,000	€ 48.08	15/10/09 to 15/10/14
Total			€ 373,298	22,165		

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	None	NA
Robert Waterland	NA	None	NA
Jérôme Descamps	NA	None	NA
TOTAL		None	

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 by 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		0	0			
Robert Waterland		0	0			
Jérôme Descamps		0	0			

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 2009 (1)	Conditions of acquisition
Mark Inch	plan no. 3 12/02/2007	500	-
	plan no. 4 16/10/2007	3,000	-
Robert Waterland	plan no. 3 12/02/2007	500	-
	plan no. 4 16/10/2007	3,000	-
Jérôme Descamps	plan no. 3 12/02/2007	100	-
	plan no. 4 16/10/2007	800	-

- (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 end 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	plan no. 8
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	29/03/07
Board of Directors meeting date:	26/12/05	22/03/06	17/05/06	14/09/06	29/03/07	16/10/07	11/12/08	15/10/09
Total number of shares available for subscription or purchase	115,689 (1)	29,594 (1)	11,103 (1)	137,314 (1)	24,182 (1)	26,931 (1)	26,946 (1)	27,165
<i>number available for subscription or purchase by corporate officers</i>	110,547 (1)	26,999 (1)	0	111,553 (1)	18,099 (1)	20,199 (1)	22,293 (1)	22,165
<i>Mark Inch</i>	52,679 (1)	12,202 (1)		51,885 (1)	6,787 (1)	6,733 (1)	8,821 (1)	8,583
<i>Robert Waterland</i>	52,679 (1)	12,202 (1)		51,885 (1)	6,787 (1)	6,733 (1)	8,821 (1)	8,582
<i>Jérôme Descamps</i>	5,189 (1)	2,595 (1)		7,783 (1)	4,525 (1)	6,733 (1)	4,651 (1)	5,000
Starting date of the exercise of options								
<i>Mark Inch</i>	26/12/05	22/03/06		14/09/06	29/03/07	16/10/07	11/12/08	15/10/09
<i>Robert Waterland</i>	26/12/05	22/03/06		14/09/06	29/03/07	16/10/07	11/12/08	15/10/09
<i>Jérôme Descamps</i>	26/12/06	22/03/07		14/09/07	29/03/08	16/10/07	11/12/08	15/10/09
<i>Frédéric Maman, Manager, SCI Champigny Carnot</i>	26/12/06	22/03/07		14/09/07	29/03/08	16/10/07	11/12/08	15/10/09
<i>executive personnel</i>			17/05/06	14/09/07				
<i>non-executive personnel</i>			17/05/06	14/09/06	29/03/07			
Expiry date	26/12/10	22/03/11	17/05/11	14/09/11	29/03/12	16/10/12	11/12/13	15/10/14
Price of subscription or purchase	65.95 € (1)	80.73 € (1)	84.59 € (1)	96.41 € (1)	119.96 € (1)	111.15 € (1)	34.39 € (1)	48.08 €
Terms of exercise (when the plan								

comprises several tranches)								
<i>Jérôme Descamps</i>	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%			
<i>Frédéric Maman, Manager, SCI Champigny Carnot</i>	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%			
<i>executive personnel</i>				options exercisable by a maximum tranche of 25%				
number of shares subscribed as of 31 December 2009	1,250	0	1,500	0	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	0
number of share subscription or purchase options remaining at the end of the financial period	114,439 (1)	29,594 (1)	9,603 (1)	135,064 (1)	24,182 (1)	26,931 (1)	26,946 (1)	27,165

(1) The distribution of part of the share premium decided by the general shareholders' meeting held on 15 October 2009 led to the adjustment by the Board of the number of share subscription or purchase options previously granted to directors and / or employees. This adjustment was based on the parity resulting from the following calculation:

Value of share before distribution less the amount distributed

Value of share before distribution

It being specified that:

- the share value is equal to the average of the last five trading days preceding the date of distribution,
- the date of distribution of the share premium is 27 October 2009,

such that the total price of subscription or purchase remains constant.

TABLE 9			
share subscription or purchase options granted to the top ten non-corporate officer employees and options exercised by these individuals	Total number of options allotted/ of subscribed or bought shares	Weighted average price	plan no. 8
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)	5,000	€ 48.08	5.000
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)	None	None	None

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 Chief Executive Officer start date of mandate 2003 end date of mandate 2010		X		X		X		X
Robert Waterland Deputy Managing Director start date of mandate 2003 end date of mandate 2010	X			X	X (1)			X
Jérôme Descamps Deputy Managing Director start date of mandate 2003 end date of mandate 2010	X (2)			X		X		X

(1) Mr Robert Waterland is also entitled to the following severance package:

- twelve-month salary indemnity in case of dismissal or conventional employment contract breakage; the allocation of the portion of these allowances exceeding the amounts set forth in the Collective Agreement is tied to the following performance-based conditions: 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.

- compensation in lieu of notice of twenty-four months in the event of dismissal, if Mr. Robert Waterland is exempted from serving said notice.

The total amount of compensation which would be paid on his departure is capped at two years of remuneration, both fixed and variable.

(2) with a subsidiary

4 - FUTURE PROSPECTS AND RISK MANAGEMENT

4.1 Events since closing of year-end accounts

Since 1 January 2010, the following events have occurred:

- Extension of the Vitrolles site: a contract for property development was signed on 28 January 2010, on request from the tenant, La Poste, for the completion of an extension with a floor area of approximately 2,500 sq. m. The transaction included for a new 9-year fixed-term lease.
- Lyon Comap building : a commitment to sell was signed on 2 February 2010 and the sale agreement due to be signed beginning of April 2010.

Otherwise, to the best of the Company's knowledge, there has been no significant change in the commercial standing of the company since the end of the 2009 financial year.

4.2 Outlook

The identified and secured rental income of Société de la Tour Eiffel, for the property assets held at 31 December 2009, based on an assumption of a negative index of 3%, will be at least € 75 million in 2010.

Société de la Tour Eiffel will continue the development of properties under construction (prefinanced) scheduled for delivery in 2010 (buildings in Chartres, and the "Topaz" building in Velizy).

The company will also seek to ensure that its existing rental income is secure and durable, optimising revenue by marketing buildings that were recently delivered, i.e. Energy II in Vélizy and Le Bourget.

The Group fully intends to continue organic growth related to its land reserves, primarily located in the business parks (40,000 sq. m), on the Massy Ampère site (65,000 sq. m), potential contacts for which could emerge in the medium term and finally certain sorting centers leased to the Post Office or other nursing homes.

The Company intends to carry out further targeted disposals of certain properties in 2010, according to market conditions, and stabilise the value of its core portfolio on a like-for-like basis.

The objective is to maintain its distribution policy to shareholders of recurring revenue that remains in line with the current cash flow per share.

On the corporate level, the teams of Société de la Tour Eiffel will adapt their hedge financing strategy to the changes in interest rates in 2010.

4.3 Risk factors and insurance

RISK FACTORS

These are risks the occurrence of which 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 the occurrence of which 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.

Management of market risks

The changes in interest rates have a direct impact on the borrowing collected to finance the Group's investment policy and when the rates increase, they are likely to lead to a rise in the cost of financing investments. Similarly, a rise in the interest rates is also likely to have an effect on the Group's ability to maintain its necessary financial liquidity.

In a global context of stress on the financial markets, the Group's policy for managing interest rate risk aims to restrict the impact of a change in interest rates on its income and cash flow, and to keep the total costs of its debt as low as possible. To achieve these objectives, the Group's companies generally borrow at a variable rate and use derivatives (caps and swaps) to cover their risk of exposure to rate changes. They do not perform market transactions for any other purpose than to hedge their interest rate risk, and they personally centralise and manage all performed transactions.

Société de la Tour Eiffel did not record any losses on its cash management, including after the sub-prime crisis. Indeed, the investment vehicles are liquid, secure and hardly volatile. This enables them to be classified as Cash and cash equivalents.

As at 31 December 2009, the Group's consolidated gross financing debt came to € 675.6 million, made up of € 357.1 million at fixed rate (of which € 299.4 million hedged by swaps), and € 318.5 million at variable rate, this latter portion being hedged for € 304.5 million by cap contracts. Hence, at 31 December 2009, 98% of the debt was covered.

On the basis of the debt recorded at 31 December 2009, an average 100 basis point increase in 3-month Euribor rates over 2010 would have an estimated negative impact of € 3.2m on net recurring income.

Conversely, a drop in the interest rates of 50 basis points would reduce the finance cost by an estimated € 1.6m, resulting in an equivalent positive impact on the recurring net income for 2010.

As a reminder, between 1 October 2008 and 31 December 2009, the 3-month Euribor, which is the only benchmark rate applied to the group's variable rate bank indebtedness, fell from 5.29% to 0.70%.

Risks on treasury shares

As part of the share buyback programme authorised by the General Shareholders' Meeting of 14 May 2009, the characteristics of which are described in paragraph 1.3 above and 5.1.2 below, the company is subject to a risk on the value of treasury shares.

Based on the number of shares held at 28 February 2010 (93,083), the sensitivity on results to a decrease or increase of 10% of the Société de la Tour Eiffel share price is estimated to be € 0.5m.

Counterparty risk

To limit the counterparty risk, the Company performs hedging operations only with banks with international reputations.

Currency risk

Since the Group conducts its activities only in France, it is not exposed to any currency risk.

Liquidity risk

The Company and its subsidiaries have entered into master agreements with banks of international repute, the purpose of which is to finance and refinance the group's real estate portfolio; these agreements have been amended by riders to keep pace with the expansion of its asset base.

A new credit line of € 56 million was made available in 2008 subject to conditions; the conditions were lifted in 2009 with a reduction in the amount allocated to some € 50 million. 100% of this credit line was available at 31 December 2009.

These bank financing agreements include for standard prepayment clauses covering various cases and, in each case, under certain precisely defined conditions.

Among others, these cases include default in payment of an amount payable, non-compliance with certain financial ratios, breach of the various commitments taken by the Company or its subsidiaries, inaccuracy of various statements and guarantees taken out; the occurrence of an event that has a material adverse effect on the Group's business, or its financial, legal or tax situation, or on the property owned by the Group; the lack of validity and of enforceable nature of the commitments, the lack of registration of a mortgage lien at the agreed rank, the realisation of guarantees by a creditor of the Company over assets financed by amounts drawn on the master agreement; the existence of class action suits; dissolution of the Company; merger not authorised by the lender; the sale of a portion of the securities of a subsidiary whose real estate asset had been financed via the master agreement; the existence of a requisition / expropriation proceeding over a property financed by the master agreement once the compensation is inadequate to make it possible to repay the financed share, the recovery of a tax following a non-disputed tax revision that has a material adverse effect; loss of eligibility for the tax status as a SIIC not as a result of a change to legislation; reservations of the auditors when they have a material adverse effect or the entire destruction of a property financed by the master agreement.

As a result of the occurrence of one of the events listed above, and if it is not righted by the deadlines specified by the master agreements, the lender banks may cancel their commitments in respect of credit lines, declare the credit reimbursable, related costs to be immediately payable, and realise all or part of the guarantees granted in the context of these contracts.

The two main financial ratios which the group is committed to maintain under its bank financing agreements are:

- LTV ratio: amount of committed financings over that of the fixed assets financed;
- ICR ratio: interest coverage for the 4th quarter of 2009 and projections of interest expense over the following 3 quarters of 2010 over net rentals for the 4th quarter of 2009 and those projected over the first 3 quarters of 2010.

Banking financing and main covenants at 31/12/2009

<u>In € m</u>	31/12/2009	Bank covenants		Latest ratios published		
	Consolidated debt	Maximum LTV	Minimum ICR	LTV	ICR	Term
RBS / AXA / Calyon	140.5	75.0%	170%	54.8%	354%	15/06/2013
RBS / Calyon / Crédit Foncier / AXA	76.5	75.0%	180%	66.5%	323%	31/03/2010
Calyon	58.6	80.0%	125%	56.0%	397%	15/04/2011
Société Générale (50%) - Crédit Foncier (50%)	55.6	65.0%	110%	59.9%	210%	27/03/2017
Société Générale	13.1	NA	NA	NA	NA	14/01/2015
Hypo Real Estate	331.3	72.5%	140%	65.5%	382%	30/06/2013
Total	675.6					

The level of the ratios under loan covenants at 31 December 2009 complies with all of the group's commitments contained in its financing agreements.

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 macro-economic 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 development of new assets, and thus its prospects for growth. The activity of the Group can be influenced in particular by the economic situation, the level of interest rates, and that of the national cost of construction index ("ICC"), or any index applicable to changes in effective rental income.

The general economic situation is liable to encourage or on the contrary to slow down demand in the business sector 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 on trends in supply and demand and the market, which are influenced by the general economic situation.

The value of the Group's property portfolio 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 property vacancy rate at 31 December 2009, for example, stands at 10.5%. Given the economic forecasts for 2010, this rate could increase.

Risks related to the competitive environment

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

The Group is in competition with a number of players, some of which benefit from a wider financial base and control larger portfolios. Certain competing entities may enjoy a better regional and local layout compared with the Group. These diverse factors may give operators a competitive edge in bidding for property assets as well as leading them to adopt investment criteria which are unacceptable to our company's objectives.

The context provoked by the financial crisis and lack of liquidity coupled with the competitive environment has led the Group to intentionally limit its growth strategy in the short-term, which could have an adverse effect on its growth, its business and its future results.

Risks related to the office and industrial property markets

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 for acquisition of property assets with the requisite characteristics and qualities, in particular in terms of size and situation.

Risks related to the appraisal of the property portfolio

Every six months the Company has its entire portfolio appraised by independent valuers. The methodology used is described in paragraph 2.3 of this management report.

The change in value is closely correlated to the change in the real estate market and could therefore to some extent affect the financial statements of the Company for assets which are appraised at fair value. The change in fair value of buildings on an annual or biannual period is recorded in the Company's consolidated income statement.

The sensitivity analysis of our portfolio consists in calculating, based on the appraisal values at 31 December 2009, their change using only the net income capitalisation method, according to the assumption of a positive and negative variation of 25 bp and 50 bp in the rates of return used by the experts, i.e. -0.50%, -0.25%, 0.25% and 0.50%.

Applying these assumptions to each of the buildings gives the following overall results:

- 1) For an increase of 25 and 50 bp, the value of the portfolio at 31 December 2009 would decrease respectively by 3.5% and 6.5%, which, all other things being equal, would result in an overall adjustment in consolidated income of - € 36 million and - € 67 million respectively .
- 2) For a decrease of 25 and 50 bp, the value of the portfolio at 31 December 2009 would increase respectively by 3% and 6.7%, which, all other things being equal, would result in an overall adjustment in consolidated income of + € 32 million and + € 69 million respectively .

In addition, applying these assumptions could have an impact on the Company's cost of financial debt, compliance with its financial ratios and its borrowing capacity, which depend in particular on the ratio between the Company's debt and the overall value of its portfolio; by applying the revised market value of the two assumptions of increases in cap. rates (as indicated above) in order to calculate banking covenants at 31 December 2009, the level of these new ratios of banking covenants would still comply with all the obligations of the Company concerning each of its financing agreements.

The valuations retained by the independent experts are based on several assumptions that correspond to the best estimate on the date of appraisal.

Risks related to the failure of information systems

The Group has implemented various safeguard procedures to minimise the risk of a possible failure of its information systems or loss of a database.

Legal risks

To the Company's knowledge, there is no lawsuit, arbitration, governmental procedure or unusual event likely to have or having had in the past twelve months a significant impact on the financial situation, income, business activity or assets of the Company or the group formed by the Company. The company considers that 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 operators who check the legal risks inherent to the properties.

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 regulations, 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, environment, safety and town planning. The consequences of irregularities for which these tenants could 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.

Dependence on patents or licenses

The Company is engaged in asset management activities, consisting in acquiring, holding and managing real estate assets for rental purposes. As such, the Company did not carry out activities in research and development, and owns no patents. In addition, the Company considers itself not to be dependent in respect of any trademark, patent or license for its business or profitability.

With regard to the "Parc Eiffel" brand, in addition to the protection afforded by means of actions for unfair competition and/or parasitism, the "Parc Eiffel" brand is protected against use by third parties since 1998 by the registration of five European and French trade marks: when the Parc Eiffel trade mark was registered, no objection by third parties was made. Accordingly Société de la Tour Eiffel has been the only company entitled to use the trademark since 1998.

With regard to the "Tour Eiffel" and Burj Eiffel trademarks that were transferred in 2007 to the Fanar company (whose new name is Eiffel Holding), they have been protected since 2007 in the UAE by eight national trademark applications in classes 36, 37, 41 and 43. However, in the event of the total or partial transfer of these national trademarks by Eiffel Holding Ltd, it shall grant a right of first refusal to Société de la Tour Eiffel.

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

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

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

Under the terms of the directive issued on 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.

If a SIIC ceases to benefit from the regime within ten years of having taken up the option, any capital gains on the transfer of the SIIC and any subsidiaries having opted for the status, usually taxed at a beneficial rate of 16.5% (the rate was increased to 19% for gains recognised on or after 1 January 2009), will be taxed at the standard rate, or discounted rate if the capital gains on shares of parties concerned by article 8 are benefiting from a discounted rate on assignment or exit, subject to a 16.5% tax reduction already paid at this assignment (CGI art. 208 C, IV). It is a matter of placing the SIIC and its subsidiaries in the same position as if the gain 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 increased by a tax computed to a rate of 25% of the latent gains on the buildings, tax applicable to credit-bail contracts and shareholdings, acquired during the regime, decreased by a tenth per financial year since entry into the regime.

The Loi de Finances Rectificative 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 any SIIC. Otherwise, the special tax regime will 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 this condition relating to the capital holdings of a 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 financial period accounts are closed. 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 structures. 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) as of 1 July 2007 SIICs must withhold 20% of the amount of dividends distributed to any corporate shareholder owning, whether directly or indirectly, more than 10% of the share capital when distributed income is not subject to corporate income tax or an equivalent tax.

The tax withheld by the SIIC implies decreased returns for the remaining shareholders who collectively bear the liability either directly or indirectly.

Given the aforementioned provisions, introduced by article 208 C II ter of the General Tax Code, the articles of association of the Company were modified by decision of the special 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).

Risks associated with tax regulations

Because of the complexity and formality that characterise the fiscal environment in which the Company's business is carried out, it is exposed to tax risks. In such cases, the Company may be subject to adjustment and tax litigation. Any adjustment or litigation for which no or inadequate provision has been made may have adverse consequences on the results of the Company.

Industrial risks and those related to health, safety and the environment

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 applicable standards.

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 to unfavourable reports by the qualified safety commissions. Such events could involve closing all or part of the concerned office building or industrial premises, and have a significant adverse effect on the image and the reputation of the Group, on the attractiveness of its assets, and on its business and earnings.

In addition to insurance coverage of its assets, the companies of the Group also systematically verify, prior to an acquisition, the compliance of technical facilities which could have impact on the environment or the safety of individuals (in particular fire-fighting equipment, ventilation, air

conditioning systems, electrical installations, and lifts). 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 respond as appropriate to the observations made by inspection authorities.

As a result of thorough due diligence prior to acquisitions, the Company has all necessary works carried out in order to be in compliance with current legislation and standards.

Risks related to changes in sustainable development

The Group's results may be influenced in various ways by changes in sustainable development standards, resulting from national or supranational provisions. In particular, these are liable to impose performance requirements on buildings owned by the Group. In turn, they may incur costs and process adaptations.

Tax rules or comparable provisions may change, penalising certain income or impacting certain activities such as carbon emissions or, on the contrary, benefitting others.

New professional standards, quality labels or types of certification may regulate certain activities or impose non-regulatory technical goals valued by customers.

The Company anticipates these changes by monitoring regulations on sustainable development, precise monitoring of its own constructions and the market, and preparing to adjust its supply of products and services accordingly.

Rental risks

The marketing of the Group's property assets is supervised by Awon Asset Management. The marketing objectives (price, term, timing, etc.) are defined in conjunction with Awon Asset Management staff members, who also check the tenants' solvability. Leases are drafted by jurists on the basis of standard lease agreements.

The principal tenants of the Group's properties are either substantial covenants or state organisations, thereby reducing exposure to the risk of insolvency.

On signing lease contracts, the Group requires that its tenants pay a deposit representing 3-months rent or provide a first demand bank guarantee for an equivalent amount.

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 an 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 companies 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 contracts.

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

At 31 December 2009, the dependence of the Group with regard to its tenants was as follows:

N°	TENANTS	PROPERTY	% of total rental income 2009
1	La Poste	13 buildings + Millénaire Locafimo building + Cadéra Sud building + Parc des Tanneries in Strasbourg	15%
2	Alstom	Massy + Nancy + Parc du Perray + Parc des Tanneries	7%
3	C&S Communication	Le Plessis Robinson	5%
4	NXP	Caen	4%
5	Air Liquide	Champigny + Parc du Perray	4%
6	Ministry of the Interior	Asnières Quai Dervaux	4%
7	Medica	4 Nursing homes	3%
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	Centre des Monuments Nationaux	Paris – Porte des Lilas	2%
14	Schneider	Grenoble Polytec + Parc du Golf (2 leases) + Viséo	1%
15	Colt	Malakoff + Aubervilliers	1%
16	VCF	Saint-Cloud	1%
17	Others	Other business (<1% per tenant)	42%
TOTAL			100%

Finally, in general, in France the legislation on commercial leases imposes a number of constraints on lessors. In particular, the contractual provisions related to the term, cancellation, renewal or indexation

of rents of buildings occupied by the public, limit rental increases by de-correlating them from market developments. It should also be noted that the tenant is entitled to leave the premises on the date of expiry of the lease.

Changes in the rules applicable to commercial leases, particularly in terms of the duration, indexing and capping of rents, could have negative consequences on the valuation of the portfolio, earnings, business or financial standing of the Company.

Risks related to the delay or absence of effective handover of future constructions in their future state of completion (“VEFA”)

As part of its commitments portfolio, the Group may acquire 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 upon 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 a comprehensive insurance coverage with leading insurance companies, covering damage its property assets may suffer as well as operating losses or periodic 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 cost 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 policies is centralised by the Company’s asset manager who coordinates operations with insurance brokers at Group level. A significant portion of insurance premiums is re-invoiced to tenants in service charges. The Group benefits from the expertise of the Awon Asset Management’s team which include specialists in

property insurance.

The total amount of insurance premiums paid in 2009 stands at € 1.7 million. The breakdown of this overall figure is as follows:

-	“Multi-risk Building”:	€ 1,070,000
-	“Structural Damage” insurance	
	&“Contractor Total Coverage” insurance:	€ 60,000
-	“Civil Liability” insurance	€ 530,000
-	Other insurance:	€ 40,000

All of the property assets held by the Group are covered under “Damage” and “Liability” or “Multi-risk” insurance policies taken out with French insurance companies

Legal procedures and arbitration

During the last twelve months, there have been no governmental, legal or arbitration 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.

5 – SOCIÉTÉ DE LA TOUR EIFFEL'S SHAREHOLDERS

5.1 – Information relating to the share capital

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 value of the share
		Nominal value	Premiums				
Position as at 1 January 1998	-	-	-	F 2,295,000	-	91,800	F 25
6 March 2001	Conversion of capital 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 without pre-emptive rights	€ 106,414,560.00	€ 16,627,275	€ 121,836,960	2,216,970	2,538,270	€ 48
21 December 2005	Share issue without pre-emptive rights	€ 121,836,960.00	€ 35,535,780	€ 243,673,920	2,538,270	5,076,540	€ 48
18 May 2006	Exercising 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
10 June 2009	Reduction in capital	€ 223,299,129	-	€ 25,965,015	-	5,193,003	€ 5
10 June 2009	Capital increase	€ 1,200,165	€ 3,922,139	€ 27,165,180	240,033	5,433,036	€ 5
27 October 2009	Distribution of part of the share premium	-	(€ 10,677,220)	€ 27,165,180	-	5,433,036	€ 5
Position on 31 December 2009	-	-	-	€ 27,165,180	-	5,433,036	€ 5

* After exercising share purchase options in 2007.

5.1.2 – Share purchasing operations

Set out below is the information required by article L 225-100 of the French Commercial Code relating to the share buy-back programmes set up on 23 September 2008, the purposes of which were:

- to provide liquidity and even 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 benefiting from share purchase options pursuant to Articles L. L.225-177 et seq. of the French Commercial Code and to grant bonus shares pursuant to Articles L.L.225-197-1 et seq. of the Commercial Code,
- to tender shares in payment or exchange in order to make acquisitions.

On 12 June 2009 the company set up a new share buyback programme, its purpose being to:

- meet requirements as to stock options, the allocation of bonus shares and convertible debts
- carry out external growth operations,

- proceed, under the terms of a liquidity agreement, to stimulate the market for the company's shares,
- or alternatively to cancel them.

2009 Buy-back programme summary			
	Quantity	Average price	Total
Purchases	164,300	€ 33.49	€ 5,502,331.36
Sales	166,384	€ 32.75	€ 5,449,591.66
Transfers	9,750		
Trading fees			€ 405.30

Number of shares registered in the name of the Company on the year end accounts: 95,524

Total value of these shares valued at purchaseprice : € 7,468,066.32 (value per share: € 78.18)

Nominal value for each of the transactions: nominal share value € 5.

Number of shares used: 9,750

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

Forthcoming share buyback programme

At the next General Shareholders' Meeting to be held on 20 May 2010, it will be proposed that the Board of Directors be authorised to implement a new share buyback program by the Company of its own shares, in order to:

- cancel the shares bought back, wholly or in part, in accordance with the conditions laid out in Article L. 225-209 of the Commercial Code, and subject to approval of the share capital reduction by the General Shareholders' Meeting;
- have shares on hand which it may issue to its corporate officers and employees as well as to companies with ties to Société de la Tour Eiffel, under the terms and conditions allowed for by law, especially as regards stock option plans, the free attribution of existing shares, and corporate or inter-company savings plans (plan d'épargne d'entreprise ou interentreprises);

- have shares on hand in order to provide shares if securities holders redeem or trade their securities or exercise the rights attached to convertibles, warrants, or any other security;
- have shares on hand which may be held and later traded or otherwise used to fund external growth operations (such as obtaining or increasing an equity stake in another company without exceeding the limits stipulated under Article L. 225-209 of the Commercial Code, as part of a merger, spin-off or equity participation);
- stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
- implement any new trading practices approved by the Autorité des Marchés Financiers (French markets regulator), and more generally, to perform any transaction that complies with current regulation.

The conditions for the new share buyback programme proposed to the General Shareholders' Meeting on 20 May 2010 will be as follows:

- The maximum number of shares for which buyback is authorised will be equivalent to 10% of the capital of Société de la Tour Eiffel.
- The maximum purchase price will be set at € 90 per share.
- The duration of the programme will be eighteen months from the date of the General Shareholders' Assembly on 20 May 2010, i.e. until 20 November 2011.

Breakdown by objective of equity securities held at 28 February 2010:

- Liquidity contract: 489 shares
- Share purchase or subscription plans and bonus share plans: 92,594 shares
- External growth operations: none

5.2 – Group ownership structure

Changes in the ownership structure over 2009

- Fortis Investment Management S.A., on behalf of the funds and management resources that it manages, declared that it crossed the 10% threshold of capital and voting rights on the upside on 5 January 2009.
- Fortis Investment Management S.A. (1) declared that it crossed the 10% threshold of capital and voting rights on the downside on 15 May 2009.
- Eiffel Holding Limited, Mr. and Mrs. Mark Inch, acting directly and indirectly through Bluebird Holdings Ltd. and Bluebird Investissements Ltd., and Mr. and Mrs. Robert Waterland, declared they crossed the 10% threshold of capital and voting rights on the downside on 22 May 2009.

- Eiffel Holding Limited, Mr. and Mrs. Mark Inch, acting directly and indirectly through Bluebird Holdings Sarl and Bluebird Investissements Sarl, and Mr. and Mrs. Robert Waterland, declared they crossed the 10% threshold of capital and voting rights on the upside on 12 June 2009.
- Sumitomo Mitsui Asset Management Co. Ltd., controlled by the Japanese company Sumitomo Life Insurance Company, declared it crossed the 5% threshold of capital and voting rights on the downside on 16 September 2009.

Ownership structure on 31 December 2009

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

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

No double voting rights exist.

- (1) Acting on behalf of the mutual funds and clients with institutional mandates that it manages
- (2) Acting on behalf of the funds which it manages: DIAM International REIT Income Open Mother Fund, DIAM Global REIT Fund, DIAM Global REIT Fund 2, DIAM Global REIT Fund 3.
- (3) Including the shares held by the persons acting in concert.

Material changes in the ownership structure over the three past years

Management is aware of the following changes over the 2007, 2008 and 2009 financial years:

- Colonial First State Investments Limited, which is controlled by the 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 held 7.8% of the capital in Société de la Tour Eiffel. 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 held 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 planned to continue with its purchases according to its financial means, but that it did not intend to acquire control of Société de la Tour Eiffel, 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 held 6,000 shares, or 0.115% of the capital and voting rights and that it held 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 20 December 2007 on the upside and that it held in concert with its subsidiary 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 had no plans to increase its equity stake above around 10%. It also did not intend to acquire a controlling stake in Société de la Tour Eiffel, and it had 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 resulting from 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 of Société de la Tour Eiffel on the upside and that it held 260,098 shares representing as many voting rights, i.e. 5.0086% of capital and voting rights. The company later declared on 27 August 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 held 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;
- 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 held 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;
- 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 of Société de la Tour Eiffel on the upside and that it held 260,098 shares representing as many voting rights, i.e. 5.0086% of capital and voting rights. The company later declared on 27 August 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.
- Fortis Investment Management S.A., on behalf of the funds and management resources that it manages, declared that it crossed the 10% threshold of capital and voting rights on the upside on 5 January 2009.
- Fortis Investment Management S.A. (1) declared that it crossed 10% threshold of capital and voting rights on the downside on 15 May 2009.
- Eiffel Holding Limited, Mr. and Mrs. Mark Inch, acting directly and indirectly through Bluebird Holdings Ltd. and Bluebird Investissements Ltd., and Mr. and Mrs. Robert Waterland, declared they crossed the 10% threshold of capital and voting rights on the downside on 22 May 2009.
- Eiffel Holding Limited, Mr. and Mrs. Mark Inch, acting directly and indirectly through Bluebird Holdings Sarl. and Bluebird Investissements Sarl., and Mr. and Mrs. Robert Waterland, declared they crossed the 10% threshold of capital and voting rights on the upside on 12 June 2009.
- Sumitomo Mitsui Asset Management Co. Ltd., controlled by the Japanese company Sumitomo Life Insurance Company, declared it crossed the 10% threshold of capital and voting rights on the downside on 16 September 2009.

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

Position at 31/12/2009	Position at 31/12/2008	Position at 31/12/2007
- <i>Eiffel Holding Ltd*</i>	- <i>Eiffel Holding Ltd*</i>	<i>Eiffel Holding Ltd*</i>
	- <i>Fortis Investment Management France</i>	
- <i>ING Clarion</i>	- <i>ING Clarion</i>	- <i>ING Clarion</i>
- <i>Nomura Asset Management Co Ltd</i>	- <i>Nomura Asset Management Co Ltd</i>	- <i>Fortis Investment Management France</i>
- <i>DLIBJ Asset Management Co Ltd</i>	- <i>DLIBJ Asset Management Co Ltd</i>	- <i>Nomura Asset Management Co Ltd</i>
- <i>Fortis Investment Management S.A.</i>	- <i>Sumitomo Mitsui Asset Management Co Ltd</i>	- <i>DLIBJ Asset Management Co Ltd</i>

* company 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.

Distribution of capital by shareholder groups over 3 years

Ownership structure	Position as at 31.12.2009			Position as at 31.12.2008			Position as at 31.12.2007		
	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights (1)	Number of shares	% of capital	% of voting rights
Mr and Mrs Mark Inch (direct and indirect) <i>residents</i>	28,113	0.52	0.52	20,601	0.40	0.40	5,416	0.10	0.10
Mr and Mrs Robert Waterland <i>residents</i>	16,277	0.3	0.3	12,075	0.23	0.23	3,737	0.07	0.07
Jérôme Descamps <i>resident</i>	3,034	0.06	0.06	2,000	0.04	0.04	600	0.01	0.01
Eiffel Holding Ltd (2) <i>non resident</i>	516,567	9.51	9.51	506,000	9.74	9.74	524,843	10.11	10.11
Total corporate officers and wholly-owned companies	563,991	10.38	10.38	540,676	10.41	10.41	534,596	10.30	10.30
Treasury shares	95,524	1.76	1.76	107,358	2.07	2.07	65,744	1.27	1.27
Public	4,773,521	87.86	87.86	4,544,969	87.52	87.52	4,592,663	88.43	88.43
Total shares	5,433,036	100	100	5,193,003	100	100	5,193,003	100	100

(1) theoretical percentage of voting rights

(2) Company controlled by Mark Inch and Robert Waterland, included with the rights of Osiris Gestion de Entidades SLU

5.3 – Dividends paid out over the past five years

Dividends over five years

Financial year	Dividend	Number of shares	Nominal value
2004	€ 1.57	2,538,270	€ 48
2005	Interim € 2.00	2,538,270	€ 48
2005	€ 0.85	5,076,540	€ 48
2006	Interim € 1.15	5,190,253	€ 48
2006	Interim € 2.50	5,190,253	€ 48
2006	€ 2.50	5,192,933	€ 48
2007	Interim € 3.00	5,192,933	€ 48
2007	€ 3.00	5,193,003	€ 48
2008	Interim € 3.50	5,193,003	€ 48
2008	€ 1.5	5,433,036	€ 5
2009*	0	5,433,036	€ 5

*At 31/12/2009

Distribution of dividends

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 shares in tax transparent property companies or 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 received.

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 after five years from the time they were declared to comply with 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 Share buyback programmes

During the 2009 financial period, two share buyback programmes were used:

The first programme, authorised by the combined General Shareholders' Meeting of 27 March 2008, was introduced on 23 September 2008. Its purpose was as follows:

- to provide liquidity and even 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 benefiting from share purchase options pursuant to Articles L. L.225-177 et seq. of the French Commercial Code and to grant bonus shares pursuant to Articles L.L.225-197-1 et seq. of the Commercial Code,
- to tender shares in payment or exchange in order to make acquisitions.

The second one, authorised by the combined General Shareholders' Meeting of 14 May 2009, was introduced on 12 June 2009. Its purpose was as follows:

- meet requirements as to stock options, the allocation of bonus shares and convertible debts
- carry out external growth operations
- proceed, under the terms of a liquidity agreement, to stimulate the market for the company's shares,
- or alternatively to cancel them.

The maximum number of securities the repurchase of which was 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 2009.

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.

It should be noted that the distribution of part of the share premium decided by the General Shareholders' Meeting held on 15 October 2009 led to the adjustment by the Board of the number of share subscription or purchase options previously granted to directors and / or employees. This adjustment was based on the parity resulting from the following calculation:

Value of share before distribution less the amount distributed

Value of share before distribution

It being specified that:

- the share value is equal to the average of the last five trading days preceding the date of distribution,
- the date of distribution of the share premium is 27 October 2009,

such that the total price of subscription or purchase remains constant.

The options authorised during the 2009 financial period are indicated in the third table below ("Information on share subscription or purchase options authorised by the General Shareholders' Meeting of 29 March 2007")

Table of outstanding share subscription options

Information on share subscription options authorised by the General Shareholders' Meeting of 12 May 2005			
the number and strike price of which were adjusted on 27 October 2009 following the distribution of part of the share premium			
Board of Directors meeting date	26.12.2005	22.03.2006	17.05.2006
Plan number	plan no. 1	plan no. 2	plan no. 3
Total number of shares which can be subscribed	115,689	29,594	11,103
<i>By company officers and directors</i>	110,547	26,999	0
<i>By the top ten employees with the most options</i>			10,023
Expiry date	26/12/2010	22/03/2011	17/05/2011
Subscription Price	€ 65.95	€ 80.73	€ 84.59
Number of shares exercised and sold	1,250	0	1,500
Share options cancelled during the year	0	0	0
Remaining share options	114,439	29,594	9,603

Information on share subscription options authorised by the General Shareholders' Meeting of 17 May 2006 the number and strike price of which were adjusted on 27 October 2009 following the distribution of part of the share premium		
Board of Directors meeting date	14.09.2006	29.03.2007
Plan number	plan no. 4	plan no. 5
Total number of shares which can be subscribed	137,314	24,182
<i>By company officers and directors</i>	111,553	18,099
<i>By the top ten employees with the most options</i>	14,448	1,558
Expiry date	14/09/2011	29/03/2012
Subscription Price	€ 96.41	€ 119.96
Number of shares exercised and sold	0	0
Share options cancelled during the year	2,250	0
Remaining share options	135,064	24,182

Information on share subscription or purchase options authorised by the General Shareholders' Meeting of 29 March 2007 the number and strike price of which were adjusted on 27 October 2009 following the distribution of part of the share premium (excluding plan no. 8)			
Board of Directors meeting date	16.10.2007	11.12.2008	15.10.2009
Plan number	plan no. 6	plan no. 7	plan no. 8
Total number of shares available for subscription or purchase	26,931	26,946	27,165
<i>By company officers and directors</i>	20,199	22,293	22,165
<i>By the top ten employees with the most options</i>			
Expiry date	16/10/2012	11/12/2013	15/10/2014
Price of subscription or purchase	€ 111.15	€ 34.39	€ 48.08
Number of shares exercised and sold	0	0	0
Cancelled share subscription or purchase options	0	0	0
Remaining share subscription or purchase options	26,931	26,946	27,165

5.4.3 Transactions conducted by company officers and directors

Transactions done in 2008 declared in 2009					
Date	Acquisition /Sale	Person	Number of shares	price	Value of transaction
11/04/2008	Acquisitions	Person related to Mark Inch, Chairman and Chief Executive Officer	125 shares	€ 91.99	€ 11,498.75
11/04/2008	Acquisitions	Mark Inch, Chairman and Chief Executive Officer	164 shares	€ 91.8998	€ 15,071.57
11/04/2008	Acquisition	Person related to Robert Waterland, Deputy Managing Director	42 shares	€ 91.1648	€ 3,828.92
11/04/2008	Acquisition	Robert Waterland, Deputy Managing Director	72 shares	€ 91.26	€ 6,570.72
30/06/2008	Acquisition	Mark Inch, Chairman and Chief Executive Officer	115 shares	€ 74	€ 8,510.00

Transactions done in 2009					
Date	Acquisition / Sales	Person	Number of shares	price	Value of transaction
14/01/2009	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	500 shares	€ 30.76	€ 15,380.00
14/01/2009	Acquisition	Person related to Mark Inch, Chairman and Chief Executive Officer	280 shares	€ 30.76	€ 8,612.80
22/05/2009	Divestment	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	25.000 shares	€ 28.00	€ 700,000.00
11/06/2009	Acquisition	Person related to Mark Inch, Chairman and Chief Executive Officer	70 shares	€ 27	€ 1,890.00
11/06/2009	Acquisition	Mark Inch, Chairman and Chief Executive	500 shares	€ 27	€ 13,500.00

		Officer			
12/06/2009	subscription	Person related to Robert Waterland, Deputy Managing Director	98 shares	€ 21.34	€ 2,091.32
12/06/2009	subscription	Robert Waterland, Deputy Managing Director	604 shares	€ 21.34	€ 12,889.36
12/06/2009	subscription	Bluebird Holding SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	73 shares	€ 21.34	€ 1,557.82
12/06/2009	subscription	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	421 shares	€ 21.34	€ 8,984.14
12/06/2009	subscription	Person related to Mark Inch, Chairman and Chief Executive Officer	164 shares	€ 21.34	€ 3,499.76
12/06/2009	subscription	Mark Inch, Chairman and Chief Executive Officer	804 shares	€ 21.34	€17,157.36
12/06/2009	subscription	Jérôme Descamps, Deputy Managing Director	134 shares	€ 21.34	€ 2,859.56
30/07/2009	Acquisition	Person related to Mark Inch, Chairman and Chief Executive Officer	500 shares	€ 26.50	€ 13,250.00
31/07/2009	Acquisition	Person related to Mark Inch, Chairman and Chief Executive Officer	500 shares	€ 27.10	€ 13,550.00
02/09/2009	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	100 shares	€ 42	€ 4,200.00
02/09/2009	Acquisition	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	100 shares	€ 41.50	€ 4,150.00

5.5 – Factors which could affect 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 rescission penalty equal to two times the remuneration received over the year previous to the rescission,
- 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 two-year prior notice in the event of rescission,

- a bank borrowing agreement includes cancellation clause 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 14 May 2009 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 € 90 per share.

6 - 6 – EMPLOYMENT AND SUSTAINABLE DEVELOPMENT INFORMATION

6.1 Organisation

At 31 December 2009, Société de la Tour Eiffel had one employee.

The staff which manages 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. Awon Asset Management was acquired by Société de la Tour Eiffel on 16 May 2006 from Awon Participations, in which Messrs Mark Inch and Robert Waterland owned a minority shareholding.

An asset management master agreement was entered into on 26 April 2004 with Awon Asset 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 terms of the contract, the company, which originally had no connection with the capital of Société de la Tour Eiffel, has the following functions: advising in the acquisition of buildings, management of properties held by the subsidiaries of Société de la Tour Eiffel in order to optimise rental income and valuation of the property. 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 conferred more comprehensive responsibilities and simplified the financial terms owing to the consolidation of Awon Asset Management into the Société de la Tour Eiffel group.

The activities of Awon Asset Management are now entirely dedicated to Société de la Tour Eiffel.

At 31 December 2009, the Group had 24 employees. At 31 December 2008, 31 December 2007 and 31 December 2006 the group had 24 employees too. The staff comprises 15 women and 9 men, 17 of whom are executives and 7 are non-executive. The average age is 41 years. In 2009, 1 person was hired, and 1 left the Group. The expenditure carried out in 2009 for training activities stands at 20,074 euros. For informational purposes, the personnel does not hold any company shares on a collective basis.

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

6.2 – Activities of the Company foundation

The Société de la Tour Eiffel Foundation, initiated by the SIIC's managers with the support of the Board of Directors, commits the Company to a socially oriented approach 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 therefore 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 even 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 initiatives.

The Foundation organised its first competition with the support of the Abvent Group, an architecture software publisher, for the design of a very high 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, during which over 41,000 euros in prizes in cash and software were handed out to the winners, took place on 31 March 2009 at Cité de l'Architecture. The works selected formed part of an exhibition and were included in a publication.

The Foundation is currently examining the theme for the next competition which will probably be held in 2010 and will focus on the preservation of a work by Gustave Eiffel in the provinces.

6.3 Environmental information

The Grenelle Building Plan, more stringent thermal regulations and the quest for energy conservation have resulted in a general overhaul of the approach to the construction of commercial buildings.

The trend, which has been growing in scope and scale over the last 5 years, has resulted in builders seeking to obtain labels recognized in France (HQE), Europe (Bream, Minergy) or internationally

(Leeds), certifying the qualities of the sobriety of the buildings and their involvement in responsible and sustainable development.

Société de La Tour Eiffel wants to be a noticeable player in this major market move. Virtually all of the company's recent projects fully meet these standards. For example, the buildings at the Porte des Lilas and in Massy representing 30,000 sq. m of new office space delivered in 2009 are HQE-certified (2005 RT (Thermal Regulation) energy consumption standard -10%) and attain, in the case of the Massy building, Very High Energy Performance (THPE) levels (RT 2005 -20%). As a result, the proportion of HQE-certified buildings completed as at 31 December 2009 represented 16% of the company's overall property portfolio.

Also, the "Topaz" building in Velizy is currently being HQE-certified and is also designed to achieve Very High Energy Performance levels (RT 2005 -20%).

Projects under development in the national Parc Eiffel network, are already designed to meet the Low Consumption Building requirements (RT 2005 -50%), and to continue obtaining labels of the MINERGIE type. Design and engineering firms, architects and builders are, as of the outset of the projects, made fully aware by Awon Asset Management staff of the need to ensure that these works are particularly efficient in order to comply with the objectives of the Grenelle Building Plan, in which Société de La Tour Eiffel is an active participant, after joining the French Federation of Property Companies (FSIF) and as a member of the Environment Committee.

By way of illustrate, the "AIR" Building located in the centre of the Parc de Moulin à Vent in Greater Lyon, with a with a floor space of 3,000 sq. m will meet the BBC-type low-energy criteria, and will be equipped with sources of renewable energy such as integrated solar panels.

"Long term" management of its property portfolio allows Société de la Tour Eiffel to develop genuine synergies with its tenants. ALSTOM POWER, for instance, installed since December 2009 in their new premises in Massy, is going to set up a life-size showcase for their new energy management system based on various energy sources (including the EDF network, as well as wind, solar, and geothermal energy), in close conjunction with Société de la Tour Eiffel.

Finally, the development projects under way in Massy and the Parcs Eiffel in Aix-en-Provence, Marseilles, Lille and Strasbourg will satisfy the new energy efficiency criteria proposed by the Grenelle Plan and enable power consumption levels as low as 50Kwh / sq. m / year.

Through initiatives such as these, Société de la Tour Eiffel firmly intends to develop eco-responsible buildings ahead of their time, in order to harmoniously combine energy efficiency with occupancy and work conditions that promote the economic development of its tenants.

Finally, the existing portfolio has not been forgotten, despite the difficult economic situation. In 2010, Société de la Tour Eiffel will be launching a wide-ranging series of studies and audits on the energy qualities of its buildings. Two teams of architects, design and engineering firms and heat engineers will work on the one hand on the recurring works of the Parcs Eiffel chain, and on the other on the major buildings in the Ile-de-France region, in order to assess, schedule and where necessary carry out the renovation work required to meet the future specifications of the Grenelle Building Plan. The initiative will be furthered by the certification of the buildings by an authorised body and the issue of Energy Saving Certificates (ESC).

Without waiting for the findings and goals of the Grenelle II Law, Société de la Tour Eiffel has implemented throughout its properties both in service and under development a comprehensive eco-responsible initiative involving all of its stakeholders (managers, owners' representatives, architects, design and engineering firms and builders) in order to constantly offer its tenants high-quality premises that are user-friendly, innovative and energy-efficient.

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 of the ordinary shareholders' meeting

First resolution - Presentation and approval of the company accounts

The individual financial statements for the year ended 31 December 2009 which we submit for your approval were drawn up in accordance with the presentation and evaluation methods stipulated by current regulations.

These financial statements show a loss of 10,666,955 euros.

Second resolution - Appropriation of result

We propose to allocate the financial year's result as follows:

Financial year loss of	10,666,955	euros
- to the credit balance of retained earnings	3,301,198	euros
- to the special reserves arising from the reduction to the share nominal value decided at the combined General Shareholders' Meeting of 14 May 2009	7,365,757	euros

We should like to remind you that dividends paid for the last three years were as follows:

	2006 financial year	2007 financial year	2008 financial year
Number of shares	5,190,253	5,190,253 ⁽³⁾	5,193,003 ⁽³⁾
Net dividend per share	6.15 euros ⁽¹⁾	6 euros ⁽²⁾	5 euros ⁽²⁾

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

Third resolution - Distribution of reserves; option of the interim dividend payment in cash or in shares

The accounts for the year ended 31 December 2009 show a loss of € 10,666,955, mainly due to the negative impact on the result of the Company after establishing the fair value of the real estate assets of certain subsidiaries. This loss is greater than the retained earnings.

Given the recurring cash flow from rental income, we propose to distribute a dividend of € 2 per share, made from the "Other reserves" item, on the part of the legal reserve showing a surplus after the reduction in capital performed in June 2009, and the balance on the share premium.

The total amount of the distribution will be € 10,866,072 (the amount is liable to be adjusted) for 5,433,036 shares at 31 December 2009.

This sum will be paid out as of 28 May 2010.

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

The share price of the interim dividend would be calculated by the Board of Directors: on the basis of 90% of the average closing market value of the 20 trading days prior to the date on which the decision to distribute is made, minus the net amount of the dividend rounded up to the nearest centime, in so far as the issuing price is not less than the share's nominal value, as required by law.

The present authorisation would be valid until the next ordinary General Shareholders' Meeting relative to the 31 December 2010 outcome.

The shares issued to pay the interim dividend would be valid for dividend payable as from their creation date.

Fourth resolution - Consolidated financial statements

We submit for your approval the consolidated financial statements as at 31 December 2009.

Fifth resolution - Regulated agreements

We ask you to approve the agreements drawn up in line with Articles L. 225-38 et seq. of the French Commercial Code, in light of the Statutory Auditors' special report.

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 2009.

Sixth resolution - Directors fees

We propose to allocate Directors fees to the Board members for the current financial year for the total sum of 110,000 euros.

Seventh to tenth resolutions - Reappointment of Board Members

Since the mandates as Board Members of Messrs. Mark Inch, Jérôme Descamps, Robert Waterland and Philippe Prouillac expire at the end of this General Shareholders' Meeting, we propose to renew their mandates for a period of three years, until the end of the General Shareholders' Meeting to be held in 2013 to approve of the financial statements of the 2012 financial year.

Eleventh resolution - Authorisation to be granted to the Board of Directors to implement a share buyback programme

We ask you to authorise the Board of Directors, in accordance with the law, to purchase shares of the Company in order to meet the following objectives:

- to cancel the shares bought back, wholly or in part, within the limits prescribed by law,
- to meet requirements as to stock options, or the allocation of bonus shares,
- to issue shares, warrants and/or securities giving access to the ordinary shares of the Company
- to carry out external growth operations
- and proceed, under the terms of a liquidity agreement, to stimulate the market for the company's shares.

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 per share, exclusive of fees.

7.2 Resolutions of the special shareholders' meeting

Twelfth resolution - Modification to Article 12 of the articles of association

We propose to set an age limit for Board Members, which would be 72 years.

The following 3rd subparagraph would be added to article 12 of the articles of association:

"Individuals aged 72 and above may not be appointed as Board Members. Any Board Member who turns 72 while in term may serve out his or her term to the end of the mandate, or voluntarily resign."

Thirteenth to nineteenth resolutions - Delegations of power to be granted to the Board of Directors to increase the share capital by issuing marketable securities giving access to Company shares or for the acquisition of debt securities

We ask you to grant the Board of Directors the various delegations of power enabling it to face development opportunities that may arise, by resorting to new issues of capital, in particular. These delegations of power provide the Board, within the framework set by the shareholders, with the flexibility and responsiveness required to carry out fundraising in order to develop the company and finance its investments.

We propose you grant the Board of Directors with new delegations of power, for a period of 26 months, and to define the limits of those powers.

In general, the total nominal amount of capital increases that may be decided shall not exceed 15 million euros. The nominal value of marketable securities representing immediate and/or delayed borrowings shall not exceed 150 million euros.

The adoption of new delegations of power shall invalidate any previous delegations of power with the same purpose.

To gain in flexibility and speed of execution, we also propose in each of the resolutions to give the Board of Directors the ability to sub-delegate its own powers to its Chairman or to any other member designated by the latter and by the Board of Directors.

We indicate below the main characteristics of each of the resolutions relating to the issuance of shares and/or marketable securities giving access to the ordinary shares of the Company, as detailed in the text of the resolutions. We shall provide you with any other information you may need before making your vote.

Thirteenth resolution – Delegation of powers to be granted to the Board of directors to (i) increase the share capital by the issue of any marketable securities with keeping of the pre-emptive subscription rights giving access, immediately or at a later date, to Company shares, or by the capitalisation of profits, premiums, reserves or others, and (ii) to issue marketable securities with a warrant for the acquisition of debt securities while keeping the pre-emptive subscription rights

We ask you to authorise the Board of Directors to proceed, while retaining the pre-emptive subscription rights, with (i) one or more capital increases by issuing shares and/or any marketable securities giving access to the capital of the Company or (ii) by issuing marketable securities with a warrant for the acquisition of debt securities.

These issues will be preferably reserved to shareholders who may subscribe new shares as of right and, if the Board sees fit, apply for excess shares.

As part of the delegation of powers, the Board of Directors shall be able to determine the conditions for the issue, subscription and paying up of capital, ensure that the resulting capital increases occur, and modify related articles of association as needed.

Fourteenth resolution – Delegation of powers to be granted to the Board of directors to (i) increase the share capital by the issue of any marketable securities with the elimination of the pre-emptive subscription rights giving access, immediately or at a later date, to Company shares and/or (ii) issue marketable securities with an attached right to obtain bonds with suppression of the pre-emptive subscription rights

We ask you to authorise the Board of Directors to proceed, while eliminating the pre-emptive subscription rights, with (i) one or more capital increases by issuing shares and/or any marketable securities giving access to the capital of the Company or (ii) by issuing marketable securities with a warrant for the acquisition of debt securities.

The Board may decide to waive the pre-emptive subscription rights of shareholders and grant them, for a set time and in accordance with procedures defined by the Board, pre-emptive subscription rights which may be exercised proportionate to the number of shares held by each shareholder.

The issue price of the shares will be at least equal to the minimum authorised by law, subject to the possibility granted to the Board to determine, within a limit of 10% of the capital, the issue price in the manner decided by the General Shareholders' Meeting in the sixteenth resolution.

As part of the delegation of powers, the Board of Directors shall be able to determine the conditions for the issue, subscription and paying up of capital, ensure that the resulting capital increases occur, and modify the related articles of association as needed.

Fifteenth resolution - Delegation of powers to be granted to the Board of Directors in order to increase share capital through an issue, while eliminating pre-emptive subscription rights through offers of any marketable securities giving access to Company shares immediately or at a later date, reserved to qualified investors and/or a limited circle of investors

We ask you to authorise the Board of Directors to proceed with (i) one or more capital increases by issuing shares and/or any marketable securities giving access to the capital of the Company or (ii) by issuing marketable securities with a warrant for the acquisition of debt securities, while eliminating pre-emptive subscription rights in favour of qualified investors and/or a limited circle of investors.

In accordance with the law, the total nominal amount of the capital increases which may be performed in this manner will not exceed 20% of shareholders' equity per year.

The issue price of the shares will be at least equal to the minimum authorised by law, subject to the possibility granted to the Board to determine, within a limit of 10% of the capital, the issue price in the manner decided by the General Shareholders' Meeting in the sixteenth resolution.

As part of the delegation of powers, the Board of Directors shall be able to determine the conditions for the issue, subscription and paying up of capital, ensure that the resulting capital increases occur, and carry out the correlated modifications of the articles of association

Sixteenth resolution - Authorisation to be granted to the Board of Directors, in the event of an issue of shares of marketable securities giving access to equity without shareholders' pre-emptive subscription rights, to set the issue price according to the procedures determined by the General Shareholders' Meeting, up to a limit of 10% of company share capital

We ask you to authorise the Board to make an exception, in accordance with the law, to the minimum price conditions prescribed by the Commercial Code for share issues without pre-emptive subscription rights, and to fix the issue price, which must not be less than the average market value of the three days of trading prior to the determination of the issue price, plus potentially an additional discount of up to 20% maximum.

The right to waive the minimum price is limited to 10% of share capital per year.

Seventeenth resolution - Overall ceiling applicable to capital increases and to the issue of marketable debt securities on delegation of power

We propose to set:

- the maximum nominal amount of capital increase that can be performed by the Board of Directors, using all its delegations of powers, to 15 million euros, and
- the maximum nominal amount of marketable securities representing debts giving access to the capital of the Company that may be issued, to 150 million euros.

Eighteenth resolution - Authorisation to be granted to the Board of Directors to increase the amount of the initial issue, in the event of a share issue with maintenance or removal of shareholders' pre-emptive subscription rights as resolved in application of the thirteenth, fourteenth and fifteenth resolutions

The adoption of this resolution would allow the Board of Directors to increase the original planned amount of the capital increase if it finds an excess demand, under the conditions and within the limits set by law.

Nineteenth resolution - Authorisation to be granted to the Board of Directors in order to increase the capital while removing shareholders' pre-emptive subscription rights in favour of corporate officers and employees, as per the provisions of Articles L. 225-129-6 of the Commercial Code and L. 3332-18 of the Labour Code.

This resolution is intended, in accordance with the law, to authorise the Board of Directors to carry out a capital increase with a maximum nominal amount of one million euros for the benefit of corporate officers and employees of the Company and of its affiliates. A resolution of this nature must be submitted to the shareholders in the event of any delegation of powers to the effect of increasing capital. This authorisation would cause shareholders to give up their pre-emptive subscription rights.

This delegation of powers would be for a period of five years.

Please note that the Board does not favour the adoption of this resolution.

Twentieth resolution - Authorisation granted to the Board of Directors to award stock subscription or stock purchase options to replace expired options

We ask you to authorise the Board of Directors to issue new stock subscription or stock purchase options for the benefit of all or part of the corporate officers and employees of the Company and of its affiliates, replacing options expired as a result of the waiver by the beneficiaries, given that the subscription or purchase price of shares under the corresponding stock option plans is considerably higher than the current share price and the share prices that it should be possible to attain when exercising the options.

The waiver to benefit from these options by the allottees, determined by the Board of Directors, effectively reduces the number of options granted to a level corresponding to the number of options that could be lifted in light of market conditions.

The number of stock subscription or stock purchase options of new shares that may be allotted by the Board of Directors is limited to 2% of the share capital, this percentage corresponding to approximately half the number of options that have expired.

The strike price of options cannot be less than the average closing prices during the twenty trading days preceding the day on which the options are granted.

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.

This delegation of powers, which is given for a period of thirty-eight months, would include the waiver of pre-emptive subscription right of shareholders in favour of the beneficiaries.

The allocation of stock subscription or stock purchase options is designed to motivate management staff and employees, by providing an additional means of remuneration that reflects the performance and development of the Company.

Twenty-first resolution – Authorisation to be granted to the Board of Directors to award bonus shares up to a percentage of 0.5% of equity

The purpose of this resolution is to enable the Board to award bonus shares to all or some of the Group's corporate officers and/or employees, in order to motivate and foster their loyalty, in proportion to the improvement of the Company's performance.

The Board would be authorised to award bonus shares within the limit of 0.5% of the share capital.

The allocation of shares would be definitive at the end of a purchase period lasting a minimum of two years. Beneficiaries would hold the shares for a minimum of two years from the final allocation. In addition, those beneficiaries who are top executives of the company would be required to ensure one third of their shares remain registered until they relinquish their duties.

You are asked to authorise the Board to award bonus shares for a period of thirty-eight months, and to establish the conditions, including performance, under which bonus shares are granted, and the list of beneficiaries.

Finally, we remind you that if the allocation of bonus shares proceeds from an increase in capital by drawing on company reserves, it would imply the shareholders' renunciation to benefit from these new shares and capitalised reserves.

Twenty-second resolution - Delegation of powers to be granted to the Board of Directors to reduce shareholders' equity in accordance with Article L.225-209 of the Commercial Code

As a complement to the proposal to authorise under certain conditions the share buyback programme which has been submitted to you in the 11th resolution, we propose you 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 hope that you will choose to approve the resolutions put to vote, with the exception of the nineteenth resolution, which was not adopted by the Board of Directors.

The Board of Directors

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8 - APPENDICES TO THE MANAGEMENT REPORT

8.1 – Special report on share subscription or purchase options

SOCIÉTÉ DE LA TOUR EIFFEL

“Société anonyme” (public limited company) with capital of 27,165,180 euros

Registered Office 20-22 rue de la Ville l’Evêque 75008 Paris France

572 182 269 RCS PARIS

SPECIAL REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL SHAREHOLDERS’ MEETING

ON 20 MAY 2010 ON SHARE SUBSCRIPTION OR 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 purchase options transactions conducted during the financial year ended 31 December 2009.

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

On 15 October 2009, 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: 27,165 share subscription options
- Date of expiry: 15 October 2014
- Subscription Price: 48.08 euros

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 and purchase options granted to your company’s officers and directors:

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

Mr. Mark Inch, Chairman and Chief Executive Officer:

15/10/09	8,583 share subscription options	Expiry date 15/10/14	Price: € 48.08
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Mr. Robert Waterland, Deputy Managing Director:

15/10/09	8,582 share subscription options	Expiry date: 15/10/14	Price: € 48.08
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Mr. Jérôme Descamps, Deputy Managing Director:

15/10/09	5,000 share subscription options	Expiry date: 15/10/14	Price: € 48.08
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Over the year ended 31 December 2009, the company’s officers and directors did not exercise any share subscription options.

2.2 - Options granted to the company’s officers and directors by the companies that are tied to it 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 Article 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 by name information concerning the company's ten employees, excluding company officers or top executives, who hold the highest number of share subscription and purchase options:

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

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 by those companies affiliated with it as provided in article L. 225-180 of the French Commercial Code:

NONE

8 - APPENDICES TO THE MANAGEMENT REPORT

8.2 – Special report on bonus share attributions

SOCIÉTÉ DE LA TOUR EIFFEL

“Société anonyme” (public limited company) with capital of 27,165,180 euros

Registered Office 20-22 rue de la Ville l’Evêque 75008 Paris France

572 182 269 RCS PARIS

**SPECIAL REPORT OF THE BOARD OF DIRECTORS TO THE COMBINED GENERAL
SHAREHOLDERS’ MEETING**

ON 20 MAY 2010 ON BONUS SHARE ATTRIBUTIONS

(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 bonus 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 2009 in accordance with Article L. 225-197-4 subparagraph 1 of the French Commercial Code.

We hereby inform you that during the 2009 financial period, no bonus shares were granted to employees or top executives who did not hold more than 10% of our Company's share capital.

8 - APPENDICES TO THE MANAGEMENT REPORT

8.3 – Table of results for the last five years

Results for the last five years

Euros

INDICATORS	2005 financial year	2006 financial year	2007 financial year	2008 financial year	2009 financial year
SHARE CAPITAL AT YEAR-END					
Share capital	243,673,920	249,132,144	249,264,144	249,264,144	27,165,180
Number of shares issued	5,076,540	5,190,253	5,193,003	5,193,003	5,433,036
Nominal value of the shares	48	48	48	48	5
OPERATIONS and RESULTS for the YEAR					
Turnover	2,960,611	5,570,553	6,047,457	6,537,292	7,409,723
Current earnings before tax amortisation and provisions.....	9,721,606	36,535,247	31,891,065	32,246,005	384,981
Incorporation tax	1,125	229,197	314,906	-90,000	-18,000
Employee profit sharing due for the year.....	-	-	-	-	-
Result after taxes, employee profit sharing, depreciation and provisions	9,720,481	36,403,314	31,576,159	28,180,742	-10,666,955
Distributed result	9,391,599	31,920,056	31,033,971	25,448,857	
EARNINGS PER SHARE					
Earnings after taxes and before amortisation and provisions (1)	3.70	7.00	6.19	6.23	0.07
Result after taxes, amortisation and provisions (1).....	3.72	7.01	6.08	5.43	-1.96
Distribution per share (net)	2.85	6.15	6.00	5.00	4.00
PERSONNEL					
Average headcount during the year.....	1	1	1	1	1
Payroll for the financial year (2).....	207,102	392,898	720,000	3,695,685	720,000
Amount of social security benefits paid out during the year (social security, social welfare enterprises) (2)	66,628	115,762	392,751	238,323	217,400

(1) The earnings per share is computed based on a weighted average number of shares during the year.

(2) The payroll figure includes remuneration paid to the company officers and directors and cost of bonus share attributions.

8 - APPENDICES TO THE MANAGEMENT REPORT

8.4 – Report of the Chairman of the Board of directors

Ladies and Gentlemen,

In accordance with Article L 225-37 paragraph 6 of the Commercial Code as modified by Law 2005-842 of 26 July 2005, this report contains the following information:

- composition of the Board of Directors;
- the terms and conditions for preparing and organising the work to be done by your Board of Directors;
- your Company's internal audit and risk management procedures;
- possible limitations made by the Board of Directors to the Managing Director's powers.

The Company cited the AFEP-MEDEF corporate governance code of December 2008 (available on the MEDEF's website at www.medef.fr) and implemented a number of its recommendations.

The recommendations not yet followed by the Company pertain mainly to the following:

- Criteria for directors' independence: Messrs Michel Gauthier and Claude Marin have been directors for over twelve years. Nevertheless, they meet the other criteria for independence set forth by the AFEP/MEDEF code of December 2008.
- Lack of a committee to select or nominate directors and company executives and officers: this task is currently performed by the Board of Directors. The number of directors and the proper functioning of the Board of Directors enable the Company to deem the appointment of such a committee to be a non priority. It nonetheless plans to study the utility of conferring this function on the remunerations committee.
- Board of Directors evaluation: this evaluation was not done in 2009, but the Company plans to implement a procedure to evaluate the Board of Directors' functions in 2010.
- Determining the variable portion of executive remuneration.
- Rules for granting stock subscription and purchase options for free to executives, particularly those setting performance conditions.

Concerning the internal audit and risk management procedures, the Company follows the "French Financial Markets Authority (AMF) Position on the working group's report on improvements in the financial regulation for small and midcaps chaired by Yves Mansion" released by AMF on 9 January 2008, and particularly on the "Internal control reference framework – Implementation guide for small and midcaps" which appears in Annex II, released by AMF on 25 February 2008.

I - COMPOSITION OF THE BOARD OF DIRECTORS CONDITIONS FOR PREPARING AND ORGANISING THE BOARD OF DIRECTORS' WORK

Composition of the Board

Société de la Tour Eiffel's Board of Directors is composed of nine members. Three directors, Mr. Mark Inch, Mr. Jérôme Descamps and Mr. Robert Waterland, are also top executives of the Company: Mr. Mark Inch is chairman and managing Director, Mr. Jérôme Descamps and Mr Robert Waterland are deputy managing directors.

The six remaining directors, Michel Gauthier, Claude Marin, Philippe Prouillac, Marc Allez, Renaud Haberkorn and Aimery Langlois-Meurinne have no tie with the Company, although Michel Gauthier and Claude Marin have been directors for over twelve years.

The remunerations received by the directors are made up of attendance fees. In 2009, attendance fees were not allocated equally. Additional attendance fees were paid to directors who sat on the audit committee and/or the remunerations committee. The amount of attendance fees paid to directors who were appointed during the year is proportional to their term in office. The Company's executives and officers did not collect attendance fees in financial year 2009. Actual attendance at the Board of Directors meetings is not a criterion the Company uses to allocate attendance fees since there is a high rate of participation at meetings averaging 94% in 2009 and 97% in 2008.

At least half of the board is composed of independent Board members, in accordance with the recommendation of the AFEP/MEDEF corporate governance code for listed companies dated December 2008. The report defines independent Board members as follows "Directors are independent when they have no relationship of any sort whatsoever with the company, its group or its senior management which could compromise the exercise of their free judgment".

On 29 July 2008, the Board of Directors appointed an audit committee and a remunerations committee which serve an advisory role. The committee members are also independent directors.

Board meetings

Article 14 of the articles of association and memorandum stipulates that the Board shall meet as often as the Company's interest requires. Thus, over the past financial year, your Board of Directors met eight times, with an average attendance rate of 94%:

- 4 March 2009: Closed the individual and consolidated financial statements at 31 December 2008, dealt with appropriation of earnings, prepared and called the annual shareholder's meeting
Authorised sureties, backings and guarantees
Reviewed the performance conditions underlying Robert Waterland's severance package

- 20 April 2009: Appointed Mr. Renaud Haberkorn as a new Board member

- 14 May 2009: Recorded the issuance price of the new shares resulting from the stock dividend payment option
Examined the amendment to the agreement with Bluebird Investissement
Answers to be given to the possible written questions put by the shareholders (no questions asked)
- 10 June 2009: Reduction of the Company's share capital from 223,229,129 euros by decreasing the stock's nominal value
Recorded the number of shares issued in order to pay the remainder of the 2008 dividend in stock
New share buyback scheme
- 29 July 2009: Reviewed and closed the consolidated and individual financial statements at 30 June 2009, half-yearly activity report
Prepared and convened the Ordinary General Meeting to call a special meeting on 15 October 2009 for a special distribution funded from the issue premium
Renewed the terms of office of the members of the audit committee and remunerations committee
Rotated the statutory auditors
- 2 September 2009: Appointed Mr. Aimery Langlois Meurinne as a new Board member
- 15 October 2009: Answers to be given to the possible written questions put by the shareholders (no questions asked)
Adjusted the conditions for exercising stock options already granted and resulting from the distribution of a portion of the issue premium
Amendment no. 3 to the adhesion contract dated 30 November 2006
Granted stock options in 2009: set the terms for award and exercise
- 8 December 2009: Rate hedging policy
Internal control: tasks developed and presented for 2009
Distributed the attendance fees

Moreover, at every meeting, the Board hears a report by the senior management on business and property assets, and it discusses the company's policy in respect of investing, financing and trading assets.

Directors' convocation

The directors were called to meet several days in advance by simple letter and/or electronic message.

In accordance with Article L 225-238 of the Commercial Code, the Statutory Auditors were called to Board meetings, where they reviewed and closed the first half interim (half-yearly) financial statements as well as the annual accounts. They also were invited to attend each Board meeting.

Providing reports to the directors

Before attending each Board meeting, each director is sent any necessary documents and information, notably the detailed meeting agenda, the minutes of the previous meeting for approval, a file containing the points which require a special report (particularly on property investment transactions) and a table showing the progress of the property transactions underway.

The quarterly reports on the operations, the quarterly reports produced during the fiscal year and published semi-annually, the updated business plan together with the changes in the group's cash position and funding are also sent to the directors.

Holding meetings

The Board meetings are held at the head office. In general, the year-end Board of Directors meeting sets a schedule for the following year. Each Board meeting date is confirmed at the close of the previous meeting.

Board of Directors' mission - Committees

According to the articles of association, the Board of Directors sets the course for the Company's business and monitors its execution. It deliberates on any issue affecting the Company's progress and governs its affairs through its deliberations.

It also reviews and decides the strategy for property investments and financing, the financial statements, budgetary procedures and organisational orientations as well as audit and internal control.

Two specialised committees, the audit committee and the remunerations committee, help it in his task.

Audit committee:

This committee was formed by the Board of Directors on 29 July 2008. It currently consists of three members: Mr. Michel Gauthier, Chairman, Mr. Marc Allez and Mr. Philippe Prouillac, selected by the Board of Directors for their competence and qualification in financial and accounting matters; their term was renewed for one year in July 2009.

The audit committee regularly audits the conditions for drawing up the individual and consolidated financial statements and ensures the accounting methods used are permanent and appropriate. It also makes sure that the internal procedures for collecting and checking information are in keeping with these objectives. It advises the Board of Directors on any accounting, financial or fiscal matter brought before it or which it deems useful to bring up. It regularly informs the Board of Directors which formed it of its diligence and observations.

Its mission is as follows:

- to track the financial reporting process,

- to monitor how effective the internal control and risk management systems are, particularly to investigate any transaction or fact or event which could have a material impact on the company's position in terms of commitments and/or risks,
- to monitor the legal audit of the financial statements and the aspects relating to the statutory auditors' independence,
- to issue recommendations for appointing statutory auditors,
- to verify that the company has suitable means (audit, accounting and legal) to prevent risks and anomalies in managing the company's affairs.

It gives an account of its mission to the Board of directors.

During 2009, the audit committee met six times to discuss the following:

- 7 February: Evaluations of property assets at year-end 2008,
- 26 February: Consolidated and individual financial statements closed at 31 December 2008,
- 4 March: Internal audit procedures,
- 7 July Evaluations of property assets at 30 June 2009,
- 28 July: Interim financial statements closed at 30 June 2009,
- 25 November: Risk mapping and evaluation of the internal audit system.

Remunerations committee:

This committee was formed by the Board of Directors on 29 July 2008. It currently consists of three members: Mr. Claude Marin, Chairman, Mr. Marc Allez and Mr. Philippe Prouillac, selected by the Board of Directors for their competence and qualification in financial and accounting matters; they were elected for a one-year renewable term in July 2009.

The remunerations committee makes sure that the remuneration of the company officers and top executives, and any changes made thereto, is in keeping with the shareholders' interests and the company's performance, in particular against the competition. The committee also ensures that all remunerations enable the company to recruit, motivate and retain the best executives.

It makes proposals or recommendations to the Board of Directors in the following areas:

- implementing a comprehensive remuneration policy for company officers and top executives consisting of a base salary, variable portion, share subscription or purchase options, granting free shares, miscellaneous benefits and pension plan,
- developments occurring in all of the components making up executive remuneration, exceptional remunerations and other benefits,
- the total equity remuneration package consisting of share options and bonus shares, the scope of beneficiaries and a breakdown by category,
- fixing the amount of the attendance fees and their distribution,

- supervising agreements entered into with top executives,
- evaluating the financial consequences of these various items on the company's financial statements,
- establishing rules for reimbursing expenses and miscellaneous benefits,
- the performance conditions to be set for top executives receiving deferred remunerations.

It gives an account of its mission to the Board of directors.

During 2009, the remunerations committee met four times to discuss the following:

- 7 January: The monitoring of a joinder of an employment contract and of the company officer function, remuneration of Mr. Robert Waterland in the event the business is shut down,
- 21 January: Determining the performance criteria relating to awarding bonus shares or stock subscription options,
- 26 February: Report on the conditions for remunerating three company officers based on the AFEP/MEDEF's latest recommendations,
- 15 October: Inserting Mr. Frédéric Maman's remuneration in the company officers' remuneration tables, and conditions for applying performance criteria.

Rules of procedure

On 16 October 2007 and then on 29 July 2008, the Board of Directors added to the rules of procedure which have been followed since 6 July 2006. It is available online at the Company website: societetoureiffel.com.

Principles and rules drawn up by the Board of Directors to determine the range of remuneration and benefits granted to the company officers and directors

The remuneration paid to the top executives, Mr. Mark Inch, Chairman and Managing Director and Mr. Robert Waterland, Deputy Managing Director, are fixed and have not been reassessed since 1 January 2007.

It should be noted that Mr. Robert Waterland collects remuneration under his employment contract as property manager. As Deputy Managing Director, Mr. Jérôme Descamps is remunerated exclusively under his employment contract with Awon Asset Management.

The Board of Directors allocated the attendance fees in an unequal fashion on 8 December 2009 to factor in certain directors' participation on the audit and remunerations committees.

Under the terms of the seventeenth resolution of the special shareholders' meeting of 29 March 2007, the top executives, along with Awon Asset Management employees, may be granted share subscription or purchase options as an incentive by providing an additional remuneration tool which factors in the Company's expansion.

In another attempt to foster company loyalty, the top executives and Awon Asset Management employees may receive bonus shares equal to 20% of the increase in the dividend per share times the number of shares with the benchmark for the bonus shares corresponding to the average of the opening stock prices over the twenty trading sessions previous to the day when the bonus shares were granted. This allotment is governed by the eighteenth resolution of the special general shareholders' meeting of 29 March 2007.

Starting in the 2009 financial year, the company cited the AFEP–MEDEF corporate governance code of December 2008, the recommendations of which it will gradually implement. This document is available on the MEDEF's website at www.medef.fr.

2. INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

The internal control procedures cover the Company and all of its subsidiaries which are included in the consolidation scope.

In 2009, the Company continued its implementation of the "Internal control reference framework" which the AMF released on 25 February 2008, and decided to perform an initial self-assessment of its internal control procedures.

The Company's internal control was thus strengthened considerably in 2009 by the installation of software to identify the risks and to improve financial reporting.

The new software aimed to do a mapping of the principal risks inherent in the group's activity.

Hence, before performing an evaluation, the Company identified three key procedures and related sub-procedures to which it assigned priority. They are property investment (acquisitions, trades, evaluation and market risks), rental management (relations with tenants and managers, receipt issuance, etc.) and cash position and funding (financing and hedging policy, monitoring the cash position, collecting revenue, etc.).

On the basis of these procedures and in keeping with each of the related impacts (conducting the operation, reliability of the financial information, compliance with the laws and regulations), a risk level was assigned. This produced a true risk mapping which identifies the existing controls and defines the action plans for the upcoming financial years.

The existing internal control program will continue to be expanded in 2010 as action plans are implemented and internal controls are strengthened further.

2.1 Internal control and risk management objectives

The Company and its subsidiaries are now managed from within; the control procedures set up for the group are meant to:

- ensure that the managerial actions fall within the scope of the Company's corporate purpose, the strategic orientations as defined by the Board of Directors based on proposals of the top management, in accordance with current laws and regulations, the company's corporate interest and that of each of its subsidiaries,

- improve the efficiency of the Company's operations and enable the efficient use of its resources,
- coordinate the proper dissemination of accounting, financial and management reports among outside parties and the group's top executives, verify that these reports are regularly sent to the Company's corporate bodies and those of its subsidiaries, and that they fairly reflect the group's activity and financial position,
- and lastly, foresee and control the risks relating to the group's activity and the risks of errors or fraud, particularly in the accounting and financial areas.

Internal control cannot provide absolute certainty the Company's objectives will be achieved.

2.2 Drawing up and auditing accounting and financial reports

2.2.1 Roles of the various involved parties

General secretariat

Awon Asset Management carries out the duties of the General Secretariat in addition to its asset management mission (as an Asset Manager).

The General Secretariat disseminates and coordinates financial reporting among the various service providers and other parties while taking into account strategic imperatives as defined by the Owner.

Owing to the General Secretariat's role as a go-between among the Owner, the Asset Manager and the Building Managers, the General Secretariat has an overall view of the Owner and of the Companies. It makes sure that legal and contractual commitments are honoured, and that financial, tax and administrative obligations are met so the Owner and the Companies can provide efficient and optimal management.

To carry out its mission, the General Secretariat makes sure that it is kept informed of anything involving the Owner and the Companies. It makes sure that it takes the measures necessary to gather whatever information it needs, to validate the decisions taken and to alert the competent bodies and the Owner of any unfavourable consequences of pending decisions.

To provide administrative follow-up of the Companies, the General Secretariat supervises the Companies' accounting which is sub-contracted out to two accounting firms, their cash management tasks and tax returns.

In its supervisory role, the General Secretariat keeps the Owner and the Asset Manager informed, forewarned and alerted of any and all legislative and case law developments which have consequences on the administration and management of the Owner or the Companies. It makes recommendations to them on their strategy and follow-up which could affect the buildings touched by these developments.

Lastly, the General Secretariat keeps the Owner aware, counselled, and informed of any major event concerning its strategy. It coordinates with the Asset Manager the preparation and presentation of the overall budget and the medium-term business plan. The General

Secretariat presents the Owner's short and medium-term objectives and strategy to the Asset Manager.

The Building Managers

The Building Managers do the bookkeeping for income and expenses relating to the buildings in accordance with current French accounting regulations.

They monitor and input into the computer all settlements, follow-up actions, arrangements or legal disputes and their results so that the Owner can have clear and updated information.

At any time and whenever necessary, the Building Managers provide the Owner, the Asset Manager, or any other person designated by the General Secretariat, with the data needed to fill out the tax returns.

Once a month, and within 10 days at the most after each month end, the Building Managers send in the data needed to draw up the Owner's accounts to the General Secretariat or to any persons it designates.

Every year within nine months after the period end, the Building Managers send in the annual accounting to the General Secretariat, which is responsible for keeping the books.

The Asset Manager and the Building Managers meet once a quarter to report on the past and future management of the buildings. At this time, the Building Managers submit a report to the Asset Manager which reports on the activity, the important events that occurred over the past quarter and the proposed responses for the following quarter.

The Asset Manager

The Owner, the Building Managers and the Asset Manager (the "Asset Manager's" job being performed by the same company which runs the General Secretariat) and/or their respective representatives meet at least once a year and more often if need be in accordance with the timetable established jointly at the beginning of the year in order to:

- report on the current state and forecasted trend of the markets where the buildings are located,
- update the management objectives and commercial strategy and approve the multi-annual construction plan and to update it for the coming year,
- examine issues of safety and regulatory compliance,
- review the IT system, its performances, developments and interconnections,
- review the bookkeeping and management analyses.

The Asset Manager will promptly notify the Owner of any event or circumstance that has a substantial negative or positive effect on the buildings value.

2.2.2 Drawing up and controlling the accounting and financial information provided to the shareholders

The individual and consolidated financial statements are drawn up by certified accountants working closely with the General Secretariat. The certified accountants, statutory auditors and

top executives, and, where applicable, the Board of Directors discuss the main options as to the choice of accounting methods beforehand.

The top executives, General Secretariat, and outside parties (certified accountants and statutory auditors), and where applicable, the Board of Directors, draw up the accounting and financial reports to be circulated to the shareholders.

The Chairman and Managing Director and the Deputy Managing Directors are responsible for drawing up and controlling the accounting and financial information submitted to the shareholders working closely with the certified accountants and under the supervision of the statutory auditors.

2.3 Ways to improve control

Over the course of the 2010 financial year, the Company is committed to continue to improve its internal control and risk management system by creating new procedures and implementing specific controls, especially for the procedures relating to rental management, the group's cash position and evaluating its business assets in accordance with the "Frame of Reference for Internal Control" developed by the AMF.

3 - MANAGING DIRECTOR'S POWERS

Société de la Tour Eiffel top management post can be assumed either by the Board of Directors Chairman or by another individual appointed by the Board and bearing the Managing Director's title.

The Board of Directors voted on 10 July 2003 to appoint Mr. Mark Inch as Managing Director and appointed him as Chairman of the Board on 22 July 2003. At its meeting of 29 March 2007, the Board decided to have the Chairman of the Board continue to serve as Managing Director according to the procedures then in place.

It renewed the Chairman's term for a three-year period. It should be noted that the Board placed no limit on Mr. Mark Inch's powers as Managing Director.

Moreover, we inform you that the Board of Directors appointed two Deputy Managing Directors on 30 September 2003 and 14 March 2005 respectively, conferring on them the same powers as the Managing Director's. Their mandates were renewed on 29 March 2007 for a three-year term.

4 - PARTICIPATION IN THE SHAREHOLDERS' MEETINGS

Participation in the shareholders' meetings is governed by articles 22 to 31 of the Company's articles of associations, available at the Company's website, societetou Eiffel.com. Furthermore, the Company posted an information section on the participation procedures for shareholders during the General Meeting held on 15 October 2009 at the Company's website, societetou Eiffel.com.

5 – FACTORS THAT COULD HAVE AN EFFECT DURING A PUBLIC OFFERING

This information appears in paragraph 5.5 of this 2009 management report.

The Chairman of the Board of Directors

REPORT BY THE AUDITORS

*Drawn up pursuant to Article L. 225-235 of the French Commercial Code
based on the report submitted by the Chairman of the Board of Directors
of SOCIÉTÉ DE LA TOUR EIFFEL*

(Financial year ended 31 December 2009)

To the shareholders of:

SOCIETE DE LA TOUR EIFFEL

20-22 rue de la Ville l'Evêque

A French joint stock company with capital of
€27,165,180

75008 Paris

In our capacity of Statutory Auditors to Société de la Tour Eiffel and pursuant to Articles L. 225-235 of the French Commercial Code, following is our report on the report submitted by the Chairman of the Board of Directors pursuant to Article L. 225-37 of the French Commercial Code for the year ended 31 December 2009.

It is the Chairman's duty to draw up a report on the internal control and risk management procedures in place at the company and to submit it for approval by the Board of Directors. The report also discloses the other information required under article L.225-37 of the French Commercial Code relating notably to the corporate governance policy.

It is our responsibility to:

- report our observations on the information contained in the Chairman's report on the internal control procedures relating to the drafting of the accounting and financial information, and
- certify that the report contains the information required by article L. L.225-37 of the French Commercial Code, with the understanding that we are not responsible for verifying the fairness of this other information.

We carried out our work in accordance with the code of professional conduct applicable in France.

Information concerning the internal control procedures relating to the drawing up and treatment of accounting and financial information

The standards of professional conduct require that we practice due diligence to assess the fairness of the accounting and financial information concerning the internal control procedures relating to the drafting and treatment of the accounting and financial information contained in the Chairman's report. This due diligence entailed the following in particular:

- familiarising ourselves with the objectives and general organisation of the internal audit procedures preparation and processing of the accounting and financial information underlying the information presented in the Chairman's report plus any existing documentation;
- familiarising ourselves with the work performed to compile this information and existing documentation;
- determining whether any material deficiencies in the internal audit relating to the preparation and processing of the accounting and financial information we might have uncovered while performing our audit are properly disclosed in the Chairman's report.

On the basis of our work, we have no opinion regarding the information provided on the company's internal audit procedures for the preparation and processing of accounting and financial information contained in the report of the Chairman of the Board of Directors, prepared in application of article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman of the Board's report comprises the other information required in article L. 225-37 of the French commercial code.

Paris and Neuilly-sur-Seine, 18 March 2010

The Statutory Auditors

Expertise & Audit SA
3, rue Scheffer
75016 Paris

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

8 - APPENDICES TO THE MANAGEMENT REPORT

8.5 – Text of Resolutions submitted to the Combined General Shareholders’ meeting held
on 20 May 2010

E- TEXT OF RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING HELD ON 20 MAY 2010

I – BY DECISION OF THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION

(Approval of the company accounts)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings and having heard and considered the Board of Directors' management report, the Chairman's report (Article L. 225-37 of the French Commercial Code) and the Statutory Auditors' general report, the shareholders vote to adopt the annual financial statements for the financial year ended 31 December 2009, which show a loss of €10,666,955.

The General Meeting of Shareholders also approves of the operations reported in these statements or summed up in these reports.

As a result, the Directors are fully and unreservedly discharged of their duties for the said financial year.

SECOND RESOLUTION

(Appropriation of earnings)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, in accordance with the proposal made by the Board of Directors, the General Shareholders' Meeting resolves to allocate the financial year's earnings as follows:

Financial year loss of	10,666,955	euros
- to the credit balance of retained earnings	3,301,198	euros
- to the special reserves arising from the reduction to the shares' nominal value decided at the combined General Shareholders' Meeting of 14 May 2009	7,365,757	euros

The General Shareholders' Meeting officially notifies the Board of Directors that in accordance with Article 243 of the General Tax Code, it has been notified that the dividends paid over the past three financial years were as follows:

	2006 financial year	2007 financial year	2008 financial year
Number of shares	5,190,253	5,190,253 ⁽³⁾	5,193,003 ⁽³⁾
Net dividend per share	6.15 euros ⁽¹⁾	6 euros ⁽²⁾	5 euros ⁽²⁾

- (1) amount eligible for a 40% tax deduction benefiting individuals fiscally domiciled in France, as stipulated in Article 158-3 of the General Tax Code.
- (2) amount eligible for a 40% tax deduction and for the option of withholding tax at a rate of 18% for individuals whose tax domicile is in France as stipulated in Article 158-3 of the General Tax Code.
- (3) regarding the company's treasury shares, the earnings resulting from non-payment of a dividend were appropriated to Retained Earnings.

THIRD RESOLUTION

(Distribution of an amount deducted from "other reserves", "legal reserves" and "share premium"; option of the interim dividend payment in cash or in shares)

Recognising the conditions of quorum and majority required for ordinary shareholder meetings, in accordance with the proposal made by the Board of Directors, the General Shareholders' Meeting resolves to distribute an amount of 2 euros per share for a total of 10,866,072 euros* on the basis of 5,433,036 shares at 31 December 2009, deducted and imputed as follows:

- from "other reserves" arising from the result of previous financial years:	518,802	euros
- from the payable portion of the legal reserves arising from the reduction of share capital decided by the combined General Shareholders' Meeting of 14 May 2009:	2,834,301	euros
- the balance from the share premium:	7,512,969	euros

* This amount may be adjusted as further indicated in the resolution.

The cash amount for distribution will be paid out at the head office as from 28 May 2010.

The general shareholders' meeting decided that in accordance with Article 225-210 of the Commercial Code, treasury shares will not be entitled to the distribution referred to in this resolution.

The General Shareholders' Assembly mandates the Board of Directors, if needed, to adjust the definitive distribution amount to the number of company shares issued between 31 December 2009 and the market day (inclusive) preceding the date of the payout. This is due to (i) the fact that stock purchase or subscription options may have been exercised and some bonus shares may have been acquired and (ii) the number of treasury shares giving rise to no distribution rights and consequently the General Shareholders' Meeting mandates the Board of Directors. The shareholders also mandate the Board of Directors to determine the final distribution amount to be taken from the share premium. The maximum amount to be distributed in application of this resolution (if all exercisable stock options at 31 December 2009 were exercised and if Société de la Tour Eiffel held no treasury shares) would be 11,629,034 euros.

Pursuant to Article 112-1 of the General Tax Code, amounts distributed to shareholders that represent a refund of contributions or of the share premium are not considered as taxable distributions, on the condition that all earnings and reserves other than the legal reserves were previously distributed.

In accordance with the above-mentioned tax provisions, the distribution amount subject to income tax is 0.62 euro per share. The distribution amount not subject to income tax, representing the refund of contribution, is 1.38 euro per share.

For individuals domiciled in France, all sums distributed and paid out in 2010, subject to the progressive income tax scale are eligible for:

- firstly, a 40% abatement in accordance with Article 158-3-2 of France's General Tax Code as revised,
- secondly, a fixed annual tax allowance 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 gross amounts distributed in 2010 which do not incur the right to a tax credit, in lieu of the progressive income tax by the terms of Article 117 "quater" of the General Tax Code.

As a result of the distribution addressed in this resolution, the Board of Directors must adjust the exercise conditions for stock options: the new conditions for exercising stock options will be calculated taking into account the ratio between the distribution amount per share and the share price before distribution, i.e. the weighted average of the share price over the five days of trading prior to the day of distribution (Art. 228-91-3). The number of shares with an option will then be adjusted so that the total subscription or purchase price remains constant. The adjusted number will be rounded up.

The General Meeting also resolves to offer each shareholder, in the event of the allocation of interim dividends, the option of payment in cash or in shares. The option would apply to the entire interim dividend.

The share price of the interim dividend would be calculated by the Board of Directors: on the basis of 90% of the average closing market value of the 20 trading days prior to the date on which the decision to distribute is made, minus the net amount of the dividend rounded up to the nearest centime, in so far as the issuing price is not less than the share's nominal value, as required by law.

The present authorisation would be valid until the next ordinary General Shareholders' Meeting relative to the 31 December 2010 outcome.

The shares issued to pay the interim dividend would be valid for dividend payable as from their creation date.

The General Shareholders' Meeting officially gives full powers to the Board of Directors, which may delegate to its Chairman, in order to implement this resolution, to acknowledge the capital increase resulting from shareholders having exercised their option to be paid the interim dividend in shares, modify the articles of association as a consequence and proceed with the required announcements.

FOURTH RESOLUTION

(Approval of the consolidated financial statements)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, and having heard and considered the management report of the Board of Directors and the Statutory Auditors' report on the consolidated financial statements, the Shareholders' General Meeting resolves to approve of the consolidated financial statements to 31 December 2009 as well as the operations stated in these statements or summed up in the Group management report included in the management report.

FIFTH RESOLUTION

(Approval of regulated agreements)

Recognising the conditions of quorum and majority required for ordinary shareholder s' meetings, and having heard and considered the Statutory Auditors' special report on the agreements regulated by Article L. 225-38 and following of the Commercial Code, the Shareholders's General Meeting resolves to approve of the conclusions of the said report and the agreements mentioned therein.

SIXTH RESOLUTION

(Directors fees)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the General Meeting resolves that the total amount of Directors' fees to be shared among the Board Members for the current financial year will amount to €110,000 (one hundred and ten thousand euros).

The Shareholders's General Meeting resolve that the above annual overall directors fees will be applicable to the financial year underway and subsequent financial years until a new resolution is taken by the General Meeting. The shareholders also confirm that, pursuant to Article L. 225-45 of the Commercial Code, it is the duty of the Board of Directors to allocate the annual overall attendance fees between its members.

SEVENTH RESOLUTION

(Renewal of Mark INCH's mandate as Board member)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings and recognising that the mandate of Mark INCH as Board member is expiring at the end of this General Shareholders' Meeting, the General Meeting resolves to renew this mandate for a period of three years, until the end of the General Shareholders' Meeting to be held in 2013 to approve of the financial statements for the 2012 financial year.

EIGHTH RESOLUTION

(Renewal of Jérôme DESCAMPS' mandate as Board member)

Recognising the conditions of quorum and majority required for ordinary shareholder meetings and recognising that the mandate of Jérôme DESCAMPS as Board member is expiring at the end of this General Shareholders' Meeting, the General Meeting resolves to renew this mandate for a period of three years, until the end of the General Shareholders' Meeting to be held in 2013 to approve of the financial statements for the 2012 financial year.

NINTH RESOLUTION

(Renewal of Robert WATERLAND's mandate as Board member)

Recognising the conditions of quorum and majority required for ordinary shareholder meetings and recognising that the mandate of Robert WATERLAND as Board member is expiring at the end of this General Shareholders' Meeting, the General Meeting resolves to renew this mandate for a period of three years, until the end of the General Shareholders' Meeting to be held in 2013 to approve of the financial statements for the 2012 financial year.

TENTH RESOLUTION

(Renewal of Philippe PROUILLAC's mandate as Board member)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings and recognising that the mandate of Philippe PROUILLAC as Board member is expiring at the end of this General Shareholders' Meeting, the General Meeting resolves to renew this mandate for a period of three years, until the end of the General Shareholders' Meeting to be held in 2013 to approve of the financial statements for the 2012 financial year.

ELEVENTH RESOLUTION

(Authorisation to be given to the Board of Directors to implement a share buyback programme)

Recognising the conditions of quorum and majority required for ordinary shareholder meetings and acknowledging the Board of Directors' report prepared in accordance with Article L. 225-209 of the Commercial Code, the Shareholders General Meeting authorises the Board of Directors, in keeping with Article L.225-209 et seq. of the Commercial Code, to acquire the company's shares with the authority to subdelegate entrusted it in accordance with the law, in order to:

- cancel the shares bought back, wholly or in part, in accordance with the conditions laid out in Article L. 225-209 of the Commercial Code, and subject to approval of the share capital reduction by the General Meeting;
- dispose of shares which it may issue to its corporate officers and employees as well as those of companies with ties to Société de la Tour Eiffel, under the terms and conditions allowed for by law, especially as regards stock option plans, the free attribution of existing shares, and corporate or inter-company savings plans (*plan d'épargne d'entreprise/interentreprises*);
- dispose of shares for exchange if securities holders redeem or trade their securities or exercise the rights attached to convertibles, warrants, or any other security;
- dispose of shares on hand which may be held and subsequently traded or otherwise used to fund external growth operations (such as obtaining or increasing an equity stake in another company without exceeding the limits stipulated under Article L. 225-209 of the Commercial Code, as part of a merger, spin-off or equity participation);
- stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
- implement any new trading practices approved by the Autorité des Marchés Financiers (French markets regulator), and more generally, to perform any transaction that complies with current regulations.

The maximum number of shares that may be acquired under this authorisation is set at 10% of the total share capital, adjusted by any modifications made during the authorisation period and calculated in agreement with Article L. 225-209 of the Commercial Code.

The maximum purchase price is set at 90 (ninety) euros per share exclusive of fees on the basis of a nominal value of 5 euros per share.

The Board of Directors, with the authority to subdelegate entrusted it in accordance with the law, may adjust the aforementioned price in the event of the capitalisation of reserves or earnings, giving rise either to an increase in the nominal value of the shares or to the creation and granting of bonus shares, in the event of a stock nominal value split or a reverse stock split, and, more generally, in the event of transactions pertaining to equity capital, in order to take into account the consequences of these operations on the value of shares. The price would then be adjusted using a multiplier equal to the difference between the number of shares making up the capital before and after the operation.

The maximum amount that Société de la Tour Eiffel may attribute for share buybacks must not exceed 48.89 million euros (€ 48,890,000).

The acquisition, sale or transfer of these shares may be conducted by any means available on the market or over-the-counter under conditions defined by market regulators and in keeping with current regulations.

This authorisation is valid for a maximum term of eighteen months from this meeting date, and may be used if required during takeover or exchange within applicable legal and regulatory limits.

It cancels out any previous delegation of power having the same purpose.

The General Meeting confers full powers to the Board of Directors, with the authority to subdelegate entrusted it in accordance with the law, to decide and implement this authorisation; to specify its terms if necessary and decide on its modalities, with the power to delegate the performance of the purchase programme within legal conditions, notably to place any market orders, to conclude any agreements with the purpose of keeping stock registers, to make any declarations, especially to the Autorité des Marchés Financiers, to comply with all formalities, and more generally, to take any required steps.

II– BY DECISION OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

TWELFTH RESOLUTION

(modification to Article 12 of the articles of association)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report, resolves to set an individual age limit for Board Members, and limits this age to 72 years.

Consequently, the General Shareholders' Meeting resolves to add paragraph 3 to Article 12 of the articles of association, as follows:

"ARTICLE 12 Board Members serve for a term of three years.

The number of Board Members, whether individuals or permanent representatives of legal entities, aged 70 or over must not represent for more than half of the Board Members in term. If this proportion is exceeded and the Board of Directors undergoes no other resignation, death or appointment, the oldest Director must resign and will cease his or her functions at the end of the next General Shareholders' Meeting held to approve the financial statements.

(new:)

Individuals aged 72 and above may not be appointed as Board Members. Any Board Member who turns 72 while in term may serve out his or her term to the end of the mandate, or voluntarily resign.

The rest of the article remains unchanged.

THIRTEENTH RESOLUTION

(Overall delegation of power granted to the Board of Directors to (i) increase the share capital by the issue of any marketable securities with keeping of the pre-emptive subscription rights giving access, immediately or at a later date, to Company shares, or by the capitalisation of profits, premiums, reserves or others, and (ii) to issue marketable securities with a warrant for the acquisition of debt securities while keeping the pre-emptive subscription rights.

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-129 et seq. and L. 228-92 et seq. of the Commercial Code:

1- delegates to the Board of Directors all authority required to proceed with:

- (i) the share capital increase, at one time or in several instalments, while keeping the pre-emptive subscription rights, to the extent and at that time that it will deem fit:
 - a) through the issue of shares, warrants and/or marketable securities issued with or without cost, in euros or foreign currencies, regulated by Articles L 228-91 et seq. of the Commercial Code, giving immediate or delayed access, at any moment or on a precise date, to ordinary shares of the company through subscription, conversion, trade, redemption, presentation of a warrant, or any other means,
 - b) and/or by capitalisation of profits, premiums, reserves or other, where capitalisation into the capital would be legally and statutorily possible and by allocating bonus shares or raising the nominal value of existing shares.

- (ii) the issue, under the same conditions, of marketable securities with a warrant for the acquisition of debt securities regulated by Articles L 228-91 et seq. of the Commercial Code.
- 2- limits the term of the delegation of power to twenty-six months starting from the date of the current General Meeting.
- 3- resolves to set the limits of authorised issue amounts as follows, in the event that the Board of Directors uses its current delegation of power:
- (i) the total nominal amount of the capital increases, immediate or future, likely to be performed in application of this resolution must not exceed the overall ceiling of fifteen (15) million euros, to which must be added, if applicable, the additional nominal amount of shares issued to guarantee the rights of bearers of marketable securities giving the right to shares;
- (ii) the nominal value of marketable securities representing immediate and/or future borrowings likely to be issued by virtue of this delegation of power in accordance with Articles L 228-91 and L 228-92 of the Commercial Code is limited to one hundred and fifty (150) million euros or its foreign currency equivalent;
- 4- in the event that the Board of Directors uses the current delegation of power as part of the issues addressed in 1 (i) a) above:
- resolves that the issue or issues will be preferably reserved to shareholders who may subscribe new shares as of right,
 - nevertheless grants the Board of Directors the ability to offer a right to application for excess shares,
 - resolves that if the subscriptions to new shares as of right, and if applicable, the applications for excess shares, have not accounted for the entire share issue, the Board of Directors may use, under the conditions set by law and in the order it sees fit, either/both of the powers mentioned below:
 - limit the capital increase to the amount of subscriptions, on the condition that this amount reaches at least three quarters of the resolved increase,
 - freely allocate, in whole or in part, the unsubscribed shares issued,
 - publicly offer all or part of the unsubscribed shares issued, on the French and/or international stock exchanges;
 - resolves that the issues of warrants for subscription to company shares may be performed via a subscription offer under the conditions outlined above, but also through free attributions to holders of existing shares:
 - resolves that where equity subscription warrants are allocated, the Board of Directors will have the right to resolve that the fractional-share stock rights will be non-negotiable and that the corresponding securities will be sold;

- resolves as necessary that the present delegation of power gives rise to shareholders' expressly renouncing their pre-emptive subscription right for securities to be issued, to the benefit of bearers of securities to be issued,

5- resolves that the Board of Directors shall have all powers required to implement the current delegation of power, under the conditions stipulated by law, notably in order to determine the conditions for the issue, subscription and paying up of capital, to ensure that resulting capital increases occur, and to modify related articles of associations as needed, notably by:

- determining the dates and methods of issue, the way securities shall be paid up, and the type and form of securities to be created (including their possession date), including their seniority in the capital structure and whether or not they will be fixed-term,
- determining the conditions for the capital increase and/or share issue, particularly defining the amount of proceeds for the Company from each of the shares issued or to be issued under this authorisation ,
- determining the procedures by which the company may publicly acquire or trade any securities issued or to be issued at any moment or during predetermined periods,
- determining how much the nominal value of the shares will increase if the capital increase includes capitalisation of reserves, profits or share premiums,
- determining the procedures needed to exercise rights attached to shares, marketable securities giving access to equity, or debt securities yet to be issued; determining the procedures for exercising other rights, if applicable, such as conversion, trading, and redemption, including the remittance of Company's assets such as marketable securities already issued by the company,
- if debt securities are issued (including marketable securities with an attached right to obtain bonds as covered by Article L. 228-91 of the Commercial Code), determining: whether or not they will be subordinated and if so, their seniority in the capital structure; in what currency they will be issued; their coupon (especially whether a fixed, floating, or indexed rate, or a zero coupon); their maturity date (fixed or not); other procedures for issue and amortisation; the conditions under which these securities will bestow rights to equity of the Company and/or of companies in which it directly or indirectly holds a controlling stake and/or to the allotment of debt securities; as well as any changes to the procedures mentioned above throughout the life of the debt securities in question, in compliance with applicable formalities,
- if required, allowing for a right to suspend the exercise of rights attached to securities issued for a maximum period of up to three months,
- on its initiative alone, deducting the costs of the share capital increase from the related issue premiums and, from this amount, deducting the amount required to bring the legal reserve up to 10% of new capital after each increase;
- in accordance with the law and applicable contractual stipulations, proceeding with any adjustments intended to take into account the effect of transactions on the company's equity, and fixing procedures to ensure that the rights of holders of marketable securities with claims on equity are safeguarded, if need be,

- by exception to Article L. 225-96 of the Commercial Code, deciding that in the event of capitalisation of profits, premiums or reserves, the rights to fractions of shares will be non-negotiable and that the corresponding shares will be sold with sale proceeds being allocated to the rights holders 30 days at the latest after the date that the entire number of shares allocated will have been registered in their name,
- generally, enter into any agreement, take any measures and carry out any formalities required for the share issue, for the proper financial functioning of the securities issued by virtue of this delegation of power, and for the exercise of attached rights.

6- resolves that, in accordance with conditions set by law, the Board of Directors shall be able to subdelegate the powers conferred on it by virtue of this delegation of power to its Chairman, or with the latter's permission, to one of the Board Members.

The General Shareholders' Meeting resolves that this delegation of power invalidates any previous delegations of power with the same purpose.

FOURTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors to (i) increase the share capital by the issue of any marketable securities with the elimination of pre-emptive subscription rights giving access, immediately or at a later date, to Company shares and/or (ii) issue marketable securities with an attached right to obtain bonds without pre-emptive subscription rights)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 et seq. of the Commercial Code:

- 1- delegates to the Board of Directors full powers required to proceed with:
 - (i) the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access, at one time or in several instalments, at any moment or a precise date, to ordinary shares of the company, or giving access to equity of another company in which it directly or indirectly holds a majority stake, through subscription, conversion, trade, redemption, presentation of a warrant, or any other means, to the extent and at that time that it sees fit, on the French or international stock markets, through a public offering, in euros or in a foreign currency; it being specified that these securities may be issued:
 - a) as payment for any securities contributed to the Company in the context of an exchange offer meeting the conditions stipulated in Article L. 225-148 of the Commercial Code,
 - b) as payment for in-kind assets contributed to the Company consisting of equity securities or marketable securities giving access to equity, where the provisions of Article L. 225-148 of the Commercial Code are not applicable and up to the limit of 10% of the share capital, or

- (ii) by the issue, under the same conditions, of marketable securities with a warrant for the acquisition of debt securities regulated by Articles L. 228-91 et seq. of the Commercial Code.
- 2- limits the term of the delegation of power to twenty-six months from the date of the current meeting.
- 3- resolves to set the limits of authorised issue amounts as follows, in the event that the Board of Directors uses its current delegation of power:
- (i) the total nominal amount of the capital increases, immediate or future, which may be performed in application of this resolution must not exceed the overall ceiling of fifteen (15) million euros, to which must be added, if applicable, the additional nominal amount of the shares to be issued to guarantee the rights of bearers of marketable securities giving the right to shares;
 - (ii) the nominal value of marketable securities representing immediate and/or future borrowings which may be issued under this delegation of power in accordance with Articles L. 228-91 and L. 228-92 of the Commercial Code is limited to one hundred and fifty (150) million euros or its equivalent in foreign currency.
- 4- resolves to remove the shareholders' pre-emptive subscription right for securities that are the subject of the present resolution, namely, securities which may be issued by the Company proper or by a company in which it directly or indirectly holds a controlling stake. The Board of Directors may nevertheless grant shareholders preferential subscription rights which will not lead to the creation of negotiable rights but may be exercised proportionate to the number of shares held by each shareholder, and which may be supplemented by a subscription with fractional-share stock dividend rights. This will be done in accordance with Article L. 225-135 of the Commercial Code, for a set time period in accordance with procedures to be set in compliance with applicable legal and regulatory provisions, and concerning a given securities issue in whole or in part, with the understanding that following the period of preferential subscription, unsubscribed securities will be offered on the public stock exchanges in France and/or abroad and/or on the international markets.
- 5- resolves that in accordance with Article L. 225-136 of the Commercial Code, the issue price for shares, including those arising from the exercise of any marketable securities giving access to equity liable to be issued in application of this resolution, will be at least equal to the minimum authorised by current legislation, provided that the Board of Directors is recognised the possibility of setting the issue price for transactions concerning less than 10% shareholders' equity per year, under the conditions allowed for in the sixteenth resolution.
- 6- resolves as necessary that the present delegation of power gives rise to shareholders' expressly renouncing their pre-emptive subscription right for securities to be issued, to the benefit of bearers of securities to be issued,
- 7- resolves that the Board of Directors shall have the full powers required to implement the current delegation of power, under the conditions stipulated by law, notably in order to determine the conditions for the issue, subscription and paying up of capital, to ensure that resulting capital increases occur, and to modify related articles of association as needed, notably by:

- determining the dates and methods of issue, the way securities shall be paid up, and the type and form of securities to be created (including their possession date), including their seniority in the capital structure and whether or not they will be fixed-term,
- determining the conditions for the capital increase and/or share issue, and particularly defining the amount of proceeds to the Company from each of the shares issued or to be issued under this authorisation,
- determining the procedures by which the company may publicly acquire or trade the securities issued or to be issued, if applicable, at any moment or during predetermined periods,
- determining the procedures for exercising rights attached to shares, marketable securities giving access to equity, or debt securities yet to be issued; determining the procedures for exercising other rights, if applicable, such as conversion, trading, and redemption, including the remittance of Company assets such as marketable securities already issued by the Company,
- if debt securities are issued (including marketable securities with an attached right to obtain bonds as covered by Article L. 228-91 of the Commercial Code), determining: whether or not they will be subordinated and their seniority in the capital structure; in what currency they will be issued; their coupon (especially whether a fixed, floating, or indexed rate, or a zero coupon); their maturity date (fixed or not); other procedures for issue and amortisation; the conditions under which these securities will bestow rights to equity of the Company and/or of companies in which it directly or indirectly holds a controlling stake and/or to the allotment of debt securities; as well as any changes to the procedures mentioned above throughout the life of the debt securities in question, in compliance with applicable formalities,
- if required, allowing for a right to suspend the exercise of rights attached to securities issued for a maximum period of up to three months,
- more particularly, in the case of a securities issue to pay for securities contributed in an exchange offer:
 - drawing up the list of securities tendered in the exchange,
 - determining the issue conditions, exchange ratio and equalisation cash payment to be made,
- determining the issue procedures for an exchange offer, alternative acquisition or exchange offer, or public takeover or exchange bid accompanied by a subsidiary exchange offer or takeover bid,
- in accordance with the law and applicable contractual stipulations, proceeding with any adjustments intended to take into account the effect of transactions on the Company's equity, and fixing procedures to ensure that the rights of holders of marketable securities giving access to equity are safeguarded, if need be,
- on its initiative alone, deducting the costs of the share capital increase from the related issue premiums and, from this amount, deducting the amount required to bring the legal reserve up to 10% of the new capital after each increase,

- generally, entering into any agreement, taking any measures and carrying out any formalities required for the share issue, and the proper financial functioning of the securities issued by virtue of this delegation of power, and for the exercise of attached rights.

8- resolves that, in accordance with conditions set by law, the Board of Directors shall be able to sub delegate the powers conferred on it by virtue of this delegation of power to its Chairman, or with the latter's consent, to one of the Board Members.

The General Shareholders' Meeting resolves that this delegation of power invalidates any previous delegations of powers with the same purpose.

FIFTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors in order to increase share capital through an issue, while eliminating pre-emptive subscription rights, through offers of any marketable securities giving access to Company shares immediately or at a later date, reserved to qualified investors and/or a limited circle of investors)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-129-2, L. 225-135, L. 225-136 , L. 228-91 et seq. of the Commercial Code:

- 1- delegates to the Board of Directors full powers required to proceed with:
 - (i) the capital increase by issuing, for qualified investors and/or a limited circle of investors, shares, warrants and/or marketable securities, giving immediate or delayed access, at any moment or a precise date, to ordinary shares of the company, at one time or in several instalments, to the extent and at that time that it sees fit, on the French or international stock markets, in euros or in a foreign currency, through subscription, conversion, trade, redemption, presentation of a warrant, or any other means, with the understanding that these securities to be issued are limited to 10% of the share capital for the purpose of paying for contributions in kind made to the Company and consist of equity securities or marketable securities giving access to equity where the provisions of article L. 225-148 of the French Commercial Code do not apply, or
 - (ii) or by the issue, under the same conditions, of marketable securities with a warrant for the acquisition of debt securities regulated by Articles L 228-91 et seq. of the Commercial Code.

- 2- limits the term of the authorisation to twenty-six months from the date of the current meeting.

- 3- resolves to set the limits of authorised issue amounts as follows, in the event that the Board of Directors uses its current delegation of powers:

- (i) the total nominal amount of the capital increases, immediate or future, which may be performed in application of this resolution may not exceed the overall ceiling of seven (7) million euros, to which must be added, if applicable, the additional nominal amount of the shares to be issued to guarantee the rights of bearers of marketable securities giving the right to shares;
- (ii) the nominal value of marketable securities representing immediate and/or future borrowings which may be issued by virtue of this delegation of power in accordance with Articles L. 228-91 and L. 228-92 of the Commercial Code is limited to one hundred and fifty (150) million euros or its equivalent in foreign currency;
- (iii) the total nominal amount of the capital increases which may be performed in application of this resolution must not annually exceed 20% of shareholders' equity as at the date of using this authorisation;

4- resolves to remove the shareholders' pre-emptive subscription right for securities that are the subject of the present resolution, namely, securities which may be issued by the Company proper or by a company in which it directly or indirectly holds a controlling stake, for the benefit of qualified investors and/or a limited circle of investors,

5- resolves that in accordance with Article L. 225-136 of the Commercial Code, the issue price for shares, including those arising from the exercise of any marketable securities giving access to equity liable to be issued in application of this resolution, will be at least equal to the minimum authorised by current legislation, provided that the Board of Directors is recognise dthe possibility of setting the issue price for transactions concerning less than 10% shareholders' equity each year, under the conditions allowed for in the sixteenth resolution.

6- resolves as necessary that the present delegation of power require shareholders to expressly renounce their pre-emptive subscription right for securities to be issued in favour of bearers of securities to be issued,

7- resolves that the Board of Directors shall have full powers to implement the current delegation of powers, under the conditions stipulated by law, notably in order to determine the conditions for the issue, subscription and paying up of capital, to ensure that resulting capital increases occur, and to modify related articles of associations as needed, notably by:

- determining the dates and methods of issue, the way securities shall be paid up, and the type and form of securities to be created (including their possession date), including their seniority in the capital structure and whether or not they will be fixed-term,
- determining the conditions for the capital increase and/or share issue, and particularly defining the amount of proceeds for the Company from each of the shares issued or to be issued under this authorisation,
- determining the procedures by which the company may publicly acquire or trade any securities issued or to be issued at any moment or during predetermined periods,

- determining the procedures needed to exercise rights attached to shares, marketable securities giving access to equity, or debt securities yet to be issued; determining the procedures for exercising other rights, if applicable, such as conversion, trading, and redemption, including the remittance of Company assets such as marketable securities already issued by the company,
- if debt securities are issued (including marketable securities with an attached right to obtain bonds as covered by Article L. 228-91 of the Commercial Code), determining: whether or not they will be subordinated and their seniority in the capital structure; in what currency they will be issued; their coupon (especially whether a fixed, floating, or indexed rate, or a zero coupon); their maturity date (fixed or not); other procedures for issue and amortisation; the conditions under which these securities will bestow rights to equity of the company and/or of companies in which it directly or indirectly holds a controlling stake and/or to the allotment of debt securities; as well as any changes to the procedures mentioned above throughout the life of the debt securities in question, in compliance with applicable formalities,
- if required, allowing for a right to suspend the exercise of rights attached to securities issued for a maximum period of up to three months,
- in accordance with the law and applicable contractual stipulations, proceeding with any adjustments intended to take into account the effect of transactions on the Company's equity, and fixing procedures to ensure that the rights of holders of marketable securities giving access to equity are safeguarded, if need be,
- on its initiative alone, deducting the costs of the share capital increase from the related issue premiums and, from this amount, deducting the amount required to bring the legal reserve up to 10% of the new capital after each increase,
- generally, entering into any agreement, taking any measures and carrying out any formalities required for the share issue, and the proper financial functioning of the securities issued by virtue of this delegation of power, and for the exercise of attached rights.

8- resolves that, in accordance with conditions set by law, the Board of Directors may subdelegate the powers conferred on it by virtue of this delegation of power to its Chairman, or with the latter's consent, to one of the Board Members.

The General Shareholders' Meeting resolves that this delegation of power invalidates any previous delegation with the same purpose.

SIXTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors, in the event of an issue of shares of marketable securities giving access to equity without shareholders' pre-emptive subscription rights, to set the issue price according to the procedures determined by the General Shareholders' Meeting, up to a limit of 10% of the company's share capital)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with Article L. 225-136 of the Commercial Code,

authorises the Board of Directors, when implementing the fourteenth and/or fifteenth resolution(s), to make an exception to the pricing conditions as stipulated in the Commercial Code, and to set share prices according to the following procedures:

- a) the issue price for Company shares must not be less than the average market value of the three days of trading prior to the determination of the issue price, plus potentially an additional discount of up to 20% maximum;
- b) the issue price for marketable securities giving access to equity will be determined in such a way that the amount immediately received by the Company, increased, if required, by the amount which may be later received by the Company, will amount, for each share issued through this issue of marketable securities, at least equal to the amount outlined in paragraph a) above.

The total nominal amount of the capital increase resulting from the implementation of this resolution may not exceed 10% of shareholders' equity per 12-month period, with the understanding that the amount of capital increases performed by virtue of this resolution will be deducted from the capital increase ceiling set in the seventeenth resolution.

This delegation of powers is granted for a period of twenty-six (26) months effective from the date of the current General Meeting.

The General Shareholders' Meeting resolves that this delegation of power shall prevail over any previous delegation with the same purpose.

SEVENTEENTH RESOLUTION

(Overall ceiling applicable to capital increases and to the issue of marketable debt securities on delegation of power)

The General Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report:

- resolves that the total nominal amount of the capital increases which may be performed in application of the resolutions granting delegation of power passed by this General Meeting under conditions of quorum and majority required for special shareholders' meetings, may not exceed the overall ceiling of fifteen (15) million euros, to which must be added, if applicable, the additional nominal amount of the shares to be issued to guarantee the rights of bearers of marketable securities giving the right to shares, under law,
- resolves that the nominal value of marketable debt securities giving access to company equity which may be issued by virtue of the resolutions of this General Meeting granting delegation of power is limited to one hundred and fifty (150) million euros, which may be designated in euros or in any other foreign currency.

EIGHTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors to increase the amount of the initial issue, in the event of a share issue with maintenance or removal of shareholders' pre-emptive subscription rights as resolved in application of the thirteenth, fourteenth and fifteenth resolutions)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with Article L. 225-135-1 of the Commercial Code, authorises the Board of Directors, for a period of 26 months, with powers of subdelegation to any person authorised by law, to decide on each of the share issues resolved in application of the thirteenth, fourteenth and fifteenth resolutions, to increase the number of ordinary shares and marketable securities to be issued, with powers of delegation to any person authorised by law, when the Board of Directors observes an excess demand under the conditions of Articles L. 225-135-1 and R. 225-118 of the Commercial Code, up to the ceiling outlined in the seventeenth resolution.

The General Shareholders' Meeting resolves that this delegation of power invalidates any previous delegation with the same purpose.

NINETEENTH RESOLUTION

(Authorisation to be granted to the Board of Directors in order to increase the capital while removing shareholders' pre-emptive subscription rights in favour of corporate officers and employees, as per the provisions of Articles L. 225-129-6 of the Commercial Code and L. 3332-18 of the Labour Code.)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions Articles L. 225-138 and L. 225-129-6 of the Commercial Code, authorises the Board of Directors, for a period of five years from the date of the current General Meeting, to proceed with capital increases, as provided for in Articles L. 225-138 of the Commercial Code and L. 3332-8 and 3332-19 of the Labour Code, reserved to the corporate officers and employees of the Company and of its affiliates as defined in current legislation, who are enrolled in a medium- or long-term company savings plan (*plan d'épargne d'entreprise* or *plan partenarial d'épargne salariale volontaire*) to a maximum nominal amount of one (1) million euros.

The General Shareholders' Meeting resolves that the price set for the subscription of shares by beneficiaries will be determined by the Board of Directors within limits set by current legislation.

The General Shareholders' Meeting notes that these resolutions cause shareholders to give up their pre-emptive subscription rights in favour of the corporate officers and employees for whom the capital increase is reserved, and grants full powers to the Board of Directors to determine all terms and conditions for the transactions, including:

- choosing and fixing the subscription opening and closing dates, and the issue price for shares,
- determining the number of new shares to be issued,

- observing the progress of capital increases, modifying the Company's articles of association accordingly, and generally taking all required and practical steps as authorised by current laws and regulations.

The General Shareholders' Meeting resolves that, in accordance with conditions set by law, the Board of Directors shall be able to subdelegate the powers conferred on it by virtue of this authorisation to its Chairman, or with the latter's consent, to one of the Board Members.

The General Shareholders' Meeting resolves that this delegation of power invalidates over any previous delegation with the same purpose.

TWENTIETH RESOLUTION

(Authorisation to be granted to the Board of Directors to award stock subscription or stock purchase options to replace expired options)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of the Commercial Code, notably Articles L. 225-177 to L. 225-185:

- 1- Having heard the Board of Directors' note that the following stock subscription or stock purchase options granted by the Board of Directors have expired pursuant to the allottees' renunciation to the benefit of their options:
 - options granted on 22 March 2006 (Plan 2) as authorised by the Special General Meeting of 12 May 2005: 29,954 expired options out of the 29,594 stock subscription options exercisable, after adjustment, at the unit price of 80.73 euros after adjustment
 - options granted on 17 May 2006 (Plan 3) as authorised by the Special General Meeting of 12 May 2005: 7,080 expired options out of the 9,603 stock subscription options exercisable, after adjustment, at the unit price of 84.59 euros after adjustment
 - options granted on 14 September 2006 (Plan 4) as authorised by the Special General Meeting of 17 May 2006: 133,661 expired options out of the 135,064 stock subscription options exercisable, after adjustment, at the unit price of 96.41 euros after adjustment
 - options granted on 29 March 2007 (Plan 5) as authorised by the Special General Meeting of 17 May 2006: 23,043 expired options out of the 23,403 stock subscription options exercisable, after adjustment, at the unit price of 119.96 euros after adjustment
 - options granted on 16 October 2007 (Plan 6) as authorised by the Special General Meeting of 29 March 2007: 26,391 expired options out of the 26,931 stock purchase options exercisable, after adjustment, at the unit price of 111.15 euros after adjustment;
- 2- authorises the Board of Directors to grant options, in one or several instalments, to the beneficiaries hereafter indicated, conferring the right to subscribe new company shares to be issued as part of a capital increase or conferring the right to purchase existing shares of the aforementioned company arising from buybacks performed under conditions as prescribed by law,
- 3- limits the term of the authorisation to thirty-eight months from the date of the current meeting.

4- resolves that the beneficiaries of these options may solely be:

- employees, or certain among them or certain categories of staff,
- the Corporate Officers as defined by law, or certain among them, of either the Company itself or any French or foreign companies or economic interest groups directly or indirectly affiliated with it, under the terms of article L.225-180 of the French Commercial Code,

5- resolves that the total number of options thus proposed must not grant the right to subscribe or purchase a number of shares equivalent to more than two (2) % of the share capital.

6- resolves that, where stock subscription options are granted, the stock subscription price will be determined on the day that the options are granted by the Board of Directors and must be no less than the average of the closing stock price quotations of the former share over the twenty trading sessions previous to the day when the stock subscription options were awarded,

7- resolves that, where stock subscription options are granted, the stock subscription price will be determined on the day that the options are granted by the Board of Directors and must be neither less than the average of the closing stock price quotations of the former share over the twenty trading sessions previous to the day when the stock subscription options were awarded, nor less than 80% of the average market price for shares held by the Company under Articles L. 225-208 and/or L. 225-209 of the Commercial Code. However, no stock subscription or purchase option may be granted (i) fewer than 20 trading days after a coupon giving rights to a dividend or a pre-emptive subscription right to a capital increase has been detached from the shares; (ii) within the 10 trading days preceding or following the date on which the consolidated accounts, or if not applicable, the annual financial statements are publicised; or (iii) within the period of time between the date on which the corporate bodies have become aware of a piece of information which, if made public, could have a significant impact on the company share price and the 10 trading days following the date on which the information is made public.

8- agrees that pursuant to Article L. 225-178 of the Commercial Code, this authorisation implies that shareholders express renunciation of their pre-emptive subscription right to shares which will be issued as the options are exercised in favour of beneficiaries of stock subscription options,

9- resolves that the Board of Directors shall have full powers required to implement the current authorisation, under the conditions stipulated by law, notably in order to:

- determine the conditions in which the stock options will be granted and determine the list and categories of options holders as provided for above; make decisions concerning conditions under which the price and number of shares may be adjusted, notably, according to the various scenarios provided for under Articles R. 225-137 to R. 225-142 of the Commercial Code; determine the exercise period or periods for the options granted, with the understanding that the term of the options may not exceed eight years following the date on which they are granted,
- determine the quantity of shares issued from options which senior executives must keep registered until the end of their functions,
- allow for a right to temporarily suspend the exercise of options for a maximum period of up to three months, where financial transactions exercising a right attached to a share are performed; perform or have performed all acts and formalities required to make the capital increase(s) which may be performed by virtue of the authorisation outlined in this resolution definitive; modify the articles of

association accordingly and generally take any and all necessary steps; on its initiative alone, if it is deemed necessary, deduct the costs of the share capital increase from the related issue premiums and, from this amount, deduct the amount required to bring the legal reserve up to 10% of the new capital after each increase,

10- resolves that this authorisation invalidates over the unused portion of any previous authorisation relative to the Board of Directors' right to grant stock subscription options,

11- resolves that, in accordance with conditions set by law, the Board of Directors shall be able to subdelegate the powers conferred on it by virtue of this authorisation to its Chairman, or with the latter's consent, to one of the Board Members.

TWENTY-FIRST RESOLUTION

(Authorisation granted to the Board of Directors to award bonus shares up to a percentage of 0.5% of equity)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for special shareholders' meetings, and having heard the Board of Directors' report and the statutory auditors' special report, and in accordance with the provisions of Articles L. 225-197-1 et seq. of the Commercial Code, and noting that shareholders' equity is entirely paid in, authorises the Board of Directors to proceed with a allocation of bonus shares that are already existing or that will be issued up to a limit of 0.5% (zero point five percent) of the share capital as it stands on the date of allocation, for certain corporate officers and/or employees of the Company or of the subsidiaries of its choice, and provided that legal allocation conditions are met. This authorisation may be used by the Board of Directors for a maximum period of thirty-eight months.

The allocation of shares to their beneficiaries will be definitive at the end of a purchase period lasting a minimum of two years. The beneficiaries must hold their shares for a minimum period of two years counting from the final allocation of the same.

The right resulting from the allocation of bonus shares will not be transferable until the end of the two-year purchase period. In the event of the beneficiary's death, his or her heirs may demand allocation of the shares within a six-month period following the death, and the shares will be freely transferable as stipulated by law.

If the allocation of bonus shares proceeds from an issue of new shares, the latter will be issued at par and paid up by drawing on the company reserves, through shareholders' renunciation to earnings on these new shares in favour of capitalised reserves.

The General Meeting confers full powers to the Board of Directors, with the authority to subdelegate under the law and the limits outlined above, to specify the terms and conditions of its performance, namely:

- draw up the list of beneficiaries,
- determine the conditions under which bonus shares will be allocated, as well as the number of shares to be allocated to each beneficiary,
- determine the length of purchase and holding periods in compliance with the above-determined minima,

- determine the quantity of bonus shares which senior executives must hold until the end of their functions,
- define the characteristics of rights arising from the allocation of bonus shares, notably concerning dividends or interim dividends paid out during the purchase period,
- observe any capital increase(s) resulting from the allocation of bonus shares, perform or have performed all acts and formalities required, modify the articles of association accordingly, and generally take any and all necessary steps.

The General Shareholders' Meeting resolves that this delegation of power invalidates any previous delegation with the same purpose.

TWENTY-SECOND RESOLUTION

(Delegation of Power to be granted to the Board of Directors to reduce shareholders' equity in accordance with Article L.225 -209 of the Commercial Code)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for special shareholders' meetings, in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-209 of the Commercial Code, and having heard the Board of Directors' report and the statutory auditors' special report:

- 1- resolves to authorise the Board of Directors, with the authority to subdelegate entrusted it in accordance with the law, to reduce shareholders' equity in one or several instalments at such times as it sees fit, by cancelling shares that the Company holds or could purchase through a share buyback programme decided on by the Company,
- 2- resolves that the Board of Directors may use this delegation of powers for a period of eighteen (18) months effective from the date of the current General Meeting,
- 3- specifies that, in accordance with the law, the capital reduction may not affect more than 10% of the share capital in any given period of twenty-four (24) months,
- 4- grants the broadest possible powers to the Board of Directors, with the authority to subdelegate entrusted it in accordance with the law, to decide on the terms for cancelling shares, to carry the difference between the book value of cancelled shares and their nominal value over to reserves or premiums, to modify the articles of association as required by this authorisation and to perform any and all necessary formalities.

TWENTY-THIRD RESOLUTION

(powers to effect formalities)

The General Meeting gives full powers to the bearer of an original, a copy or an excerpt of the minutes of this meeting in order to carry out any and all necessary formalities.

8 - APPENDICES TO THE MANAGEMENT REPORT

8.6 – 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 at its meeting held on 4 March 2009 to give sureties, guarantees and other warranties up to a total cap of € 500m.

This authorisation was given for a one-year term.

8 - APPENDICES TO THE MANAGEMENT REPORT

8.7 – Summary table of delegations of powers in respect of capital increases

Authorisation granted	Use
<p>I - Overall authorisation granted to the Board of directors to increase the share capital keeping pre-emptive subscription rights</p> <p>On 29 March 2007, the Special General Meeting of Shareholders, under its 12th 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 shares in the Company, and/or by capitalisation of profits, premiums, reserves or other, where capitalisation into the capital would be legally and statutorily possible and by allocating bonus 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 ceiling € 150 million.</p>	<p>The Extraordinary Shareholders' Meeting on 14 May 2009 resolved to end the unexpired delegations of power granted to the Board of Directors to increase the share capital by issuing any and all marketable securities pursuant to the twelfth, thirteenth, fourteenth, fifteenth and sixteenth resolutions of the general shareholders' meeting held on 29 March 2007.</p> <p>This authorisation was not used before 14 May 2009.</p>
<p>II Overall authorisation granted to the Board of directors to increase the share capital eliminating pre-emptive subscription rights</p> <p>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 ceiling: € 150 million.</p>	<p>The Extraordinary Shareholders' Meeting held on 14 May 2009 resolved to end the unexpired delegations of power granted to the Board of Directors to increase the share capital by issuing any and all marketable securities pursuant to the twelfth, thirteenth, fourteenth, fifteenth and sixteenth resolutions of the general shareholders' meeting held on 29 March 2007.</p> <p>This authorisation was not used before 14 May 2009.</p>

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 shall 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 (1)
- to Mr. Robert Waterland options granting him the right to buy 6,488 shares (1)
- to Mr. Jérôme Descamps options giving him the right to buy 6,488 shares (1)
- to Mr. Frédéric Maman options giving him the right to buy 6,487 shares (1)

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 (1)
- to Mr. Robert Waterland options granting him the right to subscribe 8,500 shares (1)
- to Mr. Jérôme Descamps options giving him the right to subscribe 4,482 shares (1)
- to Mr. Frédéric Maman options giving him the right to subscribe 4,483 shares (1)

The meeting of the Board of 15 October 2009 decided to allocate the following options to subscribe shares:

- to Mr. Mark Inch options granting him the right to subscribe 8,583 shares
- to Mr. Robert Waterland options granting him the right to subscribe 8,582 shares
- to Mr. Jérôme Descamps options giving him the right to subscribe 5,000 shares
- to Mr. Frédéric Maman options giving him the right to subscribe 5,000 shares

<p>IV - Authorisation granted to the Board of Directors to award bonus shares</p> <p>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 corporate officers and/or employees of the Company or its subsidiaries of its choice, 60,000 bonus shares either existing or to be issued over a period of three years.</p> <p>Term of the delegation: thirty-eight months.</p>	<p>Use:</p> <p>The meeting of the Board of 16 October 2007 decided to allocate the following bonus shares:</p> <ul style="list-style-type: none"> - to Mr. Mark Inch 3,000 shares, - to Mr. Robert Waterland 3,000 shares, - to Mr. Jérôme Descamps 800 shares, - to Mr. Frédéric Maman 800 shares, - to employees of the Awon Asset Management company, 950 shares. <p>Provided the amount of the dividend which will be approved at the time of the next annual general meeting is as forecast.</p> <hr/> <p>The Board of Directors on 29 July 2008 decided to award the following bonus shares:</p> <ul style="list-style-type: none"> - to Mr. Mark Inch 5,000 shares, - to Mr. Robert Waterland 5,000 shares, - to Mr. Jérôme Descamps 1,300 shares, - to Mr. Frédéric Maman 1,300 shares, - to employees of the Awon Asset Management company, 1,621 shares. <p>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.</p>
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(1) The distribution of part of the share premium decided by the general shareholders' meeting held on 15 October 2009 led to the adjustment by the Board of the number of share subscription or purchase options previously granted to directors and/or employees. This adjustment was based on the parity resulting from the following calculation:

Value of share before distribution less the amount distributed

Value of share before distribution

It being specified that:

- the share value is equal to the average of the last five trading days preceding the date of distribution,
- the date of distribution of the share premium is 27 October 2009,

such that the total price of subscription or purchase remains constant.