



SOCIÉTÉ DE LA  
**TOUR EIFFEL**

**2009**

**CORPORATE FINANCIAL  
STATEMENTS**

Société anonyme au capital de 27.165.180 euros  
Siège social : 20-22 rue de la Ville l'Evêque - 75008 PARIS  
572 182 269 RCS PARIS

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# BALANCE SHEET – ASSETS

euros

	31/12/2009			31/12/2008	See notes
	Gross	Impairments	Net	Net	
<b>PROPERTY, PLANT AND EQUIPMENT</b>					
<b>Intangible fixed assets</b>					
Concessions, patents, licences, software	12,005		12,005	9,784	A
<b>Tangible fixed assets</b>					
Land	10,966,696		10,966,696	10,966,696	A
Buildings	19,314,374	1,344,154	17,970,220	18,572,055	A
Other tangible fixed assets	13,601	7,553	6,049	9,552	A
Construction work in progress	28,458		28,458		A
<b>Long-term investments (1)</b>					
Equity interests	257,301,947	11,993,510	245,308,437	261,346,538	A / G / H / FS 4
Dividends owed on equity interests	52,547,089		52,547,089	58,891,653	A / B / G
Other long-term investments					A
	<b>340,184,170</b>	<b>11,993,510</b>	<b>326,838,953</b>	<b>349,796,279</b>	
<b>CIRCULATING ASSETS</b>					
<b>Stocks and in-process</b>					
Advances and down payments on orders	74,694		74,694	23,621	
<b>Receivables (2)</b>					
Trade and related receivables	2,006,127		2,006,127	2,369,162	B / G
Other receivables	54,772,420		54,772,420	43,827,887	B / G
<b>Marketable securities</b>					
Treasury share <sub>s</sub>	7,470,263	2,421,819	5,048,444	4,379,142	F
Other bond <sub>s</sub>	1,113,561		1,113,561	14,013,767	F
<b>Cash in hand and at bank</b>	639,247		639,247	2,799,900	
Prepaid expenses (2)	533,247		533,247	634,759	B / D
	<b>66,609,559</b>	<b>2,421,819</b>	<b>64,187,740</b>	<b>68,048,238</b>	
Expenses amortised over several years	123,528		123,528	292,087	€ / O
<b>GRAND TOTAL</b>	<b>406,917,257</b>	<b>15,767,036</b>	<b>391,150,221</b>	<b>418,136,603</b>	
<i>(1) Including those at less than one year (gross)</i>					
<i>(2) Including those at more than one year (gross)</i>					

# BALANCE SHEET – LIABILITIES

euros

	31/12/2009	31/12/2008	See notes
	Net	Net	
<b>SHAREHOLDERS' EQUITY</b>			
Capital (of which paid: 27,165,180)	27,165,180	249,264,144	I / FS 3
Issue, merger and acquisition premiums	35,897,847	42,652,927	IC 4
Reserves:			
- Legal reserve	5,550,819	4,141,781	
- Other reserves	223,817,931	518,802	
Retained earnings	3,301,198	1,993,279	
<b>Net profit for the year (profit or loss)</b>	<b>(10,666,955)</b>	<b>28,180,742</b>	
Interim dividend <sub>s</sub>		(17,820,390)	
	<b>285,066,019</b>	<b>308,931,286</b>	N
<b>OTHER EQUITY CAPITAL</b>			
<b>PROVISIONS FOR CONTINGENCIES AND LOSSES</b>			
Provisions for losses		969,695	J
		<b>969,695</b>	
<b>DEBTS (1)</b>			
Borrowings and debt owed to credit institutions (2)	90,877,159	86,787,543	K
Borrowings and financial debts	12,117,155	17,163,521	K / M
Trade and related payables	1,792,332	2,578,485	K / M
Tax and social security liabilities	431,518	557,695	K
Payables to fixed asset suppliers and related accounts	45,982	484,502	
Other debts	419,495	275,378	K / M
Prepaid income	400,561	388,498	P
	<b>106,084,201</b>	<b>108,235,622</b>	
<b>GRAND TOTAL</b>	<b>391,150,221</b>	<b>418,136,603</b>	
<i>(1) Including those at more than one year (a)</i>	<i>12,841,426</i>	<i>85,689,651</i>	
<i>(1) Including those at less than one year (a)</i>	<i>93,264,775</i>	<i>22,545,971</i>	
<i>(2) Including current bank loans and bank credit balances</i>			

*(a) With the exception of down payments and advances on purchase orders.*

# INCOME STATEMENT

euros

	31/12/2009			31/12/2008	See notes
	France	Abroad	Total	Total	
<b>Operating income (1)</b>					
Production sold (services)	7,409,723		7,409,723	6,537,292	
<b>Net turnover</b>	<b>7,409,723</b>		<b>7,409,723</b>	<b>6,537,292</b>	Q
Capitalised production				773,651	
Reversal of provisions and expense reclassification <sub>s</sub>			31,000	124,275	S
Other income			4	608	
			<b>7,440,727</b>	<b>7,435,826</b>	
<b>Operating expenses (2)</b>					
Other purchases and external expenses (a)			7,087,585	7,830,993	T
Taxes, duties and similar payments			287,341	454,400	
Wages and salaries			720,000	3,695,685	IC 2
Social security withholding payments			217,400	238,323	
Allocations to amortisation and provisions:					
- Amortisation of fixed assets			843,502	663,736	R
Other expenses			110,013	140,097	
			<b>9,265,841</b>	<b>13,023,234</b>	
<b>OPERATING RESULT</b>			<b>(1,825,114)</b>	<b>(5,587,408)</b>	
<b>Financial income</b>					
From equity interests (3) 4			16,104,027	43,568,577	
From other marketable securities and fixed asset receivables (3)				53,834	
Other interest and related income			439,878	1,235,432	
Recoveries on write-downs, provisions and expense transfer			4,157,935	542,132	
Realised gains on foreign exchange			6	7	
Net proceeds from the sale of marketable securities			165,792	161,408	
			<b>20,867,639</b>	<b>45,561,389</b>	
<b>Financial expenses</b>					
Allocations to amortisation, impairment and provision <sub>s</sub>			14,415,329	4,157,934	J
Interest and similar charges (4)			10,924,371	7,189,839	
Realised losses on foreign exchange			13	13	
Net losses on the sale of marketable securities			314,206	493,265	
			<b>25,653,920</b>	<b>11,841,051</b>	
<b>NET FINANCIAL INCOME</b>			<b>(4,786,281)</b>	<b>33,720,338</b>	
<b>CURRENT PRE-TAX EARNINGS</b>			<b>(6,611,395)</b>	<b>28,132,190</b>	

## INCOME STATEMENT (Continued)

	euros		See notes
	31/12/2009	31/12/2008	
	Total	Total	
<b>Extraordinary income</b>			
On capital transactions	9,350,000	15	FS 1-2
Reversal of provisions and expense reclassifications		969,695	J
	<b>9,350,000</b>	<b>969,710</b>	
<b>Extraordinary expenses</b>			
On management transactions	35		
On capital transactions	13,423,525	42,203	FS 1-2
Allocations to amortisation and provision <sub>s</sub>		969,695	J
	<b>13,423,560</b>	<b>1,011,897</b>	
<b>EXTRAORDINARY RESULT</b>	<b>(4,073,560)</b>	<b>(42,188)</b>	
Income tax	<b>(18,000)</b>	<b>(90,000)</b>	IC 6.3
<b>Total income</b>	<b>37,658,366</b>	<b>53,966,925</b>	
<b>Total expenses</b>	<b>48,325,321</b>	<b>25,786,183</b>	
<b>NET PROFIT (LOSS)</b>	<b>(10,666,955)</b>	<b>28,180,742</b>	
<i>(a) Including:</i>			
- <i>Equipment leasing instalments</i>			
- <i>Property leasing instalments</i>			
(1) <i>Including income relating to previous financial years</i>			
(2) <i>Including expenses relating to previous financial years</i>			
(3) <i>Including income relating to affiliated entities</i>	16,104,027	43,568,577	
(4) <i>Including interest relating to affiliated entities</i>	4,056,988	2,314,121	

# APPENDIX

## GENERAL INFORMATION

The main corporate purpose of Société de la Tour Eiffel is to acquire or construct buildings to rent out, and to hold direct or indirect equity stakes in corporate bodies having the exact same purpose.

### **Choice of status as a Société d'Investissements Immobiliers Cotée (SIIC)**

On 15 April 2004, the company opted for the status of Société d'Investissements Immobiliers Cotée (SIIC) effective on 1 January 2004.

## IMPORTANT FACTS

### **1. Capital transactions**

#### 1.1 Share capital reduction by decreasing the stock's nominal value

On 10 June 2009, the Board of Directors reduced the share capital as authorised by the Special Shareholders' Meeting of 14 May 2009. The share capital was reduced by € 223,299,129 by decreasing the stock's nominal value from € 48 to € 5. The capital reduction amount of € 223,299,129 was allocated to a special reserve that may only be used to write off losses or to build share capital.

#### 1.2 Option to pay out the remainder of the 2008 dividend in shares

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

shares were issued at a price of € 21.34 corresponding to 90% of the average closing price of the twenty trading sessions previous to the decision of the shareholders.

Shareholders representing 3,454,799 shares opted for receiving the remaining 2008 dividend in stock and a cash payment of € 59,894 was made to the shareholders.

## **2. Impairment of securities**

On 31 December 2009, Société de la Tour Eiffel recorded an impairment on securities issued by SCI Duranne Sud and SAS Locafimo. The impairments were € 717,510 and € 11,276,000 respectively.

## **3. Acquisitions and divestments of fixed assets**

### **3.1 Investment property**

The Company did partial waterproofing work on the building at St Cloud at year-end 2009. This work was billed at € 28,458 as of December 2009. The work will be completed during the 2010 financial year.

### **3.2 Securities portfolio**

On 13 October 2009, Société de la Tour Eiffel acquired an additional share in SCI Massy Campus 2 from SCI 153 Avenue Jean Jaurès for € 10.

On 19 October 2009, Société de la Tour Eiffel dissolved SCI Massy Campus 2 without liquidation, thereby transferring all of the Massy Campus 2's business assets to the sole partner. A € 3,920 premium was recorded as financial income.

On 19 November 2009, Société de la Tour Eiffel acquired an additional share in SCI Vélizy Topaz from SCI 153 Avenue Jean Jaurès for € 9,350.

On 30 November 2009, Société de la Tour Eiffel contributed full ownership of its equity stake of 1,000 shares of Vélizy Topaz fully paid up for € 9,350,000. This capital contribution was made based on the net book value of the shares at 30 September 2009. The Company recorded a € 4,052,951 capital loss under the extraordinary result.

In exchange for this contribution, Société de la Tour Eiffel WAS granted full ownership of 149,600 new shares of Locafimo worth € 1.40 each with a premium of € 61.10 per share.

#### **4. Share purchase or subscription plans and bonus share plans**

On 31 December 2009, Société de la Tour Eiffel held 92,594 unallocated treasury shares valued at € 7,313,778. These were written down to their market value of € 52.85 a share during the month of December 2009 for a total of € 2,420,185.

## ACCOUNTING POLICIES

The Annual Accounts are established in accordance with the rules laid out by the general accounting system of 1999 and fundamental accounting principles (conservatism, consistent methods, independence of financial years, going concern).

The financial year spans a 12-month period running from 1 January to 31 December 2009.

Recognised items are valued according to the historic costs method.

The main accounting methods used are as follows:

### 1. Tangible fixed assets

#### 1.1. Land and Buildings

##### 1.1.1. General rules

Fixed assets are valued at their acquisition price as per the provisions of CRC Regulation no. 2004-06. The Company has opted to capitalise acquisition expenses and the costs of borrowings, where applicable.

In accordance with the CRC Regulation no. 2002-10, property assets have been accounted for using the components approach.

The gross value was split into 4 separate components on the basis of valuations carried out by the Technical Services of the Asset Management Company.

Given the nature of the properties, a residual value was recorded under the main component (the structural framing). Given the nature of the properties, the residual values recorded were the following:

- 10% (buildings located in Vélizy and Amiens)
- or 20% (building located in St Cloud)

Amortisations are made following Rule no. 2002-10 with each component being amortised over its individual useful life on the following basis:

- |                      |                        |                         |
|----------------------|------------------------|-------------------------|
| - Structural framing | - Life: 35 to 60 years | - Method: straight-line |
| - Water-proofing     | - Life: 15 to 20 years | - Method: straight-line |

- |                         |                        |                         |
|-------------------------|------------------------|-------------------------|
| - Equipment             | - Life: 20 to 50 years | - Method: straight-line |
| - Fixtures and fittings | - Life: 12 to 50 years | - Method: straight-line |

At 31 December 2009, the current state of the buildings does not require the allocation of provisions for major upkeep or refurbishing.

### 1.1.2. Valuation of Assets

The company has all its property assets valued by an independent appraiser every six months. An asset impairment is recorded if the appraised value has fallen considerably below the net book value.

In the financial period ended 31 December 2009, no provision was recorded in the accounts pursuant to these valuations.

### 1.2. Other tangible fixed assets

Depreciation is calculated on the following basis:

- |                    |                 |                         |
|--------------------|-----------------|-------------------------|
| - Office equipment | - Life: 3 years | - Method: straight-line |
| - Furniture        | - Life: 5 years | - Method: straight-line |

Fixed assets are recorded at their acquisition cost (purchase price and additional expenses).

## 2. Marketable securities and treasury shares

### 2.1. Marketable securities

The gross value is made up of the purchase cost excluding additional expenses. When the inventory value is lower than the gross value, the difference gives rise to an impairment loss provision. The inventory value of the treasury shares consists of the average market price during the last month before accounts closing.

### 2.2. Unallocated treasury shares or those connected with the liquidity agreement

Those treasury shares which are not allocated to a bonus share allotment scheme or those connected with a liquidity agreement, are written down to their market value.

### 2.3. Treasury shares allocated to share subscription or purchase options and plans for granting bonus shares

In accordance with CNC Regulation 2008-15 dated 4 December 2008 relating to the accounting treatment of share subscription or purchase plans and bonus share plans, the allocated shares held which will probably be awarded to employees carry a provision based on the shares' net book value at the start of the financial year. When the award is subordinated to a condition of working for the company, the purchase price is spread out over the acquisition period. Any allocations of provisions, reversals and charge-offs relating to awarding equity shares are disclosed as personnel expenses.

### 3. Equity interests and other long-term investments

Equity interests are entered on the balance sheet at their acquisition cost as per the provisions of CRC Regulation no. 2004-06 pertaining to the definition, recognition and valuation of assets. The company has opted to include acquisition expenses in the value of securities.

If the inventory value of these shares proved to be lower than their purchase cost, an impairment provision would be made.

The inventory value is determined based on the equity interest's value in use and takes into account the market value of the owned company's assets, which are audited every half year.

### 4. Receivables

Receivables are recorded at their nominal value. A write-down is recorded when the inventory value is lower than the book value.

### 5. Debt issuance costs

Bond issuance expenses are transferred from operating expenses to expenses to be amortised over the term of these borrowings.

### 6. Financial futures

Under the framework agreement governing the opening of credit lines, Société de la Tour Eiffel has entered into hedging contracts in the form of Caps and Swaps.

CAP:

The initial premium paid and covering several periods is reported as an expense over the contract term. Any eventual unrealised gains are not recorded at period end.

SWAP:

At period end, the accrued interest differential on the Swaps is recorded.

Potential losses on the financial instruments do not carry a liabilities provision inasmuch as these instruments are used in a hedging transaction.

## **ADDITIONAL INFORMATION**

### **1. Staff**

The company employs a Property Director.

### **2. Remuneration of members of management and governing bodies**

Board members' attendance fees paid in 2009 totalled € 140,000. Gross remuneration paid to members of governing bodies for their director mandates totalled € 220,000.

### **3. Appropriation of 2008 earnings**

The ordinary combined shareholders' meeting of 14 Mai 2009 decided to appropriate the 2008 profit of € 28,180,742 as follows: € 1,409,038 to the legal reserve, € 1,161,809 to net retained earnings, and € 25,609,894 to dividends.

The remainder of the 2008 dividend, representing € 1.5 out of a total of € 5 a share was paid out on 10 June 2009.

### **4. 2009 distribution**

The Ordinary General Meeting of 15 October 2009 voted to distribute € 2 per share (of which € 0.78 is in payment for a contribution and € 1.22 relates to distributed revenue) for a total of € 10,677,220.

This amount was withdrawn and charged to "Issue premiums". It was paid out on 27 October 2009.

A proposed dividend payout of € 2 per share to be withdrawn from the "Issue premiums" account will be put to a vote at the next General Meeting.

### **5. Appropriation of the subsidiaries' 2009 earnings**

The articles of association of those subsidiaries organised as non-trading real estate investment companies or as partnerships contain a clause for appropriating the period-end earnings unless the partners decide otherwise.

The subsidiaries all have the same account closing date of 31 December.

The decisions to appropriate the 2009 earnings by the various general shareholders' meetings are taken prior to that of the Société de la Tour Eiffel Board of Directors' meetings.

Consequently, as at 31 December 2009, the net financial income of Société de la Tour Eiffel includes the proportionate shares in the 2009 earnings of those subsidiaries organised as non-trading real estate investment companies or as partnerships.

## **6. Taxable income – Tracking of the obligations under the SIIC regime**

Société de la Tour Eiffel reported a € 10,667,000 loss for a € 2,348,000 profit for tax purposes.

### **6.1 Tax exempt income and tracking of the distribution obligations**

The 2009 tax exempt income came to € 5,115,000 and breaks down as follows:

- € 4,284,000 from property rentals subject to an 85% distribution rate,
- - € 60,000 from capital losses on property sales,
- € 891,000 from dividends received from subsidiaries which opted for the SIIC status and are subject to a 100% distribution rate.

Thus, the distribution obligation adds up to € 4,532,000 in 2010. Owing to a reported loss in 2009, this obligation will be carried over into the next profitable year.

### **6.2 Income liable to corporation Tax**

The income liable to corporation tax for 2009 totalled -€ 2,767,000 and equals the portion of expenses which cannot be allocated to the exempted activity, the capital loss pertaining to the contribution of SCI Vélizy Topaz securities and the upstreaming of the taxable tax income of the non-SIIC subsidiary, Awon Asset Management.

### **6.3. Income tax**

The € 18,000 income tax benefit corresponds to the foundation tax credit the Company has received owing to payments made to the Société de la Tour Eiffel Foundation.

## **7. Share subscription option plans**

### **7.1. Summary table of the share option plans issued and granted**

On 15 October 2009, the Board of Directors voted to adjust the number of stock subscription or purchase options previously granted to the company officers and employees to factor in the

distribution of a portion of the issue premium voted by the Ordinary General Meeting of 15 October 2009.

General Shareholders' Meeting date	Date granted by the Board of Directors	Exercise period	Subscription Price	No. of allocated options	No. of exercised options	No. of expired options	No. of non-exercisable options	Potential number of shares
12 May 2005	26/12/2005	from 26/12/2005  to 26/12/2010	65.95	115,689	1,250			114,439
	22/03/2006	from 22/03/2006  to 22/03/2011	80.73	29,594			1,298	29,594
	17/05/2006	from 17/05/2006  to 17/05/2011	84.59	11,103	1,500			9,603
17 May 2006	14/09/2006	from 14/09/2006  to 14/09/2011	96.41	137,314		2,250	6,619	135,064
	29/03/2007	from 29/03/2007  to 29/03/2012	119.96	24,182			4,526	24,182
29 March 2007	16/10/2007	from 16/10/2007  to 16/10/2012	111.15	26,931				26,931
	11/12/2008	from 11/12/2008  to 11/12/2013	34.39	26,946				26,946
	15/10/2009	from 15/10/2009  to 15/10/2014	48.08	27,165				27,165
<b>Total</b>				<b>398,924</b>	<b>2,750</b>	<b>2,250</b>	<b>12,443</b>	<b>393,924</b>

## 7.2. Employer's contribution of 10%

In accordance with the modification company share subscription options scheme and the addition of an employer's contribution of 10% on the options granted starting on 16 October 2007, a € 23,602 social security charge was recorded concerning the granting of 17,165 stock subscription options voted at the Board of Directors meeting held 15 October 2009.

The Company elected to base this contribution on the basis of 25% of the shares' value on the date it was decided to award them (a share price of € 55).

## 7.3. Assigning a value to the social security contributions liability

In light of the € 52.85 December 2009 average share price, management monitored a risk that € 282,150 of employer social security contributions would be taxed at the 45% rate should all of the subscription stock option beneficiaries sell their shares within the four-year period from the options that will probably be exercised, i.e. those plans whose average option price in December 2009 exceeded the exercise price.

## 8. Allocation of bonus shares

### 8.1 Summary table of bonus shares issued and granted

<b>General Shareholders' Meeting date</b>	<b>Date granted by the Board of Directors</b>	<b>Final granting date</b>	<b>Minimum holding period</b>	<b>No. of bonus shares allocated</b>
17 May 2006 <sup>(a)</sup>	14/06/2006	14/06/2008	2 years	10,800
	29/11/2006	29/11/2008	2 years	8,000
	12/02/2007	12/02/2009	2 years	1,200
29 March 2007 <sup>(b)</sup>	16/10/2007	16/10/2009	2 years	8,550
<b>Total</b>				<b>28,550</b>

<sup>(a)</sup> Allocation of 20,000 existing or yet-to-be issued shares

<sup>(b)</sup> Allocation of 60,000 existing or yet-to-be issued shares

On 31 December 2009, all of the bonus shares granted were delivered under the buyback scheme.

## 8.2. Employer's contribution of 10%

In accordance with the modification to the company share subscription options scheme and the addition starting on 16 October 2007 of an employer's contribution of 10% on the options granted, a € 72,390 social security was recorded on 31 December 2008.

During the 2009 financial year, a € 72,390 charge was reversed following the decision to not deliver the 14,221 bonus shares granted on 29 July 2008.

## 8.3 Theoretical dilutive effect on earnings per share

The theoretical dilutive effect on 2009 earnings per share would be:

- 2009 net loss per share:	€	-1.96
- Theoretical diluted net income per share:	€	-1.94

The diluted net income per share stems from the effect of a possible delivery of the bonus shares granted by means of a capital increase and the probability that stock subscription plans will be exercised at financial year end.

## 9. Financial commitments

### 9.1 Given commitments

Commitments made are as follows:

- A guarantee, in respect of subsidiaries, of all sums due under the line of credit master agreement of € 194,051,824,
- Authorisation for a personal joint and several guarantee in favour of borrowing subsidiaries as part of the group's master financing agreement,
- Guarantee agreement issued in favour of the bank in respect of an interest rate hedging agreement concluded on 28 November 2002 with SCI NOWA and transferred to LOCAFIMO on 24 March 2006,
- Guarantee agreement issued on 7 September 2006 in favour of Calyon to secure all sums due under the interest rate hedging contract entered into on 5 September 2006 between Calyon and Locafimo up to a limit of € 4,900,000,
- Conclusion of RCF amendment no. 1 to the initial contract entered into with The Royal Bank of Scotland in June 2006, so as to:
  - carry the maximum amount of the revolving credit from € 40,000,000 to € 100,000,000,
  - extend the final expiration date to 31/03/2010,

- reiterate the whole of the declarations and guarantees and extend them mutatis-mutandis to amendment no.1

- The shares of the following non-trading property investment companies are pledged as collateral with the bank:

Nowa,

Arman F02

Comète,

Berges de l'Ourcq,

Champigny Carnot,

Marceau Bezons,

Grenoble Pont d'Oxford,

Rueil National,

Lyon Genlis,

Jean Jaurès,

Caen Colombelles,

Etupes de l'Allan

- On 14 January 2008, a first lien mortgage was given to the bank upon signing of a € 4,000,000 loan extended by Société Générale to finance the building in Amiens,

- On 16 January 2008, a first lien mortgage was given to the bank upon signing a € 9,700,000 loan extended by Société Générale to finance the building in Saint-Cloud,

- To keep the "Energy II" building acquired on 20 December 2006, for a 5-year term in accordance with the requirements of Article 210 € of the General Tax Code, being the "SIIC 3" tax scheme,

- To keep the St Cloud building, acquired on 16 January 2008, for a 5-year term in accordance with the requirements of Article 210 € of the General Tax Code, being the "SIIC 3" tax scheme,

- To keep the Amiens building, acquired on 14 January 2008, for a 5-year term in accordance with the requirements of Article 210 € of the General Tax Code, being the "SIIC 3" tax scheme,

- Keep its equity stake in SCI Arman F02 and not require repayment of the subordinated loans extended to it during the term of SCI Arman F02's credit agreement entered into with the banks funding it,

- Keep its equity stake in SCI Arman Ampère and pledge it following amendment 1 dated 31 March 2009 to the agreement for the loan extended on 28 March 2008 by the banks funding SCI Arman F02,

- On 11 December 2009 Société de la Tour Eiffel pledged to not require repayment of the money owed to it by SCI Vélizy Topaz before the date that the bank funding Vélizy Topaz refinances it,

- On 11 December 2009 Société de la Tour Eiffel pledged to repay the bank financing the buildings owned by SCI Nowa any amount up to € 3,532,984 that Normandie Aménagement could claim of it as beneficiary of the joint and several guarantee issued by this bank to guarantee payment of the Property Development Agreement entered into between SCI Nowa and Normandie Aménagement,

- Within the scope of founding the Société de la Tour Eiffel Foundation, Société de la Tour Eiffel as founder committed itself to pay € 210,000. The amount of this commitment is reduced each year by € 30,000 under an instalment scheme spanning several years. The remaining balanced owed at 31 December 2009 is € 60,000.

## 9.2 Received commitments

The following commitments were received:

Assignor's indemnity against any increase in liabilities or decrease in assets for the following companies:	
SCI NOWA	10,000,000
SCI Malakoff Valette (formerly Engel)	3,000,000
SCI Marceau Bezons	10,000,000
SCI Comète	1,869,231
SNC Awon Asset Management	400,000
SCI Sodeprom	1,200,000
<b>TOTAL</b>	<b>26,469,231</b>

- On 9 January 2008, the Scalbert Dupont bank issued a bank guarantee to secure payment of all sums owed by the tenant under the lease of the building located in Amiens.

## 10. Reciprocal commitments

Reciprocal commitments are as follows:

Loans extended to subsidiaries not yet repaid under the credit master agreement	24,175,700
Available amount under the revolving credit master agreement	57,615,383
<b>TOTAL</b>	<b>81,791,083</b>

## **11. Financing of the subsidiaries**

### 11.1. Treasury agreement

The subsidiaries of Société de la Tour Eiffel acceded to the treasury agreement signed on 2 April 2004 and to its amendment of 24 June 2004.

The interest rate applied within the group is 3-month Euribor plus 25 basis points.

### 11.2. Subordinated loans

Société de la Tour Eiffel, as lender, loans money to its subsidiaries under subordinated loan agreements. These loans are extended at 3-month Euribor plus 100 basis points for a term identical to the line of credit master agreement, i.e. to 15 June 2013.

Repayment of these loans is subordinated to the creditors' agreement in accordance with the line of credit framework agreement signed with the bank.

## **12. Retirement benefits**

The Company did not set aside any retirement plan provision in the financial statements.

Management had an assessment of these commitments on 31 December 2009. The study factors in the various parameters that apply to the Société de la Tour Eiffel employee as well as the range of data that pertain to Société de la Tour Eiffel. The following parameters were chosen:

- discount rate: 3.60%
- wage increases: 3.92%
- employer social security contributions: 50%
- employer's contribution: 50%
- asset mobility: average
- retirement required at age 65.

These commitments were assessed at € 47,925 as of 31 December 2009.

## NOTES

<b>ASSETS</b>
---------------

### A. FIXED ASSETS

euros

Framework A	Gross value	Increases	
	Beginning of year	Revaluations	Acquisitions
<b>Intangible fixed assets</b>			
Other intangible fixed assets	9,784		2,221
<b>Total I</b>	<b>9,784</b>		<b>2,221</b>
<b>Tangible fixed assets</b>			
Land	10,966,696		
Buildings on own land	19,278,898		59,177
Office equipment and furnishings	14,516		
Construction work in progress			45,945
<b>Total II</b>	<b>30,260,110</b>		<b>105,122</b>
<b>Financial fixed assets</b>			
Equity interests	261,346,538		9,359,360
Receivables on equity interests	58,891,653,		5,688,563
Other long-term investments			
<b>Total III</b>	<b>320,238,191,</b>		<b>15,047,923</b>
<b>GRAND TOTAL (I + II + III)</b>	<b>350,508,085</b>		<b>15,155,266</b>

Framework B	Decreases		Gross value at year end	Revaluations Value of origin
	Reclassifications	Disposals		
<b>Intangible fixed assets</b>				
Other intangible fixed assets			12,005	12,005
<b>Total I</b>			<b>12,005</b>	<b>12,005</b>
<b>Tangible fixed assets</b>				
Land			10,966,696	10,966,696
Buildings on own land		23,701	19,314,374	19,314,374
Office equipment and furnishings		915	13,601	13,601
Construction work in progress	17,487		28,458	28,458
<b>Total II</b>	<b>17,487</b>	<b>24,616</b>	<b>30,323,129</b>	<b>30,323,129</b>
<b>Financial fixed assets</b>				
Equity interests		13,403,951	257,301,947	257,301,947
Receivables on equity interests		12,033,128	52,547,089	52,547,089
Other long-term investments				
<b>Total III</b>		<b>25,437,079</b>	<b>309,849,036</b>	<b>309,849,036</b>
<b>GRAND TOTAL (I+II + III)</b>	<b>17,487</b>	<b>25,461,695</b>	<b>340,184,170</b>	<b>340,184,170</b>

## B. RECEIVABLES AND DEBT STATEMENTS

euros

<b>RECEIVABLES AND DEBT STATEMENTS</b>	<b>Gross amount</b>	<b>Under 1 year</b>	<b>Over 1 year</b>
<b>Fixed assets</b>			
Receivables on equity interests	52,547,089	2,414,928	50,132,161
Other long-term investments			
<b>Current assets</b>			
Other trade receivables	2,006,127	2,006,127	
Due from employees and related accounts	46	46	
Company income tax refund owed	108,000	108,000	
Value-added tax refund owed	257,837	257,836	
Due from group and partners	54,352,655	54,352,655	
Non-trade receivables	53,882	53,882	
Prepaid expenses	533,247	533,247	
<b>Total</b>	<b>109,858,883</b>	<b>59,726,722</b>	<b>50,132,161</b>

## C. ACCRUED INCOME

euros

31/12/2009	31/12/2008
------------	------------

<b>Investment-related receivables</b>	266,726	608,396
<b>Accounts receivable and associated items</b>	1,476,085	1,114,437
<b>Other receivables</b>	459,645	1,062,477
<b>Marketable securities</b>		13,767
<b>Cash and near cash</b>		153,028
<b>GRAND TOTAL</b>	<b>2,202,456</b>	<b>2,952,104</b>

#### D. PREPAID EXPENSES

euros

	31/12/2009	31/12/2008
Various prepaid expenses	101,425	47,677
Public relations prepaid expenses	17,837	43,698
Cap premiums prepaid expenses	413,986	543,383
<b>GRAND TOTAL</b>	<b>533,247</b>	<b>634,759</b>

#### E. DEFERRED EXPENSES

euros

	31/12/2009	31/12/2008
DEBT ISSUANCE COSTS	123,528	292,087
<b>GRAND TOTAL</b>	<b>123,528</b>	<b>292,087</b>

## **F. INVENTORY OF THE MARKETABLE SECURITIES PORTFOLIO**

**(French Commercial Code Art. L 232-7 and L 232-8)**

### **EQUITY INVESTMENTS**

The equity investments are only composed of the shares of non-trading real estate investment companies, shares of partnerships and shares in simplified public limited liability companies.

### **MARKETABLE SECURITIES**

#### **Treasury shares**

At 31 December 2009, Société de la Tour Eiffel held 2,930 treasury shares for a gross amount of € 156,484 under the liquidity agreement.

At 31 December 2009, Société de la Tour Eiffel held 92,594 treasury shares for a gross amount of € 7,313,778 under the share repurchase programme.

#### **Other securities**

At 31 December 2009, Société de la Tour Eiffel held a portfolio of marketable securities valued at € 1,113,561.

## G. ITEMS RELATING TO SEVERAL BALANCE SHEET ITEMS

(Decree 83-1020 of 29-11-1983 – Articles 10 and 24-15)

euros

Items relating to several balance sheet items	Amount concerning companies		Total debts or receivables represented by trade bills
	that are affiliates	with which the company is linked by equity	
<b>Financial fixed assets</b>			
Equity interests	245,308,437		
Dividends owed on equity interests	52,547,089		
<b>Total fixed assets</b>	<b>297,855,526</b>		
<b>Receivables</b>			
Trade and related receivables	1,526,657		
Other receivables	54,352,655		
<b>Total receivables</b>	<b>55,879,312</b>		

## H. Table of subsidiaries and equity interests at 31/12/09

Financial information	Share capital	Reserves and retained earnings before appropriation of net profit	Equity interest held as a %	Book value of the securities held		Loans and advances extended by the company
				GROSS	NET	
<b>Subsidiaries</b>						
<b>Equity interests</b>						
<b>I- Detailed information on each security whose gross value exceeds 1% of the affiliated company's share capital at the time of publication:</b>						
<b>1 – Subsidiaries (over a 50% equity interest)</b>						
SCI JEAN JAURES	152	(1,336,469)	99.00	5,106,124	5,106,124	659,683
SCI NOWA	5,293,090	(1,879,863)	99.99	14,526,401	14,526,401	9,287,956
SCI BERGES DE L'OURCQ	1,000	(660,847)	99.00	990	990	5,484,168
SCI COMETE	1,000	(1,113,681)	99.00	16,375,070,...	16,375,070,...	1,220,048
SCI CHAMPIGNY CARNOT	1,000	(658,619)	99.00	990	990	11,787,019
SCI ETUPES DE L'ALLAN	1,000	(596,272)	99.00	990	990	6,325,683
SCI LYON GENLIS	1,000	(243,003)	99.00	990	990	3,138,546
SCI CAEN COLOMBELLES	1,000	(1,864,043)	99.00	990	990	10,726,076
SCI ARMAN F02	11,192,100	9,451,838	99.99	20,254,699	20,254,699	15,854,183
SCI MALAKOFF VALETTE	1,000	(90,985)	100.00	4,863,978	4,863,978	375,992
SCI MARCEAU BEZONS	10,000	(12,217)	99.90	1,003,944	1,003,944	774,310
SAS LOCAFIMO	3,989,590	7,815,540	100.00	190,333,743	179,057,743	
SCI GRENOBLE PONT D'OXFORD	1,000	(211,839)	99.00	990	990	3,901,935
SCI RUEIL NATIONAL	1,000	(966,396)	99.00	990	990	12,654,778
SNC AWON ASSET MANAGMT	150,000	(24,155)	99.99	4,112,548	4,112,548	313,984
SCI DURANNE SUD	1,000	178,625	99.00	718,500,	990,	314,859
<b>2 - Equity interests (from 10 to 50% of the capital held)</b>						
<b>II – General information on securities whose gross value does not exceed 1% of the affiliated company's capital at the time of publication:</b>						
<b>1 – Subsidiaries:</b>						
a) French (all)						
b) Foreign (all)						
<b>2 - Participating interests:</b>						
a) French (all)	1,000	5,097,606	1.00	10	10	4
b) Foreign (all)						

**Table of subsidiaries and equity interests at 31/12/09 (cont'd)**

	<b>Financial information</b>	<b>Sureties and guarantees given by the Company</b>	<b>Turnover excluding tax from the previous year</b>	<b>Net profit or loss from the previous financial year</b>	<b>Dividends received by the Company during the financial year</b>	<b>COMMENTS</b>
<b>Subsidiaries</b>						
<b>Equity interests</b>						

<b>I- Detailed information on each security whose gross value exceeds 1% of the affiliated company's share capital at the time of publication:</b>						
<b>1 – Subsidiaries (over a 50% equity interest)</b>						
SCI JEAN JAURES	13,208,032	2,576,129	1,336,610	1,586,423		
SCI NOWA	58,996,629	12,314,030	4,075,602	3,641,340		
SCI BERGES DE L'OURCQ	8,167,739	1,503,287	660,847	363,321		
SCI COMETE	25,154,684	4,548,119	2,346,053	1,849,116		
SCI CHAMPIGNY CARNOT	18,335,014	3,377,960	1,505,509	754,528		
SCI ETUPES DE L'ALLAN	9,625,283	1,855,933	596,272	284,952		
SCI LYON GENLIS	3,561,213	575,342	243,003	209,023		
SCI CAEN COLOMBELLES	22,808,382	3,751,274	1,864,043	1,083,831		
SCI ARMAN F02	2,000,000	6,593,048	(3,716,007)	685,415		
SCI MALAKOFF VALETTE	6,067,294	1,335,175	790,985	1,650,715		
SCI MARCEAU BEZONS	4,539,079	655,463	12,217			
SAS LOCAFIMO	4,900,000	45,509,586	2,758,033			
SCI GRENOBLE PONT D'OXFORD	7,197,901	1,035,770	211,839	62,085		

SCI RUEIL NATIONAL	23,437,964	2,759,613	966,396,	303,300		
SNC AWON ASSET MANAGEMENT		4,302,008	336,102	459,679		
SCI DURANNE SUD			(178,625)			
<b>2 - Equity interests (from 10 to 50% of the capital held)</b>						
<b>II – General information on securities whose gross value does not exceed 1% of the affiliated company’s capital at the time of publication:</b>						
<b>1 – Subsidiaries:</b>						
a) French (all)						
b) Foreign (all)						
<b>2 - Participating interests:</b>						
a) French (all)		2,919,725	(5,097,606)			
b) Foreign (all)						

## LIABILITIES

### I. COMPOSITION OF SHARE CAPITAL

(Decree 83-1020 of 29-11-1983 – Article 24-12)

euros

Different categories of securities	Nominal value	Number of securities			
		At the financial year start	Created during the financial year	Repaid during the financial year	At the financial year end
ORDINARY SHARES	5	5,193,003	240,033		5,433,036

## J. PROVISIONS AND IMPAIRMENTS RECORDED ON THE BALANCE SHEET

euros

Amount at beginning of the year	Increase allocations for the year	Reductions: Reversals		Amount at end of the year
		Used	Not used	

<b>Provisions for expenses</b>					
Provisions for expenses	969,695		969,695		
<b>Total I</b>	<b>969,695</b>		<b>969,695</b>		
<b>Impairments</b>					
Long-term investments		11,993,510			11,993,510
Other impairments	4,243,442	2,421,819	85,508	4,157,934	2,421,819
<b>Total II</b>	<b>4,243,442</b>	<b>14,415,329</b>	<b>85,508</b>	<b>4,157,934</b>	<b>14,415,329</b>
<b>GRAND TOTAL (I+II)</b>	<b>5,213,137</b>	<b>14,415,329</b>	<b>1,055,203</b>	<b>4,157,934</b>	<b>14,415,329</b>

<i>- operations</i>				
<i>Of which allocations and reversals:</i>				
<i>- financial</i>		14,415,329	85,508	4,157,934
<i>- extraordinary</i>			969,695	

## K. INDEBTEDNESS STATEMENTS

euros

<b>INDEBTEDNESS STATEMENT</b>	<b>Gross amount</b>	<b>Under 1 year</b>	<b>From 1 to 5 years</b>	<b>Over 5 years</b>
Bank borrowings:				
- under one year maximum at the start	927,860	927,860		
- over one year at the start	89,949,299	77,107,873	1,868,838	10,972,588
Loans and various financial debts	305,777	305,777		
Trade and related payables	1,797,332	1,797,332		
Personnel and related accounts	1,670	1,670		
Social security and other social welfare agencies	132,393	132,393		
Value-added tax	297,247	297,247		
Other duties, taxes and comparable payments	208	208		
Payables to fixed asset suppliers and related accounts	45,982	45,982		
Group and partners	11,811,378	11,811,378		
Other debts	419,495	419,495		
Prepaid income	400,561	400,561		
<b>Total</b>	<b>106,084,201</b>	<b>93,242,775</b>	<b>1,868,838</b>	<b>10,972,588</b>

## L. DETAIL OF ACCRUED EXPENSES

euros

	31/12/2009	31/12/2008
<b>Bank borrowings</b>	1,183,715	791,767
<b>Miscellaneous borrowings and financial debt</b>	102,494	426,781
<b>Trade notes and accounts payable</b>	1,624,440	1,411,966
<b>Tax and social security liabilities</b>	46,956	115,118
<b>Payables to fixed asset suppliers and related accounts</b>		269,289
<b>Other debts</b>	359,361	108,764
<b>GRAND TOTAL</b>	<b>3,316,967</b>	<b>3,123,685</b>

## M. ITEMS RELATING TO SEVERAL BALANCE SHEET ITEMS

(Decree 83-1020 of 29-11-1983 – Articles 10 and 24-15)

euros

Items relating to several balance sheet items	Amount concerning companies		Total debts or receivables represented by trade bills
	that are affiliates	with which the company is linked by equity	
<b>Debts</b>			
Miscellaneous borrowings and financial debts	11,711,378		
Trade notes and accounts payable	972,677		
Other debts			
<b>Total Debts</b>	<b>12,684,055</b>		

## N. CHANGE IN EQUITY CAPITAL (IN EUROS)

	Share capital	Premiums	Legal reserve	Reserves	Special reserve	Retained earnings	Net profit (loss)	Dividends	Total
<b>to 31/12/2007</b>	249,264,144	42,652,927	2,562,973	518,802	,	2,702,069	31,576,159	-15,454,962	313,822,113
<b>GSM of 27 March 2008</b>	,	,	,	,	,	,	,	,	,
Appropriation of net profit	,	,	1,578,808	,	,	-1,043,320	-31,576,159	32,692,720	1,652,049
Balance of 2007 dvd payment	,	,	,	,	,	,	,	-15,579,009	-15,579,009
Remaining distributable profit	,	,	,	,	,	334,530	,	-1,658,749	-1,324,219
	,	,	,	,	,	,	,	,	,
<b>Board meeting at 29/07/08</b>	,	,	,	,	,	,	,	,	,
2008 interim dividend	,	,	,	,	,	,	,	-17,820,390	-17,820,390
	,	,	,	,	,	,	,	,	,
<b>2008 net profit</b>	,	,	,	,	,	,	28,180,742	,	28,180,742
<b>to 31/12/2008</b>	<b>249,264,144</b>	<b>42,652,927</b>	<b>4,141,781</b>	<b>518,802</b>	<b>,</b>	<b>,,1,993,279</b>	<b>28,180,742</b>	<b>-17,820,390</b>	<b>308,931,286</b>
<b>GSM of 27 March 2008</b>	,	,	,	,	,	,	,	,	,
Appropriation of net profit	,	,	1,409,038	,	,	1,161,809	-,28,180,742	25,609,894	,
Balance of 2008 dvd payment	,	,	,	,	,	146,109	,	-7,789,505	-7,643,396
	,	,	,	,	,	,	,	,	,
<b>Board meeting at 10/06/2009</b>	,	,	,	,	,	,	,	,	,
Reduc. nominal value	-,223,299,129	,	,	,	223,299,129	,	,	,	,
Capital increase	1,200,165	3,922,139	,	,	,	,	,	,	5,122,304
	,	,	,	,	,	,	,	,	,
<b>OSM at 29/07/08</b>	,	,	,	,	,	,	,	,	,
Distribution	,	<b>-10,677,220</b>	,	,	,	,	,	,	<b>-10,677,220</b>
	,	,	,	,	,	,	,	,	,
<b>2009 net loss</b>	,	,	,	,	,	,	<b>-10,666,955</b>	,	<b>-10,666,955</b>
<b>to 31/12/2009</b>	<b>27,165,180</b>	<b>35,897,846</b>	<b>,5,550,819</b>	<b>518,802</b>	<b>223,299,129</b>	<b>3,301,197</b>	<b>-10,666,955</b>	<b>,</b>	<b>285,066,019</b>

## O. SUMMARY OF INTEREST RATE HEDGING INSTRUMENTS (In Euros)

### O.1. CAP

Period	Rate	Notional
01/08/2007 to 07/06/2013	4.5 %	19,102,298
02/05/2007 to 07/06/2013	4.5 %	21,579,949
01/08/2006 to 07/06/2009	4.5 %	17,000,000

### O.2. SWAP

Period	Rate	Notional
01/08/2007 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.1%	57,306,894
01/08/2007 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.1875%	64,739,846
01/08/2007 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.78%	48,800,000
01/08/2007 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.36%	9,409,000
01/08/2007 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.20%	3,860,000

## P. DETAIL OF PREPAID INCOME

		euros	
		31/12/2009	31/12/2008
	Operating revenues	400,561	388,498
	<b>GRAND TOTAL</b>	<b>400,561</b>	<b>388,498</b>

## INCOME STATEMENT

### Q. TURNOVER

Société de la Tour Eiffel and its subsidiaries signed a rebilling contract to specify and confirm the terms for rebilling the subsidiaries for costs borne by Société de la Tour Eiffel (management expenses paid for technical functions, financing or refinancing costs, etc.).

The turnover of Société de la Tour Eiffel is mainly produced by rebilling its subsidiaries for services rendered in respect of real estate, administration, asset management, financing and consulting, and to a lesser degree, for the rents and expenses rebilled to the tenants in the Vélizy, Saint Cloud and Amiens properties.

### R. AMORTISATION

euros

Framework A	POSITION AND MOVEMENTS DURING THE YEAR			
DEPRECIABLE FIXED ASSETS	Beginning value	Increases Allocations	Decreases Exits / Reversals	Value at period end
<b>Tangible fixed assets</b>				
Buildings on own land	706,843	640,440	3,129	1,344,154
Office equipment and furnishings	4,964	3,504	915	7,553
<b>Total</b>	<b>711,807</b>	<b>643,944</b>	<b>4,044,,</b>	<b>1,351,707</b>
<b>GRAND TOTAL</b>	<b>711,807</b>	<b>643,944</b>	<b>4,044</b>	<b>1,351,707</b>
Framework B	AMORTISED			
MOVEMENTS OF EXPENSES OVER SEVERAL YEARS	Net amount at beginning of year	Increases	Amortisation expense	Net amount at year end
Expenses amortised over several years	292,087	31,000	199,558	123,528

#### **S. TRANSFERS OF EXPENSES**

During 2009, € 31,000 in debt issuance expenses were transferred to operating expenses.

#### **T. STATUTORY AUDITORS' FEES**

During 2009, the statutory auditors' fees totalled € 264,570 for the legal audit of the financial statements.

<b>OTHER</b>
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## CASH FLOW STATEMENT (In Euros)

	2009	2008
Net loss	-10,666,955	28,180,742
Elimination of income and expenses not affecting cash:		
+ Amortisation and provisions	12,837,013	1,633,431
- Reversals of amortisation and provisions	- 969,695	- 2,867
+ Net book value of assets disposed of	13,423,525	42,203
- Proceeds from asset disposals	- 9,350,000	- 15
Change in WCR	- 162,980	- 1,518,147
<b>Cash flow from operating activities</b>	<b>5,110,07</b>	<b>31,371,640</b>
- Acquisition of fixed assets	- 707,362	- 19,959,380
- Acquisition of long-term investments	- 31,209,160	- 41,586,221
- Deferred expenses	168,558	- 124,275
+ Decrease in long-term investments	21,354,194	31,507,922
+ Proceeds from asset disposals		15
<b>Cash flow linked to investment transactions</b>	<b>- 10,393,770</b>	<b>-30,161,938</b>
- Distribution of dividends	-13,198,311	- 33,064,869
+ Capital increase		
+ Increase in financial debts	4,089,616	44,402,925
<b>Cash flow linked to financing transactions</b>	<b>- 9,108,695</b>	<b>- 11,338,556</b>
- Cash flow at opening	21,192,809	8,645,051
+ Cash at period end	6,801,252	21,192,809
<b>Cash flow variation</b>	<b>- 14,391,558</b>	<b>12,547,758</b>

The variation of the current accounts of the subsidiaries is henceforth presented in investment transactions.

**(Financial year ended 31 December 2009)**

To the shareholders of:

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**SOCIETE DE LA TOUR EIFFEL**

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

20-22 rue de la Ville l'Evêque  
75008 Paris

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In carrying out the mission entrusted to us by your General Shareholders' Meeting, we present our report for the year ended 31 December 2009 on:

- The audit of Société de la Tour Eiffel's financial statements as they are appended to this report,
- The justification for our assessments,
- The specific verifications and reports stipulated by law.

The year-end financial statements were closed by the Board of Directors. It is our responsibility, based on our audit, to provide our opinion on these financial statements.

**I - OPINION ON THE ANNUAL FINANCIAL STATEMENTS**

We conducted our audit in accordance with the auditing standards applicable in France; these standards require performing the due diligence enabling us to confirm, with reasonable assurance, that the annual financial statements contain no significant misstatements. An audit consists in the examination, on a test basis or by means of other selection methods, of the elements justifying of the amounts and information appearing in the financial statements. It also consists in appraising the accounting principles applied, the significant estimates retained and the overall presentations of the accounts. We believe that the elements we have collected provide a sufficient and appropriate basis on which to formulate our opinion.

We certify that, with regard to the French accounting principles and standards, the consolidated financial statements are a true and fair representation of the results of the

past year's operations and of the company's financial position and assets and liabilities at the financial year end.

## **II - BASIS OF OUR APPRAISALS**

The accounting estimates used to prepare the financial statements at 31 December 2009 were carried out in a market climate still marked by a low number of property transactions. Given this market climate, in application of Article L. 823-9 of the French Commercial Code concerning the basis of appraisals, we would like to draw your attention to the following items:

- Paragraph 1.1.2 of the "Accounting Rules and Methods" in the Notes explains that the Company commissions an appraisal of its property portfolio by independent experts every six months to estimate any possible building impairments. Our duty was to examine the appraisal methodology used by the experts and to ensure that the absence of impairment was justified based on the independent appraisals;
- Paragraph 3 of the «Accounting Rules and Methods" in the Notes describes the principles for assigning a value to equity securities and other long-term investment securities at period end. It states in particular that in the case of real estate investment companies, the going-concern value factors in the market value of the assets of the company held, assets which are subjected to an independent appraisal. Our duty consisted in assessing the methodology used by the experts and checking that any impairments required to bring the historical value of some securities down to their useful value had been booked.

Assessments made in this manner fall within the scope of our procedure for auditing the annual financial statements as a whole and have therefore contributed to our opinion provided in the first part of this report.

## **III – SPECIFIC VERIFICATIONS AND INFORMATION**

In accordance with the code of professional conduct applicable in France, we also performed the specific audits required by law.

We have no opinion regarding the fairness and consistency with the annual financial statements of the information provided in the Board of Directors' management report and in the documents sent to the shareholders on the financial position and the annual financial statements.

As for information given pursuant to Article L. 225-102-1 of the French Commercial Code, on the remuneration and benefits paid to the company officers and directors and on commitments made in their favour, we have checked its consistency with the

financial statements or with data used to prepare these statements, as well as with data your company collected from companies with a stake in your company or in which your company has a stake, if applicable. On the basis of this work, we certify the accuracy and fairness of this information.

Pursuant to the law, we made sure that the various pieces of information relating to the identity of the equity holders were reported to you in the management report.

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

Hélène Kermorgant

Catherine Thuret

6 – STATUTORY AUDITORS’ SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

*(Financial year ended 31 December 2009)*

To the shareholders of:

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<b>SOCIETE DE LA TOUR EIFFEL</b>	20-22 rue de la Ville l’Evêque
“Société anonyme” (public limited company) with capital of 27,165,180 euros	75008 Paris

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In our capacity as your company’s statutory auditors, we present our report on the regulated agreements and commitments.

**1. Agreements and commitments authorised during the financial year**

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the regulated agreements and commitments which were approved beforehand by your board of directors.

We are not responsible for enquiring into the possible existence of other agreements and commitments, but rather to report on the essential characteristics and terms and conditions of those disclosed to us based on the information which was provided to us and without having to render an opinion as to their utility and merit. It is your responsibility under the terms of Article R. 225-31 of the French Commercial Code to assess the value gained from entering into these agreements and commitments so as to decide whether or not to approve them.

We performed the due diligence we deemed necessary under the professional standards of the Compagnie Nationale des Commissaires aux Comptes in respect of this mission. This due diligence consisted of verifying that the information given to us was consistent with that provided in the primary documents from which it came.

**Board meeting held on 14 May 2009**

**Amendment to the agreement with Bluebird Investissement**

On 17 January 2007, your Company gave Bluebird Investissement the task of helping the top executives to manage both the existing property portfolio and subsequent acquisitions of new buildings.

This agreement was amended on 10 June 2009, reducing the three-year prior notice in the event of rescission to two years.

Director involved: Mark Inch

**Board meeting held on 15 October 2009**

**Amendment no. 3 to the contract committing the subsidiaries to the asset management master agreement entered into with AWON ASSET MANAGEMENT**

On 21 October 2008, your company entered into a new amendment to the master agreement of 30 November 2006. Its purpose was to determine the fees covered by Article 8.3 of the aforesaid master agreement (amount paid for by SOCIÉTÉ DE LA TOUR EIFFEL).

The fees billed by AWON ASSET MANAGEMENT paid for by your company in 2008 under this contract came to € 150,000.

Directors involved: Mark Inch, Robert Waterland, and Jérôme Descamps

**2. Agreements and commitments approved in previous years whose performance continues during the financial year**

Furthermore, in accordance with the French Commercial Code, we were informed that the following agreements and commitments which continued into the last financial year were approved during prior financial years:

▪ **With AWON ASSET MANAGEMENT**

The asset management master agreement entered into on 24 April 2004 and amended 30 November 2006 continued into the financial year.

The remuneration paid by SOCIÉTÉ DE LA TOUR EIFFEL to AWON ASSET MANAGEMENT during the 200ç financial year came to € 4,245,306.

▪ **With the subsidiaries**

- The contract committing the subsidiaries to the asset management master agreement dated 30 November 2006 resulted in a rebilling to the subsidiaries of € 4,047,840.
- The contract for rebilling the expenses borne by SOCIÉTÉ DE LA TOUR EIFFEL to the subsidiaries dated 30 November 2006 resulted in a rebilling of € 1,302,257 for management costs and € 3,284 for refinancing fees.

- The standardised contract forms entered into with RBS cover the following subsidiaries and continued into the year:

	Amounts used as at 31/12/2009
SCI DES BERGES DE L'OURCQ	8,147,529,€
SCI COMETE	25,094,146,€
SCI CHAMPIGNY CARNOT	18,289,645,€
SCI LYON GENLIS	3,552,365,€
SCI DU 153 AVENUE JEAN JAURÈS	13,176,245,€
SCI CAEN COLOMBELLES	22,751,944,€
SCI ETUPES DE L'ALLAN	9,601,430,€
SCI MARCEAU BEZONS	4,528,155,€
SCI GRENOBLE PONT D'OXFORD	7,180,090,€
SCI RUEIL NATIONAL	23,379,968,€
SCI MALAKOFF VALETTE	6,052,692,€

- **With BLUEBIRD INVESTISSEMENT**

This contract, which gives BLUEBIRD INVESTISSEMENT the task of helping the top executives to manage the existing property portfolio and subsequent acquisitions of new buildings, resulted in the payment of € 670,000 for the 2009 financial year.

- **Amendment to Mr. Robert Waterland's employment contract**

Mr. Robert Waterland received a gross remuneration of € 500,000 for the 2009 financial year as Property Director responsible for the management and the growth of your company's property portfolio and those of its subsidiaries.

The second amendment to this contract, authorised by the board meeting of 4 March 2009 and approved at the shareholders' meeting of 14 May 2009, stipulates that:

- the total amount of compensation which would be paid at his departure is capped at two years of remuneration, both fixed and variable;
- severance pay is dependent on an increase in consolidated operating cash flow of at least 5% over the past three years average on a like-for-like basis excluding realised capital gains, it being specified that this condition does not apply to the compensation in lieu of notice which could be paid in the event Mr. Waterland would not be required to work during said notice.

- **With Eiffel Holding Limited (previously named Fanar Investment Holding Limited)**

The deed signed in 2007, transferring the rights and obligations linked to the “Tour Eiffel” and “Burj Eiffel” trademarks held by SOCIÉTÉ DE LA TOUR EIFFEL in the United Arab Emirates, stipulates a variable remuneration fixed at 15% of the royalties on the trademark which FANAR would eventually receive over a 5-year period with the understanding that the amount relinquished must not exceed 30% of FANAR’s profit.

Fanar Investment Holding Limited did not pay any amount under this contract in 2009.

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