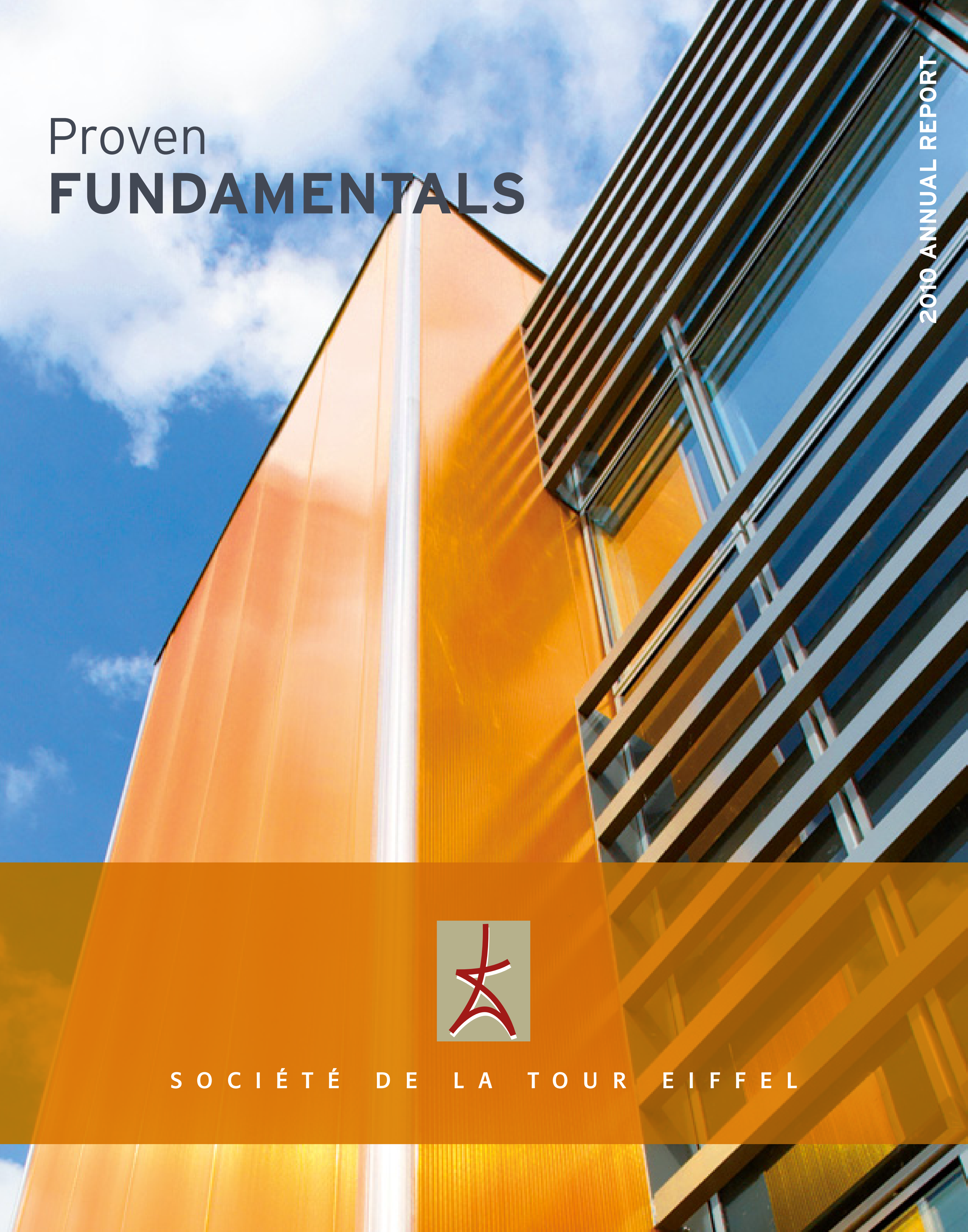


Proven
FUNDAMENTALS

2010 ANNUAL REPORT

SOCIÉTÉ DE LA TOUR EIFFEL

Background

1889 Creation of Société de la Tour Eiffel by Gustave Eiffel.

1979 The City of Paris assumes the management of the Eiffel Tower. Société de la Tour Eiffel becomes a dormant listed company.

2003 The Company is taken over by Awon Group, backed by the Soros Real Estate Investors fund.

2004 Mark Inch and Robert Waterland transform Société de la Tour Eiffel into the first new SIIC to be listed on the Paris Stock Exchange with €277 million of assets at the year end.

2005 Acquisition of Locafimo, a property company valued at €285 million for a total of 300,000 sq. m.

2006 The company is continuously listed on Euronext Paris (Eurolist compartment B) and integrates the EPRA index (European Public Real Estate Association).

2007 2008 Acquisition of the Parcoval portfolio for €110 million which increases the company's presence in business parks and raises its portfolio of commitments to €1.2 Bn. Conception and launch of certified office buildings.

2009 2010 Delivery of certified buildings: Domino (Porte des Lilas, Paris), Topaz (Vélizy) and Massy Ampère (totalling 42,000 sq. m).

2010 ANNUAL REPORT

Summary

SOCIÉTÉ DE LA TOUR EIFFEL

Our attributes, **confirmed continuity**



Key **drivers**

Quality office buildings at affordable rents

Depth of the leading euro zone commercial property market

Presence in the Paris region
and in the main French business locations

420 tenants, including numerous major covenants

Dynamic property portfolio management

A celebrated brand


Yokoso
Bienvenue
Wälko
Bienvenida

A portfolio rich **in opportunities**

A property portfolio of 645,860 sq. m
valued at 1 billion euros

62% of buildings are new **or** recent
30% of which are **green labelled (HEQ or LEB)**

Well-situated land reserves offering 140,000 sq. m
of development potential ensuring the company's
future growth



High-yield, **liquid stock**

A true free float offering share liquidity

A core of stable shareholders

High recurring return

A stock covered by the leading European sector analysts

An established, committed **management team**

Directors Mark Inch and Robert Waterland:

- each with over 35 years of market experience
- and a joint 10% stake in the company

Tour Eiffel Asset Management
(formerly Awon Asset Management)
15 years of proven market experience and ability

As the worthy successor to the company founded by Gustave Eiffel in 1889, Société de la Tour Eiffel today is a listed property company investing exclusively in commercial real estate. Benefitting from its status as a SIIC (French REIT) since January 2004, the Company has built up a balanced portfolio of quality assets primarily composed of suburban offices and business parks.

The portfolio is valued at €1,025 million for 645,860 sq. m and 140,000 sq. m of land reserves located both in the Paris / Ile-de-France and the outskirts of provincial cities. Some 420 tenants (including numerous quality covenants) generate rents, approximately 60% of which are secured on average until mid 2016.

Property portfolio(1)

645,860 sq. m

of offices, business parks, light industrial, parcel depots, nursing homes

A portfolio of commitments valued at

1,025 million euros

90.6%(2)

financial occupancy rate

2010 results

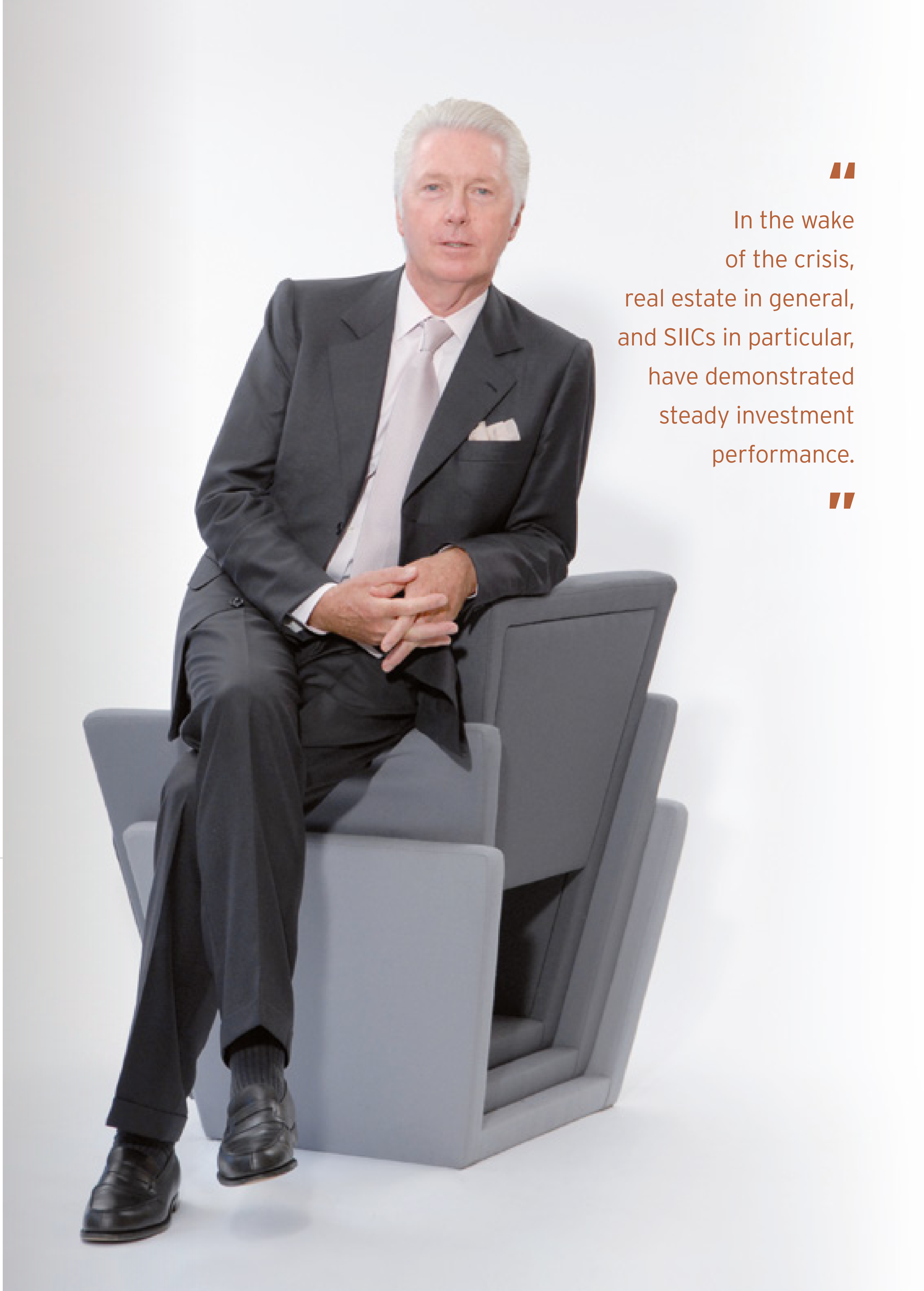
Rental income	72.2 million euros
Operating income on ordinary activities(3)	56.5 million euros
Net profit (group share)(3)	42.5 million euros
Current cash flow	33.4 million euros
Distribution per share(4)	4.20 euros

(1) At 31 December 2010.

(2) Excluding recently delivered buildings.

(3) Details page 33.

(4) 2 euro per share paid in October 2010 and 2.2 euro per share proposed at the agm of 18 may 2011.



"In the wake of the crisis, real estate in general, and SIICs in particular, have demonstrated steady investment performance."

CHAIRMAN'S MESSAGE
MARK INCH

To paraphrase Blaise Pascal, the market sometimes has reasons that reason cannot know. Many observers expected the financial and economic crisis to be followed by a real estate crash leading to the consolidation of listed property companies. Neither occurred. In the wake of the crisis, real estate in general, and SIICs in particular, have demonstrated steady investment performance. Against a background of low investment returns, it is possible to offer secure, foreseeable revenues – indeed, the very purpose of SIICs is to redistribute rents in the form of dividends.

As far as Société de la Tour Eiffel is concerned, while the recession has slowed our growth targets, it has also highlighted the quality of our model, based on «prime» property as perceived by the market today ie. new HEQ office buildings, secured by tenants with long leases. Nor is the term "secure" used in vain; very few of our 420 tenants having fallen victim to the recession. The satisfactory management of Société de la Tour Eiffel has enabled the company on an equivalent rental income base to increase its cash flow, a leading benchmark for property companies. Such a performance is due to suitably-timed disposals, the build-up of new assets and lower interest rates.

We intend to use the successful turnaround to renew with our previous growth rate. It is important to restore confidence in the commercial real estate business, and develop our portfolio in preparation for the horizon 2012-2014 when it is anticipated there will be shortage of quality buildings at affordable rents. As tenant demand returns with economic growth, we must be in a position to meet such requirements.

Renewed investment in properties that correspond to our strategic vision requires equity capital, sourced either by the divestment of assets or by fundraising. In this respect, there can be no doubt that the shareholders of listed property companies will regain their drive, motivated by the potential of attractive returns and prestige. Our core of stable, loyal institutional shareholders, as well as the increasing number of small investors who back us, and fresh capital (from the emerging markets, sovereign wealth funds, pension funds, etc.) are showing considerable interest for the French listed property sector, probably one of the most attractive in the world, with the benefit of its depth, inclusion in the euro zone, and stable, secure yields. Fundraising should not impact our capacity to make distributions, this being a firm commitment of Société de la Tour Eiffel, as illustrated by the dividend proposed for 2010.

We are all the more confident in the forthcoming steps in the company's development that debt refinancing is well under way. The 2010 maturity has been satisfactorily renegotiated and the major refinancing which falls due in 2013 is the subject of constructive discussions with our banks to extend maturities and break down the loans into smaller pools. Indeed, with an average of 3.5%, the cost of our debt is particularly low.

These various factors reinforce our optimism in the ability of Société de la Tour Eiffel to confidently write a new chapter in its history based on the development of a well let quality property portfolio capable of ensuring future dividend growth. This growth potential is founded on land reserves on which 140,000 sq. m. of new space can be developped, capable of generating €25 million of additional rental income. Sufficient to ensure a bright future for our shareholders.

Mark Inch > Chairman

INTERVIEW WITH THE MANAGING DIRECTOR ROBERT WATERLAND

What is your analysis of 2010?

Robert Waterland > As far as the commercial real estate market in France is concerned, 2010 was not as difficult as initially anticipated. Overall, the market performed better than expected, both in terms of leasing and investment. The average rental level of €308/sq.m in Ile-de-France was virtually unchanged over the year, reflecting the trend of consolidation. Although tenant demand continued to be sluggish and largely driven by considerations of cost cutting and rationalisation, supply remained stable since the financial crisis put a halt to new development projects. The vacancy rate at 6.9% was slightly down. While take-up rose from 1.8 million to 2.1 million sq.m, that is on a par with the average for recent years. The rental market remained difficult, with a return to favour of the CBD (Central Business District) and the western suburbs, spurred by downward rental adjustments. At 11 billion euros in 2010, the volume of investment activity is on the upturn, and we are not so far from the average of the last decade of some 15 billion euros per year. We can deduce that 2005-2008 should not be considered a benchmark, for, with hindsight, volumes were unreasonably inflated by debt.

And Société de la Tour Eiffel?

Robert Waterland > We are fortunate to have an excellent company operating in one of the best markets in the world. Indeed, the French commercial real estate market (driven by the Ile-de-France region) is extremely attractive, its only peers being London (in the sterling area) and Germany (which is in fact characterised by numerous disparate markets). Société de la Tour Eiffel has come through the crisis with remarkable serenity and significantly strengthened its cash flow in 2010, underlining the quality of our assets and financial management.

What explains this success?

Robert Waterland > Faced with the deteriorating market environment, we adopted a highly pragmatic, tight management approach. First of all, we screened our tenants carefully: this may sometimes prolong the marketing of a property, but thanks to this precaution we have suffered very few solvency failures since 2007. Secondly of course, we have been very frugal, and carefully controlled operating costs. But thirdly, and most important of all, we have carried out substantial work on our property portfolio to secure cash flow: this requires a pro-active approach in terms of lease renewals, renovation, and targeted developments with existing tenants (such as with La Poste or Medica), as well as the divestment of poorly performing or non-strategic properties.

Why sell assets?

Robert Waterland > A gradual turnover of the portfolio is an essential aspect of active investment management: certain assets that are not in line with our strategy have no reason to remain in the portfolio. I might point out that the €50 million of assets divested in 2010 were practically sold at their latest appraisal value. I should also like to recall that we seek to dispose of poorly performing properties with persistent voids or unreasonable service-charges, for example. Sometimes we sell vacant buildings to an owner-occupier or a residential developer, in order to limit the loss of rental income for our company. As far as "non-strategic" assets are concerned, we seek to off load small provincial units that lack critical mass or properties with an unfavourable risk profile (in terms of lease term in particular). Unfortunately, most sales still cause a loss of rent, so disposals are a compromise that merits careful analysis. I might add however that in recent years we have proven the liquidity of our portfolio with regular sales at NAV, the limited size of our assets being an important factor among others.

Is HEQ becoming essential for the company?

Robert Waterland > Société de la Tour Eiffel is committed to HEQ (High Environmental Quality) in general and LEB (Low Energy Buildings) in particular, which categories have become indispensable for any marketing of large-scale floor space. We have integrated the two features for several years. To underline the growing commitment to both, as is increasingly expected by our clients, we continuously audit our portfolio in order to upgrade properties in relation to Grenelle II legislation and current regulations. In new buildings, as demonstrated by recent projects (Parc Eiffel in Lyon or the Topaz building in Vélizy), the green factor has virtually become decisive, thus we are very attentive to the issue, although we recognize that its degree of importance differs for the present between the Paris region and the provinces.

Why Tour Eiffel Asset Management?

Robert Waterland > It was the logical continuation of Awon Asset Management, which Mark and I created some years ago originally for our private equity undertakings. Henceforth there will be a ready and conscious association with Société de la Tour Eiffel its parent company and unique client. As an aside, I should like to congratulate the Tour Eiffel Asset Management team for the way they have dealt with the difficult market challenges of recent years with thoroughly satisfying results.

Tell us about your debt situation

Robert Waterland > The pleasing 2010 performances lowered the LTV ratio from 62% to 60% through asset disposals, portfolio revaluation and debt amortization. We intend continuing in this vein in order to reconcile where possible two contradictory perceptions depending on prevailing circumstances. Leveraging may generate substantial benefits for the shareholders when interest rates are low, through cash flow enhancement. However, high debt levels can also be negatively perceived by the market and drag down the share price. Our responsibility is to manage this situation to the best of our abilities, based on market conditions whilst providing the company with the resources it needs to pursue future development.

What is your 2011 outlook?

Robert Waterland > *The general sentiment is that 2011 will resemble 2010 with the same trend, but that the dearth of new buildings available on the market will accentuate. A 1.5% increase in GDP will neither create service industry jobs nor increase rental demand. However, supply has stabilised and is not expected to increase (due to low construction levels). A more tangible recovery can be anticipated for 2012-2013 along with stronger leasing on the back of economic growth and job creation. This period will also present opportunities since there will likely be shortages of office space in some areas. We have to be prepared. As for Société de la Tour Eiffel, the marketing of properties delivered in 2010 is progressing in a satisfactory manner. We maintain a watchful eye on development opportunities within the portfolio, whether in the Parcs Eiffel or on the potentially lucrative Massy site.*

I would like to conclude by adding that rental market recovery is an absolute prerequisite for value creation, since the lack of investment opportunities last year already led to yield compression on core and mature assets, although this appears to have reached its limit. On the other hand, the market is starting to consider speculative development of certified buildings with competitive rents, a trend in which we intend to participate.

"We are fortunate to have an excellent company operating in one of the best markets in the world."

Robert Waterland
> Managing Director

TRADE EXHIBITION

An inaugural independent representation was also made at the SIMI corporate real estate trade fair held in Paris in December.

FINANCING

The Group refinanced its entire corporate line of credit, initially of €100 m, which expired at end March 2010. This was accomplished using company resources, drawing €30 m from a mortgage credit facility (expiring 2013) granted by PBB (Deutsche Pfandbriefbank), and a new €35 m line of credit negotiated with Natixis for a duration of 12 months, extendable 6 months.

DELIVERIES

A total 38,000 sq. m. of new developments was completed during the year, representing a potential of €5.8 m in rental income. The main deliveries included Topaz in Vélizy (14,000 sq. m.), the Parc Eiffel in Chartres (11,500 sq. m.) and extensions to the La Poste sorting offices in Caen Mondeville (4,800 sq. m.) and Vitrolles (2,500 sq. m.)and to the Bourg-en-Bresse nursing home (1,600 sq. m.)

DEVELOPMENT

Development planning was increased throughout 2010. Planning permissions submitted by end 2010 represented 41,000 sq. m. of space for an estimated future annual rental income of €8 m. A 2,200 sq. m. turnkey office project was initiated for SPIE Sud-Est at the Parc Eiffel du Moulin à Vent in Lyon-Vénissieux

AND ALSO...

Awon Asset Management, the operational subsidiary of Société de la Tour Eiffel, was rebranded as Tour Eiffel Asset Management. Under the direction of Frédéric Maman, this entity is responsible for the management of the company's portfolio.
In September 2010, the company took part in the Midcap Event at the Palais Brongniart in Paris.

SPONSORSHIP

In 2010, the Société de la Tour Eiffel Foundation organised a second contest for European architecture students in partnership with Abvent and the citizen action group, *Sauvons la Passerelle*.
The subject matter was the redeployment of a disused railway gantry crossing the river Garonne at Bordeaux which had been constructed under the auspices of Gustave Eiffel in 1860.
The awards ceremony was held at the Bordeaux town hall in October in the presence of the mayor Alain Juppé who was also a member of the jury.

LEASING

In all, leases representing 163,600 sq. m. and €13.1 m in rental income were signed during 2010. Lease renewals, extending to 126,000 sq. m., accounted for the majority, representing €9.3 m in rental income. The renegotiation of the majority of the "La Poste" portfolio leases, extending their terms, was an important element. The overall outcome reflects the company's dynamic property portfolio management.

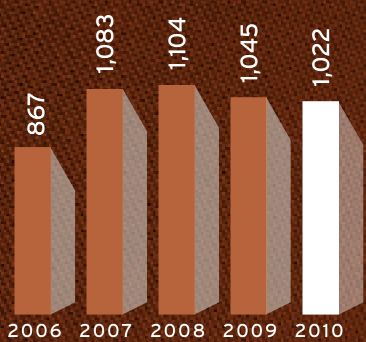
DISPOSALS

€51 m of disposals were completed in 2010, for total floor space of 55,000 sq. m. The assets concerned had either reached maturity as in the case of Champs-sur-Marne (€23.5 m) and the Colt building in Malakoff (€14.3 m) or no longer corresponded to the company's core strategy, as in the case of lots (buildings and land) of Parc Eiffel des Tanneries in Strasbourg (€5 m).

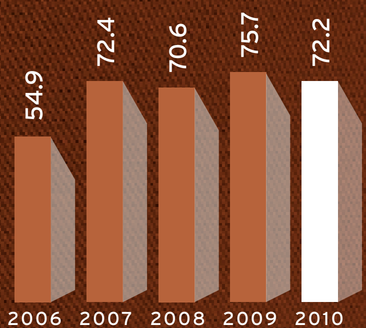
Frédéric Maman
> Managing Director,
Tour Eiffel Asset Management

"Disposals in 2010 amounted to €51 m causing a reduction of €4 m in annual rents, however 38 000 sq. m of new space was also completed capable of producing €5.8 m in revenues. On a like-for-like basis, the portfolio value increased through slight cap. rate compression applied to selected assets by the valuers. The portfolio overall continued to suffer the effects of negative indexation a phenomenon that can be expected to reverse in 2011..."

Value of property assets
IN MILLIONS OF EUROS

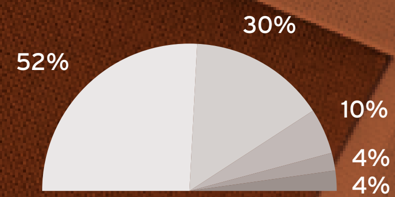


Rental income
IN MILLIONS OF EUROS



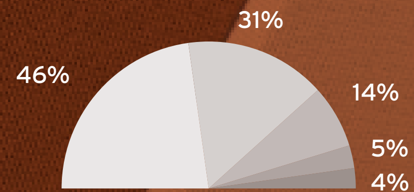
Portfolio of commitments

VALUE



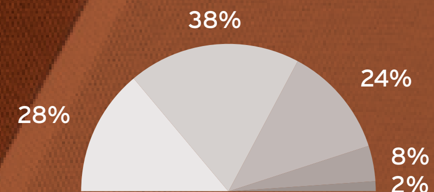
€ 1,025 m

POTENTIAL AND SECURED RENTS



€ 70 m

FLOOR AREA

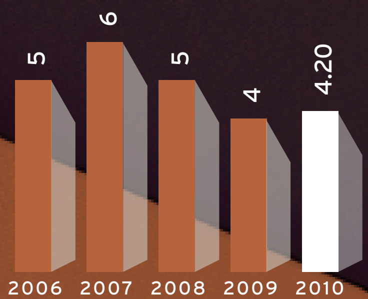


645,860 sq. m

Offices
Business parks
Light industrial
Parcel depots
Nursing homes

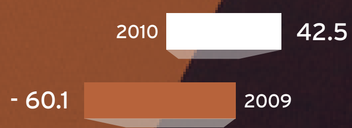
Dividend per share

IN EUROS



Net profit (Group share)

IN MILLIONS OF EUROS



73 euros

Liquidation NAV per share (+ 4.3%)

Jérôme Descamps

> Deputy Managing Director (finance) and Director (Board of Director), Société de la Tour Eiffel

"In 2010, Société de la Tour Eiffel confirmed the robustness of its business model thanks to the efficient management of its property portfolio combined with financial cost control. The uplift in NAV is testament to this, and the development projects planned for 2011 should confirm the resumption of a growth strategy as a means of maintaining the distribution policy of recurring revenues to shareholders".

GOVERNANCE AND TRANSPARENCY

Société de la Tour Eiffel has a long-term strategy based on certain principles and issues to which its top executives are particularly sensitive: **integrity** in conduct, **sustainability** of its investments, the **transparency** of the information provided, and **respect** for shareholders and the overall business environment, not to mention management **stability**.

During the past few years, the Board of Directors has been strengthened with the appointment of four new independent directors, leading figures in business and real estate. The creation of the Audit and Remunerations Committees in 2008 also accentuated quality governance.

Tour Eiffel Asset Management ensures the operational management of the company's real estate portfolio. It is organised in three branches (investment, asset management, and development) in line with the standards set by the market's leading property companies.

At the end of 2010, the Board of Directors comprised 9 members. Six meetings were held during the year, with an average attendance rate of 91%. For the first time, in December 2010 the Board of Directors undertook a self-assessment exercise featuring fifty questions relating to its constitution, organisational and operational procedures, director's remuneration and share ownership policy also the efficiency of the Board and the advisory committees as well as relations with the management. Although the Board usually convenes at the company's head office, generally once a year it meets at an on-site location. This year a Board meeting was held in Bordeaux in October.

› From left to right

Mark Inch, Robert Waterland, Jérôme Descamps, Claude Marin, Michel Gauthier, Marc Allez, Philippe Prouillac, Aimery Langlois-Meurinne and Renaud Haberkorn

Mark Inch
› Chairman

After beginning his career in 1973 with Jean-Claude Aaron, one of France's leading property developers in the 1970s, Mark Inch (60, Oxford and Sciences Po Paris) joined the Banque Arabe et Internationale d'Investissement (BAII) in 1979. Between 1985 and 1990, as Director of the Bank and President of its real estate subsidiary, he initiated numerous operations combining financial engineering and property assets, restructuring companies by developing their real estate assets (Felix Potin, Les Trois Quartiers, etc.). He founded the Franconor firm of consultants (specifically for Anglo-Saxon property investors) in the early 1990s before creating the Awon Group in 1999 with Robert Waterland. Together they rapidly grew the new company into one of the leading independent French property asset management firms. In July 2003, they combined with one of George Soros real estate investment funds to take over Société de la Tour Eiffel.

Robert Waterland
› Managing Director

In 1971 Robert Waterland (62, FRICS) joined the specialist real estate advisory partnership Jones Lang Wootton in London, before moving to Paris in 1973 to take part in the opening of the firm's French office. He was named a partner in 1977 before becoming President of the French business in 1985, a position he held for ten years. He piloted the firm towards a leading position on the French market, all the while assuming a global role as a member of the international board. In 1995, he joined Mark Inch at the head of Franconor. The pair subsequently founded Awon Group together in 1999. As one of the leading recognised experts in the French real estate market, he has twice been awarded the Pierre d'Or (Expertise Pierre) as asset manager of the year in 2001 and as investor of the year in 2003.

Jérôme Descamps
> *Deputy Managing Director (finance) and Director*

Before joining Awon Asset Management in 2000, Jérôme Descamps (43, ESG) began his career with the ISM group, subsequently joining Bail Investissement.
His responsibilities cover financial management in the broad sense including legal, administration and communication. He is responsible for the financial control of the group liaising with the various teams: investment, asset management and property management.

Claude Marin
> *Independent Director*

A board member of Société de la Tour Eiffel since 1970, Claude Marin (HEC, Bachelor of Law) spent most of his career with the Havas group for which he was the Managing Director of IP (controller of the French radio station RTL), President of ODA (French Yellow Pages), and CEO of the Avenir bill-posting company.
He is also a non-executive director of PIM Gestion France. In addition, he is a member of the Supervisory Board of Actes Sud publishers and Safra Bank. He is Honorary President of the French National Advertising Federation.

Michel Gauthier
> *Independent Director*

A board member of Société de la Tour Eiffel since 1989, Michel Gauthier (Polytechnic, Insead MBA) is an advisor and expert in financial strategy on the European and African markets.
His other directorships include the Pakidié Rubber Company and Supervisory Board of ADL Partners.

Marc Allez
> *Independent Director*

Founder in 1968 of the first Notary Public Partnership in Paris, Marc Allez (Master of Law) founded Allez & Associés in 1977 where he practised as a notary public until 1998. He is member of the Board of directors of the Philippe Amaury publishing company (Le Parisien-Aujourd'hui en France, l'Equipe and ASO Group).

Philippe Prouillac
> *Independent Director*

President of Atisreal Appraisers and Consultants until February 2008, Philippe Prouillac (MRICS) previously held senior positions at Immobail and the Caisse Centrale des Banques Populaires (in charge of property financing and investment), France Telecom real estate department and as Managing Director of Aareal Bank France.

Aimery Langlois-Meurinne
> *Independent Director*

CEO of Imerys, Aimery Langlois-Meurinne (ENA alumnus) commenced his career at Paribas Bank (France) before becoming Senior Managing Director of Merrill Lynch in New York. From 1990 to 2010 he was the CEO of Pargesa Holding S.A in Geneva.

Renaud Haberkorn
> *Independent Director*

Managing Partner with real estate private equity firm Grove International Partners, he has 15 years of experience in real estate and international finance having been previously with Goldman Sachs and Soros Real Estate Partners.
He represented the latter in the takeover of Société de la Tour Eiffel by Awon in 2003, following which he acted as a director between 2004 and 2006.

ADVISORY COMMITTEES

Created in 2008, the Audit and Remunerations Committees assume an increasingly vital role each year.

AUDIT COMMITTEE

Consisting of four members (Michel Gauthier, Chairman, Marc Allez, Philippe Prouillac, and Renaud Haberkorn), the audit committee regularly oversees the preparation of the individual and consolidated financial statements ensuring that the adopted accounting methods are consistent and conforming. It also verifies that the internal procedures for collating and checking information are in keeping with these objectives. It alerts the Board of Directors to accounting, financial or fiscal matters brought before it or which merit attention. It regularly informs the Board of Directors of its diligence and observations. The Audit Committee met four times during the year (sessions with the company's valuers, auditors, and the review of internal procedures with risk profile analysis). The attendance level at these meetings was 100%.

APPOINTMENT AND REMUNERATIONS COMMITMENT

Comprising four members (Claude Marin, Chairman, Marc Allez, Philippe Prouillac, and Aimery Langlois-Meurinne), the Appointment and Remunerations Committee, originally created in 2008 as the remunerations committee, has had its remit extended since December 2010 to questions relating to board appointments. Responsibility also covers the remuneration of the company directors and senior executives, to ensure any changes made thereto, are in keeping with shareholders' interests and the company's performance, in particular relative to the competition. The committee also ensures that remuneration levels are in keeping with the need to recruit, motivate and retain top executives. The attendance rate for its members was 88.9% in 2010.

> Rotation of directors

During 2011, three independent directors are due to retire whose reappointment is precluded by age limitation provisions voted into effect at the General Shareholders' Meeting of 20 May 2010. Identification and approaches were initiated during the second half year to find suitable new appointments for submission to the Annual General Meeting's approval in May 2011.

> Financial transparency

Since 2007, Société de la Tour Eiffel has applied the Transparency Directive, which implies the dissemination of real estate and financial information with the aim of ensuring that communication is as comprehensive and clear as possible. The initiative is fully in line with the information and dialogue policy established with individual and institutional shareholders, financial analysts, journalists and other opinion leaders in France and abroad.

In 2010, the company participated in 11 roadshows.

All of the company's financial documents, press releases and other relevant information concerning its activity are also available on its website www.societetoureiffel.com.

> Communication

In addition to its annual report and reference document (comprising over 200 pages), Société de la Tour Eiffel issued eight press releases in 2010, reflecting its activity throughout the year. A second edition of its widely distributed newsletter was published for the SIMI 2010 highlighting the company's strategy and development.

HUMAN RESOURCES

TOUR EIFFEL ASSET MANAGEMENT

Rebranded Tour Eiffel Asset Management in September 2010, the former Awon Asset Management is the operating subsidiary responsible for investment and portfolio management of its parent SIIC. Made up of 22 real estate professionals, it is headed by Frédéric Maman (age 42, alumnus of Institut Supérieur du Commerce), who joined Awon Asset Management in 1999 having previously held posts at Barclays Bank and the Consortium de Réalisation (CDR).

Tour Eiffel Asset Management is organised into three operational departments:

- investments and disposals (*Nicolas Ingueneau*)
- asset management (*Odile Batsère*)
- development projects (*Nicolas de Saint-Maurice*).

TOUR EIFFEL ASSET MANAGEMENT

Questions for:

Frédéric Maman
› Managing Director, Tour Eiffel Asset Management

Why was the Société de la Tour Eiffel's management company renamed?

Frédéric Maman **›** *This arose quite naturally from the Group's growth. Awon Asset Management had been the investment and real estate manager for Awon Group (particularly the operational platform of AIG FPF then a Soros fund).*
At the initiative of its founders, Mark Inch and Robert Waterland, Awon took over Société de la Tour Eiffel listed on Euronext in 2004 to launch the first independent French SIIC. Awon Asset Management subsequently acted as the dedicated asset manager of Société de la Tour Eiffel, by which it was absorbed in May 2006. Today the parent company enjoys an established name and reputation in its field of activity so it is perfectly logical that its operational subsidiary should adopt the same brand in order to project a cohesive combined image.

What is the role of Tour Eiffel Asset Management?

Frédéric Maman **›** *To ensure all the activities of a real estate asset management company, such as identifying opportunities and new investments, raising finance, managing a disposal strategy, space marketing and managing tenant relationships.*
It also undertakes land bank development and addresses sustainable development issues. On the other hand, back office activities such as property management, accounting, and facility management are systematically outsourced.
To conclude, Tour Eiffel Asset Management's complement of 22 devote their entire energy to the management and value enhancement of the parent company's real estate portfolio.

OUR CREDO

THE SOCIETE DE LA TOUR EIFFEL FOUNDATION **20**]

PARCS EIFFEL

Since 2008, Société de la Tour Eiffel has grouped its business parks under the "Parcs Eiffel" label. These parks, of predominantly offices (91% in rents), are generally located in the inner periphery of the major provincial cities. They offer attractive campus-style working conditions, combining functionality with environmental quality. They mostly consist of two-storey units set in pleasant landscaped surroundings. With total floor space of almost 250,000 sq. m. in offices and light industrial space, the Parcs Eiffel account for over one third of the company's portfolio, and represent a not insignificant source of growth.

The occupancy rate of the parks, excluding restructuring, is 81%. Some parks, such as those in Aix-en-Provence, Lille and Orsay, enjoy a 100% occupancy rate, while others are undergoing repositioning. For example, Parc Eiffel des Tanneries in Strasbourg, underwent a major asset management overhaul in conjunction with the local municipality. Certain lots were sold to residential developers whereas an obsolete building was demolished to make way for new offices. Overall, the object of the exercise has been to reduce the capacity to a level more in line with the local market potential.

Rejuvenating the image

In 2010, Société de la Tour Eiffel pursued its objective of improving the quality of its business park portfolio. This involved on-going renovation of common areas such as lobbies, staircases, toilets, floors, roofs and externals. Whenever possible, wheelchair accessibility is introduced. This desire to maintain and improve the prestige of the Parcs Eiffel –embodied in a three-year plan– also extends to strict control of the service charge budget.

Additionally, 2010 saw renewed development activity in the business parks. Notably a 2,200 sq. m. turnkey facility for SPIE Sud Est was initiated at the Parc Eiffel du Moulin à Vent in Lyon-Vénissieux (34,000 sq. m., 82 leases), secured on a 9-year fixed lease. This is the first office building in a Parc Eiffel to meet LEB standards (low energy building). For SPIE Sud Est, which will occupy its regional head office there from January 2012, this was an important aspect of the development. It is also a new recurring theme for the landlord.

Since they were acquired, the business parks have undergone modernisation and upgrading on a regular basis both through renovation and the exploitation of residual construction rights, all with a view to Grenelle II compliance.

Currently, all planning permissions delivered or applied for are in hand or the subject of negotiations with potential tenants. They account for 13,000 sq. m. of the 50,000 sq. m. or so of remaining construction rights.

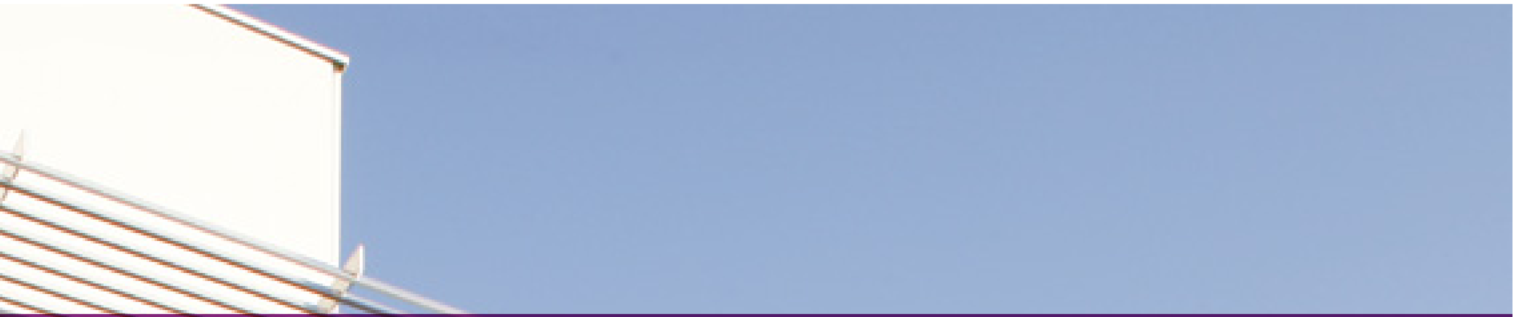
Approximately 20% of the business parks can be considered renewable, either on existing land reserves or by adding a floor to single-story buildings, thus potentially doubling their floor space.

The intention is to match this development potential with market demand which, after the downturn of the recent crisis, is expected to increase in 2011/2012. As a result, new development projects are under study for other business parks in locations with identifiable market potential.

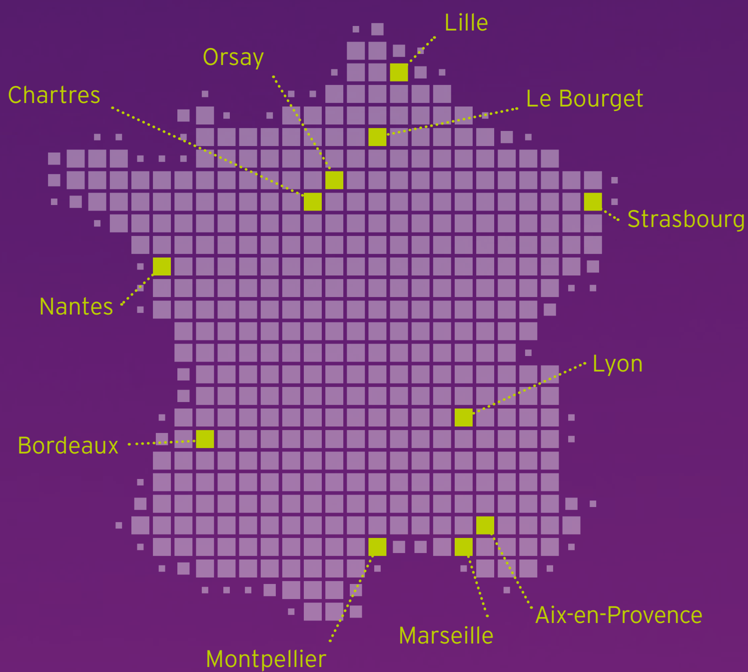
Odile Batsère
> Asset Management Director, Tour Eiffel Asset Management

Sophie Gay-Perret
> Asset Manager, Tour Eiffel Asset Management

"For almost three years, there have been no new projects launched in the provinces. In some towns there is real demand for new developments. We are therefore studying plans for our business parks in locations such as Aix-en-Provence, Marseille, Lille and Lyon –where this phenomenon is most apparent. We are already positioned on turnkey projects in Lyon, Aix and Lille suitably attuned to tenant requirements, with short-term deliveries of around 12 months."



Parcs Eiffel locations



Parcs Eiffel in figures

11	business parks
243,000 sq. m	combined floor space
13,000 sq. m	under development
40,000 sq. m	of land reserves
€22 m	in rental income
400	tenants
177	buildings

OUR DEVELOPMENT CHALLENGE: ANTICIPATING GRENELLE AND REGULATIONS

In the space of a few years, sustainable development has become a major issue for the economy is general, and real estate in particular. It is a phenomenon that Société de la Tour Eiffel has perfectly integrated into its growth strategy, particularly by participating in the various discussions and commissions organised by the profession to provide guidelines for regulation changes.

New thermal regulations in 2012

The Second Grenelle Act on the environment came into force during 2010. A major change for the real estate market was the implementation of the 2012 thermal regulations, which must now be respected by all planning permissions submitted after 26 October 2011. The Act defines the new thermal rules and sets energy consumption thresholds by region and building type. It is particularly ambitious new legislation, since it imposes a 50% reduction in energy consumption over the 2005 thermal law, and effectively corresponds to current LEB certification (low energy building).

Société de la Tour Eiffel anticipated this development well in advance, since all its new- builds are either LEB compliant or certified. The 2,200 sq. m. turnkey offices, construction of which has started for SPIE Sud Est at Parc Eiffel du Moulin à Vent in Lyon, are a case in point. The planning permission application in 2009 already met the RT 2012 requirement. Technical studies were carried out to limit the running costs of this building, which is expected to consume 80 KwH per sq. m. per annum. A quality approach that attracted SPIE Sud Est, which opted to install its future regional head office. The approach is adopted in all the Parcs Eiffel, whether in Aix-en-Provence, Marseille, Lille, Bordeaux or Strasbourg. All new developments are RT 2012-compatible.

The same can be said for Topaz, a development launched in 2008 and delivered in May 2010. It is one of the first HEQ office buildings (high environmental quality) located in the Vélizy sector. Its operational performance is constantly being improved, particularly in terms of ventilation, visual comfort (i.e. optimal use of natural light) and water management.

Review of existing assets

The impact of the French *Grenelle de l'environnement* environmental legislation, however, is not limited to development projects in hand or at the planning stage. It also extends to existing buildings. New regulations may require energy savings of up to 38% in standing property portfolios by 2020. The implementing statutory instrument is still subject to debate but should soon be published, specifying procedures.

Against this relatively uncertain backdrop, we chose not to hesitate before defining our portfolio's energy blueprint. To this end, BUREAU VERITAS has been commissioned to carry out energy soundings on a representative sample of the portfolio.
We are thus able to measure real consumption, determine the carbon footprint of our buildings and identify areas for improvement to be taken by both lessor and lessee.

RELATIVE ADDITIONAL COSTS

The question of additional costs is at the heart of all LEB constructions. Until quite recently, the additional construction cost of green buildings was substantial. Today, it is only 2-5%. By using advanced technical analyses during the planning stages (e.g. building orientation, type of equipment, glazing depending on facades, airtightness, dynamic thermal simulations), enhanced performances can be achieved. The increasing availability of improved plant and materials, combined with the fall off in construction, have led to reduced construction costs.

"Regulatory changes have accelerated these past few years, but Société de la Tour Eiffel has been able to keep one step ahead. We observe that our occupiers are increasingly sensitive to measurable performance in their buildings. They are more attracted to simple, efficient buildings than accumulations of alternative energy-creation solutions. Today, LEB compliance really sets a building apart".

This comprehensive study will guide future maintenance and major plant renewal. It will also give Société de la Tour Eiffel the chance to engage in a win-win, positive dialogue with its tenant. The study exercise will encourage tenant loyalty and secure the asset value by boosting its "Green Value".

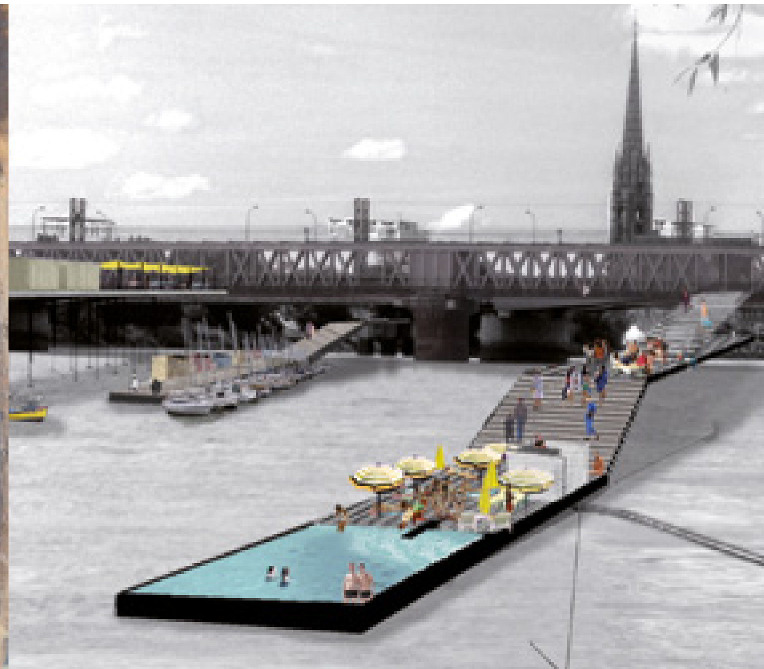
Another initiative intended to showcase and secure the performance of new buildings is the Green Rating. This involves simulating the use of a new building by a typical tenant (e.g. opening hours, number of employees, consumption control, regular equipment maintenance, etc.). Buildings are rated on a scale of 1 to 9, in relation to a uniform benchmarking scale.

This initiative, initiated by a group of investors in tandem with Bureau Veritas, identifies the building's intrinsic performances which may otherwise be distorted by the unusual usage of negligent tenants. The Green Rating is appended to the lease and informs tenants of the building's qualities. In the event of a sale including due diligence, it offers potential buyers a guarantee on the building's intrinsic qualities, regardless of recorded consumption due to the user's activities.

Nicolas de Saint-Maurice
> Development Director, Tour Eiffel Asset Management

BEEHIVES ON THE ROOFS

From now on, employees of Parcs Eiffel offices tenants will not be the only ones to benefit from the landscaped environment. In the spring, the parks at Aix-en-Provence and Orsay will become home to beehives managed by professional beekeepers. This innovation will add a new green touch to these parks which are already appreciated for their attractive working environment.



2nd prize:
Leonard Cattoni,
Margot Chabert,
ENSNP Blois

3rd prize:
Robin Dresson, Helena Hiriart,
ENSAP Belleville

4th prize :
Caroline Escaffre-Faure,
Caroline Chauvel,
Marie Dronneau,
ENSAP Bordeaux

5th prize:
Coline Giardi, Ugo Elzière,
Cléo Deschaintres,
ENSA Montpellier
and *École chez soi*

AN OUTSTANDING JURY

The jury conferring the prizes featured recognized personalities in the fields of architecture and urban planning from the Gironde area.

- **Alain JUPPÉ,** *Mayor of Bordeaux*
- **Philippe COURTOIS,** *CEO of Euratlantique*
- **Paul ANDREU,** *Architect*
- **Jean-Marie DUTHILLEUL,** *Architect*
- **Robert WATERLAND,** *Chairman, Société de la Tour Eiffel Foundation*
- **Claude MARIN,** *Board member, Société de la Tour Eiffel Foundation*
- **Myriam LARNAUDIE-EIFFEL,** *citizen action group* Sauvons la passerelle
- **Xavier SOULE,** *Chairman of Abvent, Architect*

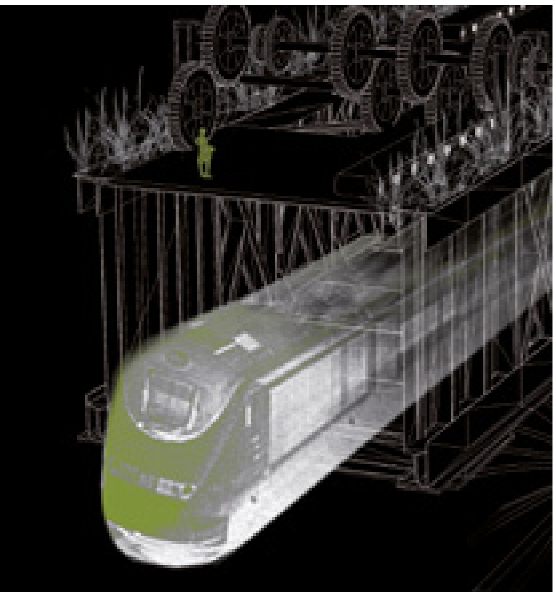
AN HISTORICAL RAILWAY GANTRY

The challenge facing architectural students who entered the 2010 Eiffel competition was to rehabilitate the monument which, in its time, was one of the world's longest metal structures. Spanning the Garonne at Bordeaux, the Eiffel railway gantry, inaugurated in July 1860, broke records with its total length of 500 metres and five central spans of 73.46 metres. The gantry facilitated the approach of trains to Saint-Jean station. Today, although in disuse, the gantry remains structurally sound and is now classified as a historical monument. It could therefore withstand all manner of renovation and conversion works as part of the Euratlantique urban renewal project fronting the future TGV station.

First prize
The first prize was awarded to two young students from the Saint-Etienne school of architecture, Jérémie Taite and Laurie Paillet, for their project, *La lanterne*.

THE SOCIETE DE LA TOUR EIFFEL FOUNDATION

The notable success of the second competition for students and young professionals sponsored by the Société de la Tour Eiffel Foundation was most encouraging. Following the previous contest held in 2008, which focused on Eiffel's iconic Parisian tower, the Board of Directors sought to draw attention to a more obscure provincial structure dating from the engineer's youth: the Eiffel railway gantry spanning the River Garonne at Bordeaux.



Organised with the active support of the Bordeaux municipal authorities, in partnership with Abvent and *Sauvons la Passerelle* (a citizen action group working to save the gantry from demolition), the competition attracted entries from 130 architectural students based in six European countries (France, Belgium, Germany, Italy, United Kingdom and Spain). The 68 inventive, creative, innovative and indeed daring projects which were submitted demonstrated their response to the challenge.

True to its philosophy, the 2010 Eiffel Architecture Competition encouraged and promoted the creativity of architectural students, the builders of tomorrow. Students benefited from over € 30,000 in donations sponsored by the Société de la Tour Eiffel Foundation in partnership with Abvent Group. The event also offered the students the opportunity of exposure to experienced professionals, thanks to the comprehensive catalogue published for the occasion and the exhibition of their projects in Bordeaux.

The jury gave particular consideration to the relevance, creative insight, consistency and innovation, or even boldness shown in the architectural projects. It also took into account the treatment of sociological, urban, environmental and economic issues. Clarity of proposals, conception and design were also considered. In view of the diversity of projects submitted, the jury (which met in Bordeaux in September 2010) adopted two guidelines in its deliberations:

- visionary, ambitious solutions reminiscent of Gustave Eiffel's legacy, and
- modest, economical solutions capable of being realistically implemented in the short term.

OUR FUNDAM

ENTALS

MODEST REBOUND

Following the cautious approach adopted by investors and listed property companies in 2008 and 2009, commercial property investment activity increased in 2010 to an overall volume of €11bn, a jump of 42% year on year, a level more in line with the average of the past ten years. In hindsight, it was the years 2005 to 2007 that were exceptional in terms of volume, as they were inflated by excessive debt. The bounce was particularly felt during the fourth quarter which accounted for 42% of the year's transactions.

Several highlights exemplify the market's recovery:

- the benchmark rent index reversed, becoming positive once again after a downward trend lasting almost 12 months,
- property values ceased to decline and stabilised even increasing slightly in the case of core assets,
- an anticipated medium-term shortage of new offices, given the post-crisis halt in speculative development.

Another indicator of the reversing trend is the reduction in real estate capitalisation / risk premiums. Investors are now prepared to accept lower yields and are showing renewed interest in bricks and mortar. According to CBRE, 70% of investors are seeking to acquire new properties, yet at the same time, fewer investors are willing to sell since they are expecting an upward swing in prices for prime property, the supply of which remains limited.

All these factors have led to a positive change of sentiment towards real estate. We may anticipate a new cycle of growth and value creation.

CBRE's reported overall investment volume of €11 bn also records that :

- 61% of investors are French;
- 42% of the transactions were below €50 m;
- 68% concerned offices.

The typical investor profile has also evolved. Institutional investors dominate (29%), while others include SCPI/OCPI (27%, which benefited from large capital inflows and spurred the market); SIICs (13%); opportunity funds (13%, a slight reduction), and Family Offices (7%) or sovereign debt funds which are becoming more widespread. Equity investors are in the majority, whilst an extension of the market to non-core investments will remain restrained by the scarcity of bank financing.

DISPOSALS

Société de la Tour Eiffel reacted to market opportunities in disposing of over €50 m in mature or non-strategic assets at appraisal value. This is relevant to the company's strategy of concentrating on recent, high-yieldy assets. Responding to market appetite for secure assets (all sold buildings were let), each transaction attracted strong interest. The buyers included family offices seeking secure-yielding products; SCPIs with substantial funds; and residential developers seeking development land in the face of the buoyant housing market.

FINANCING

Fully benefiting from the low interest rates, Société de la Tour Eiffel saw its average cost of finance decline to 3.5% over the year whilst a €100m line of credit expiring on 31 March 2010 was refinanced. The company therefore continued attending its financial structure, both in refinancing existing credit lines and negotiating new debt facilities.

DEVELOPMENT

As part of its tenant support role, Société de la Tour Eiffel actioned two extensions for La Poste (parcel depots in Vitrolles and Caen) and one extension for Medica (nursing home in Bourg-en-Bresse). The accompanying extended lease terms and long-term security will consolidate long-term cash flow. Similar extension projects are planned for in-situ tenants, leading to recurring annual investment commitments of €20-30 m for approximately €2 m in rental income. In total, over the year the company completed new developments to the value of €64 m.

The company is also seeking to exploit the reservoir of potential enquiries from its extensive existing tenant roster by developing turnkey buildings with 50% or more pre-commitment (€20-50 m). Professional portfolio management is a prerequisite to these organic growth strategies founded on secure cash flows which facilitates the obtention of debt financing.

Constant portfolio upgrading remains a primary objective for the company.

Nicolas Ingueneau
> Investments Director,
Tour Eiffel Asset Management

"After the major liquidity squeeze of recent years, investors and banks are once again prepared to participate in the market. In particular, banks are modestly looking to finance acquisitions. They were somewhat more favourable to semi-speculative transactions at end 2010, although the appetite for pure speculative development remains muted. With regard to future refinancing, we can reasonably expect them to give existing clients priority assuming acceptable project security."

	2010	2009	2008
Average cost of debt	3,5%	3,9%	5,2%
Hedging	99%	98%	91%
Of which fixed rate and SWAPs	61%	54%	55%
Of which CAPs	39%	46%	45%

PARCEL DEPOTS, A NICHE MARKET

Société de la Tour Eiffel owns nine parcel depots which are leased to La Poste, and one (out of two buildings) to Gefco (Sochaux), together accounting for some 14% of the portfolio's rental income and 24% of the floor area. A specialist from this sector (Savills Research) offers the following current market analysis.

The French parcel depot market is estimated at 1.2 million sq. m. The vacancy rate is almost nil. Parcel depots require to be located close to large urban centres where land costs are high. They are also small in size and require a high ratio of office space. Because of these factors, parcel depots are often rented at twice the value of standard warehouses. Average rents vary from €85 to €100 in the greater Paris region and €50 to €70 in the main regional centres. Parcel processing requires a location and premises that will remain strategic in the long term. Thus, lease terms average from 9 to 12 years whereas the capitalisation rate for prime properties is between 8% and 8.5%.

NEW CABOTAGE REGULATIONS

On 14 May, 2010, new cabotage regulations concerning road transport were adopted, under these provisions, non-resident hauliers may carry out up to three successive cabotage operations in another country. The ratio of road cabotage to total transport in France is one of the highest in Europe, even though it only accounts for 3% of the market. Even if this legislation reduces the number of European hauliers on the market, it is not expected to impact the intensity of international competition.

UPWARD TRENDS IN E-COMMERCE

In 2009, the French e-commerce market jumped by 17% and the percentage of products sold on line by 15%, in spite of the uncertain economic climate. To maintain strong sales growth, some 45,000 online retailers must continually strive to serve their clients faster and cheaper. Express transport sets apart and encourages loyalty from online customers to retailers.

A "CROSS DOCKING" PARCEL DEPOT

The purpose of a parcel service platform, or cross-dock, is to consolidate a large flow of merchandise of different origins and destinations. Parcel depots are alley buildings with an average of 3,000 to 7,000 sq. m in floor space, an average height of 6 to 7 metres and a depth of around 30 metres.

Thus, on-line parcel deliveries are enjoying strong growth, up 25% in 2010 according to the French e-commerce and catalogue sale federation (FEVAD). It is estimated that the e-commerce market in France could still increase by 16% in 2011, with an inevitable positive impact on the parcel depot sector.

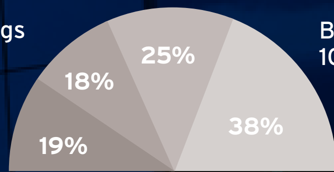
PRIVATISATION OF THE EUROPEAN POSTAL SERVICE

Since January 2011, the majority of European postal services have been made completely open to competition. They were preceded by the United Kingdom (2006) and Germany (2008). Competition has rapidly emerged, seizing marketing initiatives intended to attract customers of the most lucrative sectors, or gain their loyalty. With the arrival of these newcomers, the French postal market may be standing at the dawn of a veritable revolution.

OUTLOOK

Against a backdrop of economic recovery, the parcel depot market should pursue the growth already posted around mid-2010, particularly driven by the sharp increase in e-commerce. Nevertheless, the privatisation of European postal services will open the French market up to European competition regardless of new cabotage regulations. This increased competition, in an environment weakened by the crisis, could lead to a new wave of external corporate growth. Although this growth could completely change the market landscape, it is highly unlikely that mergers or acquisitions will have any impact on the demand for warehouses. On the other hand, the consolidation of some units could free up some second-hand warehouses which could then be redeveloped as turnkey properties. Rental income should remain stable.
Against a backdrop of cost reduction, the main market stakeholders will once again focus on their core markets. Thus, some operators will be forced to dispose of their premises, opening up investment opportunities. Rates of return may be subject to downward pressure from competition.

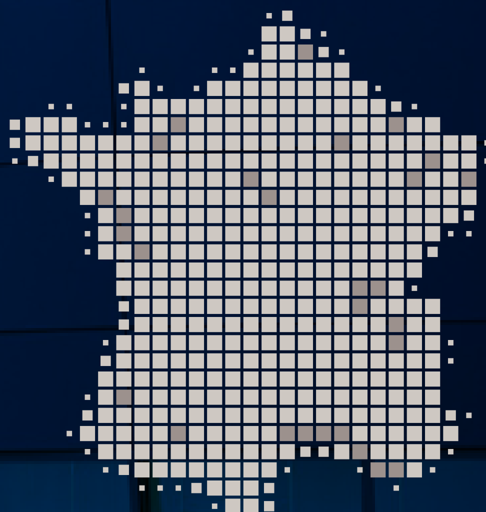
A MODERN PORTFOLIO



GEOGRAPHICAL SPREAD

REGIONS

Floor area: **426,644 sq. m i.e. 66%**
Value: **€ 485m i.e. 47%**



ÎLE-DE-FRANCE/PARIS REGION

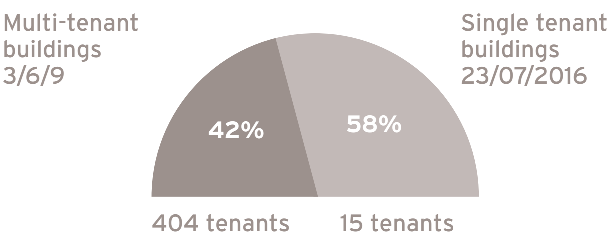
Floor area: **219,216 sq. m i.e. 34%**
Value: **€ 540m i.e. 53%**

MAJOR TENANTS

TENANTS	Rental income /% total
La Poste	12.5
Alstom	7.9
C&S	5.2
NXP	4.6
Medica	4.2
Ministère de l'Intérieur	4.0
Air Liquide	4.0
Solétanche	3.7
Atos	2.7
Gefco	2.3
DRASS DDASS	2.0
Conseil Général de Seine St Denis	1.9
Centre des Monuments Nationaux	1.8
Pôle Emploi	1.7
EURO MÉDIA France	1.5
Antalis	1.4
Multilocataires	38.6
Total	**100**

LEASE MATURITY

according to signed leases



PORTFOLIO SUMMARY

OFFICES

> Total floor area **178,481 sq. m**

Paris Île-de-France

• Asnières Quai Dervaux • Champigny Carnot • Champs-sur-Marne
• Chatenay Central Parc • Herblay Langevin • Le Plessis
• Massy/Ampère • Montigny-le-Bretonneux • Paris Charonne
• Paris Porte des Lilas • Roissy Fret • Rueil - Bobigny
• Saint-Cloud • Vélizy Energy II • Vélizy Topaz

Regions

• Caen Colombelles • Grenoble Polytec • Grenoble Viseo • Nancy Lobau
• Nantes Einstein • Orléans Université

BUSINESS PARKS

> Total floor area **242,686 sq. m**

Paris Île-de-France

• Orsay - Université
• Le Bourget : Espace

Regions

• Aix-en-Provence : Golf • Bordeaux : Cadera • Chartres : Business Park
• Lille : Les prés • Lyon : Moulin-à-Vent
• Marseille : Les Aygalades • Montpellier : Le Millénaire • Nantes : Perray
• Strasbourg : Les Tanneries

LIGHT INDUSTRIAL

> Total floor area **54,063 sq. m**

Paris Île-de-France

• Aubervilliers • Bezons • Herblay

Regions

• Montpellier Areva • Nancy Ludres

PARCEL DEPOTS

> Total floor area **157,742 sq. m**

Paris Île-de-France

• Gennevilliers • Mitry-Mory

Regions

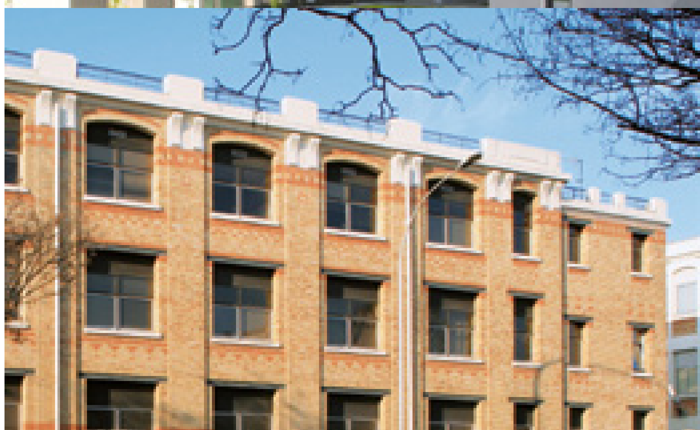
• Amiens • Caen Mondeville • La Roche-sur-Yon
• Les Souhesmes 1 & 2 Verdun • Marseille Provence Vitrolles
• Orléans/Ingré • Saint-Gibrien • Sochaux • Toulouse Capitols • Vannes

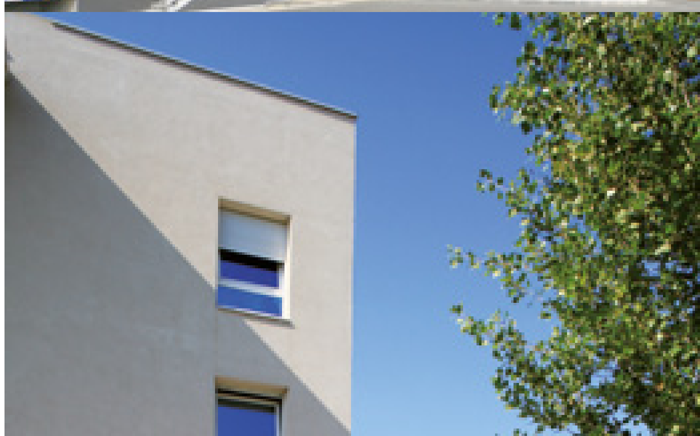
NURSING HOMES

> Total floor area **12,889 sq. m**

Regions

• Bourg-en-Bresse • Cogolin • La Crau • Lyon





RESULTS SUSTAINABILITY AND STABILITY

As in 2009, Société de la Tour Eiffel demonstrated its ability to consolidate its results. The slight decrease in cash flow from €6.1 to €6.0 per share is mainly due to the impact on rents of the disposal strategy, the company having sold assets worth €51 m (representing €4 m in annual rents over a full year, €2 m for 2010), partly offset by reduced finance cost and a dilution effect (3%) due to the October 2010 capital increase following the partial payment of the interim dividend by way of scrip issue.

CONTROLLED FINANCIAL STRUCTURE

The capital increase made to meet the scrip issue interim dividend improved the financial structure of Société de la Tour Eiffel, whilst enhancing its cash flow. Disposals (worth €51 m) further assisted consolidation enabling €35 m of reimbursement to the banks. Funding also continued to be monitored, with the renegotiation of the 2010 maturity and on-going discussions with banks concerning the 2013 refinancing deadline. The net LTV was close to 60%, a decrease of -2% compared with 2009 thanks to the 1% rise in portfolio value on a like-for-like basis (after the declines posted for 2008-2009).

The company also continued its policy of interest rate hedging in the first half of 2010 with €207 m of hedging instrument subscriptions. As a result the company's entire financing is hedged until the major 2013 redemption date. Pro-activity has enabled the company to benefit from both low interest rates and prolonged debt maturity and thus optimise its on-going funding.

The average cost of debt fell to 3.5% in 2010 against 3.9% in 2009.

STRENGTH AND GROWTH IN NAV AND EARNINGS

Confirming the robustness of the strategy implemented by the company, its NAV per share made a marked recovery in 2010 rising to €73 as at 31 December, equivalent to €75 excluding the dilution related to the 3% scrip issue capital increase in the autumn. The NAV per share was €70 per share in 2009.

While income from operating activities declined 5% (rent net of property charges and operating expenses, disposals), consolidated net profit rose sharply to €42 m, after losses of -€16.7 m in 2008 and -€60.6 m in 2009. The progression is due principally to the fair value uplift in the portfolio, interest rate hedging instrument value adjustments and to lower financing costs.

CONSOLIDATED BALANCE SHEET

in thousands of €	31 december 2010	31 december 2009	31 december 2008
> NON CURRENT ASSETS	**1,009,357**	**1,044,068**	**1,090,526**
Tangible assets	369	427	8,771
Investment properties	1,004,809	1,036,567	1,077,158
Goodwill	-	-	-
Intangible assets	764	1,510	2,286
Loans and receivable	1,547	4,412	1,115
Derivatives at fair value	1,546	830	1,196
Deferred tax debit	322	322	
> CURRENT ASSETS	**55,899**	**73,562**	**99,022**
Properties earmarked for sale	17,320	8,098	18,300
Trade receivables and related accounts	22,327	25,941	22,062
Tax receivables	4,058	11,481	15,109
Other receivables	3,002	7,150	15,216
Investment securities	119	10,750	17,420
Cash	9,073	10,142	10,915
TOTAL ASSETS	**1,065,256**	**1,117,630**	**1,189,548**
Shareholder's equity (Group share)	373,430	345,593	418,313
Capital	27,961	27,165	249,264
Share premium	34,478	35,898	42,653
Legal reserve	2,717	5,551	4,142
Consolidated reserves	265,787	337,095	139,002
Consolidated net profit	42,487	-60,116	-16,748
Minority interests	-	-	362
TOTAL SHAREHOLDERS' EQUITY	**373,430**	**345,593**	**418,675**
> NON CURRENT LIABILITIES	**584,131**	**620,101**	**706,354**
Long-term borrowings	558,739	588,903	678,876
Hedging instruments at fair value	15,098	20,002	14,858
Rental deposits and garantees received	9,734	10,738	10,314
Long-term provisions	233	158	621
Tax liabilities	-	-	1,386
Deferred tax liabilities	-	-	-
Others liabilities	327	300	299
> CURRENT LIABILITIES	**107,695**	**151,936**	**64,519**
Borrowings and financial debts (less than one year)	69,710	87,332	11,914
Trade payables and equivalent	29,537	52,267	36,477
Tax and social security liabilities	8,448	12,337	16,128
Short-term provisions	-	-	-
TOTAL LIABILITIES	**1,065,256**	**1,117,630**	**1 189 548**

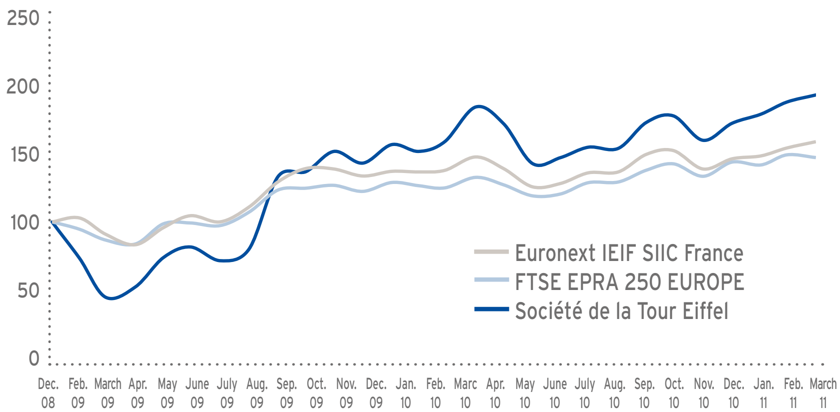
CONSOLIDATED INCOME STATEMENT

in thousands of €	31 december 2010	31 december 2009	31 december 2008
Gross rental income	85,752	95,466	84,569
Property tax	-8,983	-9,299	-8,689
Other property operating expenses	-8,671	-14,518	-12,114
Net rental income	68,098	71,649	63,766
Corporate expenses	-11,566	-12,371	-13,073
CURRENT OPERATING PROFIT	**56,532**	**59,278**	**50,693**
Depreciation and operating provision	-1,219	1,916	-903
Net other income	759	-1,062	-95
Proceeds from disposal of investment property	50,878	44,985	92,723
Carrying value of investment property sold	-52,563	-45,414	-93,113
Net profit or loss on disposal of investment property	-1,685	-429	-390
Fair value adjustment to investment properties	8,052	-88,059	-13,073
Goodwill adjustment	-	-	-
Net balance of value adjustments	8,052	-88,059	-13,073
NET OPERATING PROFIT	**62,439**	**-28,356**	**36,232**
Financial income	61	1,100	1,453
Financial expenses	-24,818	-26,464	-35,269
Net financial costs	-24,757	-25,364	-33,816
Fair value adjustments of hedging instruments	5,071	-6,586	-18,383
PROFIT BEFORE TAX	**42,753**	**-60,306**	**-15,967**
Corporation tax	-266	-338	-702
NET PROFIT	**42,487**	**-60,644**	**-16,669**
Minority interests	-	-528	79
NET PROFIT (GROUP SHARE)	**42,487**	**-60,116**	**-16,748**

SHARE PRICE

With a 10% increment over the year 2010, the share price of Société de la Tour Eiffel outperformed the main market indexes for property companies, notably the IEIF SIIC index. Consequently, the discount to NAV fell from 30% at end June 2010 to 20% by year end.

Performance comparison
(100 basis as at 01/01/2009)



Share data summary

	Unit	2006	2007	2008	2009	2010
Consolidated net profit (Group share)	€ m	117.9	91.6	- 16.7	- 60.1	42.5
Liquidation NAV per share	€	83.5	101.9	88.5	70.0	73
Recurring cash-flow per share	€	4.8	5.7	3.6	6.1	6
Share price at 31/12	€	136.5	93.9	33.6	52.7	58
Dividend per share	€	5.0	6.0	5.0	4.0*	4.2**
Market capitalisation at 31/12	€ m	708.5	487.4	174.5	286.3	324.4

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** Distribution from share premium*
*** €2 per share paid in October 2010 and €2.2 euro per share proposed at the agm of 18 may 2011.*

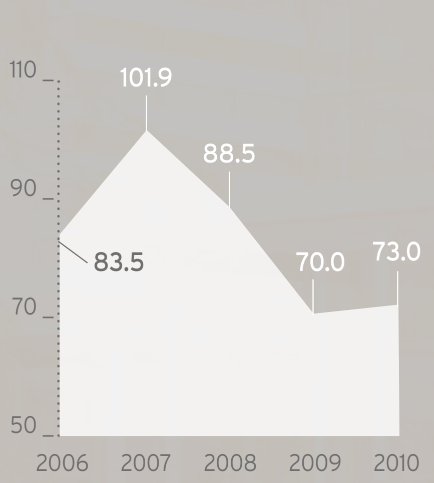
SHARE LIQUIDITY AND YIELD

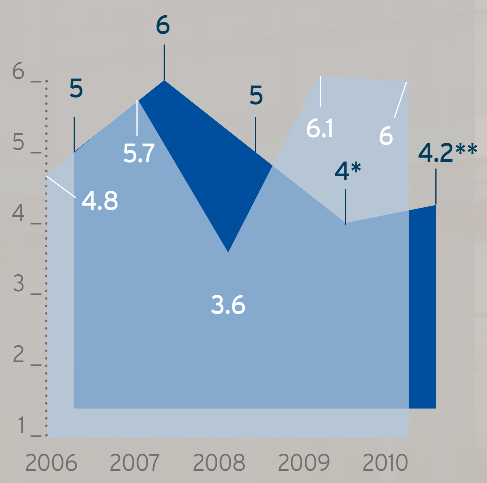
With a free float of 90%, Société de la Tour Eiffel is perfectly in line with its status as an SIIC. Lower than in 2009, the share capital turnover rate approached 50% in 2010 (against 80%), which is still high and underlines the share liquidity. Distribution remains a fundamental focus of the company management. This stringent pay out policy has resulted in a high, sustainable yield, of more than 7% since 2008. This profile is seemingly attracting an increasing number of individual shareholders, the number of which has increased steadily since 2004. At 31 December 2010, two shareholders held more than 5% of the share capital: Eiffel Holding Ltd (controlled by the management) and ING Clarion.

Yield

	Dividend (€/action)	Dividend yield on share price*
2006	5	3.7%
2007	6	6.4%
2008	5	15%
2009	4**	7.6%
2010	4.2***	7.2%

* Dividend/share price as at 31st December
** Distribution from share premium
*** €2 per share paid in October 2010 and €2.2 euro per share proposed at the agm of 18 may 2011.





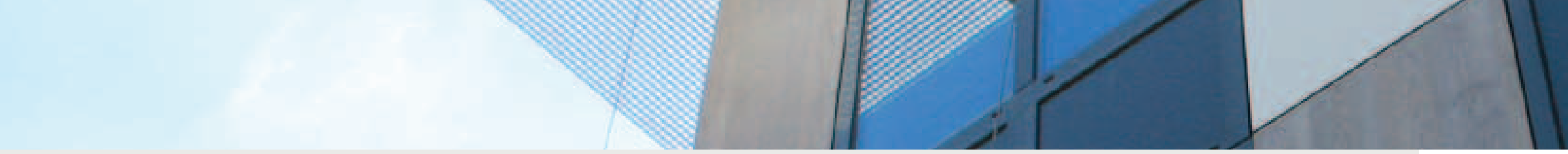
HIDDEN RESERVES

With a quality property portfolio and a proven business model, Société de la Tour Eiffel possesses assets capable of accelerating its future development. For example, the company has land reserves of aplenty development site. The company thus enjoys a wide range of opportunities for generating controlled growth.

We remain convinced that the future development of Société de la Tour Eiffel depends on new developments. Our ability to take advantage of the market recovery will however inevitably be conditioned by the financial environment and the debt market which the company will continue to track attentively.

Through its presence in the main business areas in France, Société de la Tour Eiffel has demonstrated its ability to anticipate market expectations. Its strategy of offering new, quality buildings which has proven so successful in recent years should now also increasingly benefit from the HEQ and LEB, characteristics which, as pointed out, are becoming increasingly economically viable. Improving the quality of our portfolio is one of the company's fundamental on-going commitments.

The gradual investment market recovery will facilitate the continued off-loading of mature or less strategic assets in favour of new investments which meet the company's exacting standards, particularly in terms of yield and sustainability. Continuous portfolio turnover to achieve systemic upgrading is a philosophy that we fully support.



Financial report 2010

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MESSAGE FROM THE CHIEF FINANCIAL OFFICER

As in 2009, Société de la Tour Eiffel in 2010 was able to demonstrate the solidity of its business model. The NAV per share recorded a net recovery to reach €73 as at 31 December against €70 per share a year earlier; excluding the dilution caused by the capital increase of almost 3% carried out in the autumn, the NAV would have equated €75.2 per share, due to the increase in the value of the portfolio, to recurring income and to the revaluation of hedging instruments. Current cash flow, a key indicator for the property sector, showed a slight increase at €33.4 million, against €33.3m the previous year, despite the drop in rents further to the disposals of non-strategic assets.

The company continued to strengthen its financial structure (in particular thanks to a reduction of 7% in its debt and the partial payment of the 2010 interim dividend in shares), and to carefully monitor its finance ratios, by renegotiating a corporate credit line which matured in March 2010 (€100 million), by pursuing its active attention to interest rate hedging and by initiating discussions relative to forthcoming maturities. At the end of the year, the net loan to value (LTV) ratio stood at 60.4%, down 2% compared with 2009 and the average cost of debt decreased to 3.5% against 3.9% last year.

For 2011, Société de la Tour Eiffel intends to accelerate its strategy of organic development, by pursuing energetic marketing, but also exploiting its land reserves (140,000 sq.m) located on quality sites harnessed to a portfolio of major tenants forming a source of business opportunities for new projects. The ever increasing demand for new space and the recovery of the funding market should play in favour of proactive strategies. On the financial level, the objective is to consolidate the current cash flow in order to maintain our policy of distributing recurring revenue to shareholders.

Jérôme Descamps
Chief Financial Officer

Management report

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MESSAGE FROM THE MANAGEMENT

Although the fears of financial meltdown were unfounded, 2010 was not the year of recovery hoped for by so many. With sluggish growth of around 1.5%, the economy is not creating enough jobs to ignite an upturn in the commercial real estate market. This said, the market showed sign of recovery in terms of transactions to regain a reasonable volume of some 11 billion euros of investment, driven by a modest slackening of the credit squeeze at the end of the year. The relative stability of rents combined with vacancy rates that are actually quite low also confirmed that the crisis which shook our economies was in no way a real estate crisis, at least not in France.

With a sound strategy and careful management, based in particular on close tenant relationships, Société de la Tour Eiffel's satisfactory results enable it to contemplate a return to a growth mode. By focusing on offices and business parks located on the outskirts of Paris and the provincial cities of France, it has suffered little from the extremes associated with prime property. Indeed, a high occupancy rate, the absence of any major tenant failure, proactive debt management and selective disposals helped make 2010 a satisfactory year. The company's share price continued its recovery with an increase of 10% outperforming the major indices of the sector, while reducing its discount and maintaining a high return.

The Company will continue to anticipate the market for property investment: the freezing of new development schemes in recent years associated with the gradual resumption of activity should result in a shortage of quality new buildings in the near future. Property companies that are well positioned should benefit from the trend.

With well-located land reserves and a portfolio of quality tenants, some of whom wish to expand, Société de la Tour Eiffel has the wherewithal to generate substantial organic growth. With 60% of its property portfolio consisting of new or recent buildings, 30% of which are HEQ or LEB, the company boasts recognised skills together with a portfolio honed to user requirements. As development activity reassumes, these represent a solid platform of opportunity.

1 - BUSINESS AND HIGHLIGHTS

After two years of credit, financial and economic crisis, the economy entered a period of stabilisation in 2010 with macroeconomic issues dominating. Until late April, the financial and real estate markets demonstrated steady improvement along with the economy. However, in May, doubts returned with the euro and sovereign debt crisis. The situation stabilised towards the end of the year but economic growth remained fragile and uncertain. Against this background, interest rates remained historically low and the commercial property market although muted performed better than expected: the office rental market is gradually recovering due to the shortage in supply of new buildings and rent readjustments. The office investment market saw a satisfactory upswing in 2010, mainly due to "core" transactions.

1.1 – Group real estate highlights

Société de la Tour Eiffel's business activity remained satisfactory throughout 2010 focused on the leasing marketing of existing assets and new development deliveries. This outcome reflected the basic strategy of a modern portfolio adapted to rental demand with moderate rents resulting in high occupancy rates and solid cash flow. The limited lot size of properties helps to provide liquidity.

a) Investment policy

Given the impact of the prevailing economic climate on the real estate market, Société de la Tour Eiffel focused its investments principally on the extension requirements of its in situ tenants. It also continued construction work started in previous years.

Investments initiated in previous years resulted in 38,000 sq. m of deliveries:

- an office unit in the Parc Eiffel des Tanneries in Strasbourg,
- the extensions to the sorting centres in Caen Mondeville and Vitrolles leased to la Poste,
- the Topaz office building in Vélizy,
- the Business Park in Chartres,
- and the extension to the nursing home in Bourg-en-Bresse.

b) Valuation of the group's land reserves

Redevelopment operations on the Massy Ampère site

Following the sale of land in March 2009 between SCI Arman F02 and its subsidiary SCI Arman Ampere, then of plot F to a developer for a residential development (August 2009) and additionally to SEM Massy (September 2009), SCI Arman F02 retained ownership of a 4,700 sq. m site, which was sold in July 2010 to a social housing developer.

Parallel to this sale, a further 3,700 sq. m of land were ceded in September 2010 by SCI Arman Ampère to S.E.M. Massy for the construction of public facilities and roads, in accordance with the development master plan contract signed with the Massy town authorities in October 2007.

SCI Arman F02 is now the owner of a substantial residual land bank in the Massy Ampère integrated development zone as well as plot G, (17,811 sq.m build-to-suit offices for Alstom completed in November 2009 and leased for a nine-year fixed term).

The redevelopment of these available land reserves continued to be the subject of feasibility studies during the year including a turnkey head office project of 83,000 sq.m for a major CAC 40 company, which unfortunately did not materialize.

Pre-letting remains a prerequisite. The investment commitment of over €200 million can be expected to generate additional rental income of some €16 million.

c) Business parks

The Group continued to renovate its business parks and study new construction on a build-to-suit basis.

The following buildings were delivered during the first half of 2010:

- In Chartres - Business Park, Jardin d'Entreprises integrated development zone: two 5,700 sq.m. office/ light industrial buildings and warehouses were delivered in May 2010 in the heart of the Cosmetic Valley alongside the A11 motorway.
- In Strasbourg - Parc Eiffel des Tanneries, a 1,600 sq. m. office building was delivered in March 2010. Partially pre-leased at the time of delivery, the space was fully rented during the year.

d) Non-business parks development

Apart from the developments in business parks and on the Massy Ampère site, construction of the "Topaz" HEQ office building in Vélizy with 15,000 sq.m. of floor space was completed in May 2010.

The La Poste sorting centre in Vitrolles has been extended at the request of the tenant; a property development contract (2,500 sq.m.) was signed in January 2010. The project spawned a new, fixed-term lease of 9 years for the entire site beginning from delivery in November 2010.

In addition, extensions to buildings started during fiscal year 2009 were delivered in 2010:

- the extension of the La Poste site in Caen Mondeville (an additional 4,780 sq. m of parcel depot) was delivered on 30 April 2010, secured by a new, firm 9-year lease for the entire site,
- an 1,800 sq. m extension to the Bourg-en-Bresse nursing home was delivered in September 2010 (new 12-year fixed-term lease).

The Group's property assets are valued at €1,022 million in the year-end consolidated accounts compared with €1,045 million at year-end 2009. **Some 18% in value (15% at 31 December 2009) are HEQ buildings and 44% are new or renovated buildings or less than 10 years old.**

This net decrease in value is the combined result of:

- the increase due to the investments made on buildings delivered in 2010 (€21.5 million) as well as adjustments in property valuations on a like-for-like basis (€8.1 million), mainly concentrated in the second half;
- the decrease due to disposals during fiscal 2010 (€52.6 million of fixed assets).

e) Business activity

The company maintained a sustained level of activity in 2010 in terms of both new rentals and lease renewals on its existing portfolio, representing more than €13 million in annual rent for total floor space of nearly 165,000 sq. m.

As a result of this consolidation of the core portfolio, the overall rental situation further improved at 31 December 2010, **nearly 60% of total rental income being secured by a dozen major tenants, with an average lease maturity extending to the third 2016 quarter**. The balance of the rents comes from multi-tenant buildings (400 leases), enjoying a good geographical spread of risk and moderate rents in line with the market.

As at 31 December 2010, the physical occupancy rate of the properties in service amounted to 85.8% (against 89.5% at 31 December 2009). The financial occupancy rate (the ratio between effective rental income (annualised) and total potential rental income excluding structural vacancies) stood at 86% at 31 December 2010 (against 91.1% at 31 December 2009). Allowing for buildings delivered during 2010 and currently being marketed and the Paris rue Charonne building which has been vacated for a development sale in 2011, the financial and physical occupancy rates were stable, standing at 90.6% and 89.4% respectively.

f) Disposal policy

In 2010, as in previous years, Société de la Tour Eiffel continued to pursue a policy of selective disposals.

Seven properties were thus sold:

- an obsolete 11,000 sq. m building at the Parc Eiffel des Tanneries in Strasbourg;
- the Lyon Comap building,
- the Champs-sur-Marne building (leased to La Poste),
- a plot of 4,700 sq.m. in the Massy Ampère integrated development zone sold to a developer for the construction of a social housing scheme,
- 3,700 sq. m on the Massy Ampère development site sold to the S.E.M. Massy for the construction of public facilities and new roadworks,
- plots in the Parc Eiffel des Tanneries in Strasbourg for the development of an owner-occupier warehouse,
- the Malakoff Colt building.

The overall sale price of these assets amounts to €50.9 million, slightly below the appraisal value prior to these disposals.

The €17.3 million in buildings designated for sale in the year-end consolidated accounts, comprise a building on Rue de Charonne, Paris, and plots of land in the Parc des Tanneries in Strasbourg.

Allowing for these changes, the portfolio value of commitments at 31 December 2010 stood at €1,025 million, comprising investment property recorded in the group accounts (€1,004.8 million), the additional cost to completion of buildings under development (€2.9 million) and assets earmarked for disposal (€17.3 million).

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

In 2010, the Group adjusted its financing needs upwards to meet the requirements of development projects launched and/or completed as part of its organic growth, and downwards reflecting disposals.

The company's financial resources were consolidated and the debt level carefully managed, taking advantage of the successful payment of the 2010 interim dividend partly in shares and the favourable impact of historically low interest rates since 2009.

As a result, the Group continued the debt restructuring which it initiated in 2008, refinancing a €100 million line of credit whilst disposing of a "new money" credit facility of €50 million as from January 2010.

Refinancing of a €100m line of credit

The company fully reimbursed a banking pool the Corporate credit line which expired on 31 March 2010.

This facility, drawn down in the amount of €76.5 m, was refinanced using:

- equity capital and cash flow, mainly from 2009 disposals;
- the €30m mortgage refinancing approved by one of the Group's main banks for the construction of the Topaz building in Vélizy;
- a new €35m line of credit (12 months, extendible for 6 months) with an internationally-renowned French bank.

A €50m "new money" line of credit available January 2010

A €50 million "new money" credit line was made available to the Group in January 2010. It will basically be used to develop the Parcs Eiffel chain.

It was also employed for the "Vélizy Topaz" project (March 2010) and for the tenant initiated 1,800 sq. m nursing home extension in Bourg-en-Bresse.

Interest hedging instruments:

New finance rate arrangements were put in place on 31 March 2010 (2% cap on €35 m).

Additionally, all the rate hedging instruments expiring at the end of 2010 have been extended to end-June 2013 by €127m in caps (at 2 and 2.5%) and €80m in swaps (at fixed rates of 1.6% and 1.65%). A deferred €40 million SWAP contracted in 2008 came into effect in January 2010.

Finally, the Société de la Tour Eiffel teams continued their enquiries and discussions with various Group and others banks, for the extension and break up into pools of the debt maturing in 2013.

1.3 – Other highlights

a) Stock options

The meeting of the Board of Directors of 20 May 2010 noted that 220,669 stock subscription or stock purchase options granted by the Board of Directors as delegated by the general shareholders' meeting had expired following the bearers' choice not to exercise the option.

Plan No. 1 of the stock options granted by the Board of Directors on 26 December 2005 expired on 26 December 2010.

Consequently, all the stock option plans exercisable at 31 December 2010 represent 61,554 options, i.e. 1.1% of capital (instead of 7% at 31 December 2009).

b) Distribution

The General Shareholders' Meeting of 20 May 2010 moved to make a distribution of 2 euros per share, excluding treasury shares, deducted from "other reserves", "legal reserves", and "share premium". This final payment in respect of 2009 was made on 28 May 2010, representing a total of €10.7 million.

c) Capital increase related to the payment in shares of the interim dividend decided on 28 July 2010

The company's share capital increased by 796,240 euros (i.e. 159,248 shares each at EUR 5) from 27,165,180 euros divided into 5,433,036 shares of EUR 5 to 27,961,420 euros divided into 5,592,284 shares of EUR 5. The capital increase was due to certain shareholders exercising the option to receive the 2010 interim dividend in shares, as decided by the Board of Directors on 28 July 2010.

d) Share buyback programme – liquidity contract

On 28 July 2010 the Board of Directors of the company agreed to establish a new share buyback programme for a period of 18 months after the general shareholders' meeting on 20 May 2010, the purpose of which is as follows:

- 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 a share capital reduction authorised by the General Shareholders' Meeting;
- have shares on hand which may it may issue to its corporate officers and employees as well as those of companies associated with Société 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);
- 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 the current regulations.

The maximum purchase price is 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.

At 31 December 2010, Société de la Tour Eiffel held 92,594 treasury shares acquired through the share buyback programme and 3,447 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 2010.

e) Internal reorganisation

SCI Duranne Sud, which no longer held any assets, was dissolved without liquidation during fiscal year 2010.

Awon Asset Management changed its name in September 2010 to become Tour Eiffel Asset Management.

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 2010 in accordance with IFRS standards as adopted by the European Union and applicable on the date of preparation.

The accounting methods and rules applied are the same as those implemented to produce the annual financial statements closed on 31 December 2009.

At financial year end, the scope of consolidation included 25 companies, consolidated using the method of global consolidation, against 26 as at 31 December 2009, further to the Transfer of Assets of SCI Duranne Sud on 28 June 2010.

2.1.2 – ANALYSIS OF CONSOLIDATED RESULTS

Consolidated income statement

Consolidated turnover, which comprises rental and service charges income from investment properties, decreased 10.2% between 2009 and 2010, from €95.5m to €85.5m, of which €75.7 and €72.2m respectively were represented by rents.

The net decrease in rental income is essentially due to:

- On the downside, property sales recorded during the period (-€3.3 million in rental income), the negative indexation of existing rents (-€1.3 million) and the adjustment of rents which occurred in late 2009 (-€0.9 million, primarily on a property designated for sale);
- On the upside, deliveries of pre-leased new buildings (+€1.6 million) and net relettings (+€0.4 million).

Excluding disposals, rents recorded a slight decrease of 0.4%, due to a negative indexation.
New buildings recently delivered, currently being marketed, represent a potential annual rental income of €5 million.

The decrease in turnover is therefore principally due to other rental income (-€6.2 m) and in particular to the 2009 adjustment of property service charges reinvoiced to tenants for the years 2007 and 2008.

Operating expenses, which amounted to €29.2m in 2010 against €36.2m in 2009, significantly decreased during the year (-19.3%). They mainly consist of the following:

- net rental charges (€8.7m against €14.5m at year-end 2009), a decrease which parallels that in rental income (included in turnover);
- property taxes and charges (€9 million at end 2010), i.e. a slight decrease of €0.3 million compared with 31 December 2009;
- staff expenses (€3.9 million against €4.4 million), mainly due to decreased adjustment in the value of stock options granted to directors and employees of the Group (€0.1m against €0.6m in 2009);
- overheads and operating costs of the Société de la Tour Eiffel Group

The net balance of adjustments (+€8.1m) corresponds to the increase in property valuations during the financial period readjusted for the disposals and deliveries made in 2010.

After taking into account the result of asset sales which show a net loss of €1.7 million, operating profit on ordinary activities amounted to €62.5 million at 31 December 2010 against a loss of €28.4 million at 31 December 2009. As a reminder, the change in fair value of investment property amounted to -€88.1 million at end December 2009, heavily impacting the corresponding operating result at that date.

The reduction in net financial costs during the year, from -€-32 million to -€19.7 million was mainly due to:

- the reduction in the cost of debt of 2% (down from €25.4m to €24.8m), resulting from a combination of lower loan outstandings, and conversely, to a lesser extent, by a slight increase in interest rates;
- the significant improvement in other financial income and charges (+€5.1m at year-end 2010 against -€6.6m at year-end 2009), resulting from the revaluation of hedging instruments in a context of falling interest rates but also by the renewal of the SWAP and CAP contracts which matured in 2010 being replaced by more appropriate instruments.

Taking the above into account along with 0.3 million euros of tax, the Group's net consolidated income was €42.5m at 31 December 2010 versus -€60.1m at 31 December 2009.

Analysis of consolidated income by recurring and non-recurring business activities

The consolidated income statement below highlights the revenues, expenses and intermediate results distinguishing the recurrent business involved in operating the property portfolio from the non-recurring items affecting consolidated income, such as adjustments to asset values and liabilities, capital gains and losses, as well as non-operating and/or non-recurring income and expenses.

	31/12/2010			31/12/2009		
In €m	Recurring business	Fair value and disposals	Net profit (loss)	Recurring business	Fair value and disposals	Net profit (loss)
Gross rental income	72.2		72.2	75.7		75.7
Property operating expenses	-10.9		-10.9	-10.6		-10.6
Net rental income	**61.3**	**0.0**	**61.3**	**65.1**	**0.0**	**65.1**
Operating expenses	-4.7	-0.1	-4.8	-5.1	-0.7	-5.8
Operating profit	**56.6**	**-0.1**	**56.5**	**60.0**	**-0.7**	**59.3**
Income from disposals		-1.7	-1.7		-0.4	-0.4
Property fair value adjustment		8.1	8.1		-88.1	-88.1
Other operating income and expenses		-0.4	-0.4		0.8	0.8
Operating income on ordinary activities	**56.6**	**5.9**	**62.5**	**60.0**	**-88.4**	**-28.4**
Cost of net debt	-24.8		-24.8	-25.4		-25.4
Other financial income and expense		5.1	5.1		-6.6	-6.6
Net financial income	**-24.8**	**5.1**	**-19.7**	**-25.4**	**-6.6**	**-32.0**
Pre-tax earnings	**31.8**	**11.0**	**42.8**	**34.6**	**-95.0**	**-60.4**
Tax	-0.3		-0.3	-0.3		-0.3
Net profit (loss)	**31.5**	**11.0**	**42.5**	**34.3**	**-95.0**	**-60.7**
Minority interests	0.0		0.0	-0.6		-0.6
Net profit (Group share)	**31.5**	**11.0**	**42.5**	**34.9**	**-95.0**	**-60.1**

After adjusting for the valuation of assets and liabilities as well as the divestment of assets and non-recurring items, operating income on ordinary activities stood at €56.6m for 2010 and net profit at €31.5m, compared with €60,0m and €34.9m respectively in 2009 for the reasons indicated above.

Consolidated Balance Sheet

The total balance sheet at 31 December 2010 amounted to €1,065.3m versus €1,117.6m at 31 December 2009.

The main changes are summarised below:

- Assets:
  - The net decrease in investment properties of €31.8 million is mainly due, on the upside, to €22.4 million in investments for the entire property portfolio (Vélizy, extensions to the La Poste portfolio in Caen and Vitrolles, extension of the Arbelles clinic in Bourg-en-Bresse, Massy and in the business parks), a positive variation of €8.1 million in fair value of the investment properties, and on the downside, to €52.6 million of disposals, and €9.2m of properties qualified as assets earmarked for disposal;
  - the €14.6m reduction in cash (including cash pledges totalling €1.1m at 31 December 2010).
- Liabilities:
  - The €27.8m increase in shareholders' equity linked to the considerable improvement in consolidated profit (from -€60.1m to €42.5m), offset by the decrease in reserves, as well as the balance of the two distributions in 2010 totalling €14.7m;
  - reduction in net bank borrowing (€47.9m);
  - the decrease of €32.2m in other operating liabilities primarily consisting of tax and social liabilities (-€3.9m), completion costs remaining to be committed on buildings under construction at year-end 2009 (-€15.2 million) and other financial liabilities (-€5.9 million).

Cash flow statement

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

- Cash flow from operations: its overall growth from €53.7m to €60.1m at year-end 2010 is mainly due to the significant reduction in the amount of the exit tax paid during the year (-€6.9m) and the positive change in WCR (+€3.4 m);
- Cash flow linked to investment transactions: the change between 2009 and 2010 (+€31.8m) from -€14.5 million to +€17.3 million is mainly due to the substantial lessening of investments in Group property during the year (-€26.7 million);
- Cash flow linked to financing transactions: these flows stand at -€89.1 million in 2010 against -€46.6 million in 2009 mainly due to net repayments of loans made during the year for a net balance of €42.8m.

Thus the net total cash of the Group decreased from €20.9m at 1 January 2010 to €9.2m at 31 December 2010, i.e. a decrease of €11.7m over the financial period.

Current cash flow

In €m	31/12/2010	31/12/2009	Variation
Gross rental income	72.2	75.7	-4.6%
Property operating expenses	10.9	10.6	2.8%
Overheads	4.7	5.1	-7%
Net financial interest paid	23.2	26.7	-13.1%
Current cash flow	33.4	33.3	0.3%
Per share in €			
Current Cash flow after dilution[1]	6.0	6.1	-1.6%
Current Cash flow before dilution[1]	6.2	6.1	1.6%

(1) Dilution further to the capital increase as a result of the distribution of the 2010 interim dividend (creation of 159,248 new shares).

The current cash flow amounted to €33.4m at year-end 2010 against €33.3m at year-end 2009, representing a slight increase of 0.3% under the combined effect of the decrease in net rental income and the reduction in the cost of financing.

2.2 – Financial resources

Although less constrained than in 2008 and 2009, the financial markets remained particularly sensitive to macroeconomic sentiment in terms of liquidity, margins and interest rate volatility.

2.2.1 – LIQUIDITY

During 2010, the Group significantly adjusted its financing needs. Principally, debts were diminished (-€47.9m) by repaying the corporate credit line on 31/03/2010 (-€76.5m) and through asset disposals. Additionally new resources were obtained following the partial refinancing of the said corporate credit line with a new €35m debt issue and by drawing down unused mortgage facilities for development schemes in progress.

At 31 December 2010, the Group had €13.3 million in undrawn credit lines (basically the New Money credit line granted in 2010 to the Locafimo subsidiary).

2.2.2 – DEBT STRUCTURE AT 31 DECEMBER 2010

Global gross debt as at 31 December 2010 stood at €627.7m, as against €675.6m at 31 December 2009.

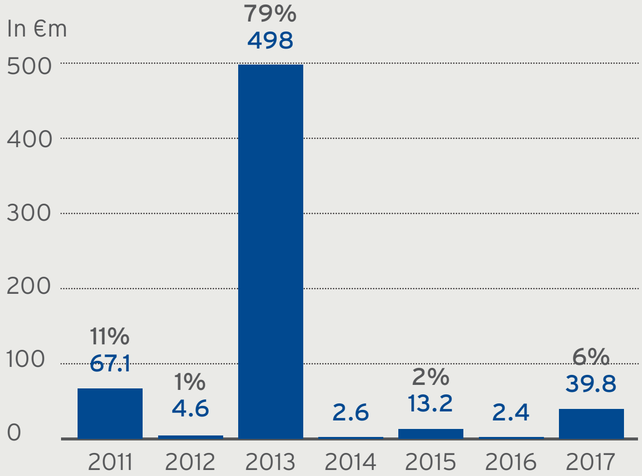
Net debt recorded on the balance sheet, obtained by deducting from the global gross debt all invested cash reserves, the available assets of the Group's subsidiaries, and financial investments in the form of cash pledges, amounted to €617.4m at year-end 2010 versus €650.8m at year-end 2009.

In €m	31/12/2010	31/12/2009
Gross financing debt	627.7	675.6
Invested cash reserves	-0.1	-10.7
Cash in hand and at bank	-9.1	-10.1
Financial investments (pledged cash)	-1.1	-4.0
NET DEBT ON BALANCE SHEET	**617.4**	**650.8**

Thus, the LTV ratio at 31 December 2010 represents 60.4% of property assets, valued at €1,022.1m.

Debt by maturity date

The bank financing drawn by Société de la Tour Eiffel at 31 December 2010 of €627.7m is shown, per maturity date, in the chart below:



The Company's average term of debt stood at 2.6 years at year-end 2010 against 3.3 years at year-end 2009.

Average cost of debt

The average cost for Group financing was 3.5% at year-end 2010, compared with 3.9% at year-end 2009 and 3.4% during the first half of the year. This change in the average cost of debt reflects the introduction of new improved interest rate hedging instruments, offset by a slight increase in the Euribor 3M rate at the end of the period (from 0.7% at year-end 2009 to 1.0% as at 31 December 2010).

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 risk 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.

The introduction of derivatives to mitigate interest rate risks 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.

To optimise management of the interest rate risk and take advantage of historically low rates, in 2010 the Group signed new contracts for hedging instruments worth a notional amount of €207 million. Their characteristics are summarised in the table below:

Type of contract	Company	Notional (in M€)	Starting date	Expiration date	Rate
CAP	Société de la Tour Eiffel	35	31/03/2010	30/09/2011	2.0%
CAP	Locafimo	32	27/10/2010	30/06/2013	2.5%
CAP	Locafimo	30	25/03/2010	28/06/2013	2.0%
CAP	Locafimo	30	27/12/2010	30/06/2013	2.5%
CAP sub-total		127			
SWAP	Locafimo	50	27/12/2010	30/06/2013	1.6%
SWAP	Locafimo	30	27/12/2010	28/06/2013	1.65%
SWAP sub-total		80			
TOTAL		**207**			

Two running CAP agreements for an overall amount of €40m were transferred by Société de la Tour Eiffel to Locafimo on 23 June 2010, in order to balance as far as possible the amount of hedging between companies.

Thanks to these new hedging transactions, all 2010 maturity dates were postponed under favourable conditions, most of them to June 2013, thereby optimising net financing costs.

Evaluation of interest rate risk

At 31 December 2010, bank financial debt amounted to €627.7m, of which €563.2m were at variable rates and €55.8m at fixed rates. After taking into account the fixed-rate SWAP instruments, the total debt at fixed rate stood at €373.9m, i.e. 61% of the hedged debt.

In addition, the debt at variable rate was hedged for a total of €245.2m by CAP agreements, allowing the Group to profit from the significant fall in the interest rates since the end of 2008.

In this way, at 31 December 2010, the debt was hedged overall to a total ratio of 99%.

On the basis of the outstanding debt as at 31 December 2010, an average rise in the Euribor 3-month interest rates of 100 basis points in 2011 would have a negative impact (on an annual basis) on recurring net income, estimated at €2.5 million.

Conversely, a drop in the interest rates of 100 basis points would reduce the finance cost by an estimated €2.5m, resulting in an equivalent positive impact on the recurring net income and cash flow from current operations for 2011.

2.2.4 – FINANCIAL STRUCTURE RATIOS

Indebtedness ratios	2010	2009	2008
Consolidated equity (€m)	373.4	345.6	418.7
Net financial debt (€m)	617.4	650.8	654.0
Net financial debt/Consolidated equity	165%	188%	156%
Net banking debt/Total property assets (Loan to Value)	60.4%	62.3%	59.2%

Financing ratios	2010	2009	2008
Average cost of debt	3.5%	3.9%	5.2%
Fixed or capped rate borrowings	99%	98%	91%
Maturity of debt	2.6 years	3.3 years	4.3 years
Hedging of financial costs by GOP[1]	2.2	2.4	1.5

(1) GOP: Gross Operating Profit = Operating income before adjustment of value and other income and operating expenses.

Loan covenant ratios

The status relative to financial ratios that the Group has committed to respect as part of its bank financings is summarised in the table below, for amounts posted per bank at 31 December 2010.

The table compares the latest prevailing ratios communicated to the banks at 31 December 2010 (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 2010 and projected over the first three quarters of 2011 by the net rents of the fourth quarter of 2010 and those projected over the first three quarters of 2011) with those to which the Group committed in its main financing contracts.

BANKING FINANCING AND MAIN COVENANTS AT 31/12/2010

	31/12/2010	Bank covenants		Latest ratios published		
In €m	Consolidated financial debt	Maximum LTV	Minimum ICR	LTV	ICR	Due date
RBS/AXA/Calyon/Crédit Foncier	126.4	75.0%	170%	54.3%	305%	15/06/2013
Calyon	36.3	80.0%	125%	43.0%	197%	15/04/2011
Société Générale (50%) Crédit Foncier (50%)	54.6	65%	110%	55.4%	218%	28/03/2017
Société Générale	12.8	NA	NA	NA	NA	14/01/2015
PBB (formerly HRE)	374.7	72.5%	140%	66.7%	313%	30/06/2013
Natixis	22.9	75.5%	225%	62.5%	285%	31/03/2011
TOTAL	**627.7**					

The Group is in compliance with all its financing agreement covenants at 31 December 2010.

Risks on treasury shares

As part of the share buyback programme authorised by the General Shareholders' Meeting of 20 May 2010, the company is subject to a risk on the value of the shares it holds.

Based on the 96,041 shares held at 31 December 2010, the sensitivity of results to a 10% decrease or increase in the Société de la Tour Eiffel share price is estimated at €0.6m.

2.3 – Property assets and Net Asset Value

As a member of the French Federation of Property Companies (FSIF), the Company applies the main provisions of the French public REIT Code of Conduct.

2.3.1 – PRESENTATION OF THE GROUP'S PROPERTY ASSETS

OFFICES

	Location	Total floor space sq.m	Share held	Date of acquisition	Valuer	Type of appraisal	Type of report	Completion date
Saint-Cloud	Paris/IDF	4,104	100%	2008	Ad Valorem	Update	summary	
Le Plessis Robinson	Paris/IDF	16,597	100%	2004	BNP Paribas Real Estate	Update	detailed	
Massy/Ampère	Paris/IDF	16,339	100%	2004	BNP Paribas Real Estate	Update	detailed	2009
Paris Porte des Lilas	Paris/IDF	12,341	100%	2006	BNP Paribas Real Estate	Update	detailed	2008
Asnières Quai Dervaux	Paris/IDF	10,391	100%	2005	BNP Paribas Real Estate	Update	detailed	
Montigny-le-Bretonneux	Paris/IDF	7,641	100%	2005	BNP Paribas Real Estate	Update	detailed	
Bobigny	Paris/IDF	6,405	100%	2004	BNP Paribas Real Estate	Update	detailed	
Caen Colombelles	Régions	17,525	100%	2005	BNP Paribas Real Estate	Update	detailed	2008
Nantes Einstein	Régions	7,664	100%	2005	BNP Paribas Real Estate	Update	detailed	
Vélizy Energy II	Paris/IDF	5,444	100%	2006	Cushman & Wakefield	Update	detailed	2008
Grenoble - Polytech	Régions	5,133	100%	2006	Cushman & Wakefield	Update	detailed	2007
Vélizy - Topaz	Paris/IDF	14,106	100%	2006	Cushman & Wakefield	Update	detailed	2010
Champigny Carnot	Paris/IDF	14,153	100%	2005	Savills	Full appraisal	summary	
Chatenay Central Parc*	Paris/IDF	4,758	35%	2005	Savills	Update	summary	
Rueil - City Zen	Paris/IDF	6,829	100%	2006	Savills	Full appraisal	summary	2007
Herblay Langevin 12	Paris/IDF	4,778	100%	2005	Savills	Full appraisal	summary	
Roissy Fret*	Paris/IDF	454	50%	2005	Savills	Full appraisal	summary	
Grenoble - Viséo	Régions	11,477	100%	2006	Savills	Full appraisal	summary	2007
Orléans Université	Régions	6,470	100%	2004	Savills	Update	summary	
Nancy Lobau	Régions	2,187	100%	2004	Savills	Update	summary	2010
Paris Charonne	Paris/IDF	3,685	100%	2005	Building earmarked for sale at year-end 2010			
Sub-total offices (sq.m)		178,481						

Value excl. tax in €m	**534.1**
Value incl. tax in €m	**553.5**

** Undivided share.*

BUSINESS PARKS

	Location	Total floor space sq.m	Share held	Date of acquisition	Valuer	Type of appraisal	Type of report	Completion date
Orsay Parc de l'Université	Paris/IDF	17,211	100%	2005/ 2007	BNP Paribas Real Estate	Update	detailed	
Le Bourget Parc de l'Espace	Paris/IDF	9,692	100%	2007	Savills	Update	summary	2008
Strasbourg Parc des Tanneries	Province	44,523	100%	2005	BNP Paribas Real Estate	Update	detailed	
Lyon Parc du Moulin-à-Vent	Province	34,114	100%	2005	BNP Paribas Real Estate	Update	detailed	
Lille Parc des Prés	Province	24,740	100%	2005/ 2007	BNP Paribas Real Estate	Update	detailed	
Montpellier Parc du Millénaire	Province	23,597	100%	2005/ 2007	BNP Paribas Real Estate	Update	detailed	
Aix-en-Provence Parc du Golf	Province	23,089	100%	2005/ 2007	BNP Paribas Real Estate	Update	detailed	
Marseille Parc des Aygalades	Province	20,049	100%	2005	BNP Paribas Real Estate	Update	detailed	
Bordeaux Parc Cadera	Province	17,443	100%	2007	BNP Paribas Real Estate	Update	detailed	
Nantes Parc du Perray	Province	14,541	100%	2005/ 2007	BNP Paribas Real Estate	Update	detailed	
Chartres Business Park	Province	11,530	100%	2008	Ad Valorem	Update	summary	2010
Sub-total business parks (sq.m)		240,529						
Value excl. tax in €m		**305.0**						
Value incl. tax in €m		**319.3**						

LIGHT INDUSTRIAL

	Location	Total floor space sq.m	Share held	Date of acquisition	Valuer	Type of appraisal	Type of report	Completion date
Aubervilliers	Paris/IDF	21,692	100%	2003	Cushman & Wakefield	Update	detailed	
Bezons	Paris/IDF	7,051	100%	2004	Ad Valorem	Update	summary	
Montpellier Areva	Province	12,003	100%	2004	BNP Paribas Real Estate	Update	detailed	
Nancy Ludres	Province	8,096	100%	2004	BNP Paribas Real Estate	Update	detailed	
Herblay	Paris/IDF	5,220	100%	2005	Savills	Update	summary	
Sub-total Light industry (sq.m)		54,062						
Value excl. tax in €m		**44.0**						
Value incl. tax in €m		**46.8**						

WAREHOUSES/PARCEL DEPOTS

	Location	Total floor space sq.m	Share held	Date of acquisition	Valuer	Type of appraisal	Type of report	Completion date
Amiens	Province	18,244	100%	2008	Ad Valorem	Update	summary	
Gennevilliers	Paris/IDF	20,569	100%	2004	Savills	Update	summary	
Mitry Mory	Paris/IDF	9,756	100%	2004	Savills	Update	summary	
Sochaux	Province	27,571	100%	2005	Savills	Update	summary	2005
Toulouse Capitols	Province	13,814	100%	2004	Savills	Update	summary	
Marseille Provence Vitrolles	Province	15,084	100%	2004	Savills	Update	summary	2010
Saint-Gibrien	Province	11,350	100%	2004	Savills	Update	summary	2008
Les Souhesmes 1 & 2 Verdun	Province	9,958	100%	2004	Savills	Update	summary	
Caen Mondeville	Province	13,230	100%	2004	Savills	Update	summary	2010
Vannes	Province	7,750	100%	2004	Savills	Update	summary	
La Roche-sur-Yon	Province	5,980	100%	2004	Savills	Update	summary	
Orléans/Ingré	Province	4,436	100%	2004	Savills	Update	summary	
Sub-total Warehouses (sq.m)		157,742						
Value excl. tax in €m		**95.8**						
Value incl. tax in €m		**101.6**						

NURSING HOMES

	Location	Total floor space sq.m	Share held	Date of acquisition	Valuer	Type of appraisal	Type of report	Completion date
La Crau	Province	3,331	100%	2006	BNP Paribas Real Estate	Update	detailed	
Bourg-en-Bresse	Province	4,418	100%	2006	BNP Paribas Real Estate	Update	detailed	2010
Lyon	Province	2,710	100%	2006	BNP Paribas Real Estate	Update	detailed	
Cogolin	Province	2,430	100%	2006	BNP Paribas Real Estate	Update	detailed	
Sub-total Nursing homes (sq.m)		12,889						
Value excl. tax in €m		**43.2**						
Value incl. tax in €m		**45.6**						

2.3.2 – GROUP PROPERTY ASSETS

All the property assets of the Société de la Tour Eiffel Group were valued at 31 December 2010 by one or the other basis of the following independent valuers: BNP Paribas Real Estate, Savills, Cushman & Wakefield Expertise and Ad Valorem Expertises.

During the financial period, the Group rotated two valuers for one portion of its property assets. Attributions between firms are determined in relation to the geographical location and nature of the subject properties.

The Group's property assets stand at €1,022.1m, excluding transfer duties and expenses, of which €1,004.8m represent investment properties and €17.3m represent assets intended for sale.

In compliance with the recommendations of the Barthes de Ruyter Report (COB Report of the Working Group on the property valuation of the assets held by public companies), these appraisals are undertaken annually on a uniform basis in accordance with IFEI gudelines i.e. basis net selling prices, excluding transfer costs.

PROPERTY ASSET VALUATION EXCLUDING TAXES

	31/12/2010		31/12/2009		Évolution	
	in €m	in%	in €m	in%	in €m	in%
Offices	534.1	52.3%	545.8	52.2%	-11.7	-2.1%
Parcs Eiffel	305.0	29.8%	309.2	29.6%	-4.2	-1.4%
Warehouses	95.8	9.4%	92.1	8.8%	3.7	4.0%
Light industrial	44.0	4.3%	60.1	5.8%	-16.1	-26.8%
Nursing homes	43.2	4.2%	37.5	3.6%	5.7	15.3%
TOTAL	**1,022.1**	**100.0%**	**1,044.7**	**100.0%**	**-22.6**	**-2.2%**

As at 31 December 2010, the value of the Group's property assets including taxes amounted to €1,066.6 million against €1,090.1 million at year-end 2009.

PORTFOLIO YIELD

Offices	7.1%
Parcs Eiffel	8.1%
Warehouses	9.5%
Light industrial	8.8%
Nursing homes	6.7%
AVERAGE YIELD	**7.7%**

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 capitalisation (multiplier of net passing rent of the property) 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. In the case of vacancies, the net revenue is augmented by the market rental value of the space (adjusted for non-recoverable outgoings).

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 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 2010, the rates of return chosen by the property experts range from 6.5% to 10.3% and are determined by the valuers according to the risk profile of a particular asset class and make allowance for the impact of vacant premises.

For assets with residual site value, the valuers give a breakdown of their figures. For assets with no residual land value, the overall property value includes the site.

2.3.3 – NET ASSET VALUE

Replacement NAV

To calculate the company's net asset value on this basis, the properties are valued inclusive of transfer costs by the independent valuers.

The Net Asset Value corresponds to the consolidated shareholders' equity at 31 December 2010, plus the unrealised gains on goodwill (value of Tour Eiffel Asset Management (formerly Awon Asset Management) as estimated by Deloitte at 31 December 2010).

The Net Asset Value including costs (replacement NAV) stood at €77.0 per share at 31 December 2010 compared with €74.0 per share at 31 December 2009, an increase of 4%.

Liquidation NAV

This second calculation provides net asset value excluding costs.

Transfer charges are estimated by the Company at 5% (taxes payable on the sale of the shares in a company) of the net value of the asset owning company. This same transfer tax calculation method has been used each year since the Company began its property investment activities.

As at 31 December 2010, 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 valuers and represented in the consolidated balance sheet (pursuant to IFRS standards), result in an adjustment of €23m.

The Net Asset Value excluding costs (liquidation NAV) stood at €73.0 per share at 31 December 2010 compared with €70.0 per share at 31 December 2009, an increase of 4.3%.

Ignoring the dilutive impact of the capital increase, which occurred following the distribution of an interim dividend in October 2010 (creation of 159,248 new shares), the NAV excluding costs amounted to €75.2 per share, an increase of 7.4%.

CALCULATION OF NET ASSET VALUE EXCLUDING TAXES FROM CONSOLIDATED SHAREHOLDERS' EQUITY

In thousands of euros	31/12/2010	31/12/2009
Consolidated shareholders' equity	373,430	345,592
Appreciation on intangible assets	4,870	3,751
Appreciation on buildings under construction	0	0
Net adjustment of the transfer taxes:	23,027	24,197
+ Taxes deducted from the value of assets on the balance sheet	44,644	45,522
- Estimated divestment taxes and fees	21,617	21,325
NAV EXCLUDING TAXES	**401,327**	**373,540**
Number of shares (excluding treasury shares)	5,496,243	5,337,582
NAV EXCLUDING TAXES PER SHARE AFTER DILUTION (IN €)(1)	**73.0**	**70.0**
Change compared with 31/12/2009	*4.3%*	
NAV EXCLUDING TAXES PER SHARE BEFORE DILUTION (IN €)(1)	**75.2**	**70.0**
Change compared with 31/12/2009	*7.4%*	

(1) Dilution further to the capital increase as a result of the distribution of the 2010 interim dividend (creation of 159,248 new shares).

CHANGE IN NAV EXCLUDING TAXES FROM 31/12/2009 TO 31/12/2010

	In €m	Per share in €
NAV excluding taxes at 31/12/2009	373.5	70.0
Impact of the change in number of shares		-2.0
Recurring net income	31.5	5.7
Distribution of 2010 dividends	-14.7	-2.7
Capital gains & losses from disposals	-1.7	-0.3
Valuation of property assets	8.1	1.5
Valuation of hedging instruments	5.3	0.9
Other	-0.7	-0.1
NAV EXCLUDING TAXES AT 31/12/2010	**401.3**	**73.0**

2.4 – Corporate financial statements

The total balance sheet of Société de la Tour Eiffel at 31 December 2010 amounted to €376.7m versus €391.2m at 31 December 2009.

On the assets side:

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 €26.9m at 31 December 2010) and, on the other hand, the equity interests in subsidiaries (€252.1m) and related receivables (€62.9m).

At the end of 2010, a write down of €1.5 million was recorded on the value of the Amiens property following the significant drop in the independent valuation (from €5.4 million to €3.8 million).

The increase in the value of the equity interests held by Société de la Tour Eiffel is mainly due to the recapture of 100% of the depreciation in SAS Locafimo (€11.3m) and SCI Duranne Sud (€0.7 million) following its absorption by the parent company in June 2010.

Conversely, the equity interests in SCI Marceau Bezons (€0.3m) and SCI Malakoff Valette (€4.2m), following the sale of its only held property in October, were written down at 31 December 2010.

In July 2010, Société de la Tour Eiffel acquired from SCI du 153 Avenue Jean Jaurès an additional interest in SNC Tour Eiffel Asset Management for €5K, resulting in 100% ownership.

Furthermore, the receivables related to equity interests, representing permanent financing from the parent company to its subsidiaries, increased in 2010 from €52.5m to €62.9m, mainly due to the receipt of dividends by subsidiaries.

It should be noted that SCI Lyon Genlis repaid its loan (€3 million) following the sale of its property asset.

Current assets amounted to €34.6 million at 31 December 2010 against €64.2m at year-end 2009. This was due mainly to the repayment of the SCI Vélizy Topaz shareholder loan (-€30m) following the repayment of the corporate loan of €76.5 million on 31 March 2010. SCI Vélizy Topaz is a 99.9% subsidiary of SAS Locafimo.

In 2010, the marketable securities representing the treasury shares obtained through the share buy-backs and the prevailing liquidity contract (96,041 shares at 31 December 2010 versus 95,524 at 31 December 2009) posted a net increase of €0.5m, under the combined effect of an adjustment for over-provision of €0.4 million, related to the higher share price in 2010.

Liabilities:

The equity of the company amounted to €307.1 million at year-end 2010 against €285.1 million at year-end 2009, i.e. an increase of €22 million.

In accordance with the resolutions of the General Shareholders' Meeting of 20 May 2010, the result for fiscal 2009, representing a loss of €10.7 million, was allocated as follows: €7.4 million to the special reserve and €3.3m to the retained earnings account.

Furthermore, the same General Shareholders' Meeting moved to distribute an amount of €2 per share, or €10.7 million, levied and deducted from "Other reserves" for €0.5 million, distributable portion of the legal reserves arising from the reduction of share capital decided by the combined General Shareholders' Meeting of 14 May 2009 for €2.8 million with the balance on the share premium for €7.3m.

On 28 July 2010, the Board of Directors moved to distribute an interim dividend of €2 per share in the light of the first half results posted at 30 June 2010, with an option of payment in shares or cash in accordance with the 3rd resolution adopted at the General Shareholders' Meeting of 20 May 2010. A share capital increase of €0.8 million (or 159,248 shares) was subsequently recorded on 30 September 2010.

During fiscal year 2010, the issue premium was reduced by €7.3 million further to the decision of the General Shareholders' Meeting of 20 May 2010, and increased by €5.9 million following the distribution of the interim dividend mentioned above, hence a variation of -€1.4m in shareholders' equity.

As a result, at 31 December 2010 the share capital of Société de la Tour Eiffel was €28m against €27.2 million at year-end 2009.

On 31 March 2010, Société de la Tour Eiffel fully repaid the "corporate" loan of €76.5m. At the same time, the Company contracted a similar new loan amounting to €35m, which expires in March 2011 and may be extended until 30 September 2011.

Income statement

The turnover of Société de la Tour Eiffel came to €7.7m (compared with €7.4m at year-end 2009), comprising reinvoicing to subsidiaries (€5.9m) of various investment, financing and administrative costs, and asset management services fees paid on their behalf (reflecting the terms of the Tour Eiffel Asset Management master agreement) as well as rental income from the Saint-Cloud and Amiens buildings (€1.6m).

Operating charges (€12.2m) are made up of the costs relating to the asset management master agreement entered into with Tour Eiffel Asset Management, certain financing and investment charges, allocations to depreciation of buildings, and Société de la Tour Eiffel's general overheads.

Operating income thus stood at -€3.8 million at 31 December 2010 against -€1.8m at 31 December 2009, primarily due to the recording of €1.5 million write down on the Amiens property.

The financial result, which stood at €40.4m at year-end 2010 compared with -€4.8m at year-end 2009, mainly comprises dividend income (€40m against €16.1m at year-end 2009) and related receivables, net cash reserve income and financial charges on intra-group debt and corporate bank financing.

The significant change recorded during the year also reflects the net impact of reversals of provisions on equity securities, i.e. €7.5m.

Given the above and an extraordinary profit of €0.2 million, this results in a net profit of €36.7m against a loss of €10.7m at the close of fiscal year 2009.

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 our introductory statement on the business activities of both the Company and the Group.

A table setting out our subsidiaries and holdings, presented as an appendix to the balance sheet, shows the key indicators for sales turnover and earnings in 2010.

We hereby inform you that during the past year, our Company made no equity investment.

At 31 December 20010 the consolidation of the Société de la Tour Eiffel group encompassed 24 companies (not including Société de la Tour Eiffel), all of which are wholly-owned companies as per the list appended to the consolidated accounts. One of these 24 subsidiaries provides consultancy services (SNC Tour Eiffel Asset Management, formerly known as Awon Asset Management), the 23 other subsidiaries being property companies.

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 €)

2010 financial year	Invoices within 30 days	Invoices within 45 days	Invoices within 60 days	Other lead-times	Total
2010 Invoices	134,440				134,440
Accounts payable not received				1,790,058	1,790,058
TRADE NOTES AND ACCOUNTS PAYABLE	**134,440**	**-**	**-**	**1,790,058**	**1,924,498**

2009 financial year	Invoices within 30 days	Invoices within 45 days	Invoices within 60 days	Other lead-times	Total
2009 Invoices	119,772	48,067		52	167,891
Accounts payable not received				1,624,440	1,624,440
TRADE NOTES AND ACCOUNTS PAYABLE	**119,772**	**48,067**	**-**	**1,624,492**	**1,792,331**

3 – CORPORATE GOVERNANCE

3.1 – Composition of the Board of directors and senior management

Mark Inch, Chairman and Managing Director
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 avenue Bosquet, 75007 Paris

Aimery Langlois-Meurinne, Board member
Address: 8 rue de l'Hôtel de Ville - 1204 Geneva - Switzerland

More than half the members of the Board directors have no relationship of any kind whatsoever with the company or its management that could compromise the exercise of their freedom of decision, in accordance with the recommendation of the Afep/MEDEF Governance Code for listed companies in its updated version of April 2010.

3.2 – Role and operation of the Board of Directors

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

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

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

There is a service contract between the Company and Bluebird Investissements, company of which Mr Mark Inch is the manager. This contract is for assistance in managing the property portfolio and the acquisition of new buildings, and gives rise to a fixed annual fee of €670,000. The Company shares the cost between itself and its subsidiaries.

Out of a total of nine directors, the Board comprises six members who have no link with the Company and receive no direct or indirect remuneration apart from the attendance fees mentioned in paragraph 3.5 below.

Given the size of the company and the concentration of the business 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 audit and remunerations committees to act in an advisory role. By a decision of the Board of Directors on 9 December 2010, the Remunerations Committee was transformed into the Appointments and Remunerations Committee.

3.3 – Mandates held by the management in 2010

MARK INCH

Born 12 February 1950 in Edinburgh (United Kingdom)
Address: 76 Avenue Paul Doumer, 75116 Paris

Main function held in the Company:
Chairman and Managing Director

Dates of appointment:
Board member: appointed 10 July 2003, last renewed 20 May 2010

The Chairman of the Board of Directors: appointed 22 July 2003, last renewed 20 May 2010

Managing Director: appointed 10 July 2003, last renewed 20 May 2010

Expiry of term of office: 2013

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2010:
Board member, Société de la Tour Eiffel Foundation

Other offices and mandates held outside the Company at 31 December 2010:
Manager, Bluebird Investissements SARL
Board member, Fédération des Sociétés Immobilières et Foncières
Director, Emirates REIT Management (Private) Limited, foreign company
Director, Eiffel Holding Limited, foreign company

Other effective mandates and functions having expired during the past five years:
Manager, Bluebird Holding SARL (until 29/12/09)
Manager, SNC Albion (until 14/01/09)
Chairman of the Board of Osiris Gestion de Entidades S.L.U. (until 15/09/08)
Director, Douglasshire International Holding BV (Netherlands) (until 1/07/07)
Manager, SNC Cergy La Bastide (until 26/06/06)
Manager, SNC Manufacture Colbert (until 26/06/06)
Deputy Board member, Albion Development SA (until 24/03/06)

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:
Board member: appointed 22 July 2003, last renewed 20 May 2010

Deputy Managing Director appointed 14 March 2005, last renewed 20 May 2010

Expiry of term of office: 2013

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2010:
Chairman, Société de la Tour Eiffel Foundation
Chairman, SAS Locafimo
Manager, SCI du 153 avenue Jean Jaurès
Manager, SCI Arman F02
Manager, SCI Arman Ampère
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)

Other offices and mandates held outside the Company at 31 December 2010:
Manager, SNC Awon Participations - SNTP
Manager, SC Layla

Other effective mandates and functions having expired during the past five years:
Manager, SCI Duranne Sud (until 25/05/10)
Manager, SCI Massy Campus 2 (until 19/10/09)
Manager, SNC Foncière Eiffel Développement (until 9/03/09)
Manager, SNC Albion (until 14/01/09)
Managing Director, Osiris Gestion de Entidades S.L.U. (until 15/09/08)
Chairman, SAS Parcoval (until 21/07/08)
Board member, ORIE (mandate expired in 2007)
Manager, SNC Awon Asset Management (until 31/12/07)
Manager, SNC Awon Gestion (until 9/07/07)
Director, Douglasshire International Holding BV (Netherlands) (until 1/07/07)
Manager, SNC Cergy La Bastide (until 26/06/06)
Manager, SNC Manufacture Colbert (until 26/06/06)

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 2010:
Chairman of the Société de la Tour Eiffel audit committee

Other offices and mandates held outside the Company at 31 December 2010:
Member of the Supervisory Board, ADL Partner, listed company
Manager, Omnium Pavoie Provect
Board member, Compagnie des Caoutchoucs du Pakidié, foreign company
Manager, ADL Partner Marketing Gmbh, foreign company
Manager, Suscripciones España, foreign company

Other effective mandates and functions having expired during the past five years:
Receiver, Société Internationale de Diffusion Directe, SIDD (until 6/05/10)
Receiver, OFUP (until 1/12/10)
Receiver, La Salamandre Investissements France (mandate expired on 7/12/2009)
Board member, ADL Partner Italia (until 5/10/06)
Chairman and Managing Director, La Salamandre Investissements France (until 24/05/07)

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 2010:
Board member, Société de la Tour Eiffel Foundation
Chairman of the Société de la Tour Eiffel Appointments and Remunerations Committee

Other offices and mandates held outside the Company at 31 December 2010:
Board member, Société Greco
Member of the Supervisory Board, Editions Actes Sud
Board member, PIM Gestion
Member of the Supervisory Board, Banque Safra, foreign company

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

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 2010:
Member of the Société de la Tour Eiffel audit committee
Member of the Société de la Tour Eiffel Appointments and Remunerations Committee

Other offices and mandates held outside the Company at 31 December 2010:
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, renewed during the General shareholders' meeting of 20 May 2010

Expiry of term of office: 2013

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2010:
Member of the Société de la Tour Eiffel audit committee
Member of the Société de la Tour Eiffel Appointments and Remunerations Committee

Other offices and mandates held outside the Company at 31 December 2010:
Acting Manager, CIPA company

Other effective mandates and functions having expired during the past five years:
Chairman of Atisreal Expertise (mandate expired in 2008)
Chairman of Atisreal Consult (mandate expired in 2008)

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:
Board member: appointed 14 November 2003, last renewed 20 May 2010

Deputy Managing Director appointed 30 September 2003, last renewed 20 May 2010

Expiry of term of office: 2013

Other offices and mandates held outside the Company at 31 December 2010:
Chief Financial Officer, SNC Tour Eiffel Asset Management (formerly Awon Asset Management)

Other effective mandates and functions having expired during the past five years:
Manager, SNC Albion (until 20/06/07)

RENAUD HABERKORN

Born on 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 within the Société de la Tour Eiffel Group at 31 December 2010:
Member of the Société de la Tour Eiffel audit committee

Other offices and mandates held outside the Company at 31 December 2010:
Board member, Grove International Partners (UK) Limited, foreign company
Member of the Investment Committee, Redwood Grove International, foreign company

Member of the Investment Committee, Captiva 2 SCA and Captiva SCA, foreign company
Member of the Supervisory Board, Event Hospitality Group BV, foreign company
Member of the Supervisory Board, Coöperatieve Redwood Grove International U.A., foreign company
Board member, Nowe Ogrody 5 Sp., foreign company
Board member, Polish Investments Real Estate Holding II B.V., foreign company
Board member, Polish Investments Real Estate Holding B.V., foreign company
Board member, Newswanlake BV, foreign company
Board member, Stichting Administratiekantoor Douglasshire International Holding, foreign company
Board member/Chairman, SI Real Estate Holding B.V., foreign company

Other effective mandates and functions having expired during the past five years:
Board Member, Cypress Grove International.D Coöperatief U.A. (until 12/11/10)
Board Member, Cypress Grove International.E Coöperatief U.A. (until 12/11/10)
Board member, Hellenic Land Holding BV (until 9/11/10)
Board member, Progetto Magnolia Srl (until 9/02/2009)
Chairman, Nowe Ogrody 5 Sp. (until 28/01/09)
Board Member, Med Group Leisure Investment BV (until 22/12/08)
Board member, Induxia Srl (until 3/11/08)
Board Member, IXIS Capital Partners Ltd (until 11/10/07)
Board Member, Douglasshire International Holding BV (until 1/07/07)

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 octobre 2009

Expiry of term of office: 2012

Other offices and mandates held within the Société de la Tour Eiffel Group at 31 December 2010:
Member of the Société de la Tour Eiffel Appointments and Remunerations Committee

Other offices and mandates held outside the Company at 31 December 2010:
Board member and Chairman, Imerys SA, listed company
Board member, IDI, listed company
Board member, Pargesa Netherlands, foreign company

Other effective mandates and functions having expired during the past five years:
Board member and General Manager, Pargesa Holding SA (mandate expired in 2010)
Board member, Groupe Bruxelles Lambert (mandate expired in 2010)
Board member, Pargesa Luxembourg SA (mandate expired in 2010)
Board Member, Club méditerranée (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 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 consists of four members, who are also independent directors: Mr. Michel Gauthier, Chairman, Mr Mark Allez, Mr Philip Prouillac and Mr. Renaud Haberkorn (since 9 December 2010).

During 2010, the Audit Committee met four times to discuss the following:

- 12 January: meeting with the independent valuers of the property portfolio at 31 December 2009,
- 4 March: meeting with the auditors on the 2009 accounts,
- 26 July: meeting with the independent valuers of the property portfolio followed by another with the auditors on the half-yearly accounts,
- 9 December: meeting on internal control and the monitoring of risk mapping.

The attendance rate of the members of the Board was 100%.

By a decision of the Board of Directors on 9 December 2010, the Remunerations Committee was transformed into the Appointments and Remunerations Committee. Its initial task (to ensure that the remuneration of corporate officers and directors and increases to same are in line with the interests of the shareholders and company performance) has been supplemented by the following:

- regarding the selection of new board members, the Committee is responsible for making proposals to the Board after reviewing in detail all the items that must be taken into account in its deliberations, in particular, it must organise a procedure for the selection of the independent directors and carry out its own studies on potential candidates.
- regarding the succession of managing corporate officers, the Committee must establish a succession plan for executive officers in order to submit to the Board succession solutions in the event of an unforeseen vacancy.

This Committee consists of four members, who are also independent directors: Mr. Claude Marin, Chairman, Mr Mark Allez, Mr Philip Prouillac and Mr. Aimery Langlois-Meurinne (since 9 December 2010).

During 2010, the Appointments and Remunerations Committee met three times. It addressed the following issues:

- a proposal to set a single performance criterion applicable to the conditions for allocating bonus shares or stock options to executive officers;
- a proposed method for calculating this criterion;
- the possibility of including in the table of the remunerations of each corporate officer that of Mr. Frédéric Maman.

The attendance rate of the members of the Board was 88.9%.

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 Managing Director(1)	2009	2010
Remunerations due for the financial period (detailed in table 2)	€120,000	€120,000
Valuation of options granted during the financial period (detailed in table 4)	€144,553	€0
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€0	€0
TOTAL	**€264,553**	**€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. This agreement is subject to a prior notice of termination of two years.

Robert Waterland, Deputy Managing Director	2009	2010
Remunerations due for the financial period (detailed in table 2)	618,986	€619,469
Valuation of options granted during the financial period (detailed in table 4)	€144,536	€0
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€0	€0
TOTAL	**€763,522**	**€619,469**

Jérôme Descamps, Deputy Managing Director	2009	2010
Remunerations due for the financial period (detailed in table 2)	€226,328	€235,133
Valuation of options granted during the financial period (detailed in table 4)	€84,209	€0
Valuation of performance-based shares granted during the financial period (detailed in table 6)	€0	€0
TOTAL	**€310,537**	**€235,133**

TABLE 2

Summary table of the remunerations of each corporate officer

	Allocated for 2009		Allocated for 2010	
Mark Inch, Chairman and Managing Director[1]	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	0	0	0	0
Allowances and benefits	NA	NA	NA	NA
TOTAL	**€120,000**	**€120,000**	**€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.

	Allocated for 2009		Allocated for 2010	
Robert Waterland, Deputy Managing Director[2]	due	paid	due	paid
Fixed remuneration				
- as Deputy Managing Director	€100,000	€100,000	€100,000	€100,000
- as Director of Property	€500,000	€500,000	€500,000	€500,000
Variable remuneration	NA	NA	NA	NA
Exceptional remuneration	NA	NA	NA	NA
Attendance fees	0	0	0	0
Allowances and benefits	€18,986	€18,986	€19,469	€19,469
Including: *GAN insurance*	*€17,362*	*€17,362*	*€17,840*	*€17,840*
car	*€1,590*	*€1,590*	*€1,595*	*€1,595*
mobile telephone	*€34*	*€34*	*€34*	*€34*
TOTAL	**€618,986**	**€618,986**	**€619,469**	**€619,469**

(2) Mr Robert Waterland is also entitled to the following severance package:
- *twelve-month salary, 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.

	Allocated for 2009		Allocated for 2010	
Jérôme Descamps, Deputy Managing Director[3]	due	paid	due	paid
Fixed remuneration	€171,295	€171,295	€175,100	€175,100
Variable remuneration[4]	€55,000	€55,000	€60,000	€60,000
Exceptional remuneration	NA	NA	NA	NA
Attendance fees	0	0	0	0
Allowances and benefits (portable telephone)	€33	€33	€33	€33
TOTAL	**€226,328**	**€226,328**	**€235,133**	**€235,133**

(3) Remuneration paid by Tour Eiffel Asset Management (formerly 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 Tour Eiffel 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 2009	Allocated in 2010
Marc Allez		
Attendance fees	€21,000	€18,500
Michel Gauthier		
Attendance fees	€21,000	€21,500
Renaud Haberkorn		
Attendance fees	€13,000	€16,000
Aimery Langlois-Meurinne		
Attendance fees	€3,000	€13,000
Claude Marin		
Attendance fees	€21,000	€20,000
Philippe Prouillac		
Attendance fees	€21,000	€21,000
TOTAL	**€100,000**	**€110,000**

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				0		
Robert Waterland				0		
Jérôme Descamps				0		
TOTAL				**0**		

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 during the financial period 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 corporate officer during the financial period

Performance-based shares newly available to managing corporate officers	Plan number and date	Number of shares available during 2010	Conditions of acquisition
Mark Inch		0	-
Robert Waterland		0	-
Jérôme Descamps		0	-

TABLE 8

History of allocation of share subscription or purchase options

Information on unexpired share subscription or purchase options

	Plan n° 3	Plan n° 4	Plan n° 5	Plan n° 7	Plan n° 8
Date of shareholders' meeting	12/05/05	17/05/06	17/05/06	29/03/07	29/03/07
Board of Directors meeting date	17/05/06	14/09/06	29/03/07	11/12/08	15/10/09
Total number of shares available for subscription or purchase	11,103[1]	137,314[1]	24,182[1]	28,198[3]	28,427[3]
number available for subscription or purchase by corporate officers of the company or subsidiary	*0*	*119,336[1]*	*22,624[1]*	*28,198[3]*	*28,427[3]*
Mark Inch		*51,885[1]*	*6,787[1]*	*9,231[3]*	*8,982[3]*
Robert Waterland		*51,885[1]*	*6,787[1]*	*9,231[3]*	*8,981[3]*
Jérôme Descamps		*7,783[1]*	*4,525[1]*	*4,867[3]*	*5,232[3]*
Frédéric Maman		*7,783[1]*	*4,525[1]*	*4,869[3]*	*5,232[3]*
Starting date of the exercise of options					
Mark Inch		14/09/06	29/03/07	11/12/08	15/10/09
Robert Waterland		14/09/06	29/03/07	11/12/08	15/10/09
Jérôme Descamps		14/09/07	29/03/08	11/12/08	15/10/09
Frédéric Maman, Manager, SCI Champigny Carnot		14/09/07	29/03/08	11/12/08	15/10/09
executive personnel	17/05/06	14/09/07			
non-executive personnel	17/05/06	14/09/06	29/03/07		
Expiry date	17/05/11	14/09/11	29/03/12	11/12/13	15/10/14
Price of subscription or purchase	€80.84[3]	€92.13[3]	€114.64[3]	€32.87[3]	€45.95[3]
Terms of exercise (when the plan comprises several tranches)					
Jérôme Descamps		*options exercisable by a maximum tranche of 25%*	*options exercisable by a maximum tranche of 25%*		
Frédéric Maman, Manager, SCI Champigny Carnot		*options exercisable by a maximum tranche of 25%*	*options exercisable by a maximum tranche of 25%*		
Executive personnel		*options exercisable by a maximum tranche of 25%*			
number of shares subscribed as at 31 December 2010	1,500	0	0	0	0
cumulated number of share subscription or purchase options cancelled or null and void shares	7,080[2]	133,661[2]	23,403[2]	0	0
number of share subscription or purchase options remaining at the end of the financial period	2,643[3]	1,470[3]	816[3]	28,198[3]	28,427[3]

(1) Adjusted on 27 October 2009.
(2) Some of the allottees renounced their right to the stock options in this plan, which have therefore become obsolete.
(3) Adjusted on 28 May 2010.

For information:

- Plan No. 1 of 26 December 2005 expired on 26 December 2010. Out of a total of 121,001 stock options (amount adjusted on 28 May 2010), 1,250 options were exercised
- Plan No. 2 of 22 March 2006: all the allottees renounced their right to the stock options.
- plan No. 3 of 17 May 2006:
  plan No. 4 of 14 September 2006:
  plan No. 5 of 29 May 2007:
  most of the allottees renounced their right to the stock options.
- Plan No. 6 of 16 October 2007: all the allottees renounced their right to the stock options.

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.
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)	None	None	None
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 Managing Director start date of mandate 2003 end date of mandate 2013		X		X		X		X
Robert Waterland Deputy Managing Director start date of mandate 2003 end date of mandate 2013	X			X	X (1)			X
Jérôme Descamps Deputy Managing Director start date of mandate 2003 end date of mandate 2013	X (2)			X		X		X

(1) Mr Robert Waterland is also entitled to the following severance package as property director:
- *twelve month salary, 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

The following events occurred between 1 January 2011 and the meeting of the Board adopting this document:

- sale of plots of land in the Parc des Tanneries in Strasbourg signed on 17 January 2011 for €2.95m;
- start of construction of an LEB building with 2,200 sq.m of floor space in the Parc du Moulin à Vent in Vénissieux pre-leased for a fixed 9-year term, delivery being scheduled for early 2012. The construction contract was signed on 3 January 2011;
- commitment to sell the building in Amiens signed on 3 February 2011;
- Signature of a VEFA forward acquisition contract with a developer for the construction of an LEB office block in Montrouge (Hauts-de-Seine);
- finalising of agreements with a bank consortium to refinance the La Poste portfolio and preparation of the loan agreement.

Otherwise, to the best of the Company's knowledge, there has been no significant change in the financial or commercial standing of the company since the end of the 2010 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 2010, based on an assumption of a 0.5% indexation, will be at least €71.5 million in 2011.

The Group will seek to ensure that its existing rental income is secure and durable, optimising revenue by marketing buildings that were recently delivered.

With a constantly expanding portfolio of quality properties, Société de la Tour Eiffel has solid assets with which to accelerate its medium-term growth and benefit from the upturn in the property market, which will inevitably be conditioned by the financial and credit markets.

In particular, it fully intends to continue its organic growth through development of its land reserves, primarily located in business parks and on the Massy!Ampère site, and by assisting its major tenantsin their property investment and management strategies. In addition to these 140,000 sq.m of land reserves, representing potential additional rental income of some €25 million, the company has a nationwide range of exploitable opportunities with which to generate controlled growth through the development of new HEQ and LEB buildings.

The company will seek to further upgrade the property portfolio which already comprises a majority of new or recent buildings.

Disposals amounting to €17.3m, initiated in 2010, will be completed in 2011 and other selected disposals will be considered, the policy of constant portfolio turnover contributes towards the maintenance of our overall return expectations.

Société de la Tour Eiffel stands by its long-term objective of providing shareholders with recurring revenue that remains in line with the current cash flow per share.

In terms of funding, the refinancing of the only 2011 maturity is in hand whilst discussions continue in respect of the major 2013 maturity aimed at improving the spread, term and breakdown of the company's financing.

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 go up, they are likely to lead to a rise in the cost of financing the investments. Similarly, a rise in the interest rates is likely to have an effect on the Group's ability to maintain its necessary financial liquidity.

Against a global backdrop of volatile financial markets, the Group's interest rate management policy is intended to limit the impact from changing interest rates on its income and cash flow, as well as to minimise the overall cost of its debt. 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 transactions performed.

With regard to the investments made by Société de la Tour Eiffel, no losses were recorded on any of its cash management. This is because the investment vehicles used are liquid, secure and with low volatility, and can therefore be classified as "Cash and cash equivalents".

At 31 December 2010, the group's consolidated gross indebtedness to banks was €627.7m, comprising €373.9m of fixed rate debt (of which €318m were hedged with swaps) and €253.8m of variable rate debt, hedged by interest rate caps for €245.2m.

At the end of 2010, the fair value adjustment to hedging instruments resulted in a positive financial impact upon the consolidated accounts of € 5,335 of which € 177 was due to CAPs and € 5,158 to SWAPs (cf. Notes 5 and 12 of consolidated accounts appendix).

Hence, at year-end 2010, the debt was hedged overall to a total ratio of 99%.

On the basis of the debt recorded at 31 December 2010, an average 100 basis point increase in 3-month Euribor rates over 2011 would have an estimated negative impact of €2.5m on net recurring income. Conversely, a drop in the interest rates of 100 basis points would reduce the finance cost by an estimated €2.5m, resulting in an equivalent positive impact on the recurring net income for 2011.

Risks on treasury shares

As part of the share buyback programme authorised by the General Shareholders' Meeting of 20 May 2010, 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 number of shares held at the end of the 2010 financial year, i.e. 96,041 shares, the sensitivity of results to a decrease or increase of 10% of the Société de la Tour Eiffel share price is estimated to be €0.6m

Counterparty risk

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

Currency risk

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

Liquidity risk

The company has conducted a specific review of its liquidity risk and considers it is capable of meeting its future payments.

The Company and its subsidiaries have entered into master agreements with internationally known banks to finance and refinance the Group's property portfolio. These contracts were modified by amendments as the Group made new acquisitions.

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

These cases are, in particular, the failure to pay an amount due, the breach of certain financial ratios, the failure to honour various commitments taken by the Company or its subsidiaries, the imprecision of various declarations and guarantees made; the occurrence of an event having a significant unfavourable effect on the Group's activity, its financial, legal or tax position or on Group's properties, commitments taken becoming invalid or unenforceable the failure to register an adequate mortgage surety, the realization of a security interest by the Company's creditor on assets financed by money drawn on the master agreement; the existence of class action suits; dissolution; a merger not authorized by the lender; the assignment of a portion of a subsidiary's securities whose real estate property was financed

through a master agreement; the existence of proceedings to requisition/expropriate a building financed by the master agreement if the compensation is insufficient to reimburse any debt, the acquittal of a tax following an uncontested tax reassessment with a substantial unfavourable effect; the loss of eligibility for the SIIC tax break which does not follow a change in the law; and the statutory auditors' opinions as soon as they have a material unfavourable effect or the total destruction of a building financed through 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 outstanding loans and their related costs to be immediately payable, and action 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 2010 and projections of interest expense over the following 3 first quarters of 2011 over net rentals for the 4th quarter of 2010 and those projected over the first 3 quarters of 2011.

BANKING FINANCING AND MAIN COVENANTS AT 31/12/2010

	31/12/2010	Bank covenants		Latest ratios published		
In €m	Consolidated financial debt	Maximum LTV	Minimum ICR	Maximum LTV	Minimum ICR	Maturity date
RBS/AXA/Calyon/Crédit Foncier	126.4	75.0%	170%	54.3%	305%	15/06/2013
Calyon	36.3	80.0%	125%	43.0%	197%	15/04/2011
Société Générale (50%) Crédit Foncier (50%)	54.6	65%	110%	55.4%	218%	28/03/2017
Société Générale	12.8	NA	NA	NA	NA	14/01/2015
PBB (formerly HRE)	374.7	72.5%	140%	66.7%	313%	30/06/2013
Natixis	22.9	75.5%	225%	62.5%	285%	31/03/2011
TOTAL	**627.7**					

The Group is in compliance with all its financing agreement covenants at 31 December 2010.

Risks related to the change in the economic environment

Since the property assets of the Group mainly consist of office property and light 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 the 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"), and 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 diminish, maintain or increase rental income when lease agreements are renewed also depends at the same time on trends in supply and demand and the market, which are influenced by the general economic situation.

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

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

The vacancy rate of operated assets at 31 December 2010, for example, stands at 14.2%. Given the economic forecast for 2011, the vacancy rate should decrease.

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 rental activities.

The Group is in competition with a number of players, some of which benefit from a sounder financial base and control larger portfolios. Certain entities may enjoy a regional advantage 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.

Against a background marked by the financial crisis and the scarcity of financing on acceptable terms, to face the multi-faceted competition, the Group had voluntarily decided to mark time in 2008 and 2009 on its short-term development strategy; since the 4th quarter of 2010, the financial markets, although still volatile, have stabilised, and sentiment improved. The Group decided therefore to once again consider investment opportunities in line with its property strategy.

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 of property assets to acquire with the requisite characteristics and qualities, in particular in terms of location and floor space.

Risks related to valuation of the property portfolio

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

In the valuation process, the Tour Eiffel Asset Management surveyors liaise permanently with external valuers, not only concerning terms of reference and the transmission of information but also to establish valuation criteria. The company never modifies externally prepared valuations.

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 basis 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 2010, their change using only the net income capitalisation method, according to the assumption of both a positive and a negative variation of 25 bp and 50 bp in the rates of return adopted by the valuers, i.e. -0.50%, -0.25%, 0.25% and 0.50%.

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

1) For an increase of 25 and 50 bp, the value of the portfolio at 31 December 2010 would decrease respectively by 4.2% and 7.2%, which, all other things being equal, would result in an overall adjustment in consolidated income of -€42.4 million and -€73.3 million respectively.

2) For a decrease of 25 and 50 bp, the value of the portfolio at 31 December 2010 would increase respectively by 2.5% and 6.3%, which, all other things being equal, would result in an overall adjustment in consolidated income of +€26 million and +€64 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 results in market value of the two assumptions of increases in interest rates (as indicated above) in order to calculate banking covenants at 31 December 2010, 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.

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 and the 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 French REIT 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, operating permits, 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 does 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 brand is protected against use by third parties since 1998 by the registration of five European Community and French trade marks: when the Parc Eiffel name was registered, no objection by third parties was made. Accordingly Société de la Tour Eiffel is the only company entitled to use the trademark.

The Tour Eiffel and Burj Eiffel trademarks were filed in classes 36, 37, 41, 43 in the United Arab Emirates in 2007 and then transferred to Eiffel Holding Limited (formerly Fanar). However, in the event of total or partial transfer of these national trademarks by Eiffel Holding Limited, it must grant a right of first refusal beforehand 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

Our 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 regime 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 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 sales made by 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 posted 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 Finances Act ("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 penalty computed at a rate of 25% of the latent gains on the properties, credit-bail contracts and shareholdings, acquired during the regime, decreased by one tenth per financial year since entry into the regime.

The Finance Amendment Act 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 Finance Act 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 subject to corporation tax under the conditions of common law, subject to the payment of capital gains tax on 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.

b) SIICs must withhold 20% of the amount of dividends distributed as of 1 July 2007 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 shareholders who collectively bear the liability either directly or indirectly.

Given the aforementioned provisions, introduced by article 208 C II of the General Tax Code, the articles of association of the Company were modified by decision of the extraordinary general shareholders' meeting held on 27 March 2008, on the one hand in order to oblige shareholders affected by these provisions to register their shares under penalty of having their maximum voting rights reduced to one 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 this context, 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 properties 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 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 properties 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 Company also systematically verifies, prior to an acquisition, the conformity of technical facilities which could have impact on the environment or the safety of individuals (in particular fire-fighting equipment, ventilation, air conditioning systems, electrical installations, lifts). These verifications are carried out by independent specialists. The technical managers appointed by the Company subsequently respond as appropriate to the observations made by the inspectors.

As a result of thorough due diligence prior to acquisitions, the Company makes all necessary undertakings 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 clients.

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

Rental risks

Marketing of the Group's property assets is overseen by Tour Eiffel Asset Management. The marketing objectives (price, term, timing, etc.) are defined in conjunction with Tour Eiffel 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 guarantee or a first demand bank guarantee for an equivalent amount.

Nevertheless, as part of its development, the Group has acquired companies whose rental portfolio may have less exacting selection criteria, in particular with regard to the profile of the tenants or the guarantees or sureties they provide, as is the case for the Locafimo portfolio. Such a situation could have an impact on the exposure of the Group concerning the insolvency of its tenants and more generally on profitability, growth, business and future earnings.

The invoicing in relation to lease agreements is carried out by the external property management companies exclusively retained by the Company. The organisation and monitoring of the invoicing and recovery of rents and charges are centralised.

Various operating costs of the Group's assets are reinvoiced to tenants. These relate mainly to 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 Tour Eiffel Asset Management staff members who decide on the preliminary procedures or legal actions required.

At 31 December 2010, the dependence of the Group with regard to its tenants was as follows:

N°	Tenants	Properties	% of total rental income 2010
1	La Poste	12 properties + Millénaire Locafimo building + Cadéra Sud building (Merignac) + Parc des Tanneries (Strasbourg)	12.5%
2	Alstom	Massy + Nancy + Parc du Perray (Nantes) + Parc des Tanneries (Strasbourg)	7.9%
3	C&S Communication	Le Plessis-Robinson	5.2%
4	NXP	Caen	4.6%
5	Medica	4 Nursing homes	4.2%
6	Ministry of the Interior	Asnières	4.0%
7	Air Liquide	Champigny + parc du Perray (Nantes)	4.0%
8	Soletanche (Vinci)	Rueil-Malmaison	3.7%
9	Atos	Aubervilliers	2.7%
10	Gefco	Sochaux	2.3%
11	DRASS DDASS	Parc du Millénaire (Montpellier)	2.0%
12	12 Seine-Saint-Denis General Council	Bobigny	1.9%
13	CMN (Centre des Monuments Nationaux)	Paris – Porte des Lilas	1.8%
14	Pôle Emploi	Paris – Porte des Lilas + Parc des Tanneries (Strasbourg)	1.7%
15	VCF	Saint-Cloud	1.5%
16	ANTALIS	Paris – Porte des Lilas	1.4%
17	Others	Other tenants (<1% per tenant)	38.6%
TOTAL			**100%**

The tenancy status at 31 December 2010 demonstrates that 60% of overall rents are secured against quality covenants with an average lease term extending to 3Q 2016. The remainder of the rents are represented by a multiplicity of tenants (400 leases, 3/6/9).

Finally, in general, in France the legislation on commercial leases imposes a number of statutory constraints on lessors. The law which supersede the contractual provisions related to the term, cancellation, renewal or indexation of rents of properties are subject to a codified statutory framework which in particular limit rental increases by de-correlating them from market trends. It should also be noted that the tenant is entitled to vacate the premises on expiry of the lease.

Changes in the rules applicable to commercial leases, particularly the term, 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 purchases ("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 projects, 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 on asset management and consultancy contracts

The Group depends on the Tour Eiffel Asset Management company with which it has signed an asset management contract for a period of five years from 1 January 2007 until 31 December 2011. This contract is renewable thereafter by tacit agreement.

The Group also depends on the Bluebird Investissements company with which it signed a contract for assistance in managing the property portfolio and the acquisition of new buildings for an indefinite period. Mr Mark Inch is manager of Bluebird Investissements. These two contracts are mentioned in the special report of the auditors.

The service contracts are remunerated at a market rate arrived at through comparables by the Company.

A breach of contract instigated by Tour Eiffel Asset Management or Bluebird Investissements would unquestionably result in a loss of know-how. With regard to the contract with Tour Eiffel Asset Management, the probability of a breach of contract instigated by the latter is very low, given that the company is dedicated to STE, of which it is a wholly-owned subsidiary.

As for the contract with Bluebird Investissements, it includes a notice period of two years giving Société de la Tour Eiffel the time to make alternative arrangements.

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 and structural damage insurances. These policies are managed and coordinated by the insurance specialist of Tour Eiffel Asset Management. A significant portion of insurance premiums is re-invoiced to tenants through service charges.

The total amount of insurance premiums paid in 2010 was €769,000. The breakdown of this overall figure is as follows:

- "Multi-risk Building" insurance: €676,000
- "Civil Liability" insurance: €88,000
- Other insurance: €5,000

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 – SOCIETE 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: Nominal value	Changes in the amount of share capital: Share premium	Resulting share capital	Number of shares created	Number of shares after the transaction	Nominal value of the share
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
20 May 2010	Distribution of part of the share premium	-	(€7,318,611)	€27,165,180	–	5,433,036	€5
30 September 2010(**)	Capital increase	€796,240	€5,898,545.92	€27,961,420	159,248	5,592,284	€5
Position on 31 December 2010	–	–	–	€27,961,420	–	5,592,284	€5

(*) After exercising the share purchase options in 2007.
(**) Payment of the dividend in shares.

5.1.2 – SHARE PURCHASING OPERATIONS

During 2010, two share buyback programmes were used, the first being introduced on 12 June 2009, and the second by the Board on 28 July 2010 by delegation from the Ordinary Shareholders' Meeting on 20 May 2010.

2010 BUY-BACK PROGRAMME SUMMARY

	Quantity	Average price	Total
Purchases	99,306	54.45	€5,407,254.02
Sales	98,789	54.05	€5,339,734.47
Transfers			
Trading fees			

Number of shares registered in the name of the Company on the year end accounts: 96.041

Total value of these shares valued at purchase price: €6,576,887.68 (value per share: €68.48)

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

Number of shares used: 0

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 18 May 2011, 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:

- stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
- 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 authorised by the General Shareholders' Meeting;
- have shares on hand which it may issue to its corporate officers and employees as well as associated companies of 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 (Fr. *plan d'épargne d'entreprise/interentreprises*).

The conditions for the new share buyback programme to be proposed to the General Shareholders' Meeting on 18 May 2011 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 18 May 2011, i.e. until 18 November 2012.

Breakdown by objective of equity securities held at 28 February 2011

- Liquidity contract: 1,585 shares
- Share purchase or subscription plans and bonus share plans: 92,594 shares
- External growth operations: none.

5.2 – Group ownership structure

Statutory thresholds

There is no statutory threshold requiring a crossing declaration.

Double voting rights

No double voting rights exist.

Changes in the ownership structure during 2010

- Nomura Asset Management Co. Ltd (1-12-1 Nihonbashi, Chuo-ku, Tokyo 103-8260, Japan), acting on behalf of funds it manages, declared that it crossed the 5% threshold of capital and voting rights on the downside on 20 October 2010.

- BNP Paribas Asset Management (1, boulevard Haussmann, 75009 Paris), acting on behalf of funds it manages, declared that it crossed the 5% threshold of capital and voting rights on the downside on 22 November 2010. BNP Paribas Asset Management stated that the shareholding in our company was due to the resumption of the management activities of Fortis Investment Management SA which occurred further to the merger/absorption on 3 May 2010.
- DIAM Co., Ltd. (3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-0005 Japan) acting in its capacity as an "investment-trust management company" on behalf of funds it manages, declared that it crossed the 5% threshold of capital and voting rights on the downside on 16 December 2010.

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

Ownership structure on 31 December 2010

- Entities owning, directly or indirectly, more than 1/20th of the capital or voting rights: ING Clarion,
- Entities owning, directly or indirectly, more than 1/10th of the capital or voting rights: Eiffel Holding Ltd (including shares held by companies or individuals acting jointly).

Material changes in the ownership structure over the three past years

Management is aware of the following changes over the 2008, 2009 and 2010 financial years:

- Sumitomo Mitsui Asset Management Co Ltd
  This company declared that it crossed the 5% threshold of capital and voting rights in our company:
  - on the upside on 17 July 2008,
  - on the downside on 27 August 2008,
  - on the upside on 1 September 2008,
  - and finally on the downside on 16 September 2009.
- Nomura Asset Management Co. Ltd
  The company, acting on behalf of funds it manages, declared that it crossed the 5% threshold of capital and voting rights in our company on the upside on 8 September 2005, then on the downside on 20 October 2010.
- DLIBJ Asset Management Co. Ltd/DIAM Co.
  The company, acting on behalf of funds it manages, declared that it crossed the 5% threshold of capital and voting rights in our company on the upside on 6 February 2006, then on the downside on 16 December 2010.
- Fortis Investment Management France/ BNP Paribas Asset Management
  Fortis Investment Management France, acting on behalf of clients under its management, declared that it crossed the 10% threshold of Société de la Tour Eiffel's capital and voting rights on the upside on 1 April 2008, then on the downside on 15 May 2009.
  BNP Paribas Asset Management, acting on behalf of funds it manages, declared that it crossed the 5% threshold of capital and voting rights on the downside on 22 November 2010, and that the shareholding in our company was due to the resumption of the management activities of Fortis Investment Management SA which occurred further to the merger/absorption on 3 May 2010.
- Eiffel Holding Ltd
  Eiffel Holding, in which a majority stake is held by Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director, declared that it crossed the 10% threshold of capital and voting rights in our company on the upside on 26 December 2007 (together with its subsidiary Osiris Gestion de Entidades SLU).
  It declared it crossed the threshold on the downside on 22 May 2009, then on the upside on 12 June 2009 (including shares held by companies or individuals acting jointly).

DISTRIBUTION OF CAPITAL BY SHAREHOLDER GROUPS OVER 3 YEARS
SHAREHOLDERS OWNING MORE THAN 5% OF CAPITAL AND/OR VOTING RIGHTS

Ownership structure	Position as at 31/12/2010			Position as at 31/12/2009			Position as at 31/12/2008		
	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(1)
Directors and companies controlled by directors									
Mr and Mrs Mark Inch (direct and indirect) *residents*	37,408	0.67	0.67	28,113	0.52	0.52	20,601	0.4	0.4
Mr and Mrs Robert Waterland *residents*	17,268	0.31	0.31	16,277	0.3	0.3	12,075	0.23	0.23
Jérôme Descamps *resident*	3,164	0.06	0.06	3,034	0.06	0.06	2,000	0.04	0.04
Eiffel Holding Ltd(2) *non resident(3)*	516,567	9.51	9.51	516,567	9.51	9.51	506,000	9.74	9.74
Total corporate officers and wholly-owned companies	574,407	10.27	10.27	563,991	10.38	10.38	540,676	10.41	10.41
Other shareholders owning more than 5% of capital (3)									
ING Clarion	165,800	6.53	6.53	165,800	6.53	6.53	165,800	6.53	6.53
Fortis Investment Management SA	na (4)	na (4)	na (4)	506,882	9.76	9.76	582,044	11.21	11.21
Nomura Asset Management Co Ltd	na (4)	na (4)	na (4)	306,399	5.9	5.9	306,399	5.9	5.9
DLIBJ Asset Management Co Ltd	na (4)	na (4)	na (4)	329,392	6.35	6.35	329,392	6.35	6.35
Sumitomo Mitsui Asset Management Co Ltd	na (4)	na (4)	na (4)	na (4)	na (4)	na (4)	260,589	5.01	5.01
Treasury shares									
Treasury shares	96,041	1.71	1.71	95,524	1.76	1.76	107,358	2.07	2.07

(1) Percentage calculated on the basis of all the shares to which voting rights are attached.
(2) Company controlled by Mark Inch and Robert Waterland.
(3) On the basis of the last declaration of crossing a threshold.
(4) NA: shareholders having crossed the 5% threshold on the downside.
For the record, number of shares forming the capital:
- As at 31 December 2010: 5,592,284
- As at 31 December 2009: 5,433,036
- As at 31 December 2008: 5,193,003

5.3 – Dividends paid out over the past five years

DIVIDENDS OVER FIVE YEARS

Financial year	Dividend	Number of shares	Nominal value
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
2009	€0.62 (**)	5,433,036	€5
2010	Interim €2.00	5,433,036	€5

(*) Distribution of €2 per share paid out of the share premium further to the approval of the Ordinary General Meeting of 15 October 2009.
(**) Levied on the "other reserves" and "legal reserve" items, plus an amount of €1.38 per share paid out of the share premium.

For 2009, it should also be recalled that the Annual General Meeting of 15 October 2009 moved to distribute €2 per share (excluding treasury shares) to be paid out of the share premium.

The annual general meeting of 20 May 2010 moved to distribute €2 per share deducted from the share premium.

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.

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 as of the date of payment (articles L1126-1 and L1126-2 of the French General Code of ownership of public corporations).

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 2010 financial period, two share buyback programmes were adopted.

The first, introduced on 12 June 2009 by the Board of Directors as delegated by the Ordinary General Meeting held on 14 May 2009, was to:

- meet requirements as to stock options, the allocation of bonus shares and convertible loans
- 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 second, adopted on 28 July 2010 by the Board as delegated by the Ordinary General Meeting held on 20 May 2010, was 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 authorised by the General Shareholders' Meeting;
- have shares on hand which may it may issue to its corporate officers and employees as well as to these of associated companies of 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 the current regulations.

The maximum number of shares for which buyback is authorised is equivalent to 10% of the capital of Société de la Tour Eiffel.

The liquidity contract associated with the first share buy-back programme continued in 2010.

5.4.2 – SHARE SUBSCRIPTION OR PURCHASE OPTIONS

No share subscription or purchase options were granted during fiscal 2010.

The meeting of the Board of Directors of 20 May 2010 noted that 220,669 stock subscription or stock purchase options granted by the Board of Directors as delegated by the shareholders' meeting had expired following the bearers' choice not to exercise the options.

Plan No. 1 of the stock options granted by the Board of Directors on 26 December 2005 expired on 26 December 2010.

Accordingly, the aggregate stock option plans now represent approximately 1% of capital (instead of 7% at 31 December 2009).

TABLE OF OUTSTANDING SHARE SUBSCRIPTION OPTIONS

Information on share subscription options authorised by the General Shareholders' Meeting of 12 May 2005 (number and strike price as adjusted on 27 October 2009 and 28 May 2010)

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	121,001	29,594	11,103
by corporate officers of the company or subsidiary	*121,001*	*29,594*	*0*
By the top ten employees with the most options			*10,023*
Expiry date	26/12/2010	22/03/2011	17/05/2011
Subscription Price	€63.03	€80.73	€80.84
Number of shares exercised and sold	1,250	0	1,500
Share options cancelled during the year	0	29,594	7,080
Remaining share options	0	0	2,643

Information on share subscription options authorised by the General Shareholders' Meeting of 17 May 2006 (number and strike price as adjusted on 27 October 2009 and 28 May 2010)

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
by corporate officers of the company or subsidiary	*119,336*	*22,624*
By the top ten employees with the most options	*16,005*	*1,558*
Expiry date	14/09/2011	29/03/2012
Subscription Price	€92.13	€114.64
Number of shares exercised and sold	0	0
Share options cancelled during the year	133,661	23,403
Remaining share options	**1,470**	**816**

Information on share subscription options authorised by the General Shareholders' Meeting of 29 March 2007 (number and strike price for plans 6 and 7 as adjusted on 27 October 2009 and 28 May 2010)

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	28,198	28,427
by corporate officers of the company or subsidiary	*26,931*	*28,198*	*28,427*
By the top ten employees with the most options			
Expiry date	16/10/2012	11/12/2013	15/10/2014
Price of subscription or purchase	€111.15	€32.87	€45.95
Number of shares exercised and sold	0	0	0
Share subscription or purchase options cancelled	26,931	0	0
Remaining share subscription or purchase options	**0**	**28,198**	**28,427**

5.4.3 – TRANSACTIONS CONDUCTED BY COMPANY OFFICERS AND DIRECTORS

TRANSACTIONS DONE IN 2010

Date	Type of transaction	Person	Number of shares	Price	Value of transaction
8/02/2010	Acquisitions	Person related to Robert Waterland, Deputy Managing Director	59 shares	€48.50	€2,861.50
7/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	105 shares	€49.88	€5,237.40
7/05/2010	Acquisitions	Mark Inch, Chairman and Managing Director	153 shares	€49.8945	€7,633.85
7/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	300 shares	€49.8482	€14,954.46
7/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	300 shares	€49.8661	€14,959.82
20/05/2010	Acquisitions	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	750 shares	€49	€36,750.00
20/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	100 shares	€49	€4.900.00
20/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	100 shares	€49	€4.900.00
21/05/2010	Acquisitions	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	750 shares	€48	€36,000.00
21/05/2010	Acquisitions	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	750 shares	€47	€35,250.00
25/05/2010	Acquisitions	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	400 shares	€41.99	€16,796.00
25/05/2010	Acquisitions	Robert Waterland, Deputy Managing Director	150 shares	€43	€6.450.00
25/05/2010	Acquisitions	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	750 shares	€43	€32,250.00
25/05/2010	Acquisitions	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	750 shares	€44	€33,000.00
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	27 shares	€41.99	€1,133.73
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	100 shares	€43	€4,300.00
21/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	100 shares	€48	€4,800.00
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	125 shares	€44	€5,500.00
21/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	150 shares	€47	€7,050.00
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	200 shares	€44	€8,800.00
21/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	200 shares	€48	€9,600.00

Date	Type of transaction	Person	Number of shares	Price	Value of transaction
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	250 shares	€41.99	€10,497.50
21/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	100 shares	€48	€4,800.00
21/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	150 shares	€47	€7,050.00
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	200 shares	€44	€8,800.00
21/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	200 shares	€48	€9,600.00
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	290 shares	€44	€12,760.00
25/05/2010	Acquisitions	Person related to Mark Inch, Chairman and Managing Director	300 shares	€41.99	€12,597.00
26/05/2010	Acquisitions	Aimery Langlois-Meurinne, Board member	10,000 shares	€44.87	€448,715.70
6/10/2010	Scrip issue	Bluebird Investissements SARL, legal entity linked to Mr Mark Inch, Chairman and CEO	565 shares	€42.04	€23,752.60
6/10/2010	Scrip issue	Person related to Mark Inch, Chairman and Managing Director	101 shares	€42.04	€4,246.04
6/10/2010	Scrip issue	Jérôme Descamps, Deputy Managing Director and Board member	130 shares	€42.04	€5,465.20
6/10/2010	Scrip issue	Mark Inch, Chairman and Managing Director	805 shares	€42.04	€33,842.20
6/10/2010	Scrip issue	Person related to Mark Inch, Chairman and Managing Director	128 shares	€42.04	€5,381.12
6/10/2010	Scrip issue	Person related to Mark Inch, Chairman and Managing Director	96 shares	€42.04	€4,035.84
6/10/2010	Scrip issue	Person related to Robert Waterland, Deputy Managing Director	74 shares	€42.04	€3,110.96
6/10/2010	Scrip issue	Robert Waterland, Deputy Managing Director	708 shares	€42.04	€29,764.32
6/10/2010	Scrip issue	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	24,575 shares	€42.04	€1,033,133.00
13/12/2010	Divestments	Eiffel Limited Holding, legal entity linked to Mr Mark Inch, Chairman and CEO, and Mr Robert Waterland, Deputy Managing Director	12,000 shares	€57.00	€684,000.00

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 Tour Eiffel Asset Management (previously named "Awon Asset Management") on 26 April 2004 as amended on 1 January 2007 for a five year renewable term stipulates a cancellation penalty equal to twice the remuneration received over the year previous to the termination,
- the services contract entered into with Bluebird Investissements on 17 January 2007 as amended on 10 June 2009 beginning on 1 January 2007 for an indefinite period stipulates a two-year prior notice in the event of cancellation,
- 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 20 May 2010 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 – EMPLOYMENT AND SUSTAINABLE DEVELOPMENT INFORMATION

6.1 – Organisation

At 31 December 2010, Société de la Tour Eiffel had one employee.

The staff which manages the Société de la Tour Eiffel group's real estate portfolio and manages its finances and administrative functions is employed by Tour Eiffel Asset Management (previously named "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 Tour Eiffel 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 was legally independent 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 modified by an amendment dated 30 November 2006 which extended the term to five years with effect from 1 January 2007. It may be renewed automatically. The revised contract conferred more comprehensive responsibilities and simplified the financial terms following the consolidation of Tour Eiffel Asset Management into the Société de la Tour Eiffel Group.

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

At 31 December 2010, the Group had 23 employees. At 31 December 2009, 31 December 2008 and 31 December 2007 the group had 24 employees. The staff comprises 15 women and 8 men, 16 of whom are executives and 7 are non-executive. The average age is 42 years. In 2010, 2 people were recruited, and 3 left the Group. Expenditure on training activities was 15,904 euros for the year. For informational purposes, the personnel do not hold any company shares on a collective basis.

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

6.2 – Activities of the company foundation

The Société de la Tour Eiffel Foundation is an undertaking by the Company management, supported by the Board, towards social awareness in the field of its business and heritage. The foundation's mission is to offer an early career opportunity through 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 young professionals who are interested in our business in the broadest 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 employment. 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".

Legislation dating from 1 August 2003 provided a favourable tax framework for company foundations. 60% of donations are tax deductible if contributed to an action programme spanning several years. These provisions are regardless of the special tax treatment for SIICs. Company foundations now rate as a strategic tool enabling sponsors to act on commitments and issues of concern as a responsible corporate citizen through clearly identified initiatives.

After the inaugural contest on the theme of designing a complementary or alternative structure to the Eiffel Tower on the Champ de Mars in Paris, for students of French schools of architecture, for which the awards ceremony was held on 31 March 2009 at the Cité de l'Architecture, on 7 May 2010 the Foundation launched a second design competition for students from architecture, engineering or landscaping schools in the European Union.

The contest, called "The future of the Eiffel River Gantry", focused on the redevelopment of the former railway gantry spanning the River Garonne in Bordeaux engineered in 1860 by Gustave Eiffel.

The Foundation's partners were the "Save the Gantry" association headed by Mrs Myriam Larnaudie Eiffel (great-grand-daughter of the engineer), thanks to whose efforts the disused railway gantry has been classified a historical monument, and Abvent, an established partner of the company's Foundation from the inaugural contest.

No fewer than 130 students from architecture, engineering or landscaping schools from 6 European countries (France, Belgium, Italy, Germany, Great Britain, Spain) addressed the issue and presented 68 projects that were inventive, creative, innovative and bold.

The jury, composed of Mr Alain Juppé, mayor of Bordeaux, Mr Philippe Courtois, CEO of Euratlantique, renowned architects, the organiser and its partners, deliberated on 16 September 2010 under the chairmanship of Robert Waterland.

Given the diversity of the projects that were presented, the jury wished to highlight two categories of proposals, ie.:

- visionary, ambitious solutions reminiscent of Gustave Eiffel's legacy, and
- realistic, practical solutions in line with the sustainable development policy already adopted by the city of Bordeaux.

The awards ceremony was held at Bordeaux City Hall on 14 October 2010 in the late afternoon, in the presence of Mr Alain Juppé. The five winners were awarded cash prizes and architecture software for a total value of 30,000 euros sponsored by the Foundation and Abvent.

All the participants were able to showcase their work through the catalogue published for the occasion and the Foundation's website.

6.3 – Environmental information

The Grenelle Movement's, increasingly stringent thermal regulations and the quest for energy conservation have inevitably severely impacted the construction of commercial buildings.

The trend, which has been growing in scope and scale over the last 5 years, has resulted in the industry seeking to obtain labels recognized in France (HEQ), Europe (Bream, Minergy) or internationally (Leeds), certifying the thermal efficiency of buildings and their adherence to responsible and sustainable development.

Société de La Tour Eiffel is sensitive to this movement. 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 HEQ-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%). Overall, the proportion of HEQ-certified buildings completed as at 31 December 2010 represented 18% of the company's property portfolio.

The "Topaz" office building in Vélizy is also currently being HEQ-certified and is also designed to achieve Very High Energy Performance levels (RT 2005 -20%).

Projects under development in the nationwide Parc Eiffel network, are already conceived to meet the Low Consumption Building requirements (RT 2005 -50%), and to continue obtaining labels of the MINERGIE type. The company's design and engineering firms, architects and builders are appraised, at project conception, of the requirement to achieve Grenelle Movement compliance. Société de La Tour Eiffel is an active participant in the Movement, as a member of the Environment Committee of the French Federation of Property Companies (FSIF).

As a further illustration, the "AIR" Building located in the centre of the Parc de Moulin à Vent Lyon, with a floor space of 2,200 sq. m will meet the LEB-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, tenants since December 2009 in their new Massy premises, plans to set up a life-size showcase for their new power management system based on various energy sources (including the EDF network, as well as wind, solar, and geothermal), 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 Movement enabling 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 in the vanguard of the industry through a combination of energy efficiency and a user-friendly working environment for the economic well-being of its tenants.

Finally, the existing portfolio has not been overlooked, despite the difficult economic situation. In 2010, Société de la Tour Eiffel commissioned 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 regular maintenance in the Parcs Eiffel chain, and the other on the major buildings in the Île-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 Movement. 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 Grenelle II, Société de la Tour Eiffel has implemented throughout its properties, both in service and under development, a comprehensive eco-responsible initiative involving all participants (managers, owners' representatives, architects, design and engineering firms and builders) in order to offer its tenants high-quality premises that are user-friendly, innovative and energy-efficient.

7 – APPENDICES TO THE MANAGEMENT REPORT

7.1 – Special report on share subscription or purchase options (article l.225-184 of the french Commercial Code)

Pursuant to Article L 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 2010.

1 – CONDITIONS OF THE SHARE SUBSCRIPTION AND PURCHASE OPTIONS GRANTED AND THE PROCEDURES FOR THEIR EXECUTION OVER THE PAST YEAR

No share subscription or purchase options plan was granted during 2010.

Over the year ended 31 December 2010, the company's officers and directors did not exercise any share subscription options.

2 – INFORMATION ON THE OPTIONS GRANTED TO THE COMPANY'S OFFICERS AND DIRECTORS OVER THE PAST FINANCIAL YEAR

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

NONE

2.2 – Options granted to the company officers by those companies affiliated with it as provided in article L. 225-180 of the French Commercial Code:

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

2.4 – Options exercised by the Company's officers and directors on the companies referred to in Articles L. 225-180 and L. 233-16 of the French Commercial Code

NONE

3 – INFORMATION ON THE TEN EMPLOYEES WHO RECEIVED THE MOST OPTIONS

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

NONE

3-2 – 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

3-3 – Options exercised by the ten employees who are not company officers on the companies referred to in Article L. 225-180 of the French Commercial Code

NONE

Executed in Paris,
2 March 2011

Mark Inch
The Chairman of the Board of Directors

7.2 – Special report of the Board of Directors to the combined general shareholders' meeting on 18 May 2011 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 2010 in accordance with Article L. 225-197-4 paragraph 1 of the French Commercial Code.

We hereby inform you that no bonus shares were allotted during 2010.

7.3 – Table of results for the last five years

Results of the company for the last five years (in €)

INDICATORS	2006 financial year	2007 financial year	2008 financial year	2009 financial year	2010 financial year
SHARE CAPITAL AT YEAR-END					
Share capital	249,132,144	249,264,144	249,264,144	27,165,180	27,961,420
Number of shares issued	5,190,253	5,193,003	5,193,003	5,433,036	5,592,284
Nominal value of the shares	48	48	48	5	5
OPERATIONS AND RESULTS FOR THE YEAR					
Turnover	5,570,553	6,047,457	6,537,292	7,409,723	7,747,826
Current pre-tax earnings before amortisation and provisions	36,535,247	31,891,065	32,246,005	384,981	31,356,625
Company income tax refund owed	229,197	314,906	-90,000	-18,000	-48,000
Employee profit sharing due for the year	-	-	-	-	-
Earnings after taxes, employee profit sharing and charges	36,403,314	31,576,159	28,180,742	-10,666,955	36,739,798
Dividend paid	31,920,056	31,033,971	25,448,857	21,348,934	23,487,593
EARNINGS PER SHARE					
Earnings after taxes and before amortisation and provisions(1)	7.00	6.19	6.23	0.07	5.62
Earnings after taxes, amortisation and provisions(1)	7.01	6.08	5.43	-1.96	6.57
Dividend paid per share (net)(3)	6.15	6.00	5.00	4.00	4.20
PERSONNEL					
Average headcount during the year	1	1	1	1	1
Payroll for the financial year(2)	392,898	720,000	3,695,685	720,000	720,000
Amount of social security benefits paid during the year (social security, community enterprises)(2)	115,762	392,751	238,323	217,400	221,280

(1) The earnings per share are 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 free share attributions.
(3) Of which during FY 2010: €2 of interim dividend paid plus €2.2 proposed balance.

7.4 – Authorisation to give 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 10 March 2010 to give sureties, guarantees and other warranties up to a total cap of €150m.

This authorisation was given for a one-year term.

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

Authorisation granted	Use
I – Authorisation granted to the Board of directors to award options to subscribe or purchase shares On 29 March 2007, the Extraordinary 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 to purchase 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. **This authorisation lapsed on 29 May 2010.**	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

(1) Number of options adjusted on 27 October 2009 and 28 May 2010 following the distribution of part of the share premium.

II - Authorisation granted to the Board of Directors to award bonus shares

On 29 march 2007, the Special General Meeting of Shareholders, under its 18th resolution, delegated to the Board of Directors the powers necessary to grant certain 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.

Term of the delegation: thirty-eight months.

This authorisation lapsed on 29 May 2010.

The meeting of the Board of 16 October 2007 decided to allocate the following bonus shares:

- 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.

Provided the amount of the dividend which will be approved at the time of the next annual general meeting is as forecast.

The Board of Directors on 29 July 2008 decided to award the following bonus shares:

- 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.

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.

These shares were not allocated because of the non-fulfilment of the condition to which such allocation was subject.

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1 – ASSETS

In thousands of €	Notes	31 December 2010 Net	31 December 2009 Net
Non current assets			
Tangible fixed assets	1	369	427
Investment property	2	1,004,809	1,036,567
Goodwill on acquisitions	3	-	-
Intangible fixed assets	4	764	1,510
Financial assets	5	3,093	5,242
Deferred tax debit	15	322	322
TOTAL NON-CURRENT ASSETS (I)		**1,009,357**	**1,044,068**
Current assets			
Trade and related receivables	7	22,327	25,941
Other receivables and accrual accounts	8	7,060	18,631
Cash and cash equivalents	9	9,192	20,892
TOTAL CURRENT ASSETS (II)		**38,579**	**65,464**
Assets for disposal (III)	6	17,320	8,098
TOTAL ASSETS (I + II + III)		**1,065,256**	**1,117,630**

2 – BALANCE SHEET – LIABILITIES

In thousands of €	Notes	31 December 2010	31 December 2009
Shareholders' equity (group share)			
Share capital	10	27,961	27,165
Premiums linked to capital	10	34,478	35,898
Legal reserve		2,717	5,551
Consolidated reserves		265,787	337,095
Consolidated income for the financial year		42,487	(60,116)
Shareholders' equity (Group share) (A)		**373,430**	**345,593**
Minority interests (B)	11	-	-
SHAREHOLDERS' EQUITY (I) = (A + B)		**373,430**	**345,593**
Non-current liabilities			
Long-term borrowings	12	560,563	591,312
Other financial liabilities	12	23,008	28,331
Long-term provisions	13	233	158
Tax liabilities	14	-	-
Deferred tax credit	15	-	-
Other long-term liabilities	16	327	300
TOTAL NON-CURRENT LIABILITIES (II)		**584,131**	**620,101**
Current liabilities			
Borrowings and financial debt (less than one year)	12	69,710	87,332
Other financial liabilities	12	1,824	2,408
Trade payable and other debts	13	-	-
Tax and social security liabilities	14	8,448	12,337
Trade accounts payable and other debts	16	27,713	49,859
TOTAL CURRENT LIABILITIES (III)		**107,695**	**151,936**
TOTAL LIABILITIES (I + II + III)		**1,065,256**	**1,117,630**

3 – STATEMENT OF COMPREHENSIVE INCOME

In thousands of €	Notes	31 December 2010	31 December 2009
Turnover	17	85,752	95,466
Consumed purchases	18	(387)	(55)
Staff expense	19	(3,852)	(4,365)
External expenses	19	(15,998)	(22,469)
Property taxes	19	(8,983)	(9,299)
Allowances for depreciation	20	(824)	(860)
Net allowances for provisions	20	(395)	2,776
Net value adjustment balance	21	8,052	(88,059)
Other operating income and expenses	22	(926)	(1,491)
Operating income on ordinary activities		62,439	(28,356)
Income from cash and cash equivalents		61	1,100
Gross cost of financial indebtedness		(24,818)	(26,464)
Net financial costs	23	(24,757)	(25,364)
Other financial income and expense	24	5,071	(6,586)
Corporate income tax	25	(266)	(338)
NET PROFIT (LOSS)		**42,487**	**(60,644)**
Minority interests		-	(528)
NET PROFIT (LOSS) (GROUP SHARE)		**42,487**	**(60,116)**
Profit per share	26	7.90	(11.51)
Diluted profit per share	26	7.88	(11.49)

Net profit (loss)		42,487	(60,644)
Gains and losses recorded directly in shareholder's equity		-	-
Comprehensive income		42,487	(60,644)
Including: - group share		42,487	(60,116)
- minority interests share		-	(528)

4 – CASH FLOW STATEMENT

In thousands of €	31 December 2010	31 December 2009
CASH FLOW FROM OPERATIONS		
Consolidated net profit	42,487	(60,644)
Restatement:		
Net financial allowances for depreciation and provisions	900	397
Net balance from value adjustments of investment properties	(8,052)	88,059
Profits/losses on value adjustments on the other assets and liabilities	(4,929)	6,938
Capital gains & losses from disposals	1,686	429
= Cash flow from operations after net cost of financial indebtedness and income tax	32,092	35,179
Income tax expense	265	338
Net financial costs	24,757	25,364
= Cash flow from operations before net cost of financial indebtedness and income tax	57,114	60,881
Taxes paid	(1,647)	(8,536)
Change in working capital requirement linked to operations	4,670	1,329
= Net cash flow from (for) operations	60,137	53,674
CASH FLOW LINKED TO INVESTMENT TRANSACTIONS		
Acquisition of capital assets		
Intangible and tangible	*(37,402)*	*(64,090)*
Financial	-	-
Disposal of fixed assets	51,878	52,953
Change in loans and financial receivables agreed	2,827	(3,323)
Impact of changes in the consolidation scope	-	(1)
= Net cash flow linked to investment transactions	17,303	(14,461)
CASH FLOW LINKED TO FINANCING TRANSACTIONS		
Dividends paid to parent company shareholders	(14,657)	(18,321)
Dividends paid to minority interests	-	-
Capital increase	-	5,122
Treasury shares increase	(68)	(53)
Borrowings issued	84,600	38,434
Repayment of borrowings	(133,862)	(44,848)
Net financial interest paid	(25,122)	(26,886)
Change in other financial debt	-	-
= Net cash flow from financing activities	(89,109)	(46,552)
CASH FLOW	**(11,669)**	**(7,339)**
Cash flow at opening	20,858	28,197
Cash flow at closing	9,189	20,858
Cash flow variation	(11,669)	(7,339)

5 – STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In thousands of €	Share capital	Premiums	Legal reserve	Consolidated reserves	Year-end net profit (loss)	Total Group share	Minority interests	Total Shareholders' equity
POSITION AS AT 31/12/2008	**249,264**	**42,653**	**4,142**	**139,002**	**(16,748)**	**418,313**	**362**	**418,675**
Appropriation of net profit/loss	-	-	1,409	(18,157)	16,748	-	-	-
Dividends paid	-	(10,677)	-	(7,643)	-	(18,320)	-	(18,320)
Capital increase	1,200	3,922	-	-	-	5,122	-	5,122
Reduction in capital	(223,299)	-	-	223,299	-	-	-	-
Profit (loss) for current year	-	-	-	-	(60,116)	(60,116)	(528)	(60,644)
Share subscription warrants	-	-	-	-	-	-	-	-
Stock option plans	-	-	-	646	-	646	-	646
Other movements	-	-	-	-	-	-	166	166
Share buy-back	-	-	-	(52)	-	(52)	-	(52)
POSITION AS AT 31/12/2009	**27,165**	**35,898**	**5,551**	**337,095**	**(60,116)**	**345,593**	**-**	**345,593**
Appropriation of net profit	-	-	-	(60,116)	60,116	-	-	-
Dividends paid	-	(7,319)	(2,834)	(11,199)	-	(21,352)	-	(21,352)
Capital increase	796	5,899	-	-	-	6,695	-	6,695
Reduction in capital	-	-	-	-	-	-	-	-
Profit (loss) for current year	-	-	-	-	42,487	42,487	-	42,487
Share subscription warrants	-	-	-	-	-	-	-	-
Stock option plans	-	-	-	75	-	75	-	76
Other movements	-	-	-	-	-	-	-	-
Share buy-back	-	-	-	(68)	-	(68)	-	(68)
POSITION AS AT 31/12/2010	**27,961**	**34,478**	**2,717**	**265,787**	**42,487**	**373,430**	**-**	**373,430**

6 – APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

6.1 – General information

Société de la Tour Eiffel and its subsidiaries specialise in the holding and management of commercial property.

Société de la Tour Eiffel is a limited company registered and domiciled in France. Its registered office is at 20-22 rue de la Ville-l'Évêque, Paris.

The shares of Société de la Tour Eiffel are listed on NYSE Euronext Paris (Compartment B).

The consolidated financial statements for the year ended 31 December 2010 were adopted by the Board of Directors on 2 March 2011. They are presented in thousands of euros unless otherwise indicated.

6.2 – Accounting methods

The main accounting methods used in preparing the consolidated financial statements are set out below. Unless otherwise indicated, these same methods have been applied consistently to all financial years presented.

6.2.1 – BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of Société de la Tour Eiffel group have been prepared in accordance with IFRS standards as adopted by the European Union.

The preparation of financial statements in accordance with IFRS standards requires the application of certain pertinent estimates. Management must also exercise judgment in respect of the application of the Company's accounting methods. The areas for which the stakes are the highest in terms of judgment or complexity or those for which the assumptions and the estimates are significant in relation to the consolidated financial statements are discussed in paragraph 5.

The following mandatory standards came into effect on 1 January 2010:

- Annual improvement 2009 – annual improvements to the International Financial Reporting Standards published in April 2009;
- Amendment to IFRS 2 "Group Cash-settled Shared-based Payment Transactions";
- IFRS 3 R and IAS 27R on "Business Combinations", applicable to financial years underway starting 1 July 2009 (these standards were adopted by the European Union on 3 June 2009);
- IFRIC 15, "Agreements for the Construction of Real Estate";
- IFRIC 17 "Distributions of Non-cash Assets to Owners", applicable to financial years underway starting 1 November 2009;
- IFRIC 18 "Transfers of Assets from Customers".

These new standards and interpretations have no effect on the consolidated financial statements of Société de la Tour Eiffel.

The following new standards, amendments, and interpretations were made public but were not applicable as of 31 December 2010 and were not adopted in advance.

- Annual improvements 2010 – annual improvements to the International Financial Reporting Standards published in May 2010;
- IFRS 9 "Financial Instruments";
- IAS 24R "Related Party Disclosures";
- Amendments to IAS 32 "Classification of Rights Issues";
- Amendments to IFRIC 14 "Prepayments of a Minimum Funding Requirement"
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", applicable to financial years starting on 1 July 2010;
- Amendment to IFRS 8 further to the revised IAS 24 standard, applicable to financial years starting on or after 1 January 2011. This standard was adopted by the European Union on 19 July 2010;
- Amendment to IFRS 1 further to the interpretation of IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", applicable to financial years starting on or after 1 July 2010. This standard was adopted by the European Union on 23 July 2010;

- Amendment to IFRIC 14 "Prepayments of a Minimum Funding Requirement", applicable to financial years starting on or after or after 1 January 2011. This standard was adopted by the European Union on 19 July 2010;
- Amendment to IFRS 1 relating to the limited exemption from comparative IFRS 7 disclosures for first-time adopters, applicable to financial years starting on or after 1 July 2010. This standard was adopted by the European Union on 30 June 2010.

The closing date of year-end accounts for all companies in the Group is 31 December.

The consolidated accounts are established on this basis.

6.2.2 – CONSOLIDATION METHOD

Subsidiaries

The subsidiaries are all entities where the Group is entitled to direct financial and operational policy, an authorisation for which it is generally necessary to hold more than half of the voting rights. Potential voting rights are taken into account on evaluating the Group's degree of control over another entity when these rights result from instruments which may be exercised or converted at the time of the valuation. Subsidiaries are wholly consolidated as of the date of transfer of control to the Group. They are deconsolidated as of the date at which control ceases to be exercised.

The purchase method is used in accounting for acquisition of subsidiaries by the Group. The cost of an acquisition corresponds to the fair value of the assets delivered, equity instruments issued, and liabilities incurred or assumed at the date of exchange, to which are added the costs directly attributable to the acquisition. In the case of a combination of companies, the identifiable assets that have been acquired, the identifiable liabilities and any liabilities assumed are initially valued at their fair value at the date of acquisition, regardless of the value of the minority interests.

The surplus of the acquisition price over the fair value of the pro-rata share to the Group in the net identifiable assets acquired is entered into accounts as goodwill. When the cost of acquisition is lower than the fair value of the Group's pro-rata share in the net assets of the subsidiary acquired, the difference is posted directly to the income statement (cf. Note 2.6).

6.2.3 – BUSINESS COMBINATIONS AND ASSET ACQUISITIONS

6.2.3.1 – Business combinations

When the company acquires an economic activity as the term is used in IFRS 3, such acquisition is treated as the formation of a business combination, also as the term is used in that standard.

In this case, deferred taxes and goodwill are likely to be recorded.

Goodwill represents the surplus of the acquisition cost over the fair value of the Group's pro-rata share in identifiable assets and liabilities and contingent liabilities of the subsidiary at the date of acquisition (cf. Note 2.2).

Goodwill accounted for separately is subject to a yearly impairment test under IAS standard 36, and is also tested before the end of the financial year during which the acquisition took place. It is recorded at cost less accumulated loss in value.

Losses in value of goodwill are not reversible. Income on the disposal of an entity takes the accounting value of the entity's goodwill into consideration.

Goodwill is posted to units generating cash flow, which we expect to benefit from the business combination, in order to carry out impairment tests. Amortisation is recognised for the amount of the excess of the unit's book value over its recoverable value.

The recoverable value of a unit is the highest amount between its fair value less disposal costs and its economic value.

The treatment of these acquisitions as the business combinations has the effect of recording deferred tax liabilities on the difference between the tax value and the fair value of the property at the acquisition date, and the later adjustments to fair value, to be done when the fair value is exercised (cf. Note 2.17). Similarly, the acquisition costs are included in the cost of acquiring shares. Accounting treatment applicable to these two items has the effect of mechanically increasing goodwill.

This valuation of property assets also has a mechanical effect when performing impairment tests on cash generating units, to which goodwill is allocated, an effect leading to overall impairment of goodwill during the financial year when the acquisition took place.

In fact, the cash generating units, where goodwill is tested, correspond, in this particular case, to the buildings owned by the property companies. As the recoverable values of these units, calculated on the basis of future discounted cash flows, usually correspond to the appraisal values, (i.e. the new reappraised values of properties), they are unable to justify the corresponding goodwill impairment which must then be depreciated.

As a result, application of IAS 36 requires a comprehensive statement of the goodwill as an expense from the year of acquisition; in the present case, the impairment is recorded in the "net value adjustments balance" account.

In accordance with IFRS standard 3, negative goodwill is recorded on the income statement in the "net value adjustment balance".

6.2.3.2 – Asset acquisitions

When the Group acquires an entity that represents a group of assets and liabilities without any economic activity as the term is defined in IFRS 3, these acquisitions are not business combinations as the term is defined in the same standard, and are booked as an acquisition of assets and liabilities, making no statement of goodwill.

Any difference between the purchase price and the fair value of assets and liabilities acquired is allocated on the basis of the relative fair values of the individual assets and liabilities which can be identified as a group at the time of acquisition.

Pursuant to IAS 12 paragraph 15 (b) for the acquired entities that are subject to taxation, no deferred tax is recorded upon the acquisition of assets and liabilities.

6.2.4 – INFORMATION PER SECTOR

As part of the group's management reporting responsibilities, properties are monitored individually and none represent over 10% of the aggregations provided for in the IFRS 8 standard. Given the homogeneous nature of the sectors represented by these properties (with homogeneous yields) with respect to the standard, the consolidation criteria required by the latter result in the buildings being considered as a single sector.

6.2.5 – TANGIBLE FIXED ASSETS

These assets include chiefly office equipment, information technology equipment and vehicles, as well as office fitting. These are depreciated on a straight line basis over their useful life.

Amortisation is calculated on the following basis:

- vehicles: 3 years
- office equipment & information technology equipment: 3 years
- facilities, fixtures, fittings: 10 years

6.2.6 – INVESTMENT PROPERTY

An investment property is a property asset (land or a building - or part of a building - or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Pursuant to the method put forth by IAS 40 and in accordance with the recommendations of EPRA, the group has opted for the fair value method as the permanent method and appraises the investment properties at their fair value. These properties are not depreciated.

The market value used for all the group's investment properties is the value, excluding transfer costs, determined by independent experts who appraise the group's assets on 30 June and 31 December each year.

Pursuant to the revised IAS 40, these holdings are recorded as "Investment property" and are valued at fair value (the method selected by the Group).

In accordance with IAS 23, the group incorporates borrowing costs as part of the cost of the created asset. These are assets requiring a long construction period. The included financial costs are solely those related to interest accrued on short-term and long-term borrowings during the construction period until the definitive delivery date of the asset. The interest rate is that defined in the terms of the financing granted to the Group.

The group has entrusted the appraisal of its assets to various independent specialists:

- BNP Paribas Real Estate Valuation
- Savills
- Cushman & Wakefield Expertise
- Ad Valorem Expertises

The appraisers' methodology is in accordance with standards in the profession (TEGoVA, RICS, French property appraisal charter, February 2000 COB report).

In their valuation, the experts used the net income capitalisation method, involving the capitalisation of the properties' net rents using the rental statements supplied by the group and taking into account the non-recoverable charges (management fees, fixed or capped charges, stewardship fees, current remodelling expenses, etc.).

This rental income accounts for a vacancy rate as well as any decreases or increases in rents that are to be effective at the time of renewal based on market rental values and the probability of leases being renewed.

The return rates automatically derived from these appraisals are compared against market rates and the values adjusted accordingly.

The investment properties subject to restructuring are appraised on the basis of an evaluation of the building after restructuring, to the extent that the company has reasonable assurance that the plan will be carried through, taking account of the lack of significant threats when it comes to administrating authorisations (e.g., planning permit, "CDEC" [local commercial infrastructure board permit], conditions precedent of technical and commercial implementation).

The remaining cost of construction work is then deducted from this appraisal based on the development budget or contracts negotiated with the developers and contractors.

Those investment properties which do not meet these conditions are assigned a value according to their condition at accounting period end.

The income statement records the variations in value over the year for each building calculated as follows:

Market value N - (market value N-1 + amount of capitalisable works and expenses during the financial year).

Income from the disposal of an investment project is calculated in relation to the last fair value posted in the closing balance sheet for the previous financial year.

6.2.7 – INTANGIBLE FIXED ASSETS

In accordance with IAS standard 38, intangible fixed assets are valued at historic cost less the cumulative total of depreciation and possible impairment loss.

Intangible fixed assets mainly involve the agreement concluded between Tour Eiffel Asset Management and Société de la Tour Eiffel valued with regard to Tour Eiffel Asset Management's acquisition (formerly Awon Asset Management) on 16 May 2006.

This agreement is depreciated over its fixed term, thus until 31 December 2011.

An impairment test will be made if any loss in value is suspected.

Other intangible fixed assets consist essentially of software. The software packages are valued at cost and depreciated on a straight-line basis over their useful lifetimes, usually between 1 and 3 years.

6.2.8 – FINANCIAL ASSETS

The group classifies its financial assets in the following categories: at their fair value through the income statement, loans and accounts receivable. The classification depends on the reasons motivating the acquisition of the financial assets in question. Management determines the classification of its financial assets on their initial recognition in the accounts and subsequently reassesses them on the date of each annual or interim closing, in keeping with the provisions of IAS standard 39.

Financial assets at fair market value through the income statement

This category includes financial assets shown at fair value through the income statement when they were first recorded. A financial asset is classified in this category if it has been designated as such by management (assets valued at fair value through profit or loss) in accordance with IAS 39. Assets under this category are recognised as current assets when they are held for future transactions or if they are expected to reach maturity within twelve months of closing. They are then revalued at their fair value at each closing.

For the Group this involves the valuation of caps and swaps.

Loans, deposits, guarantees and other long-term receivables

These are non-derivative financial assets with payments that are determined or determinable, that are not listed on an active market. They are included in current assets, except for those reaching maturity more than twelve months after closing. The latter are categorized under non-current assets.

These assets are accounted for at cost.

6.2.9 – TRADE RECEIVABLES AND RELATED ACCOUNTS

Trade receivables are first accounted for at fair value, less provision for impairment.

A provision for impairment of trade receivables is made when there is an objective indication that the Group is not able to recover the totality of sums owed under the conditions initially stated at the time of the transaction. Major financial problems encountered by the debtor, likelihood of bankruptcy or financial restructuring for the debtor, and difficulty or failure to pay constitute indicators that receivables are declining in value.

The amount of the provision is accounted for in the income statement as net allowances to provisions.

6.2.10 – CASH AND CASH EQUIVALENTS

The item "Cash and cash equivalents" includes cash reserves, bank sight deposits, other very liquid short-term investments with a maturity not exceeding three months and bank overdrafts. Bank overdrafts are shown in the balance sheet as current liabilities under "Borrowings".

Marketable securities are classified as cash equivalent, they meet the criteria of maturity, liquidity and the absence of volatility.

They are valued at fair value through the income statement.

6.2.11 – NON -CURRENT ASSETS AND ASSET GROUPS DESTINED FOR DISPOSAL

IFRS standard 5 stipulates that assets which the Company has made a decision to sell should be classified as "Assets for disposal".

Non-current assets are classified as "assets for disposal" if management, authorised to approve the disposal, has decided as such.

For the sale to be highly probable a plan to dispose of the asset must have been undertaken and an active program to find a buyer launched.

The Company expects the sale to take place within a limit of twelve months.

Investment properties included in this category continue to be valued according to the principle of fair value.

6.2.12 – SHAREHOLDERS' EQUITY

The fair value of the subscription rights for shares and stock options is appraised according to the mathematical models at the allocation date. This fair value is recognised on the income statement as rights are acquired with shareholders' equity on contra account.

Supplementary costs directly attributable to issue of new shares or options are entered under shareholders' equity and deducted from income derived from the issuance, net of tax.

Purchases of treasury shares were recognised as a reduction to shareholders' equity at their acquisition price.

6.2.13 – BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings

Borrowings are initially entered at their fair value, net of transaction costs, and then at their depreciated cost.

Amortisation of issue costs over the lifetime of existing borrowings is done on a straight-line basis, the variation compared with an actuarial method having little significance.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to postpone settlement of the debt at least twelve months after the closing date, in which case such borrowings are classified as non-current liabilities.

Hedging instruments

La Société de la Tour Eiffel uses financial instruments (swaps and caps) to hedge itself against the risk of increasing interest rates on its debt and did not opt for hedge accounting as the term is meant under IFRS.

Financial instruments are valued at fair value and any changes in fair value from one period to another are recognised in the income statement.

Other financial liabilities

The other financial liabilities include chiefly the outstanding premiums on the caps and swaps and the bonds and sureties received.

These financial liabilities are accounted for at their amortised cost.

6.2.14 – PROVISIONS

Provisions are made if it is likely that a significant outflow of resources will be required to discharge a current obligation (legal or implied) arising from a past occurrence and where a fairly accurate estimate of the obligation's value is possible.

6.2.15 – STAFF BENEFITS

Retirement obligations

IAS standard 19 requires that companies expense all present and future benefits and remuneration to its personnel or to a third party over the period of vesting benefits.

The Group had 23 employees at of 31 December 2010 of which 22 were with Tour Eiffel Asset Management and 1 was with Société de la Tour Eiffel.

Management decided to maintain the accounting treatment for actuarial gains and losses consisting of recognising them as income.

The Group made an estimation of its retirement obligations in the form of guaranteed benefits as at 31 December 2010.

This estimation was based on:

- actuarial valuations (discount rate and net annual valuation of the fund at a rate of 4.68%),
- death rate assumptions (source INSEE 2009),
- employee turnover,
- 3.92% salary increase,
- retirement at age 65.

This provision for pension compensation was recorded at the value of €133,000.

Payments based on shares

The group has put in place a remuneration plan based on equity instruments, i.e. options on shares and bonus shares. The fair value of services rendered in exchange for the award of stock options is recorded as an expense as a contra to reserves on the basis of the value of the options at the time they are granted.

The company does not recognise any commitment when the awarding of these instruments is subject, on the awarding date, to any condition other than a market condition that will not be fulfilled.

At each closing date, the entity re-examines the number of options that are likely to become exercisable.

Sums received on the exercise of options are credited to the "share capital" (par value) and "Issue premium, net of directly attributable transaction costs" accounts.

6.2.16 – DEFERRED PAYMENT DEBTS

The values of these debts are discounted and a financial charge or revenue is recorded in the income statement for the deferred payment period.

The only deferred repayments recognised concern: exit tax relating to newly acquired SIIC status and security deposits from tenants. The main restatement involved the discounting of the exit tax.

6.2.17 – CURRENT AND DEFERRED TAXES

The Group's tax regime

The choice to opt for the status of "Société d'Investissements Immobiliers Cotée" ("SIIC") by Société de la Tour Eiffel was filed during the first quarter of 2004.

Deferred taxes

Deferred taxes recorded for the activities and companies subject to corporate income tax are calculated according to the liability method for all temporal differences between the tax value of assets and liabilities and their book value in the consolidated financial statements. The deferred taxes are determined using the tax rates (and taxation regulations) that were adopted or semi-adopted as at the closing date and which it is planned will apply when the deferred tax asset in question will be realised or the deferred tax liability will be paid.

Deferred tax debit is recognised only where a future taxable profit is likely, enabling the temporal differences to be written off.

Deferred taxes are accounted for according to the temporal differences linked to holdings in subsidiaries and associated companies, except where a schedule changing these differences is controlled by the Group and where it is probable that this payment will not take place in the near future.

Société de la Tour Eiffel has opted for the status of Société d'Investissements Immobiliers Cotée (SIIC). This status offers an exemption from the company income tax on profits from property rentals.

As a result of this decision, no company income tax is payable in respect of property rental activities through income from subsidiaries, either directly or indirectly. Capital gains on disposal of buildings or the shares of subsidiaries under the same tax system are also exonerated. The Group continues to pay income tax on any transactions that do not fall within the scope of the SIIC regime.

Since Locafimo opted for the SIIC regime in 2006, the scope of application is currently very limited.

Parcoval, a company which entered the perimeter on 31st March 2007, opted for the SIIC regime with effect as at 1st April 2007.

The Company considers that the new value-added business tax contribution (CVAE) applies to operating activities. As such, the operating expense contribution does not fall within the scope of application of the IAS 12 standard.

Changes to the SIIC tax regime

2006 amendment to France's Loi de Finances, promulgated on 30 December 2006, specifies that SIICs pay a levy of 20% on the dividends paid as of 1 July 2007 to shareholders (apart from individuals and SIICs) that own at least ten per cent (10%), directly or indirectly, of the capital of the company and that are not taxed as dividends received.

In accordance with the IFRS rule by which the tax consequences of dividends are recorded when the dividends payable are accounted for as liabilities (IAS 12, 52B), the withholding tax is recorded for the period when the distribution is decided on.

Based on the shareholding structure at 31 December 2010, the company should not have to pay withholding taxes on its dividend distributions.

6.2.18 – RECOGNITION OF INCOME

In accordance with the IAS standard 18, "Revenue", income from ordinary activities corresponds to pre-tax entries of economic benefits from which the Company draws advantage during the financial year and which lead to increases in equity other than those brought by partners and shareholders.

Income from ordinary activities mainly corresponds, in the Group's case, to earnings from rental of investment properties.

Leases currently signed by the Group, including construction leases, correspond to the definition of simple rental as stated in IAS standard 17.

The application of IAS standard 17 spreads the financial consequences of all of the clauses over the fixed term of the lease. The same applies to franchises, thresholds and rights of entry.

Income from ordinary activities is valued at the fair value of the exchange received.

Income from rental of investment buildings is entered into accounts over the period it is received.

6.2.19 – OTHER INCOME AND EXPENSES ON ORDINARY ACTIVITIES

"Other operating income and expenses" arise out of the kind of atypical, abnormal and rare events specified in paragraph 28 of the "IASB Framework," such as, for example:

- A capital gain or loss on disposal of tangible or intangible non-current assets;
- Depreciation of tangible or intangible non-current assets;
- Certain restructuring charges;
- A provision for a major litigation for the company.

6.2.20 – LEASE-FINANCING AGREEMENTS

In direct financing leases, the Group (the lessor) has transferred to the lessee the risks and benefits attached to the asset; the lessor retains the lien granted to him under the direct financing contract agreed with the lessee.

The lessor enters the account receivable for an amount equal to the sum of the minimum payments of the direct financing lease.

The payments are broken down between repayment of the receivable and the financial revenue.

Details of future payments are not communicated due to their immaterial nature.

6.2.21 – DISTRIBUTION OF DIVIDENDS

Distribution of dividends to the Company's shareholders is accounted for as a debt in the Group's financial statements during the period in which the dividends are approved by the Company's shareholders.

6.3 – Scope of consolidation

6.3.1 – LIST OF THE CONSOLIDATED COMPANIES

Companies	SIREN ID	Consolidation method	% of equity stake December 2010	% of equity stake December 2009	Date company joined Group's scope
SA SOCIÉTÉ DE LA TOUR EIFFEL	572 182 269	Parent company	100%	100%	
SCI DU 153 AVENUE JEAN-JAURÈS	419 127 287	F.C.*	100%	100%	December 2003
SCI NOWA	443 080 379	F.C.*	100%	100%	April 2004
SCI MARCEAU BEZONS	429 665 672	F.C.*	100%	100%	June 2004
SCI ARMAN F02	444 978 076	F.C.*	100%	100%	April 2004
SCI DES BERGES DE L'OURCQ	478 726 565	F.C.*	100%	100%	September 2004
SCI CHAMPIGNY CARNOT	479 586 893	F.C.*	100%	100%	November 2004
SCI COMÈTE	479 576 761	F.C.*	100%	100%	December 2004
SCI LYON GENLIS	480 351 576	F.C.*	100%	100%	January 2005
SCI ÉTUPES DE L'ALLAN	480 601 038	F.C.*	100%	100%	January 2005
SCI CAEN COLOMBELLES	482 598 133	F.C.*	100%	100%	May 2005
SCI MALAKOFF VALETTE	552 138 448	F.C.*	100%	100%	May 2004
SAS LOCAFIMO (1)	692 031 149	F.C.*	100%	100%	December 2005
SCI LA RIVIÈRE GIRAUDIÈRE (1)	388 323 909	F.C.*	100%	100%	December 2005
SCI BOTARDIÈRE (1)	397 968 207	F.C.*	100%	100%	December 2005
SCI PARIS CHARONNE (1)	403 104 458	F.C.*	100%	100%	December 2005
TOUR EIFFEL ASSET MANAGEMENT	380 757 807	F.C.*	100%	100%	May 2006
SCI DE BROU	351 819 966	F.C.**	100%	100%	June 2006
SCI COGOLIN GAOU	442 525 382	F.C.**	100%	100%	June 2006
SCI DE LA CRAU	447 913 278	F.C.**	100%	100%	June 2006
SCI GRENOBLE PONT D'OXFORD	490 034 063	F.C.*	100%	100%	May 2006
SCI RUEIL NATIONAL	489 900 498	F.C.*	100%	100%	May 2006
SCI PORTE DES LILAS	490 989 803	F.C.*	100%	100%	July 2006
SCI VÉLIZY TOPAZ	328 223 706	F.C.**	100%	100%	December 2006
SCI DURANNE SUD	498 033 869	Full Asset Transfer at 28/06/10	-	100%	March 2008
SCI ARMAN AMPÈRE	509 498 523	IG*	100%	100%	December 2008

(1) Companies consolidated on acquisition of Locafimo.
** : Fully consolidated*
*** : acquisitions considered to be acquisitions of assets pursuant to paragraph 2.6.2.*

All companies in the Group are registered in France.

Shared address for all companies in the Group: 20-22, rue de la Ville-l'Évêque, 75008 Paris

6.3.2 – CHANGE IN THE CONSOLIDATION SCOPE

Deconsolidations

Full Asset Transfer:

A full transfer of assets and liabilities by SCI Duranne Sud was made in favour of Société de la Tour Eiffel on 28 June 2010.

6.4 – Management of financial risks

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 go up, they are likely to lead to a rise in the cost of financing the investments. Similarly, a rise in the interest rates is 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 (due to the subprime crisis), the Group's policy for managing interest rate risk aims at restricting 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 transactions performed.

Société de la Tour Eiffel did not record any losses on its open-end fund investments, 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 2010, the Group's consolidated gross financing debt came to €627.7 million, made up of €373.9 million at fixed rate (of which €318 million were hedged by swaps), and €245.2 million at variable rate, this latter portion being wholly hedged by CAP contracts. Thus at 31 December 2010, debt was hedged overall to a total ratio of 99%.

On the basis of the outstanding debt as at 31 December 2010, an average rise in the Euribor 3-month interest rates of 100 basis points would have a negative impact (on an annual basis) on recurring net income, estimated at €2.5 million.

Conversely, a 100 basis-point drop in interest rates would reduce the financing cost by an estimated €2.5m, resulting in an equivalent positive impact on the recurring net income.

Risks on treasury shares

As part of the share buyback programme authorised by the General Shareholders' Meeting of 20 May 2010, the company is subject to a risk on the value of the shares it is liable to hold.

Based on the number of shares held at 31 December 2010, or 96,041 shares, the sensitivity of results to a 10% decrease or increase in the Société de la Tour Eiffel share price is estimated to be €0.6m.

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 by external growth.

These bank financing agreements contain boilerplate 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 loss of a property financed using the master agreement.

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

The company has conducted a specific review of its liquidity risk and considers it is capable of meeting its future payments.

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 2010 and projections of interest expense over the following 3 quarters over net rentals for the 4th quarter of 2010 and those projected over the next 3 quarters.

BANKING FINANCING AND MAIN COVENANTS AT 31/12/2010

In €m	Consolidated financial debt as at 31/12/2010	Bank covenants		Last published ratios		Due date
		Maximum LTV	Minimum ICR	LTV	ICR	
RBS/AXA/Calyon/Crédit Foncier	126.4	75.0%	170%	54.3%	305%	15/06/2013
Crédit Agricole CIB (formerly Calyon)	36.3	80.0%	125%	43%	197%	15/04/2011
Société Générale (50%) Crédit Foncier (50%)	54.6	65%	110%	55.4	218%	28/03/2017
Société Générale	12.8	NA	NA	NA	NA	14/01/2015
PBB (formerly HRE)	374.7	72.5%	140%	66.7%	313%	30/06/2013
Natixis	22.9	75.5%	225%	62.5%	285%	31/03/2011
TOTAL	**627.7**					

The level of the ratios under loan covenants at 31 December 2010 complies with all of the group's commitments contained in its financing agreements.

6.5 – Key accounting estimates and judgements

The estimations and judgments, which are continually reviewed, are based on historical information and other factors, notably the anticipation of future events considered reasonable in view of the circumstances.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

The accounting estimates that stem from them are, by definition, rarely equivalent to the actual results that subsequently occur. Any estimates and assumptions that could result in a significant adjustment in the book value of assets and liabilities during the following period are analysed below.

Appraisal of the properties

The Group has its assets valued by independent appraisers who use assumptions of future flows and rate which have a direct effect on property values.

Since these valuations are necessarily estimations, it is possible that in the event of a future transfer, the sales price will differ from the aforesaid valuations.

A decline in appraised values would lead to a decline in net income.

Evaluation of intangible assets

The contract between Tour Eiffel Asset Management and Société de la Tour Eiffel is subject to an annual impairment test.

Fair value of derivatives and other financial instruments

The fair value of financial instruments, which are not negotiated on an active market (such as derivatives traded over the counter), has been provided by the issuing establishment.

Derivatives are measured using data derived from prices directly observable on active and liquid markets (second level of the fair value hierarchy).

6.6 – Notes on the balance sheet, the income statement, and the cash flow statement

NOTE 1: TANGIBLE ASSETS

VARIANCE BY TYPE

(in thousands of euros)	Property under construction	Office and Computer equipment	Total
Year-ended 31/12/09			
Net opening balance	8,261	510	8,771
Changes in consolidation	-	-	-
scope	-	10	10
Acquisitions	-	-	-
Divestments	(8,261)	(13)	(8,274)
Reclassification(1)	-	-	-
Other movements	-	(80)	(80)
Amortisation			
NET BALANCE AT CLOSE	-	**427**	**427**
As 31/12/09			
Gross	-	865	865
Total amortisation	-	(438)	(438)
NET BOOK VALUE	-	**427**	**427**
Year-ended 31/12/10			
Net opening balance	-	427	427
Changes in consolidation scope	-	-	-
Acquisitions	-	13	13
Divestments	-	-	-
Reclassification	-	-	-
Others movements	-	-	-
Amortisation	-	(71)	(71)
NET BALANCE AT CLOSE		**369**	**369**
As at 31/12/10			
Gross	-	817	817
Total amortisation	-	(448)	(448)
NET BOOK VALUE	-	**369**	**369**

NOTE 2: INVESTMENT PROPERTIES

VARIANCE BY TYPE

(in thousands of euros)	Investment property
Year ended 31/12/09	
Net opening balance	1,077,158
Acquisitions and constructions	66,743
Expenditures from completed buildings	7,773
Divestments	(30,714)
Reclassification	8,261
Net transfer to buildings destined for sale	(4,498)
Changes in consolidation scope	
Other movements	(97)
Fair value effect (profit and loss)	(88,059)
NET BALANCE AT CLOSE	**1,036,567**
Year ended 31/12/10	
Net opening balance	1,036,567
Acquisitions and constructions	18,953
Expenditures from completed buildings	3,487
Divestments (1)	(47,100)
Reclassification	-
Net transfer to buildings destined for sale	(14,685)
Changes in consolidation scope	-
Others movements (2)	(465)
Fair value effect (profit and loss)	8,052
NET BALANCE AT CLOSE	**1,004,809**

(1) The divestments were as follows:
-€5.3m: SCI Lyon Genlis building sold on 2 April,
-€24.89m: the Champs-sur-Marne East Side building of SCI Nowa sold on 2 July,
-€15.46m: SCI Malakoff Valette building sold on 5 October,
-€1.45m: buildings 14 and 19 in the Parc des Tanneries (Strasbourg) of SAS Locafimo sold on 10 December,
(2) The other movements correspond to construction projects that were abandoned and reclassified as expenses:
-€348K for SAS Locafimo,
-€117Kfor SCI Rueil National.

Restrictions relating to the possibility of disposing of an investment property or the recovery of the proceeds from their sale.

There has been no such restriction placed on any investment property.

NOTE 3: GOODWILL ON ACQUISITIONS

(in thousands of euros)	Comète	Malakoff Valette	Arman F02	Jean-Jaurès	Locafimo	Total goodwill
Year ended 31/12/09						
Net opening balance	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
NET BALANCE AT CLOSE	-	-	-	-	-	-
As at 31/12/09						
Gross	2,350	1,895	1,873	262	21,264	27,644
Total provisions	(2,350)	(1,895)	(1,873)	(262)	(21,264)	(27,644)
NET BOOK VALUE	-	-	-	-	-	-
Year ended 31/12/10						
Net opening balance	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Divestments	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
NET BALANCE AT CLOSE	-					
As at 31/12/10						
Gross	2,350	1,895	1,873	262	20,014	26,394
Total provisions	(2,350)	(1,895)	(1,873)	(262)	(20,014)	(26,394)
NET BOOK VALUE	-	-	-	-	-	-

NOTE 4: INTANGIBLE FIXED ASSETS

VARIANCE BY TYPE

(in thousands of euros)	Internally generated intangible assets	Acquired intangible assets	Total intangible assets
Year ended 31/12/09			
Net opening balance	-	2,286	2,286
Acquisitions	-	4	4
Divestments	-	-	-
Amortisation	-	(780)	(780)
Reclassification	-	-	-
New consolidations	-	-	-
NET BALANCE AT CLOSE	**-**	**1,510**	**1,510**
As at 31/12/09			
Gross	-	4,371	4,371
Total amortisation	-	(2,861)	(2,861)
NET BOOK VALUE	**-**	**1,510**	**1,510**
Year ended 31/12/10			
Net opening balance	-	1,510	1,510
Acquisitions	-	7	7
Divestments	-	-	-
Amortisation	-	(753)	(753)
Reclassification	-	-	-
New consolidations	-	-	-
NET BALANCE AT CLOSE	**-**	**764**	**764**
As at 31/12/10			
Gross	-	4,270	4,270
Total amortisation	-	(3,506)	(3,506)
NET BOOK VALUE	**-**	**764**	**764**

The intangible assets have been acquired and have not been revalued.

€741,000 of the value of the intangible assets derive from the net value of the Asset Management contract recorded when Awon Asset Management, renamed Tour Eiffel Asset Management on 1 September 2010, entered the scope of consolidation (in 2006).

NOTE 5: FINANCIAL ASSETS

FINANCIAL ASSETS - TYPE

(in thousands of euros)	Fixed securities	Long-term investments	Valuation of caps and swaps	Deposits and sureties paid	Loans	Total Financial assets
Year ended 31/12/09						
Net opening balance	2	-	1,196	703	410	2,311
Increases	-	-	-	13,028	-	13,028
New consolidations	-	-	-	-	-	-
Reclassification	-	-	-	(9,321)	(410)	(9,731)
Decreases	-	-	-	-	-	-
Redemptions	-	-	(366)	-	-	(366)
Fair value effect (profit and loss)	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
NET BALANCE AT CLOSE	**2**	**-**	**830**	**4,410**	**-**	**5,242**
Year ended 31/12/10						
Net opening balance	2	-	830	4,410	-	5,242
Increases	-	-	-	5,570	-	5,570
New consolidations	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Decreases	-	-	-	-	-	-
Redemptions	-	-	-	(8,435)	-	(8,435)
Fair value effect (profit and loss)	-	-	716	-	-	716
Provisions	-	-	-	-	-	-
NET BALANCE AT CLOSE	**2**	**-**	**1,546**	**1,545**	**-**	**3,093**

DEPOSITS AND SURETIES PAID

The variations observed over the period mainly concern the cash pledges allocated to SAS Locafimo as part of the Group's financing operations.

At 30 June, cash pledges stood at €1,135K, as against €3,996K at 31/12/09.

DERIVATIVE INSTRUMENTS

The Tour Eiffel group has contracted financial instruments (caps and swaps) which have not been considered as hedging instruments in accounting terms.

These financial instruments were originally entered on the assets side at their fair value as a counterpart to a financial debt corresponding to the outstanding updated premiums over the duration of the financial instruments.

The fair values are provided by the issuing financial institutions.

Any changes in the value of financial instruments from one year-end to another were recorded under financial result.

The adjustment to fair value at 31 December 2010 results in an overall positive financial impact of €5,335K (€177K for the CAP and €5,158K for the swaps):

- positive financial impact of €716K in financial assets
- positive financial impact of €4,619K in financial debts (cf. Note 12).

MAIN CHARACTERISTICS OF FINANCIAL INSTRUMENTS HELD AT 31 DECEMBER 2010

Type of contract	Subscription date	Effective date	Expiration date	Notional amount in thousands of €	Benchmark rate	Guaranteed rate	Fair value in thousands of €
CAP	04/09/2006	04/09/2006	03/12/2012	61,741	3-month Euribor	5.00%	489
CAP	25/03/2010	25/03/2010	28/06/2013	30,000	3-month Euribor	2.00%	205
CAP	02/07/2010	27/12/2010	28/06/2013	30,000	3-month Euribor	2.50%	129
CAP	30/06/2006	01/08/2007	07/06/2013	18,473	3-month Euribor	4.50%	20
CAP	30/06/2006	02/05/2007	07/06/2013	20,878	3-month Euribor	4.50%	23
CAP	18/05/2010	27/10/2010	30/06/2013	32,000	3-month Euribor	2.50%	141
SWAP	19/05/2010	19/05/2010	16/01/2015	(1)	3-month Euribor	4.36%	277
SWAP	21/09/2010	21/09/2010	16/01/2010	(1)	3-month Euribor	4.36%	262
CAP	31/03/2010	31/03/2010	30/09/2011	26,000	3-month Euribor	2.00%	-
TOTAL							**1,546**

(1) Both are underlying Swaps to the swap recorded as a debt for a value of (€857)K.

NOTE 6: ASSETS SELECTED FOR DISPOSAL

(in thousands of euros)	Properties selected for disposal
Year ended 31/12/09	
Net opening balance	18,300
Net transfer from investment properties	4,498
Acquisitions	-
Divestments	(14,700)
NET BALANCE AT CLOSE	**8,098**
Year ended 31/12/10	
Net opening balance	8,098
Net transfer from investment properties	14,685
Acquisitions	-
Divestments	(5,463)
NET BALANCE AT CLOSE	**17,320**

The following divestments were made during 2010:

- Building A in Locafimo's Parc des Tanneries complex in Strasbourg.
- block K2 of the Massy building owned by Arman F02,
- the plot adjacent to the Massy building owned by Arman Ampere,

The balance corresponds to:

- buildings 15/22/23/24 at Locafimo's Parc des Tanneries complex in Strasbourg;
- the SCI Paris Charonne building (commitment to sell signed in May 2010).

NOTE 7: TRADE RECEIVABLES AND RELATED ACCOUNTS

(in thousands of euros)	31 December 2010	31 December 2009
Gross	24,032	27,363
Provisions	(1,705)	(1,422)
TOTAL NET TRADE RECEIVABLES AND RELATED ACCOUNTS	**22,327**	**25,941**

NOTE 8: OTHER RECEIVABLES AND ACCRUAL ACCOUNTS

(in thousands of euros)	31 December 2010 Net	31 December 2009 Net
- Advances and deposits paid	76	759
- Personnel and related accounts	21	14
- State receivables(1)	4,058	11,481
- Current accounts (assets)	-	-
- Trade payables	58	51
- Prepaid expenses	1,116	1,130
- Other receivables (2)	3,747	5,196
Total gross value	9,076	18,631
- Provisions on other receivabless(3)	(2,016)	-
TOTAL	**7,060**	**18,631**

(1) This amount mainly concerns:
- forthcoming VAT refunds and credits.
(2) This amount is mainly composed of:
- in 2009: €1m in accounts receivable from divested assets, €2,705K in calls for funds at Locafimo,
- In 2010: €2,016K corresponding to the Locafimo bank claims with the Pallas Stern bank (cf. Note 9), and €733K in calls for funds at Locafimo, Porte des Lilas and Vélizy Topaz
(3) During the first half of 2010 Locafimo received €431K in reimbursed claims.

NOTE 9: CASH AND CASH EQUIVALENTS

The marketable securities are composed chiefly of money-market UCITs evaluated at their closing price.

(in thousands of euros)	31 December 2010	31 December 2009
Marketable securities	119	13,197
Cash in hand and at bank(1)	9,073	10,142
TOTAL GROSS VALUE	**9,192**	**23,339**
Provision for bank claims(1)	-	(2,447)
TOTAL	**9,192**	**20,892**

(1) The Claim and the provision for the Locafimo bank claims with the Pallas Stern bank have been reclassified to other receivables, Note 8.

In the consolidated cash flow statement, cash and bank overdrafts include the following elements:

(in thousands of euros)	31 December 2010	31 December 2009
Cash and cash equivalents	9,192	20,892
Bank credit balance (Note 12)	(3)	(34)
TOTAL NET CASH	**9,189**	**20,858**

NOTE 10: CAPITAL AND PREMIUMS LINKED TO CAPITAL

1) COMPOSITION OF SHARE CAPITAL

	Number of ordinary shares	Nominal value of the share (in euros)	Total capital (in thousands of euros)	Issue premium (in thousands of euros)	Total (in thousands of euros)
AS AT 31 DECEMBER 2008	**5,193,003**	**48**	**249,264**	**42,653**	**291,917**
Capital increase	240,033	5	1,200	3,922	5,122
Reduction in capital	-	-	(223,299)	-	(223,299)
Issue costs	-	-	-	-	-
Dividends paid	-	-	-	(10,677)	(10,677)
Appropriation to retained earnings	-	-	-	-	-
AS AT 31 DECEMBER 2009	**5,433,036**	**5**	**27,165**	**35,898**	**63,063**
Capital increase(1)	159,248	5	796	5,899	6,695
Reduction in capital	-	-	-	-	-
Issue costs	-	-	-	-	-
Dividends paid(2)	-	-	-	(7,319)	(7,319)
Appropriation to retained earnings	-	-	-	-	-
AS AT 31 DECEMBER 2010	**5,592,284**	**5**	**27,961**	**34,478**	**62,439**

All the issued shares have been fully paid up.

(1) The capital increase was due to the shareholders exercising the option to be paid the interim dividend in shares, their distribution being decided by the Board of Directors on 28 July 2010.
(2) The distribution of dividends for total of €21,352,000 was made:
- from the issue premium (€7,319,000),
- from the distributable portion of the statutory reserves (€2,834,000),
- other reserves (€11,199,000).

2) ISSUE OF STOCK OPTIONS

The Conditions

Allocated in 2005

Share purchase options were allocated to top executives during 2005. The strike price of the options granted is equal to the average of the opening prices quoted between 28 November and 23 December 2005, inclusive, minus 5%, coming to €68.44 per share. Some options may be exercised as of their grant date and others may be exercised by 25% tranche per year as of the first anniversary of the grant date, i.e. as of 26 December 2006. The options have a contractual term of five years.

One of the major reasons behind the granting of options is to make the company's managers loyal and to grant them supplementary compensation linked to the company's performance; some managers will lose their grant right if they are no longer officers or employees of the company or of one of the company's subsidiaries.

Allocated in 2006

During the first half of the year, 39,266 stock subscription options were allocated to employees.

The strike price is €87.78 for a total of 10,750 shares; the strike price for the remaining 28,516 shares is €83.77.

34,266 options may be exercised as of their grant date and 5,000 options may be exercised by 25% tranche per year as of the first anniversary of the grant date, i.e. as of 22 March 2007. The options have a contractual term of five years.

During the second half of the year, 132,400 share subscription options were allocated to employees.

The exercise price is €100.04.

103,900 options may be exercised as of their grant date and 28,500 options may be exercised by 25% tranche per year as of the first anniversary of the grant date, i.e. as of 14 September 2007. The options have a contractual term of five years.

Allocated in 2007

During the first half of the year, 23,300 stock subscription options were allocated to employees.

The exercise price of the options is €124.48.

14,580 options may be exercised as of their grant date and 8,720 options may be exercised by 25% tranche per year as of the first anniversary of the grant date, i.e. as of 29 March 2008. The options have a contractual term of five years.

During the second half of the year, 25,951 share subscription options were allocated to the managers and corporate officers.

The exercise price is €115.34.

All of the options may be exercised from the time of their award, thus as at 16 October 2007. The options have a contractual term of five years.

Allocated in 2008

25,965 share subscription options were granted to the company's officers and top executives.

The exercise price is €33.25.

All of the options may be exercised from the time of their award, thus as at 11 December 2008. The options have a contractual term of five years.

Allocated in 2009

27,165 share subscription options were granted to the company's officers and top executives.

The exercise price is €48.08.

All of the options may be exercised from the time of their award, thus as at 15 October 2009. The options have a contractual term of five years.

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.

On 10 March 2010, holders of stock subscription or purchase options allocated in 2006 and 2007 agreed to forego the following plans:

- plan 2: 29,594 options granted on 22 March 2006
- plan 3: 9,603 options granted on 15 May 2006
- plan 4: 135,064 options granted on 14 September 2006
- plan 5: 24,182 options granted on 29 March 2007
- plan 6: 26,931 options granted on 16 October 2007

On 20 May 2010, 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 20 May 2010.

Estimation of option value:

The number of options in circulation and their strike price are presented below:

(in thousands of euros)	31 December 2010		31 December 2009	
	Average strike price (in €per share)	Options (in units)	Average strike price (in €per share)	Options (in units)
At 1 January	83.74	393,924	86.46	355,662
Granted	-	-	48.08	27,165
Null and void	-	340,196	-	-
Exercised	-	-	-	-
Adjustment after distribution	-	7,826	-	11,097
Due	-	-	-	-
AT YEAR END	**43.47**	**61,554**	**83.74**	**393,924**

Of the 61,554 options in circulation at 31 December 2010, 61,554 may be exercised.

The principal assumptions of the model are as follows:

Date granted	Status	Date exercised	Adjusted option strike price	Underlying price	Standard deviation of the anticipated yield	Annual risk-free interest rate
26/12/2005	Valid	26/12/2010	€63.03	€74.00	14%	3.0%
22/03/2006	Expired	22/03/2011	€80.73	€73.64	36%	3.5%
17/05/2006	Expired	17/05/2011	€80.84	€74.16	35%	3.7%
14/09/2006	Expired	14/09/2011	€92.13	€84.35	38%	3.6%
29/03/2007	Expired	29/03/2012	€114.64	€108.91	47%	3.9%
16/10/2007	Expired	16/10/2012	€111.15	€95.13	51%	4.2%
11/12/2008	Valid	11/12/2013	€32.87	€14.90	69%	3%
15/10/2009	Valid	15/10/2014	€45.95	€36.44	60%	2.6%

At 31 December 2010, the cancellation of plans 2 to 6 during their acquisition periods was booked under staff expenses as an acceleration of rights acquired for an amount of €77,000.

3) ALLOCATION OF BONUS SHARES

The Conditions

Bonus shares have been allocated to the top executives: 18,800 shares in 2006, and 9,750 shares in 2007.
The allocation of the shares will be definitive at the expiration of two years, i.e. as of 14 June 2008 for 10,800 shares, as of 29 November 2008 for 8,000 shares, as of 12 February 2009 for 1,200 shares and as of 16 October 2009 for 8,550 shares.

The beneficiaries are required to keep the shares for a minimum period of two years as of the final allocation, i.e. until 14 June 2010 for 10,800 shares, until 29 November 2010 for 8,000 shares, until 12 February 2011 for 1,200 shares, and until 16 October 2011 for 8,550 shares.

During 2008, 18,800 free shares were awarded definitively to the beneficiaries of the 2006 plans.

During 2009, 9,750 bonus shares were awarded definitively to the beneficiaries of the February and October 2007 plans. As at 31 December 2010, no more bonus shares remained to be granted

NOTE 11 : MINORITY INTERESTS

(in thousands of euros)	Minority interests
AS AT 31 DECEMBER 2008	**362**
Profit (loss) for current year	(528)
Other movements	166
AS AT 31 DECEMBER 2009	**-**
Profit (loss) for current year	-
Other movements	-
AS AT 31 DECEMBER 2010	**-**

The minority shareholder of Société Porte des Lilas (Nexibel Investissement) handed over its shares to Locafimo in 2009.

NOTE 12: BORROWINGS AND FINANCIAL DEBTS

BORROWINGS AND FINANCIAL DEBTS - VARIANCE BY TYPE

(in thousands of euros)	Borrowings from credit institutions	Other borrowings and related debt	Current bank support	Cap and swap liabilities	Deposits and sureties received	Total
BALANCE AT 01/01/2009	**682,477**	**8,492**	**138**	**14,858**	**10,314**	**716,279**
Increases	35,268	2,796	-	-	3,165	41,229
Decreases	(42,107)	(4,422)	-	(316)	(2,741)	(49,586)
Fair value	-	-	-	5,652	-	5,652
New consolidations/	-	57	-	98	-	155
deconsolidations	-	-	-	-	-	-
Other	-	-	(105)	(290)	-	(395)
Reclassification	-	(3,951)	-	-	-	(3,951)
BALANCE AT 31/12/2009	**675,638**	**2,971**	**34**	**20,002**	**10,738**	**709,383**
Increases	83,784	2,596	-	-	816	87,196
Decreases	(131,748)	(2,971)	-	(294)	(1,820)	(136,833)
Fair value	-	-	-	4,619	-	(4,619)
New consolidations/	-	-	-	9	-	9
deconsolidations	-	-	-	-	-	-
Other	-	-	(31)	-	-	(31)
Reclassification	-	-	-	-	-	-
BALANCE AT 31/12/2010	**627,674**	**2,596**	**3**	**15,098**	**9,734**	**655,105**

BORROWINGS FROM CREDIT INSTITUTIONS - FIXED RATE/VARIABLE RATE

(in millions of euros)	Fixed rate	Variable rate	Total
Borrowings from lending institutions	373.9	253.8	**627.7**

The Group's average interest rate for financing was 3.5% at 31 December 2010.

After consideration of the fixed-rate swap instruments, the total fixed-rate debt comes to €373.9 million.

Furthermore, variable-rate debt, totalling €253.8 million was hedged by cap instruments for €245.2 million.

BORROWINGS AND FINANCIAL DEBTS

(in thousands of euros)	31 December 2010	31 December 2009
Non-current		
Bank loans	560,563	591,312
Other financial liabilities	23,008	28,331
TOTAL	**583,571**	**619,643**
Current		
Bank loans	67,111	84,327
Accrued interest	2,596	2,971
Bank overdrafts	3	34
Other financial debts	-	-
Other financial liabilities	1,824	2,408
TOTAL	**71,534**	**89,740**
TOTAL BORROWINGS AND FINANCIAL DEBTS	**655,105**	**709,383**

THE MATURITIES OF NON-CURRENT BANK DEBTS ARE SHOWN BELOW:

(in thousands of euros)	31 December 2010	31 December 2009
From 1 to 5 years	518,400	536,631
Over 5 years	42,163	54,681
TOTAL	**560,563**	**591,312**

Comment: “Current” borrowings refer to debts with maturities of under one year.

SCHEDULE OF THE EXTINCTION OF TOTAL BANK DEBT AND OF INTEREST OWING:

(in thousands of euros)	Nominal value	Interest	Total
31 December 2011	67,111	10,936	78,201
31 December 2012	4,640	10,406	15,200
31 December 2013	498,011	10,091	507,794
31 December 2014	2,529	1,154	3,683
31 December 2015	13,220	914	14,134
31 December 2016	2,362	845	3,207
31 December 2017	39,801	793	40,594
TOTAL	**627,674**	**35,139**	**662,813**

CAP AND SWAP LIABILITIES

The Tour Eiffel group has contracted financial instruments (caps and swaps) which have not been considered as hedging instruments in accounting terms..

PRINCIPAL CHARACTERISTICS OF THE LIABILITY-SIDE FINANCIAL INSTRUMENTS HELD AT 31 DECEMBER 2010

Type of contract	Subscription date	Effective date	Expiration date	Notional amount in thousand of €	Benchmark rate	Guaranteed rate	Fair value in thousands of €
Alternative SWAP	15/10/2006	15/10/2006	15/04/2011	69,810	3-month Euribor	3.45%	(687)
SWAP	28/03/2008	28/03/2008	31/03/2013	2,855	3-month Euribor	4.53%	(97)
SWAP	28/03/2008	28/03/2008	31/03/2013	12,281	3-month Euribor	4.57%	(256)
SWAP	01/01/2010	01/01/2010	01/04/2014	39,640	3-month Euribor	4.34%	(3.377)
SWAP	28/06/2006	01/08/2006	07/06/2013	55,419	3-month Euribor	4.10%	(3.672)
SWAP	29/06/2006	01/05/2007	07/06/2013	62,634	3-month Euribor	4.19%	(4.290)
SWAP	06/01/2008	01/02/2008	16/01/2015	9,120	3-month Euribor	4.36%	(857)
SWAP	14/01/2008	14/01/2008	14/01/2015	3,721	3-month Euribor	4.20%	(330)
SWAP	07/06/2010	27/12/2010	30/06/2013	50,000	3-month Euribor	1.60%	(80)
SWAP	01/07/2010	27/12/2010	28/06/2013	30,000	3-month Euribor	1.65%	(85)
SWAP	02/12/2005	29/06/2007	30/06/2011	12,634	3-month Euribor	3.215%	(128)
SWAP	29/09/2006	29/09/2006	03/06/2011	8,047	3-month Euribor	3.965%	(98)
SWAP	29/09/2006	29/09/2006	30/06/2011	44,753	3-month Euribor	4.035%	(646)
TOTAL							**(14.603)**

NOTE 13: LONG-TERM AND CURRENT (LESS THAN ONE YEAR) PROVISIONS

(in thousands of euros)	Provision for employee disputes	Provision for the risk of insurance policies failing to pay out	Provisions for retirement benefits	Other provisions for expenses	Total
Position as at 31/12/2009	-	-	158	-	158
Allocations	-	100	4	-	104
Reversals not used	-	-	(29)	-	(29)
Reversals used	-	-	-	-	-
Changes in consolidation scope	-	-	-	-	
BALANCE AT CLOSE 31/12/2010	**-**	**100**	**133**	**-**	**233**

(in thousands of euros)	31 December 2010 Long term	31 December 2010 Less than one year	31 December 2009 Long term	31 December 2009 Less than one year
Provision for employee disputes	-	-	-	-
Provision for Locafimo tenant risks	100	-	-	-
Provisions for retirement benefits	133	-	158	-
Other provisions for expenses	-	-	-	-
NET BALANCE AT CLOSE	**233**	**-**	**158**	**-**
TOTAL PER PERIOD	**233**		**158**	

NOTE 14: TAX AND SOCIAL SECURITY OWED (CURRENT AND NON-CURRENT)

Type (in thousands of euros)	31 December 2010	31 December 2009
Taxes owed (exit tax)	-	-
Other tax indebtedness	-	-
TOTAL NON-CURRENT TAX DEBTS	**-**	**-**
Social security owed	1,091	1,095
Taxes owed (exit tax - current portion owed)	187	1,348
Other tax indebtedness	7,170	9,894
TOTAL CURRENT TAX AND SOCIAL SECURITY RELATED DEBTS	**8,448**	**12,337**
TOTAL	**8,448**	**12,337**

NOTE 15: DEFERRED TAXES

There is no reason to recognise deferred taxes since the great majority of the group's sales are subject to the SIIC tax treatment.

During the 2009 financial year, Arman F02 incurred a €300,000 tax expense related to the capital gains made from the disposal of the Massy land reserves to SCI Arman Ampère. The cancellation of these capital gains generated a differed tax asset of €300,000.

NOTE 16: TRADE ACCOUNTS PAYABLE AND OTHER INDEBTEDNESS

Type (in thousands of euros)	31 December 2010	31 December 2009
Trade accounts payable	4,374	4,672
Debts associated with acquisitions of tangible assets(1)	2,080	17,342
Current account liabilities	-	-
Advances and deposits received	640	418
Due to clients	1,369	4,416
Other operating debts(2)	1,040	4,646
Prepaid income(3)	18,210	18,365
TOTAL	**27,713**	**49,859**
Other long-term liabilities		
Prepaid income(4)	327	300
TOTAL	**327**	**300**

(1) Corresponds to outstanding payments on properties owned by:
- *Arman F02 for €342K, against €2,304K at 31.12.2009,*
- *Arman Ampère for €776K,*
- *Brou for €150K,*
- *Locafimo for €765K, against €140,807K at 31.12.2009.*

(2) This account is mainly made up of provisions for charges at Locafimo for €274K at 31.12.2010 against €2,798K at 31.12.2009

(3) At 31 December 2010, this account was made up mainly of prepaid rental income for Q1 2011.

(4) This account reflects the reclassification of the net subsidy received by:
- *Jaurès €39K,*
- *Rueil €261K,*
- *Porte des Lilas €24K,*
- *Champigny Carnot €3K.*

NOTE 17: TURNOVER

TURNOVER - COMPARATIVE ANALYSIS BY TYPE

(in thousands of euros)	31 December 2010	31 December 2009
Rental income	72,151	75,704
Other rental income(1)	13,601	19,762
TOTAL DU CHIFFRE D'AFFAIRES	**85,752**	**95,466**

(1) Total turnover.

Sector-based analysis: (in reference to note 2.4)

The Tour Eiffel Group's business is concentrated in a single sector: office property and industrial and commercial premises in France.

ACCRUED RENT FOR FIXED TERM LEASES HELD IN PORTFOLIO

(in thousands of euros)	31 December 2010	31 December 2009
Total minimum future payments		
Less than one year	65,243	71,619
Between 1 and 5 years	211,380	252,486
More than 5 years	77,615	146,245
TOTAL FUTURE PAYMENTS	**354,238**	**470,350**
Rental income reported as year-end income	72,151	75,704

NOTE 18: CONSUMED PURCHASES

(in thousands of euros)	31 December 2010	31 December 2009
Non-stocked purchases of material and supplies	(387)	(55)
TOTAL PURCHASES CONSUMED	**(387)**	**(55)**

NOTE 19: PERSONNEL EXPENSES, EXTERNAL CHARGES, DUTIES AND TAXES

STAFF EXPENSE

(in thousands of euros)	31 December 2010	31 December 2009
Staff remuneration	(2,586)	(2,588)
Social security withholding payments	(1,191)	(1,131)
Charges on payments in shares	(75)	(646)
TOTAL STAFF EXPENSE	**(3,852)**	**(4,365)**

EXTERNAL EXPENSES

(in thousands of euros)	31 December 2010	31 December 2009
General subcontracting	(69)	(140)
Rentals and rental expenses	(6,604)	(11,915)
Maintenance and repairs	(1,298)	(903)
Insurance premiums	(769)	(1,700)
Miscellaneous documentation, seminars	(110)	(58)
Staff from outside of the company	(3)	(10)
Remuneration of intermediaries and fees[(1)]	(6,043)	(6,711)
Advertising, publishing and public relations	(404)	(320)
Goods transport, collective staff transport	(11)	(10)
Travel, assignments and receptions	(210)	(185)
Postal and telecommunications costs	(71)	(74)
Banking and related services	(303)	(347)
Other external services	(103)	(96)
TOTAL EXTERNAL EXPENSES	**(15,998)**	**(22,469)**

(1) These amounts correspond mainly to costs incurred seeking and managing assets and properties.

TAXES AND DUTIES

(in thousands of euros)	31 December 2010	31 December 2009
Property taxes	(6,860)	(6,936)
Other duties and taxes	(2,123)	(2,363)
TOTAL DUTIES AND TAXES	**(8,983)**	**(9,299)**

NOTE 20: NET AMORTISATION AND PROVISIONS

(in thousands of euros)	31 December 2010	31 December 2009
- Allocations/Reversals of intangible assets	(753)	(780)
- Allocations/Reversals of tangible assets	(71)	(80)
TOTAL AMORTISATION ALLOWANCES/REVERSALS	**(824)**	**(860)**
- Allocations/Reversals for current assets	(295)	2,776
- Allocations/Reversals for operating liabilities & expenses	(100)	-
- Allocations/Reversals for operating receivables	-	-
TOTAL ALLOWANCES/REVERSALS	**(395)**	**2,776**

NOTE 21: NET BALANCE OF VALUE ADJUSTMENTS

(in thousands of euros)	31 December 2010	31 December 2009
Investment property	8,052 (1)	(88,059)
Goodwill on acquisitions	-	-
TOTAL	**8,052**	**(88,059)**

(1) Includes value adjustments on a like-for-like basis applied to assets: €8,038,000

NOTE 22: OTHER OPERATING INCOME AND EXPENSES

(in thousands of euros)	31 December 2010	31 December 2009
Miscellaneous current management income	2,157	2,659
Irrecoverable receivables losses	-	(250)
Miscellaneous current management expenses	(265)	(699)
Other net allowances for provisions	-	527
Proceeds from disposals of investment property (1)	50,878	44,985
Net book value of the property disposed of (1)	(52,563)	(45,414)
One-time charges on previous financial years	(1,133)	(3,299)
TOTAL	**(926)**	**(1,491)**

(1) In 2010, the group sold seven non-strategic assets.

RENTAL INCOME AND DIRECT OPERATING EXPENSES LINKED TO INVESTMENT PROPERTIES:

(in thousands of euros)	Investment properties producing rental income	Investment properties not producing rental income
Rental income	72,151	-
Direct operating expenses[1]	9,961	6,470

(1) Chiefly property administration costs and property tax.

NOTE 23: NET FINANCIAL DEBT COSTS

(in thousands of euros)	31 December 2010	31 December 2009
Marketable securities income	61	1,100
Loan income	-	-
Total income from cash and near cash	61	1,100
Interest on financing deals	(24,818)	(26,464)
Total gross financial debt costs	(24,818)	(26,464)
TOTAL NET FINANCIAL DEBT COST	**(24,757)**	**(25,364)**

NOTE 24: OTHER FINANCIAL INCOME AND EXPENSES

(in thousands of euros)	31 December 2010	31 December 2009
Other financial revenues[1]	6,776	140
Income from securities transfers	-	-
Total other financial income	6,776	140
Write-offs of accounts receivable	-	-
Other financial expenses[1]	(1,705)	(6,726)
Net book value of transferred securities	-	-
Total other financial expenses	(1,705)	(6,726)
TOTAL	**5,071**	**(6,586)**

(1) Of which €5,335K for adjustment in the value of financial instruments at 31/12/10 against €(6,111K) at 31/12/09.

NOTE 25: COMPANY INCOME TAX

(in thousands of euros)	31 December 2010	31 December 2009
Current tax	(266)	(660)
Deferred tax[1]	-	322
TOTAL	**(266)**	**(338)**

(1) See note 15.

NOTE 26: BASIC EARNINGS PER SHARE

Basic earnings

The basic earnings per share is calculated by dividing the net profit paid to Company shareholders by the average weighted number of ordinary shares outstanding during the financial year.

(in thousands of euros)	31 December 2010	31 December 2009
Year-end net profit (loss)	42,487	(60,116)
Average weighted outstanding shares	5,377,879	5,222,544
Basic earnings per share (€per share)	7.90	(11.51)

Diluted Earnings

The diluted earnings per share is calculated by increasing the weighted average number of shares in circulation by the number of shares that would result if all the share warrants and stock options that potentially have a dilutive effect were converted. For share options, a calculation is made in order to determine the number of shares which could have been acquired at their fair value (namely, the average annual market price of the company's shares) on the basis of the monetary value of the share options in circulation. The number of shares calculated in this way is compared with the number of shares which could have been issued if the options had been exercised.

(in thousands of euros)	31 December 2010	31 December 2009
Year-end net profit (loss)	42,487	(60,116)
Average weighted number of ordinary shares used to calculate the diluted earnings per share	5,392,796	5,232,294
Diluted earnings per share (€per share)	7.88	(11.49)

Earnings-dilutive financial instruments

The weighted average number of shares at 31 December 2010 which can give access to the share capital is as follows:

	Number of securities	Giving right to number of securities
Shares	5,592,284	5,592,284
Share options	14,917	14,917
Treasury shares	(96,041)	(96,041)
TOTAL	**5,511,160**	**5,511,160**

NOTE 27: DISTRIBUTION

The shareholders decided to distribute a dividend of €2 per share deducted from the reserves.

This distribution totalling €10,671,714 was paid out on 28 May 2010.

At its meeting on 28 July 2010, the Board of Directors decided to distribute an interim dividend of €2 per share amounting to €10,680,106 in shares and cash amounting to €3,985,320.

NOTE 28: TRANSACTIONS WITH RELATED PARTIES

Remuneration of senior management

The following information with respect to the annual amount of gross compensation granted is provided as an overall figure for the members of the Board of Directors and the management team of the company that consolidates Tour Eiffel, i.e.:

(in thousands of euros)	31 December 2010	31 December 2009
Salaries and other short-term benefits	720	720
Directors' fees	110	110
Payments based on shares (stock options)	75	646
TOTAL	**905**	**1,476**

The redundancy payment for a deputy general manager may be no less than €250,000.

Detailed information on the remuneration packages of senior management may be found in paragraph 3.5 of the management report.

Related parties

€670,000 in fees were paid to Bluebird Investissements, a related party, for 2010. The amount of the fees was identical to that paid for 2009.

NOTE 29: OFF-BALANCE-SHEET COMMITMENTS

1) OFF-BALANCE SHEET COMMITMENTS RELATED TO THE SCOPE OF THE CONSOLIDATED GROUP

Commitments given

No commitment was given.

Commitments received:

(in thousands of euros)	Starting date	Expiration date	31 December 2010	31 December 2009
Liability guarantee				
- on the transfer of shares in SCI Nowa	02/04/2004	-	10,000	10,000
- on the transfer of shares in SCI Marceau Bezons	23/06/2004	-	10,000	10,000
- on the transfer of shares in SCI Malakoff Valette	27/05/2004	-	3,000	3,387
- on the transfer of shares in SAS Parcoval	30/03/2007	15/01/2011	3,600	3,600
- on various other shares	-	-		3,200
			26,600	**30,187**

2) OFF-BALANCE SHEET COMMITMENTS RELATED TO THE FINANCING OF THE COMPANY

Commitments given:

(in thousands of euros)	Starting date	Expiration date	31 December 2010	31 December 2009
Unused credit lines	-	-	13,300	77,800
Pledged securities (acquisition price of securities pledged)				
- Nowa shares	28/02/2006	15/04/2011	14,528	14,528
- Champigny Carnot shares	12/01/2005	15/06/2013	1	1
- Lyon Genlis shares	24/03/2005	15/06/2013	1	1
- Jaurès shares	07/04/2005	15/06/2013	5,146	5,146
- Caen shares	21/06/2005	15/06/2013	1	1
- Etupes shares	12/07/2005	15/06/2013	1	1
- Locafimo shares	27/12/2005	15/04/2011	375,948	180,984
- Bezons, Grenoble and Rueil shares	15/06/2006	15/06/2013	3	3
- Malakoff shares	14/02/2007	15/06/2013	6,500	6,500
- shares held by STE	25/07/2007	15/06/2013	-	100,000
- shares in Berges de l'Ourcq	14/12/2004	15/06/2013	1	1
- shares held by Jaurès	24/01/2007	15/06/2013	2,003	2,003
			404,133	**309,169**
Money lender's lien	-	-	66,366	112,052
Surety	-	-	2,515	10,593
Master agreement				
- between STE and RBS	30/11/2004	-	127,282	194,052
- between STE and Natixis	31/03/2010	-	23,079	-
			150,361	**194,052**

Commitments received:

(in thousands of euros)	Starting date	Expiration date	31 December 2010	31 December 2009
Tenant's security deposit			1,859	1,949
Joint guarantee				
- FO2Arman	22/01/2003	-	49,222	49,222
- Rueil	26/09/2008	-	32,317	32,317
- other companies	-	-	369	3,800
			81,908	**85,339**
Pledge	-	-	200	200
Performance bond				
- Porte des Lilas	12/12/2008	-	49,474	49,474
- Locafimo	-	-	-	13,850
- Vélizy Topaz	28/11/2008	-	-	17,267
- other companies	-	-	6,635	15,449
			56,109	**96,040**

3) OFF-BALANCE SHEET COMMITMENTS RELATED TO THE OPERATING ACTIVITIES OF THE ISSUER

Commitments given:

(in thousands of euros)	Starting date	Expiration date	31 December 2010	31 December 2009
Mortgages (net book value)				
- Arman F02 building	28/03/08	28/03/17	42,500	50,312
- the 15 Nowa buildings	28/02/06	15/04/11	36,270	78,000
- the Caen building	21/06/05	15/06/13	3,519	3,519
- the main block of the Champigny building	14/12/04	15/06/13	581	581
- blocks A and B of the Champigny building	12/01/05	15/06/13	570	570
- the Etupes building	12/07/05	15/06/13	10,750	10,750
- the Jaurès building	07/04/05	15/06/13	11,250	11,250
- the buildings of Locafimo and its subsidiaries	17/02/09	30/06/14	375,948	345,381
			481,388	**500,363**
Commitment made to a builder			-	9,375

Commitments received:

(in thousands of euros)	Starting date	Expiration date	31 December 2010	31 December 2009
Rent guarantee	-	-	4,709	4,709
Commitment to sell – Paris Charonne building	21/05/10	21/05/11	14,400	

7 – STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Financial year ended 31 December 2010)

To the shareholders of:

SOCIÉTÉ DE LA TOUR EIFFEL "Société anonyme" (public limited company) with capital of 27,961,420 euros	20-22 rue de la Ville-l'Évêque 75008 PARIS

In carrying out the mission entrusted to us by your General Shareholders' Meeting, we present our report for the year ended 31 December 2010 on:

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

The consolidated 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.

7.1 – Opinion on the consolidated 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 consolidated financial statements contain no significant misstatements. An audit consists in the examination, on a test basis or by means of other selection methods, the elements justifying of the amounts and information appearing in the group accounts. 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 IFRS standards, as adopted by the European Union, the consolidated financial statements are a true and fair representation of the assets, the financial position and overall result constituted by the persons and entities included in the consolidation.

7.2 – Basis of our appraisals

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 2.6 of the Notes specifies that the property portfolio is appraised by independent experts to estimate properties' fair value. Our mission involves reviewing the appraisal methods of these experts, evaluating the consistency of the assumptions upheld and establishing the fair value of the properties in question based on independent appraisals and ensuring that the information presented in the annex is appropriate.
- As indicated in paragraph 2.13 of the Notes, the group uses derivatives recorded at their fair value on the consolidated balance sheet. We have assessed the data and the assumptions made to determine this fair value and reviewed the computations made as at 31 December 2010.

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

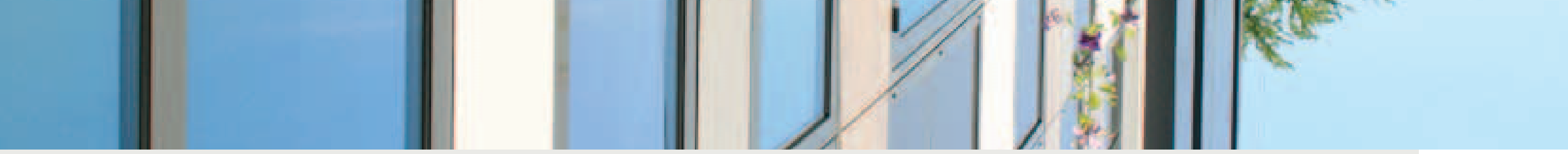
7.3 – Specific verifications

We have also verified the legally required information presented in the Group management report, in accordance with the code of professional conduct applicable in France.

We have no comments regarding their fairness and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, 24 March 2011
The Statutory Auditors

Expertise & Audit SA	PricewaterhouseCoopers Audit
3, rue Scheffer	63, rue de Villiers
75016 Paris	92200 Neuilly-sur-Seine
Hélène Kermorgant	Catherine Thuret

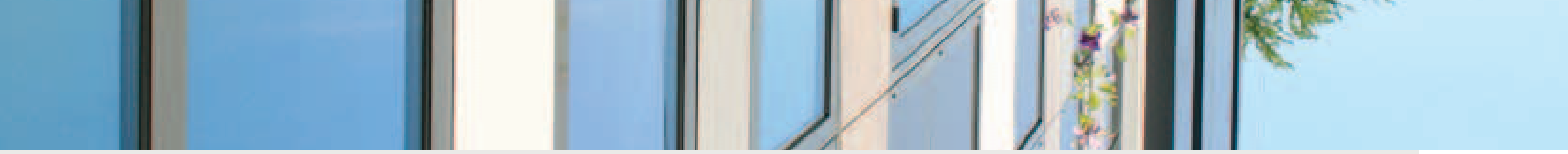


Corporate financial statements

CONTENTS

1 – BALANCE SHEET - **ASSETS**

	31/12/2010			31/12/2009	See notes
Euros	Gross	Impairments	Net	Net	
Intangible fixed assets					
Concessions, patents, licences, software	12,005		12,005	12,005	A
Tangible fixed assets					
Land	10,966,696	1,479,970	9,486,726	10,966,696	A
Buildings	19,374,310	1,987,306	17,387,004	17,970,220	A
Other tangible fixed assets	11,603	9,902	1,701	6,049	A
Construction work in progress			0	28,458	A
Long-term investments(1)					
Equity interests	256,588,432	4,485,967	252,102,465	245,308,437	A/H/I/FS 3
Dividends owed on equity interests	62,879,190		62,879,190	52,547,089	A/C/H
Other long-term investments	1,677		1,677		A
	349,833,912	**7,963,145**	**341,870,768**	**326,838,953**	
CIRCULATING ASSETS					
Inventories					
Advances and down payments on orders	25,939		25,939	74,694	
Receivables(2)					
Trade and related receivables	2,647,914	629,959	2,017,955	2,006,127	C/H
Other receivables	26,257,940		26,257,940	54,772,420	C/H
Marketable securities					
Treasury shares	7,514,635	1,969,227	5,545,408	5,048,444	FS 4/G
Other securities				1,113,561	G
Cash in hand and at bank	545,841		545,841	639,247	
Prepaid expenses(2)	219,902		219,902	533,247	C/E
	37,212,172	**2,599,186**	**34,612,985**	**64,187,740**	
Expenses amortised over several years	254,956			123,528	
GRAND TOTAL	**387,301,041**	**10,562,331**	**376,738,710**	**391,150,221**	**B/F**
(1) Including those at less than one year (gross)			*15,747,028*	*2,414,928*	
(2) Including those at more than one year (gross)					



2 – BALANCE SHEET – **LIABILITIES**

	31/12/2010	31/12/2009	See notes
Euros	Net	Net	
SHAREHOLDERS' EQUITY			
Capital (of which 27,961,420 paid:)	27,961,420	27,165,180	J/FS 1
Issue, merger and contribution premiums	34,477,782	35,897,847	IC 3
Reserves:			
- Legal reserve	2,716,518	5,550,819	
- Other reserves	215,933,372	223,817,931	
Retained earnings		3,301,198	
Net result for the year (profit or loss)	36,739,798	(10,666,955)	
Interim dividends	(10,680,106)		
	307,148,784	**285,066,019**	O
OTHER EQUITY			
PROVISIONS FOR CONTINGENCIES AND LOSSES			
Provisions for losses			K
DEBTS(1)			
Borrowings and debt owed to credit institutions(2)	36,634,875	90,877,159	L
Borrowings and financial debts	30,088,299	12,117,155	L/N
Trade and related payables	1,924,498	1,792,332	L/N
Tax and social liabilities	534,207	431,518	L
Payables to fixed asset suppliers and related accounts	15,987	45,982	L
Other debts	101,834	419,495	L/N
Prepaid income	290,226	400,561	Q
	69,589,926	**106,084,201**	
GRAND TOTAL	**376,738,710**	**391,150,221**	
(1) Including those at more than one year (a)	*12,634,251*	*12,841,426*	
(1) Including those at less than one year (a)	*56,955,675*	*93,264,775*	
(2) Including current bank loans and bank credit balances		*3,794*	

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

3 – INCOME STATEMENT

Euros	31/12/2010 France	31/12/2010 Abroad	31/12/2010 Total	31/12/2009 Total	See notes
Operating income[1]					
Production sold (services)	7,747,826		7,747,826	7,409,723	
Net turnover	**7,747,826**		**7,747,826**	**7,409,723**	R
Capitalised production			311		
Reversal of provisions and expense reclassifications			601,183	31,000	S
Other income			59	4	
			8,349,379	**7,440,727**	
Operating expenses[2]					
Other purchases and external expenses[a]			7,507,593	7,087,585	T/U
Taxes, duties and similar payments			415,530	287,341	
Wages and salaries			720,000	720,000	IC 2
Social security withholding payments			221,280	217,400	
Allocations to amortisation and provisions:					
- Amortisation of fixed assets			1,109,212	843,502	B
- Depreciation of fixed assets			1,479,970		K
- Depreciation of current assets			629,959		K
Other expenses			110,025	110,013	
			12,193,570	**9,265,841**	
OPERATING RESULT			**(3,844,192)**	**(1,825,114)**	
Financial income					
From equity interests[3]			39,982,766	16,104,027	
From other marketable securities and fixed asset receivables[3]					
Other interest and related income			748,201	439,878	
Recoveries on write-downs, provisions and expense transfer			14,415,329	4,157,935	
Realised gains on foreign exchange				6	
Net proceeds from the sale of marketable securities			48,818	165,792	
			55,195,114	**20,867,639**	
Financial expenses					
Allocations to amortisation, impairment and provisions			6,455,194	14,415,329	K
Interest and similar charges[4]			8,282,886	10,924,371	
Realised losses on foreign exchange			206	13	
Net losses on the sale of marketable securities			71,541	314,206	
			14,809,827	**25,653,920**	
NET FINANCIAL INCOME			**40,385,287**	**(4,786,281)**	
CURRENT PRE-TAX EARNINGS			**36,541,095**	**(6,611,395)**	

Euros	31/12/2010 Total	31/12/2009 Total	See notes
Extraordinary income			
On management transactions	152,301		
On capital transactions		9,350,000	
Reversal of amortisation, provisions and expense reclassifications			K
	152,301	**9,350,000**	
Extraordinary expenses			
On management transactions	560	35	
On capital transactions	1,038	13,423,525	
Allocations to depreciation and provisions			
	1,598	**13,423,560**	
EXTRAORDINARY RESULT	**150,704**	**(4,073,560)**	
Income tax	(48,000)	(18,000)	IC 6.3
Total income	63,696,794	37,658,366	
Total expenses	26,956,996	48,325,321	
NET PROFIT (LOSS	**36,739,798**	**(10,666,955)**	
(a) Including:			
- Equipment leasing instalments			
- Property leasing instalments			
(1) Including income relating to previous financial years			
(2) Including expenses relating to previous financial years			
(3)Including income relating to affiliated entities	*39,982,766*	*16,104,027*	
(4) Including interest relating to affiliated entities	*1,046,552*	*4,056,988*	

4 – APPENDIX

4.1 – 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 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.

4.2 – IMPORTANT FACTS

4.2.1 – CAPITAL TRANSACTIONS

4.2.1.1 – 2010 INTERIM DIVIDEND AND OPTION FOR PAYMENT IN SHARES

On 28 July 2010, the Board of Directors moved to distribute an interim dividend of €10,680,106, or €2 per share, in the light of the interim balance sheet closed at 30 June 2010, with an option of payment in shares or cash in accordance with the 3rd resolution adopted at the General Shareholders' Meeting of 20 May 2010.

An equity capital increase of €796,240 (159,248 shares) and a €5,898,546 increase in the issue premium were noted, in compliance with the decision of the Chief Executive Officer of 30 September 2010. New shares are issued at the price of €42.04, corresponding to 90% of the average market value of the 20 days of trading prior to the date on which the decision to distribute is made, minus the net amount of the interim dividend rounded up to the nearest centime.

To this end, the holders of 3,373,818 shares opted for payment of the interim dividend in shares and a cash payment of €52,850 was paid out to shareholders. The holders of remaining shares (totalling 1,966,235 shares) opted for payment in cash (€3,932,470).

4.2.2 – IMPAIRMENT OF SECURITIES

On 31 December 2010, Société de la Tour Eiffel recorded:

- a €322,989 impairment on the securities of SCI Marceau Bezons,
- a €4,162,978 impairment on the securities of SCI Malakoff Valette,
- and a reversal of impairment on securities totalling €11, 276,000 for SAS Locafimo and €717,510 for SCI Duranne Sud.

4.2.3 – ACQUISITIONS AND DIVESTMENTS OF FIXED ASSETS

4.2.3.1 – Investment property

The Company carried out partial waterproofing work on the building at St Cloud at year-end 2009. This work was billed at €56,916. The work was completed on 27 January 2010.

4.2.3.2 – Securities portfolio

On 22 July 2010, Société de la Tour Eiffel acquired from SCI du 153 Avenue Jean Jaurès an additional €4,985 interest in the SNC Tour Eiffel Asset Management.

On 25 May 2010, Société de la Tour Eiffel moved to dissolve SCI Duranne Sud without liquidation, thereby transferring all of the business assets of Duranne Sud to the sole partner. A corresponding unfavourable variance of €739,175 was recorded in the income statement.

Following the transfer of all the business assets of SCI Duranne Sud, a €717,510 reversal of provision for amortisation was booked for these securities.

4.2.4 – SHARE PURCHASE OR SUBSCRIPTION PLANS AND BONUS SHARE PLANS

On 31 December 2010, Société de la Tour Eiffel held 92,594 unallocated treasury shares valued at €7,313,778. These were written down to the average market value for the month of December 2010,
i.e. €57.74, for a total of €1,969,227.

4.2.5 – FINANCING

On 31 March 2010, Société de la Tour Eiffel fully repaid the "corporate" loan of €76,700,405 corresponding to the principal of €76,500,000 and interest of €200,405.

Financing costs staying under deferred expenses during the reimbursement of this loan were wholly amortised for a total of €34,152.

On 31 March 2010, Société de la Tour Eiffel took out a new €35,000,000 loan expiring 31 March 2011 with an option to extend it until 30 September 2011.

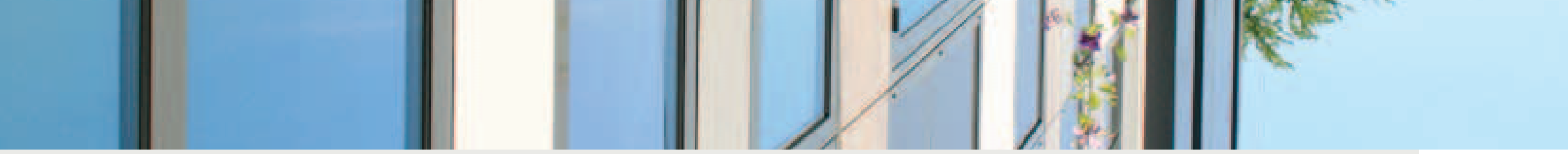
At the same time, Société de la Tour Eiffel hedged its interest rates with a 2% cap for a notional amount of €35,000,000.

Charges arising from this loan totalled €594,179 and were transferred to deferred expenses.

On 23 June 2010, Société de la Tour Eiffel transferred two caps to SAS LOCAFIMO, generating a financial profit of €57,028. The notional amounts transferred were €21,158,855 and €18,724,782, respectively.

4.2.6 – DIVIDENDS OWED ON EQUITY INTERESTS

Following the disposal of its real estate assets, during the 2010 financial year subsidiary SCI Lyon Genlis reimbursed the entire €3,000,000 loan it took out with Société de la Tour Eiffel on 23 March 2005.



4.3 – 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 2010.

Recognised items are valued by the historic costs method.

The main accounting methods used are as follows:

4.3.1 – ITANGIBLE FIXED ASSETS

4.3.1.1 – Land and buildings

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, Tour Eiffel Asset Management.

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

- 10% (Energy II building located in Vélizy, building located in Amiens)
- or 20% (building located in Saint-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 2010, the current state of the buildings does not require the allocation of provisions for major upkeep or refurbishing.

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 2010, a €1,479,970 provision for the building located in Amiens was recorded in the accounts pursuant to these valuations.

4.3.1.2 – 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).

4.3.2 – MARKETABLE SECURITIES AND TREASURY SHARES

4.3.2.1 – 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.

4.3.2.2 – 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.

4.3.2.3 – 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 for bonus share allocation plans, and based on the difference between this value and the purchase or subscription value for share purchase or subscription options. 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.

4.3.3 – 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.

4.3.4 – RECEIVABLES

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

At 31 December 2010, a €629,959 provision for a receivable of a lessee occupying the building located in Amiens was booked after it entered receivership.

4.3.5 – ONGOING AND EXTRAORDINARY RESULT

Extraordinary income corresponds to tax rebates.

4.3.6 – BOND ISSUE EXPENSES

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

4.3.7 – FUTURE FINANCIAL INSTRUMENTS - INTEREST HEDGING OPERATIONS

Société de la Tour Eiffel took out interest rate hedging contracts (caps and swaps) for itself and its subsidiaries with bank loans. The effects of these contracts are booked at the Société de la Tour Eiffel level.

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.

4.4 – ADDITIONAL INFORMATION

4.4.1 – STAFF

The company employs a Property Director.

4.4.2 – REMUNERATION OF MEMBERS OF MANAGEMENT AND GOVERNING BODIES

Board members' attendance fees paid in 2010 totalled €110,000. Gross remuneration paid to members of governing bodies for their director mandates totalled €220,000.

4.4.3 – APPROPRIATION OF 2009 EARNINGS

The Mixed General Meeting of 20 May 2010 voted to appropriate the loss of the 2009 financial year (€10,666,955) to retained earnings €3,301,198 and to the special reserve arising from the reduction of the nominal value of shares voted by the Mixed General Meeting of 14 May 2009 €7,365,757.

The Mixed General Meeting of 20 May 2010 voted to distribute the amount of €2 per share representing a total amount of €10,671,714. This sum was paid out on 28 May 2010. €518,802 of this amount was levied and deducted from the "Other reserves" item; €2,834,301 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; and the rest €7,318,611 from the issue premium.

4.4.4 – 2010 DISTRIBUTION

On 28 July 2010, the Board of Directors voted to distribute an interim dividend of €10,680,106 (€2 per share) in light of the intermediate balance sheet closing 30 June 2010.

A proposal to distribute the amount of €2.20 per share will be submitted to the General Meeting for a vote.

4.4.5 – APPROPRIATION OF THE SUBSIDIARIES' 2010 EARNINGS

Net financial income - up streaming the 2010 results

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 2010 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 2010, the net financial income of Société de la Tour Eiffel includes the proportionate shares in the 2010 earnings of those subsidiaries organised as non-trading real estate investment companies or as partnerships.

4.4.6 – TAXABLE INCOME - TRACKING OF THE OBLIGATIONS UNDER THE SIIC REGIME

Société de la Tour Eiffel reported a €36,740K profit corresponding to a €22,341K profit for tax purposes.

4.4.6.1 – Tax exempt income and tracking of the distribution obligations

The 2010 tax exempt income came to €22,825K and breaks down as follows:

- €7,045K from property rentals subject to an 85% distribution rate,
- €2,814K from capital gains from property disposals,
- €14,966K from dividends received from subsidiaries which opted for and are subject to a 100% distribution rate.

The distribution rate therefore went from €22,361K in 2011 to €1,407K in 2012.

Because of insufficient pre-tax income during the 2009 financial year, there is a deferred obligation to distribute €1,224K which it would be fit to perform during the first eligible financial year after fulfilling the obligations related to this financial year.

4.4.6.2 – Income liable to corporation Tax

The income liable to corporation tax for 2010 totalled -€2,484K, mainly equalling 1) the portion of expenses which cannot be allocated to the exempted activity; 2) the fees for non-performed investments, and 3) the upstreaming of the taxable tax income of the non-REIT subsidiary, SNC Tour Eiffel Asset Management.

4.4.6.3 – Income tax

The €48,000 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 in 2010.

4.4.7 – SHARE SUBSCRIPTION OPTION PLANS

4.4.7.1 – Summary table of the share option plans issued, granted and expired

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 or cancelled options	Potential number of shares
12 May 2005	26/12/2005	from 26/12/2005 at 26/12/2010	65.95	115,689	1,250	114,439	0
	22/03/2006	from 22/03/2006 at 22/03/2011	80.73	29,594		29,594	0
	17/05/2006	from 17/05/2006 at 17/05/2011	80.84	11,103	1,500	6,960	2,643
17 May 2006	14/09/2006	from 14/09/2006 at 14/09/2011	92.13	137,314	-	135,844	1,470
	29/03/2007	from 29/03/2007 at 29/03/2012	114.64	24,182	-	23,366	816
29 March 2007	16/10/2007	from 16/10/2007 at 16/10/2012	111.15	26,931	-	26,931	0
	11/12/2008	from 11/12/2008 at 11/12/2013	32.87	28,198	-		28,198
	15/10/2009	from 15/10/2009 at 15/10/2014	45.95	28,427	-		28,427
TOTAL				**401,438**	**2,750**	**337,134**	**61,554**

4.4.8 – ALLOCATION OF BONUS SHARES

4.4.8.1 – Summary table of bonus shares issued and granted

General Shareholders' Meeting date	Date granted by the Board of Directors	Final granting date	Minimum holding period	No. of bonus shares allocated
17 May 2006[(a)]	12/02/2007	12/02/2009	2 years	1,200
29 March 2007[(b)]	16/10/2007	16/10/2009	2 years	8,550
TOTAL				**9,750**

(a) Authorisation to allocate 20,000 existing or yet-to-be issued shares.
(b) Authorisation to allocate 60,000 existing or yet-to-be issued shares.

All of the bonus shares allocated were delivered under the buyback scheme.

4.4.8.2 – Theoretical dilutive effect on earnings per share

The theoretical dilutive effect on 2010 earnings per share would be:

- 2010 net loss per share: €6.57
- Theoretical diluted net income per share for 2010: €6.51

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.

4.4.9 – FINANCIAL COMMITMENTS

4.4.9.1 – Given commitments

Commitments made are as follows:

- A guarantee totalling €127,282K for all sums due by subsidiaries under the line of credit master agreement,
- 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,
- Pledge of a securities account holding SAS Locafimo shares as collateral for the financing bank,
- 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,
  - Étupes de l'Allan,
- On 14 January 2008, a first lien mortgage was given to Société Générale when it extended a €4,000,000 loan to finance the building in Amiens,
- On 16 January 2008, a first lien mortgage was given to Société Générale when it extended a €9,700K loan to finance the building in Saint-Cloud,
- On 31 March 2010, in conjunction with the €35,000,000 loan granted by Natixis, a first mortgage worth €11.4 bn plus 10% of fees and accessories was given to the bank on the "Energy II" building located in Vélizy.
- The "Energy II" building located in Vélizy, acquired on 20 December 2006, will be kept for a 5-year term in accordance with the requirements of Article 210 E of the General Tax Code under the "SIIC 3" tax scheme,
- Saint Cloud building, acquired on 16 January 2008, will be kept for a 5-year term in accordance with the requirements of Article 210 E of the General Tax Code under the "SIIC 3" tax scheme,
- The Amiens building, acquired on 14 January 2008, will be kept for a 5-year term in accordance with the requirements of Article 210 E of the General Tax Code under the "SIIC 3" tax scheme,
- The equity stake in SCI Arman F02 is maintained with an agreement not to require repayment of the subordinated loans extended to it during the term of SCI Arman F02's credit agreement entered into with Société Générale and Crédit Foncier de France,
- Keep its equity stake in SCI Arman Ampére and pledge it following amendment 1 dated 31 March 2009 as collateral for the loan extended to SCI Arman F02 on 28 March 2008 by Société Générale and Crédit Foncier de France,
- On 11 December 2009 Société de la Tour Eiffel pledged to repay Calyon 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.
  On 31 December 2010, the last payment of the CPI (€85,000) corresponding to the term of the defects liability insurance is outstanding to Normandie Aménagement.

- On 26 April 2010, the Company agreed to reimburse Crédit Agricole for any amount which may be claimed by the beneficiary (Cirmad Grand Sud) of the First Demand Guarantee issued 26 April 2010 by Crédit Agricole for SCI Nowa,
- 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 initial action programme spanning several years was increased by €50,000 during 2010 following the amendment of 27 May 2010. 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 2010 is €30,000.

4.4.9.2 – 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 (ex-Engel)	3,000,000
SCI Marceau Bezons	10,000,000
TOTAL	**23,000,000**

The commitments received for cap contracts totalled €26,000,000.

4.4.10 – RECIPROCAL COMMITMENTS

The reciprocal commitments received for swap contracts totalled €130,895,118.

On 3 February 2011 the company signed a commitment to sell for its building located in Amiens, for a total amount of €3,225,000. The sale may not be finalised before 31 January 2013.

4.4.11 – FINANCING OF THE SUBSIDIARIES

4.4.11.1 – 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.

4.4.11.2 – Subordinated loans

Société de la Tour Eiffel, as lender, lends 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.

4.4.12 – 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 2010. 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: 4.68%
- wage increases: 3.92%
- employer social security contributions: 50%
- employer's contribution: 50%
- asset mobility: average
- voluntary retirement at age 65.

These commitments were assessed at €18,295 as of 31 December 2010.

4.4.13 – SEVERANCE PACKAGE

The total severance package which may be paid to the Real Estate Director in the event that the company requires his retirement is limited to 2 years' wages (fixed and variable).

4.4.14 – RIGHT TO PROFESSIONAL TRAINING

The company's commitment to the sole employee as part of the French "right to professional training" (DIF) scheme totalled 126 hours at the close of the financial year.

NOTES

4.5 – ASSETS

A – FIXED ASSETS

Framework A (euros)	Gross value	Increases	
	Beginning of year	Revaluations	Acquisitions
Intangible fixed assets			
Other intangible fixed assets	12,005		
Total I	**12,005**		
Tangible fixed assets			
Land	10,966,696		
Buildings on own land	19,314,374		59,935
Office equipment and furnishings	13,601		
Construction work in progress	28,458		
Total II	**30,323,129**		**59,935**
Financial fixed assets			
Equity interests	257,301,947		4,985
Receivables on equity interests	52,547,089		14,075,091
Other long-term investments			1,677
Total III	**309,849,036**		**14,081,753**
GRAND TOTAL (I + II + III)	**340,184,170**		**14,141,688**

Framework B (euros)	Decreases		Gross value at year end	Revaluations Value of origin
	Reclassifications	Disposals		
Intangible fixed assets				
Other intangible fixed assets			12,005	12,005
Total I			**12,005**	**12,005**
Tangible fixed assets				
Land			10,966,696	10,966,696
Buildings on own land			19,374,310	19,374,310
Office equipment and furnishings		1,998	11,603	11,603
Construction work in progress	28,458		0	0
Total II	**28,458**	**1,998**	**30,352,609**	**30,352,609**
Financial fixed assets				
Equity interests		718,500	256,588,432	256,588,432
Receivables on equity interests		3,742,990	62,879,190	62,879,190
Other long-term investments			1,677	1,677
Total III		**4,461,490**	**319,469,298**	**319,,469,298**
GRAND TOTAL (I+II + III)	**28,458**	**4,463,488**	**349,833,912**	**349,833,912**

B – DEPRECIATION

Framework A (euros)	Position and movements during the year			
Depreciable fixed assets	Beginning value	Increases Allocations	Decreases Exits/Reversals	Value at period end
Tangible fixed assets				
Constructions on own land	1,344,154	643,151		1,987,306
Office and data processing equipment, furniture	7,553	3,310	960	9,902
Total	1,351,707	646,461	960	1,997,208
GRAND TOTAL	**1,351,707**	**646,461**	**960**	**1,997,208**

Cadre B Framework bamortised 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	123,528	594,179	462,751	254,956

C – RECEIVABLES AND DEBT STATEMENTS

Receivables and debt statements (euros)	Gross amount	Under 1 year	Over 1 year
Fixed assets			
Dividends owed on equity interests	62,879,190	15,747,028	47,132,162
Other long-term investments	1,677	1,677	
Current assets			
Clients with solvency difficulties or with whom litigation is underway	751,632	751,632	
Other trade receivables	1,896,282	1,896,282	
Personnel and related accounts	8,758	8,758	
Income tax	156,000	156,000	
Value-added tax	373,039	373,039	
Group and partners	25,562,152	25,562,152	
Non-trade receivables	157,991	157,991	
Prepaid expenses	219,902	219,902	
TOTAL	**92,006,623**	**44,874,461**	**47,132,162**

D – ACCRUED INCOME

Euros	31/12/2010	31/12/2009
Receivables on equity interests	266,459	266,726
Trade and related receivables	1,328,158	1,476,085
Other receivables	294,225	459,645
GRAND TOTAL	**1,888,842**	**2,202,456**

E – PREPAID EXPENSES

Euros	31/12/2010	31/12/2009
Various prepaid expenses	161,034	101,425
Public relations prepaid expenses	41,618	17,837
Cap premiums prepaid expenses	17,250	413,986
GRAND TOTAL	**219,902**	**533,247**

F – DEFERRED EXPENSES

Euros	31/12/2010	31/12/2009
DEBT ISSUANCE COSTS	254,956	123,528
GRAND TOTAL	**254,956**	**123,528**

G – 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 2010, Société de la Tour Eiffel held 3,447 treasury shares for a gross amount of €200,856 under the liquidity agreement.

At 31 December 2010, Société de la Tour Eiffel held 92,594 treasury shares for a gross amount of €7,313,778 under the share repurchase programme.

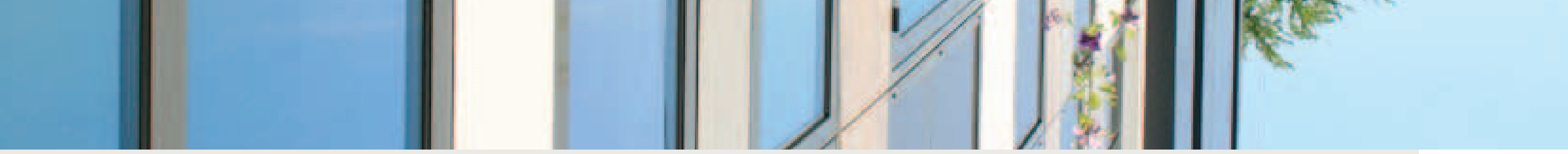
H – ITEMS RELATING TO SEVERAL BALANCE SHEET ITEMS (DECREE 83-1020 OF 29-11-1983 - ARTICLES 10 AND 24-15)

Euros

	Amount concerning companies		Total debts or receivables represented by trade bills
Items relating to several balance sheet items	that are affiliates	with which the company is linked by equity	
Financial fixed assets			
Equity interests	252,102,465		
Dividends owed on equity interests	62,879,190		
TOTAL FIXED ASSETS	**314,981,655**		
Receivables			
Trade and related receivables	1,569,503		
Other receivables	25,562,152		
TOTAL RECEIVABLES	**27,131,655**		

I – TABLE OF SUBSIDIARIES AND EQUITY INTERESTS AT 31/12/10

Financial Subsidiaries Equity interests	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 which are not yet reimbursed
				Gross	Net	
I- DETAILED INFORMATION ON EACH SECURITY WHOSE GROSS VALUE EXCEEDS 1% OF THE CAPITAL OF THE COMPANY BOUND TO PUBLICATION						
1 - Subsidiaries (over a 50% equity interest)						
SCI JEAN-JAURÈS	152		99.00	5,106,124	5,106,124	798,297
SCI NOWA	5,293,090	6	99.99	14,526,401	14,526,401	12,728,679
SCI BERGES DE L'OURCQ	1,000		99.00	990	990	5,427,631
SCI COMETE	1,000		99.00	16,375,070	16,375,070	1,091,048
SCI CHAMPIGNY CARNOT	1,000		99.00	990	990	11,524,510
SCI ETUPES DE L'ALLAN	1,000		99.00	990	990	6,326,085
SCI LYON GENLIS	1,000		99.00	990	990	15,044
SCI CAEN COLOMBELLES	1,000		99.00	990	990	10,587,387
SCI ARMAN F02	11,192,100	5,735,836	99.99	20,254,699	20,254,699	15,432,912
SCI MALAKOFF VALETTE	1,000	700,000	100.00	4,863,978	701,000	6,682,221
SCI MARCEAU BEZONS	10,000		99.90	1,003,944	680,955	784,008
SAS LOCAFIMO	3,989,590	88,879,846	100.00	190,333,743	190,333,743	
SCI GRENOBLE PONT D'OXF.	1,000		99.00	990	990	3,872,187
SCI RUEIL NATIONAL	1,000		99.00	990	990	12,651,119
SNC TOUR EIFFEL ASSET MANAGEMENT	150,000		100	4,117,533	4,117,533	716,135
2 - Equity interests (from 10 to 50% of the capital held)						
II- GENERAL INFORMATION ON SECURITIES WHOSE GROSS VALUE DOES NOT EXCEED 1% OF THE CAPITAL OF THE COMPANY BOUND TO PUBLICATION						
1 – Subsidiaries:						
a) French (all)						
b) Foreign (all)						
2 - Participating interests:						
a) French (all)	1,000		1,00	10	10	
b) Foreign (all)						



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Financial Subsidiaries Equity interests	Sureties and guarantees given by the Company	Turnover excluding tax from the previous financial year	Net profit or loss from the previous financial year	Dividends received by the Company during the financial year	Comments
I- DETAILED INFORMATION ON EACH SECURITY WHOSE GROSS VALUE EXCEEDS 1% OF THE CAPITAL OF THE COMPANY BOUND TO PUBLICATION					
1 - Subsidiaries (over a 50% equity interest)					
SCI JEAN-JAURÈS	12,745,784	2,714,205	1,568,389	1,414,091	
SCI NOWA	36,392,715	9,791,076	5,180,155	3,787,593	
SCI BERGES DE L'OURCQ	7,860,668	1,385,856	593,369	645,267	
SCI COMETE	24,252,059	4,172,805	2,547,304	2,650,832	
SCI CHAMPIGNY CARNOT	17,674,038	3,279,824	1,505,160	1,618,481	
SCI ETUPES DE L'ALLAN	9,261,650	1,910,009	705,329	706,317	
SCI LYON GENLIS	0	176,860	277,043	375,320	
SCI CAEN COLOMBELLES	21,961,199	3,584,583	1,840,307	1,975,852	
SCI ARMAN F02	2,000,000	6,878,024	5,363,682	5,461,947	
SCI MALAKOFF VALETTE	0	1,068,181	7,065,780	759,154	
SCI MARCEAU BEZONS	4,380,222	475,288	-76,545	12,205	
SAS LOCAFIMO		36,559,823	3,878,299	9,973,975	
SCI GRENOBLE PONT D'OXF.	6,929,233	1,027,419	265,472	294,253	
SCI RUEIL NATIONAL	22,597,713	2,903,658	1,321,790	1,313,365	
SNC TOUR EIFFEL ASSET MANAGEMENT		4,511,668	526,337	311,915	
2 - Equity interests (from 10 to 50% of the capital held)					
II- GENERAL INFORMATION ON SECURITIES WHOSE GROSS VALUE DOES NOT EXCEED 1% OF THE CAPITAL OF THE COMPANY BOUND TO PUBLICATION					
1 - Subsidiaries:					
a) French (all)					
b) Foreign (all)					
2 - Participating interests:					
a) French (all)		602,219	3,559,715		
b) Foreign (all)					

4.6 – LIABILITIES

J – COMPOSITION OF SHARE CAPITAL (DECREE 83-1020 OF 29-11-1983 - ARTICLE 24-12)

Euros

Different categories of securities	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**	**5,433,036**	**159,248**		**5,592,284**

K – 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	
Provisions for expenses					
Total I					
Impairments					
On tangible fixed assets		1,479,970			1,479,970
Long-term investments	11,993,510	4,485,967		11,993,510	4,485,967
On client accounts		629,959			629,959
Other impairments	2,421,819	1,969,227		2,421,819	1,969,227
Total II	**14,415,329**	**8,565,123**		**14,415,329**	**8,565,123**
GRAND TOTAL (I+II)	**14,415,329**	**8,565,213**		**14,415,329**	**8,565,123**
Of which allocations and reversals: *- operations* *- financial* *- extraordinary*		 *2,109,929* *6,455,194*		 *14,415,329*	

L – INDEBTEDNESS STATEMENTS

Indebtedness statement (Euros)	Gross amount	Under 1 year	From 1 to 5 years	Over 5 years
Bank borrowings:				
- under one year maximum at the start	677,158	677,158		
- over one year at the start	35,957,717	23,505,617	12,452,100	
Loans and various financial debts	182,151			182,151
Trade and related payables	1,924,498	1,924,498		
Personnel and related accounts	6,600	6,600		
Social security and other social welfare agencies	106,242	106,242		
Value-added tax	420,844	420,844		
Other duties, taxes and comparable payments	460	460		
Payables to fixed asset suppliers and related accounts	15,987	15,987		
Group and partners	29,906,149	29,906,149		
Other debts	101,834	101,834		
Prepaid income	290,226	290,226		
TOTAL	**69,589,926**	**56,955,675**	**12,452,100**	**182,151**

M – DETAIL OF ACCRUED EXPENSES

Euros	31/12/2010	31/12/2009
Bank borrowings	714,526	1,183,715
Miscellaneous borrowings and financial debts	226,856	102,494
Trade notes and accounts payable	1,790,058	1,624,440
Tax and social liabilities	27,465	46,956
Payables to fixed asset suppliers and related accounts		
Other debts	71,354	359,361
GRAND TOTAL	**2,830,259**	**3,316,966**

N – 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 that are affiliates	Amount concerning companies with which the company is linked by equity	Total debts or receivables represented by trade bills
Debts			
Miscellaneous borrowings and financial debts	29,796,148		
Trade notes and accounts payable	1,141,742		
Other debts	347		
TOTAL DEBTS	**30,938,238**		

O – CHANGE IN EQUITY CAPITAL (IN EUROS)

	Capital	Premiums	Legal reserve	Reserves	Special reserve	Retained earnings	Net profit (loss)	Dividends	Total
AT 31/12/2008	**249,264,144**	**42,652,927**	**4,141,781**	**518,802**		**1,993,279**	**28,180,742**	**(17,820,390)**	**308,931,286**
GSM of 14 May 2009									
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)
Board meeting at 10/06/2009									
Reduc. nominal value	(223,299,129)				223,299,129				
Capital increase	1,200,165	3,922,139							5,122,304
OSM at 15/10/2009									
Distribution		(10,677,220)							
2009 net loss							(10,666,955)		(10,666,955)
AT 31/12/2009	**27,165,180**	**35,897,846**	**5,550,819**	**518,802**	**223,299,129**	**3,301,197**	**(10,666,955)**	**0**	**308 931,286**
GSM of 20 May 2010									
Appropriation of net profit					(7,365,757)	(3,301,197)	10,666,955		
Distribution		(7,318,611)	(2,834,301)						(10,671,714)
Board meeting at 28/07/10									
2010 interim dividend	796,240	5,898,545						(10,680,106)	(3,985,321)
2010 net loss							36,739,798		36,739,798
AT 31/12/2010	**27,961,420**	**34,477,781**	**2,716,518**	**0**	**215,933,372**	**0**	**36,739,798**	**(10,680,106)**	**307,148,784**

P – SUMMARY OF INTEREST RATE HEDGING INSTRUMENTS (IN EUROS)

CAP

Period	Rate	Notional at 31/12/2010
29/03/2010 to 30/09/2011	2%	26,000,000

SWAP

Period	Rate	Notional at 31/12/2010
01/08/2006 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.1%	55,419,315
02/05/2007 to 07/06/2013	Variable rate 3-month Euribor as against a fixed rate of 4.1875%	62,634,378
01/02/2008 to 16/01/2015	Variable rate 3-month Euribor as against a fixed rate of 4.36%	9,120,425
14/01/2008 to 14/01/2015	Variable rate 3-month Euribor as against a fixed rate of 4.20%	3,721,000

Q – DETAIL OF PREPAID INCOME

	31/12/2010	31/12/2009
Operating revenues	290,226	400,561
GRAND TOTAL	**290,226**	**400,561**

4.7 – INCOME STATEMENT

R – 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 Group subsidiaries for real estate, administration, asset management, financing and consulting services rendered, as well as by the rents and expenses rebilled to the tenants in the "Energy II", Saint-Cloud and Amiens properties.

S – TRANSFERS OF EXPENSES

During 2010, €594,179 in debt issuance expenses were transferred to operating expenses.

T – STATUTORY AUDITORS' FEES

During 2010, the statutory auditors' fees totalled €265,804 for the legal audit of the financial statements.

U – TRANSACTIONS PERFORMED WITH RELATED PARTIES

Société de la Tour Eiffel gave Bluebird Investissements the task of helping the top executives to manage both the existing property portfolio and subsequent acquisitions of new buildings. In relation to this contract, Bluebird Investissements receives an annual lump sum remuneration of €670,000. This contract took indefinite effect on 17 January 2007, with a 2-year notification period for cancellation. The contract was concluded under normal market condition between these companies with executives in common.

4.8 – OTHER

CASH FLOW STATEMENT

(Euro)	2010	2009
Net income	36,739,798	(10,666,955)
Elimination of income and expenses not affecting cash:		
+ Amortisation and provisions	7,701,798	12,837,013
- Reversal of amortisation and provisions	(11,993,510)	(969,695)
- Value of disposed assets	1,038	13,423,525
- Disposal of long-term investments		(9,350,000)
Change in WCR	(778,846)	(162,980)
Cash flow from operating activities	**31,670,277**	**5,110,907**
- Acquisition of fixed tangible and intangible assets	(27,130)	(707,362)
- Acquisition of long-term investments	14,708,750	(31,209,160)
- Deferred expenses	(594,179)	168,558
+ decrease in long-term investments and current account	22,431,597	21,354,194
+ decrease in tangible and intangible fixed assets		
Cash flow linked to investment transactions	**36,519,038**	**(10,393,770)**
- Distribution of dividends	(15,453,274)	(13,198,311)
- Capital variations	796,240	
- Net variation in financial debts	(54,242,284)	4,089,616
Cash flow linked to financing transactions	**(68,899,317)**	**(9,108,695)**
Cash flow at opening	6,801,252	21,192,809
Cash flow at closing	6,091,249	6,801,252
CASH FLOW VARIATION	**(710,002)**	**(14,391,558)**

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

5 – STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(Financial year ended 31 December 2010)

To the shareholders of:

Société de la Tour Eiffel "Société anonyme" (public limited company) with capital of 27,961,420 euros	20-22 rue de la Ville-l'Évêque 75008 PARIS

In carrying out the mission entrusted to us by your General Shareholders' Meeting, we present our report for the year ended 31 December 2010 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.

5.1 – 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.

5.2 – Basis of our appraisals

In application of Article L. 823-9 of the French Commercial Code, concerning the basis of appraisals, we should like to inform you that the appraisals we performed concerned the appropriateness of the accounting principles used as well as the reasonableness of the significant estimates used, particularly concerning:

- 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 work consists in examining the methodology used by the experts to determine that their assessments back the net book values of the real estate assets.
- 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 subject to 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.

5.3 – 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 their 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, 24 March 2011
The Statutory Auditors

Expertise & Audit SA
3, rue Scheffer
75016 Paris
Hélène Kermorgant

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

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

(Financial year ending 31 December 2010)

To the shareholders of:

Société de la Tour Eiffel "Société anonyme" (public limited company) with capital of 27,961,420 euros	20-22 rue de la Ville-l'Évêque 75008 PARIS

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

We are responsible for reporting on the essential characteristics and terms and conditions of the possible agreements and commitments of which we are informed or which we may discover during the performance of our duties, without having either to render an opinion as to their utility and merit or to seek out the existence of other agreements and commitments. 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.

If applicable, we are also responsible for reporting information addressed under article R. 225-31 of the French Commercial Code relating to the performance during the previous financial year of agreements and commitments already approved by the General Meeting.

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 in verifying that the information given to us was consistent with that provided in the primary documents from which it came.

Agreements and commitments submitted to the General Meeting for approval

Agreements and commitments authorised during the ended financial year

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed on the following agreements and commitments which were previously authorised by your Board of Directors.

- Amendment no. 4 to the contract committing the subsidiaries to the asset management master agreement entered into with Tour Eiffel Asset Management (Board Meeting of 14 October 2010)

On 25 October 2010, 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 Tour Eiffel Asset Management paid for by your company in 2010 under this contract came to €150,000.

Directors involved: Mark Inch, Robert Waterland and Jérôme Descamps

Agreements and commitments already approved by the General Meeting

Commitments and agreements approved during previous financial years which continued into the last financial year

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments already approved by the General Shareholders' Meetings during previous financial periods continued into the financial year.

- With Tour Eiffel 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 Tour Eiffel Asset Management during the 2010 financial year came to €4,455,127.

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 €3,858,019.
- 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 €1,296,205 for management costs.
- The standardised contract forms entered into with RBS concerning certain subsidiaries continued.

	The amounts committed as of 31 December 2010 were:
SCI DES BERGES DE L'OURCQ	€7,836,962
SCI COMÈTE	€24,180,924
SCI CHAMPIGNY CARNOT	€17,622,197,
SCI 153 AVENUE JEAN-JAURÈS	€12,708,398
SCI CAEN COLOMBELLES	€21,894,968
SCI ÉTUPES DE L'ALLAN	€9,233,719
SCI MARCEAU BEZONS	€4,367,374
SCI GRENOBLE PONT D'OXFORD	€6,908,336
SCI RUEIL NATIONAL	€22,529,563

• With BLUEBIRD INVESTISSEMENTS

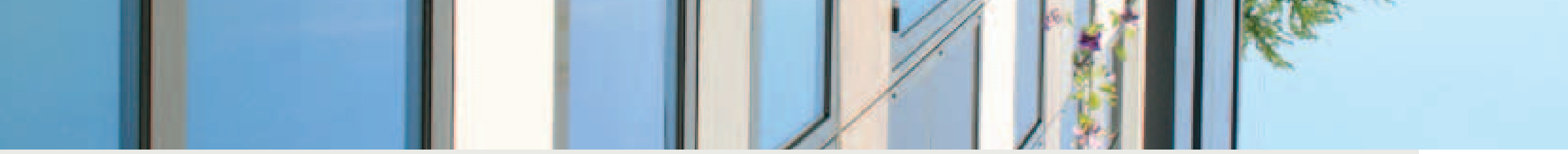
This contract, which gives BLUEBIRD INVESTISSEMENTS the task of helping the top executives to manage the existing property portfolio and subsequent acquisitions of new buildings, resulted in the payment of €670,000 for the 2010 financial year.

• Amendment to Mr. Robert Waterland's employment contract

Mr. Robert Waterland received a gross remuneration of €500,000 for the 2010 financial year as Property Director responsible for the management and the growth of your company's property portfolio and those of its subsidiaries.

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

The performance condition required in case of a redundancy or breach of contract package is that the consolidated operating cash flow on a like-for-like basis, excluding capital gains from disposals, increases by more than 5% of the average of the three previous financial years. This condition would not apply to compensation in lieu of notice which may be paid if Mr Waterland is authorised not to work during his notice.



Commitments and agreements approved during previous financial years that were not performed during the ended financial year

We were also informed that the following agreements and commitments approved by the General Meeting during previous financial years, were not performed during the last financial year.

- With 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 any royalties on the trademark which FANAR may receive over a 5-year period with the understanding that the amount relinquished must not exceed 30% of Fanar Investment Holding Limited's profit.

Fanar Investment Holding Limited did not pay any amount under this contract in 2010.

Paris and Neuilly-sur-Seine, 24 March 2011
The Statutory Auditors

Expertise & Audit SA	PricewaterhouseCoopers Audit
3, rue Scheffer	63, rue de Villiers
75016 Paris	92200 Neuilly-sur-Seine
Hélène Kermorgant	Catherine Thuret

Report of the chairman

on the composition of the Board of Directors, the terms and conditions for preparing and organising the undertaking of your Board of Directors responsibilities and your Company's internal control and risk management procedures

Ladies and Gentlemen,

In accordance with Article L 225-37 paragraph 6 of the Commercial Code, 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 control and risk management procedures;
- possible limitations made by the Board of Directors to the Managing Director's powers.

Corporate Governance

On 11 December 2008 the company adopted the Afep-Medef Code of Corporate Governance for listed companies of December 2008, updated in April 2010 (available on the Site of the Medef www.medef.fr) and is gradually implementing its recommendations.

During fiscal 2010, the following recommendations in particular were adopted by the company:

- The task of selecting directors and executive officers, previously carried out by the Board of Directors, was entrusted on 9 December 2010 to the Compensation Committee which has been transformed into an Appointment and Remunerations Committee.
- An evaluation of the Board of Directors was carried out in December 2010/January 2011, the collective results of which have been summarised and integrated into this report.

Certain recommendations will be implemented in 2011:

- Increasing the proportion of independent directors, which must be half the number of a Board of Directors in a joint stock company. Of the six non-executive directors, two directors have been in office for over twelve years and therefore do not meet the qualification of independence posed by the Afep-Medef code. The mandates of these directors expire at the next ordinary general meeting on 18 May 2011 and cannot be renewed because of the statutory clause concerning the age limit for directors.
- The two new prospective directors, if appointed by the next general meeting, will meet the independence criteria established by the Afep-Medef code. One of them is a woman. Besides its intrinsic interest, this candidacy satisfies the statutory requirement concerning the quota of women and men on Boards and the recommendations of the Afep-Medef code in its April 2010 version.
- Rules for awarding free shares to executives: the authorisation to be submitted to the next extraordinary general meeting on 18 May 2011 enabling the Board to award free shares, includes performance criteria for executive officers, as recommended by the Afep-Medef code.

1 – COMPOSITION OF THE BOARD OF DIRECTORS CONDITIONS FOR PREPARING AND ORGANISING THE UNDERTAKING OF BOARD OF DIRECTORS' RESPONSIBILITIES

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 senior 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 remuneration received by the directors comprise attendance fees. In 2010, the allocation of these fees took into account, in addition to assiduity, the directors' attendance at Committee meetings, or the chairing of Committees.

Out of a total of nine members, the Board comprises four independent Directors and two Directors who have no relationship with the Company, its Group or its senior management which could compromise the exercise of their free judgement.

On 29 July 2008, the Board of Directors appointed an audit committee and a remunerations committee which serve in an advisory role. By a decision of the Board of Directors on 9 December 2010, the Remunerations Committee was transformed into the Appointment and Remunerations Committee. No Company executive is a member of either of these Committees.

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 six times, with an average attendance rate of 91%:

- 10 March 2010:
  - Closed the individual and consolidated financial statements at 31 December 2009, dealt with appropriation of earnings, prepared and called the annual shareholder's meeting,
  - Authorised sureties, backings and guarantees,
  - Refinancing of a loan maturing on 31 March 2010.

- 20 May 2010:
  - Rate hedging policy,
  - Choice of modus operandi of the Board (dual capacity of Chairman and Managing Director)
  - Reappointed Mr. Mark Inch as Chairman of the Board and CEO,
  - Reappointed Mr. Robert Waterland and Mr. Jérôme Descamps as Deputy Managing Directors
  - Presentation of the 2010-2014 Business Plan,
  - Response to possible written questions put by the shareholders (no questions asked).

- 15 June 2010:
  - Possible development in Massy/Ampère of 80,000 sq.m.

- 28 July 2010:
  - Reviewed and closed the consolidated and individual financial statements at 30 June 2010, half-yearly activity report,
  - Decision to distribute an interim dividend payment, option in cash or scrip,
  - Renewed the terms of office of the members of the Audit and Remunerations Committees
  - Rotation of the statutory auditors.

- 14 October 2010:
  - Result of the payment in cash and stock, of the interim dividend,
  - Carried out an ABS survey (analysis bearer shares),
  - Amendment no. 4 to the adhesion contract dated 30 November 2006.

- 9 December 2010:
  - Established the first annual self-evaluation of the Board,
  - Internal control: development and presentation of work in 2010,
  - Allocation of the attendance fees.

Moreover, at every meeting, the Board received a report by the senior management on business, the property portfolio, and the Group's cash position, and discusses the company's investment, financing and disposal strategies.

Directors' notification

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

The quarterly operating and six-monthly corporate reports, the updated business plan together with changes in the group's cash position and funding are also forwarded to the directors.

Providing reports to the directors

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

The quarterly operating and six-monthly corporate reports, the updated business plan together with changes in the group's cash position and funding are also forwarded to the directors.

Holding meetings

The Board meetings are usually held at the head office. However, the meeting of 14 October 2010 was held in Bordeaux, prior to the awards ceremony of the contest organised by the Société de la Tour Eiffel Foundation and included a visit to the Group's Bordeaux Business Park. Directors are entitled to attend board meetings by teleconference. 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 remit

According to the articles of association, the Board of Directors defines the parameters 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 decisions.

It also reviews the property investment and financing strategies, the financial statements, budgetary procedures and Group organisation as well as audit and internal controls.

Committees

Two specialised committees, the Audit Committee and the Appointment and Remunerations Committee, assist the Board.

Audit committee

This committee was appointed by the Board of Directors on 29 July 2008.

It currently consists of four members: Mr. Michel Gauthier, Chair, Mr. Mark Allez, Mr. Philip Prouillac, whose mandates were renewed for a period of one year in July 2010, and Mr. Renaud Haberkorn, who was appointed on 9 December 2010. They were chosen by the Board for their competence and qualifications in finance and accounting.

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 on any accounting, financial or fiscal matter brought before it or which it deems worthy of attention. It regularly informs the Board of its diligence and observations.

Its remit includes the following:

- 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 reports to the Board of directors.

During 2010, the Audit Committee met six times to discuss the following:

- 12 January: meeting with the valuers of properties as at 31 December 2009,
- 4 March: meeting with the auditors on the 2009 accounts,
- 26 July: meeting with the valuers followed by a meeting with the auditors for the half-yearly financial statements,
- 9 December: meeting on internal control and risk monitoring.

The attendance rate of the members of the Board was 100%.

Appointment and Remunerations Committee

This committee was appointed by the Board on 29 July 2008 and transformed into the Appointment and Remunerations Committee on 9 December 2010. It currently consists of four members: Mr. Claude Marin, Chair, Mr. Mark Allez, Mr. Philip Prouillac, whose mandates were renewed for a period of one year in July 2010, and Mr. Aimery Langlois-Meurinne, who was appointed on 9 December 2010. They were chosen by the Board in particular because of their experience in management and human resources.

The Appointment and Remunerations Committee makes sure that the remuneration of the company senior executives, and any changes made thereto, is in keeping with the shareholders' interests and the company's performance, in particular in relation to 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 beneficiary parameters and a breakdown by category,
- fixing the amount of the attendance fees and their allocation,
- 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 severance packages.

With regard to the selection of new non-executive directors: the required balance of the composition of the Board given the structure of, and developments in the company's share ownership, search for and evaluation of potential candidates, opportunities for reappointments. In particular, the organisation of a procedure for selecting future independent directors and vetting of potential candidates.

Regarding the succession of executives: establishing an executive succession plan in order to submit to the Board alternative solutions in the event of an unforeseen vacancy. This is one of the main responsibilities of the standing committee, but it may be entrusted by the Board to an *ad hoc* committee if necessary.

It reports to the Board of directors.

During 2010, the Appointment and Remunerations Committee met three times. It addressed the following issues:

- a proposal to apply performance criterion to the conditions for allocating bonus shares or stock options to executives;
- a proposed method for calculating this criterion;
- the possibility of including Mr. Frédéric Maman in the company executives' compensation schedule.

The attendance rate of the members of the Board was 88.9%.

Rules of procedure

The rules, established on 6 July 2006, are available on the company website: www.societetoureiffel.com.

Principles and rules drawn up by the Board of Directors to determine director compensation packages

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 receives remuneration from his employment contract as property manager. As Deputy Managing Director, Mr. Jérôme Descamps is remunerated exclusively under his employment contract with Tour Eiffel Asset Management.

The Directors (excluding senior management) receive attendance fees, the allocation of which by the Board in 2010 took into account the following:

- part of the attendance fees were allocated to each Committee in proportion to the number of meetings;
- the Chairperson of each committee received twice the amount allocated to a member;
- after deducting the amount allocated to the members of each committee, 60% of the remaining attendance fees were allocated on an equal footing to all the directors (excluding executive directors who do not receive attendance fees);
- the remaining 40% were allocated to directors (excluding executives) according to their rate of attendance at meetings of the Board of Directors.

The Board considers that the allocation of free shares, to motivate and retain executives and employees, provides an additional compensation tool that reflects the performance and development of the Company. For this reason, a resolution in this sense will be submitted at the next extraordinary general meeting on 18 May 2011, the final allocation of shares being subject to conditions of performance by executives.

It is recalled that no share purchase, subscription plans or bonus share plans were implemented in 2010.

The company refers to the Afep-Medef corporate governance code, the recommendations of which it is gradually implementing in its executive remuneration policy.

Self-evaluation of the Board of Directors

The first self-evaluation of the Board was set up in December 2010/January 2011.

All the members replied to their questionnaire.

On the Composition of the Board

The composition of the Board is considered satisfactory by a majority of the directors in terms of:

- the number of directors,
- the balance of independent and executive directors,
- the representation on the Board of requisite operating skills,
- the cohesion among directors. It was suggested to improve cohesion through more joint working sessions.

On the organisation and operation of the Board

The organisation and operation of the Board is considered satisfactory by a majority of the directors in terms of:

- term limits and the number of successive terms,
- the frequency and duration of meetings and the attendance of Board members.

Several members considered that few or no directors help in drafting the agenda. They unanimously agree, however, that the agendas are appropriate both in terms of the number of items and the time devoted to them.

Regarding the meetings of the Board: the use of meeting time is considered generally satisfactory, as are the presentations made to the Board. One director said it would be useful to devote more time to the company's future and strategical options. The discussions are considered to be open and constructive, and the reporting satisfactory.

The information received by the directors is mostly satisfactory, although one director felt that documentation for meetings was received at short notice.

On the remuneration of directors and the share ownership policy

The amount and distribution of attendance fees are considered suitable by a large majority. The share ownership policy is generally considered to be satisfactory.

On the quality of the Board's undertakings

The members were unanimous in considering the contribution of each director to be satisfactory. A majority of the members feel that the Board reviews the various strategic options and the business plan in detail, and ultimately decides the strategy of the Company.

On the relations of the Board with senior management

The directors were unanimous in acknowledging the attribution of powers between the Chairman or senior management and the Board to be satisfactory, and that the Board was considered to be independent in relation to the Chairman and senior management.

On the management of the company

A majority of the directors consider that there is no succession plan for senior management. In addition, the remuneration policy of senior management is mainly seen as taking into account the long-term interests of the company.

On the organisation and operation of the committees

A majority of the directors consider the number, nature, composition, attendance rate, work and remuneration of the committees to be satisfactory, one reserve being made with regard to committee membership, which was considered to be low (3 members).

2 – INTERNAL CONTROL PROCEDURES AND RISK MANAGEMENT

Concerning the internal control and risk management procedures, the company follows the "French Financial Markets Authority (AMF) "Internal control reference framework – Implementation guide for small and midcaps", released by AMF on 25 February 2008.

The internal control procedures cover Société de la Tour Eiffel and all of its subsidiaries which are included in the consolidation scope.

In 2010, the Company continued to strengthen its control system after its first self-evaluation conducted during the previous year.

This has resulted in the drafting of new procedures and the implementation of the first action plans defined by the Company, in conjunction with the Audit Committee.

These actions were carried out across the 3 key processes identified as having priority by the company: real estate investment (acquisitions, disposals, valuation, market risk) rental management (relationship with tenants and managers, checking rent receipts, etc.) cash-flow and financing (financing and rate hedging policy, monitoring of cash, receipts, etc.).

In parallel to this work, all the processes related to human resources have been redrafted as part of new procedures.

Development of the internal control system will continue in 2011 with the implementation of the recommendations but also by carrying out the new action plans as scheduled and improving the existing controls.

2.1 – Internal control and risk management objectives

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

- ensure that the managerial actions fall within the scope of the Company's articles of association and the strategic orientations as defined by the Board of Directors based on proposals of the senior 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 optimal use of its resources,
- coordinate the proper dissemination of accounting, financial and management reports among outside parties and the group's senior executives, verify that these reports are regularly sent to the legal representatives of the Company and its subsidiaries, on the basis 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 – Preparation and supervision of accounting and financial reporting

2.2.1 – ROLES OF THE VARIOUS PARTIES INVOLVED

General secretariat

Société Tour Eiffel 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 Property 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 matters involving the Owner and the Companies. It makes sure that it takes the measures necessary to gather whatever information it requires, to validate the decisions taken and to alert the competent bodies and the Owner of any unfavourable consequences of pending decisions.

As part of overseeing the administration of the Companies, the General Secretariat supervises their accounting which is sub-contracted to two accounting firms, as well as the aspects of cash management, operational, administrative and financial management control, 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 jurisprudence 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 properties concerned by such 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 explains the Owner's short and medium-term objectives and strategy to the Asset Manager.

The Property Managers

The Property Managers maintain the bookkeeping for income and expenses relating to the properties in accordance with current French accounting regulations.

They monitor and comput all payments, follow-up actions, transactions or legal disputes and their results so that the Owner can have clear and updated information.

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

Once a month, and within 10 days at the most after each month end, the Property Managers supply 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 of year end, the Property Managers send in the annual closed accounts to the Asset Managers for checking and approval on behalf of the General Secretariat.

The Asset and the Property Managers meet once a quarter to report on the past and future management of the properties. The Property Managers report to the Asset Manager 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 Property 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 rolling maintenance programme for the coming year,
- examine issues of safety and regulatory compliance,
- assess the database system and its performance,
- 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 senior executives, and, where applicable, the Board of Directors discuss the main options as to the choice of accounting methods beforehand.

The senior executives, General Secretariat, and third parties (certified accountants and Statutory Auditors), and where applicable, the Board of Directors and in particular the Audit Committee, draw up the accounting and financial reports to be circulated to the shareholders.

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

2.3 – Improving control

During fiscal 2011, the company undertook to continue improving its internal control and risk management through the development of new procedures and the implementation of specific controls, especially for processes related to rental management, the Group's cash position, and valuation of its property portfolio, in accordance with the "Internal Control Reference Framework" enacted by the AMF.

3 - MANAGING DIRECTOR'S POWERS

Société de la Tour Eiffel's top management position can be held either by the Chairman of the Board of Directors or by another individual appointed by the Board with the Managing Director status.

On 22 July 2003 the Board of Directors appointed the Chairman of the Board, Mr. Mark Inch, as Managing Director. The structure whereby the Chairman of the Board of Directors acts as Managing Director has been retained by the Board of Directors at each reappointment. At its meeting on 20 May 2010, the Board moved that the combination of the two functions had proved satisfactory both operationally and in terms of management relative to the company's corporate governance.

No limitations were placed on the powers of Mr. Mark Inch as Managing Director.

The Board of Directors appointed Mr. Robert Waterland and Mr. Jérôme Descamps as Deputy Managing Directors on 30 September 2003 and 14 March 2005 respectively, conferring on them the same powers as the Managing Director. Their mandates were renewed on 29 March 2007 and then on 20 May 2010, 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, www.societetoureiffel.com. The procedures for the participation of shareholders are specified in each annual general meeting file posted on the Company's website, www.societetoureiffel.com

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

Information regarding the capital structure of the Company is contained in paragraph 5.1 of the management report on fiscal 2010.

The factors that could have an effect in the event of a public offering are contained in paragraph 5.5, "Factors that could have an effect during a public offering" of the management report on fiscal 2010.

The Chairman of the Board of Directors

6 - 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 2010)

To the shareholders of:

Société de la Tour Eiffel "Société anonyme" (public limited company) with capital of 27,961,420 euros	20-22 rue de la Ville-l'Évêque 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, we have pleasure in confirming our observations 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 2010.

It is the Chairman's duty to submit a review of the internal control and risk management procedures employed by the company for approval by the Board of Directors. The document also discloses the additional information required under article L. 225-37 of the French commercial code relating notably to the corporate governance policy.

It is our responsibility to:

- make our observations on the information contained in the Chairman's report on the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- certify that the report contains the information required by article 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 instructions in accordance with the applicable French code of professional conduct.

Information concerning the internal control and risk management procedures relating to the preparation and processing 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 and risk management procedures relating to the preparation and processing 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 control and risk management procedures relating to the 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 the Chairman's report mentions any material deficiencies in the internal control relating to the preparation and processing of the accounting and financial information we might have uncovered while performing our audit.

In the context of our mission, we have no opinion regarding the information provided on the company's internal control and risk management procedures for the preparation and processing of accounting and financial information contained in the Chairman's report, 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, 24 March 2011
The Statutory Auditors

Expertise & Audit SA 3, rue Scheffer 75016 Paris Hélène Kermorgant	PricewaterhouseCoopers Audit 63, rue de Villiers 92200 Neuilly-sur-Seine Catherine Thuret

Presentation of resolutions and draft resolutions

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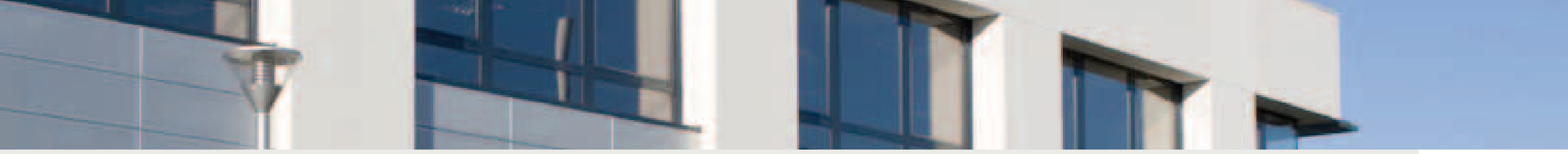


PRESENTATION OF RESOLUTIONS SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING OF 18 MAY 2011

1 - PRESENTATION OF RESOLUTIONS FOR THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION

Presentation and approval of the company accounts

We submit for your approval the company financial statements for the financial year ending 31 December 2010.

These financial statements disclose a profit of €36,739,798.

SECOND RESOLUTION

Appropriation of 2010 earningss

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

- appropriation of €79,624 to the statutory reserve, which will be fully provisioned,
- distribution of the remaining dividend of €2.20 per share, for a maximum total amount of €12,303,025 to be added to the interim dividend of €2 per share distributed in October 2010, forming a total dividend of €4.2 per share
- appropriation of the remaining €13,677,043 to retained earnings

The total dividend we suggest distributing to shareholders accounts for 64% of the net profit for the 2010 financial year and 70% of consolidated underlying cash flow. The dividend amount is greater than the minimum required distributions for French public REITs.

Reminder: the total amount of distributions was €4 per share for the financial year ending 31 December 2009 and €5 per share for the financial year ending 31 December 2008.

THIRD RESOLUTION

Option of payment of dividends and interim dividends in cash or in shares

We propose offering shareholders the choice between payment of dividends (or if applicable, interim dividends) in cash or in shares.

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

This authorisation would be valid until the next Ordinary General Meeting.

FOURTH RESOLUTION

Presentation and approval of the consolidated financial statements

We submit for your approval the consolidated financial statements as at 31 December 2010. The net profit (Group share) totals €42,487,000.

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, which are described in the Statutory Auditors' special report.

No new agreements were entered into during the 2010 financial year, with the exception of amendment 4 to the contract committing the subsidiaries to the asset management master agreement between Société de la Tour Eiffel and Tour Eiffel Asset Management. This amendment determines the portion of administration fees of the companies entrusted to Société de la Tour Eiffel for 2010 (€150,000).

The main regulated agreements concluded prior to 2010 which remained in effect throughout the 2010 financial year are:

(i) the above-mentioned asset management master agreement which resulted in a Company payout of €4,455,127 in compensation for the 2010 financial year, an amount reinvoiced to the subsidiaries for a total of €3,858,019;

(ii) the service contract with Bluebird Investissements, which led to a payment of €670,000 during the 2010 financial year;

(iii) the employment contract of Robert Waterland, which stipulates that any severance package be limited to two years' remuneration and which subjects packages for redundancy or termination of contract to performance conditions;

(iv) the deed transferring the rights and obligations resulting from the filing of trademarks in the United Arab Emirates which was signed with Eiffel Holding (formerly known as Fanar).

The Statutory Auditors' special report on regulated agreements describes these in detail.

SIXTH RESOLUTION

Continuation of Robert Waterland's deferred remuneration conditions

We submit for your approval the continuation of the severance compensation provisions for Mr Robert Waterland, Deputy Managing Director. These conditions were not modified by the Board of Directors when his mandate was renewed on 20 May 2010.

Mr Robert Waterland's employment contract as real estate director provides that any redundancy package he may receive must be limited to two years' remuneration and subject to the condition of an increase in consolidated operating cash flow of at least 5% higher than the average of the three previous financial years on a like-for-like basis, excluding capital gains from disposals.

SEVENTH RESOLUTION

Attendance fees

We propose allocating attendance fees to your Board of Directors, currently made up of nine members, in the total amount of €120,000. The allocation of attendance fees takes into account the following items:

- attendance at committee meetings, which gives rise to a bonus attendance fee
- regularity of Board meetings attendances.

EIGHTH AND NINTH RESOLUTIONS

Appointment of Directors

We suggest appointing two new directors for a period of three years to expand the Board of Directors. Their applications are submitted to you with the approval of the Appointment and Remuneration Committee.

Their names are:

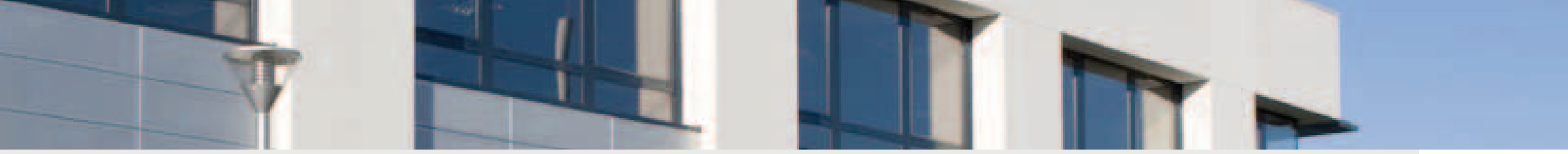
- Mercedes Erra
- Richard Nottage

Mercedes Erra

A graduate of HEC and the Sorbonne, and tutor at Assas University (Marketing/Communication – 3rd Cycle), Mercedes Erra (age 56) is Executive Chairman of Euro RSCG Worldwide, Chairman of Euro RSCG France and founder of the leading French advertising agency, BETC Euro RSCG and Chief Executive Officer of Havas. She is also Honorary Chairman of the HEC Association. She is Chevalier de la Légion d'Honneur and Officier of l'Ordre National du Mérite.

Mercedes Erra is specialised in the creation and control of major brands. To this end, she founded BETC Consulting and BETC Consumer Intelligence both reputed in the domain of the consumer and brands. She was instrumental in the strategic repositioning of renowned brands such as Danone (health), Evian (youth) and Air France (vision).

Besides, Mercedes Erra is committed at a personal level in the Elle Foundation, as well as in Women's Forum for the



Economy and Society of which she is a founding member. She is also an active member of the French Committee of Human Rights Watch and a permanent member of the Commission on women's image in the medias. In January 2010, she was appointed Chairman of the *Cité Nationale de l'Histoire de l'Immigration* and, in February 2011, elected to the Board of the Accor group.

Richard Nottage

Richard Nottage, age 52, started his career in 1980 in a London merchant bank subsequently working in a Kuwaiti subsidiary for two years for IFA financial consulting firm. In 1984 he was appointed director of Ifabanque S.A. Paris, where he concentrated on private banking mainly for Middle Eastern clients.

From investment consulting he gradually branched into supervising the set up of investments and monitoring them, as well as coordinating the operations side in various business sectors such as prestige hotels, real estate and airline companies.

In 2006 he founded his own company, Genviva, to continue in this same line.

TENTH RESOLUTION

Authorisation 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 stimulate the market for the company's shares under the terms of a liquidity agreement,
- to cancel the shares bought back, wholly or in part, within the limits prescribed by law,
- to hand over shares when warrants giving access to the ordinary shares of the Company are exercised.

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.

This authorisation would be suspended during a public share offer.

Please note that at 31 December 2010 the number of treasury shares accounted for 1.72% of the company's capital.

2 - PRESENTATION RESOLUTIONS FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING

ELEVENTH TO SEVENTEENTH RESOLUTIONS

Delegations of power granted to the Board of Directors to issue ordinary shares and/or marketable securities, either equity or debt securities

By the following resolutions, we ask you to grant the Board of Directors the various authorisations enabling it to address growth opportunities that may arise, by performing capital increases, in particular. These delegations of power provide the Board, within the limits and framework set by the shareholders, with the flexibility and responsiveness required to raise the equity and debt necessary to develop the company and finance its investments.

We suggest that you confer the Board of Directors with the delegations of power authorising it to issue marketable securities conferring the right to an equity interest, immediately or at a later date, for a period of 26 months and within the limits of the ceilings specified below.

The total nominal cumulative amount (excluding the issue premium) of the capital increases that may be decided upon would not exceed:

- *13.5 million euros if the pre-emptive subscription right is maintained, ie. 48% of the share capital,*
- *6.5 million euros with the elimination of the pre-emptive subscription right by giving a guaranteed period of right of priority of five days minimum, and*
- *4 million euros with the elimination of the pre-emptive subscription right by giving an optional right of priority period,*

The nominal amount of all capital increases likely to be performed under the delegations of power conferred by the General Meeting, with or without maintaining the pre-emptive subscription right, may not exceed 13.5 million euros.

The nominal amount of debt securities giving immediate and/or subsequent access to company capital may not exceed:

- *150 million euros if the pre-emptive subscription right is maintained, and*
- *75 million euros with elimination of the pre-emptive subscription right by giving a guaranteed period of right of priority of five days minimum, and*
- *50 million euros with the elimination of the pre-emptive subscription right by giving an optional right of priority period,*

The nominal amount of all above-mentioned debt issues likely to be performed under the delegations of power conferred by the General Meeting, with or without maintaining the pre-emptive subscription right, may not exceed 150 million euros.

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, all within the limits set by the General Meeting.

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, with the latter's consent, to one or more deputy managing Directors.

Please find 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. Any additional information that might be desired can be provided before voting.

ELEVENTH RESOLUTION

Delegation of powers to be granted to the Board of Directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares while maintaining pre-emptive subscription rights.

This involves authorising the Board of Directors to proceed with the following while maintaining the pre-emptive subscription rights:

- to one or more increases in shareholders' equity by issuing ordinary shares and/or other marketable securities giving access to company share capital up to a total cumulative ceiling of €13,500,000 for all capital increases performed under resolutions 11 to 17, or
- the issue of debt securities giving access to share capital up to a total cumulative ceiling of €150,000,000 for all security issues performed under resolutions 11 to 14.

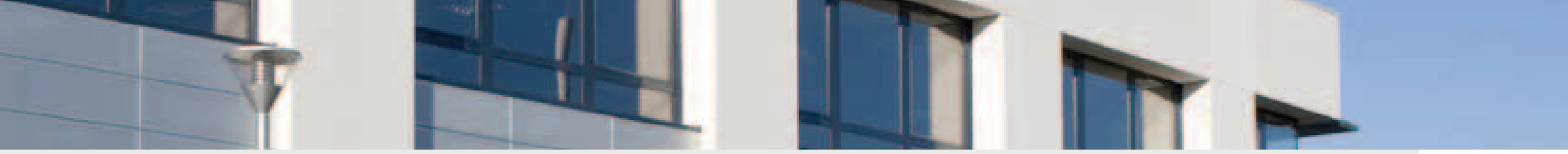
These issues will be preferably reserved to shareholders who may subscribe new shares as of right and, if the Board sees fit, apply for excess shares.

TWELFTH RESOLUTION

Delegation of powers to be granted to the Board of Directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares, while eliminating pre-emptive subscription rights but with a guaranteed priority period for the shareholders.

This delegation of power would allow the Board of Directors to proceed with the following while eliminating pre-emptive subscription rights:

- one or more increases in shareholders' equity by issuing ordinary shares and/or other marketable securities giving access to company share capital up to a total cumulative ceiling of €6,500,000 for all capital increases performed under resolutions 12 to 16 without pre-emptive subscription rights, and up to a total cumulative ceiling of €13,500,000 for all capital increases performed under resolution 11, or



- the issue of debt securities giving access to share capital up to a total cumulative ceiling of €75,000,000.

The Board may decide to waive the pre-emptive subscription rights of shareholders on the condition that the latter are granted a pre-emptive right to acquire shares, , which may be exercised proportionate to the number of shares held by each shareholder for a minimum period of five days in accordance with procedures set up by the Board.

The issue price for shares will be at least equal to the minimum permitted by law.

THIRTEENTH RESOLUTION

Delegation of powers to be granted to the Board of Directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares while eliminating pre-emptive subscription rights and optionally introducing a period of right of priority for shareholders.

This delegation of power would allow the Board of Directors to proceed with the following while eliminating pre-emptive subscription rights:

- one or more increases in shareholders' equity by issuing ordinary shares and/or other marketable securities giving access to company share capital up to a total cumulative ceiling of €4,000,000 for all capital increases performed under resolutions 13 to 16 without pre-emptive subscription rights and without compulsory period of right of priority, and up to a total cumulative ceiling of €13,500,000 for all capital increases performed under resolution 11, or
- the issue of debt securities giving access to share capital up to a total cumulative ceiling of €50,000,000.

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

The issue price for shares will be at least equal to the minimum permitted by law.

FOURTEENTH RESOLUTION

Delegation of powers to be granted to the Board of Directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares, eliminating pre-emptive subscription rights and using offers reserved to qualified investors and/or a limited circle of investors.

This delegation of power would allow the Board of Directors to proceed with the following for the benefit of qualified investors and/or a limited circle of investors, while eliminating pre-emptive subscription rights:

- one or more increases in shareholders' equity by issuing ordinary shares and/or other marketable securities giving access to company share capital up to a total cumulative ceiling of €4,000,000 for all capital increases performed under resolution 13 without pre-emptive subscription rights and without compulsory period of right of priority, and up to a total cumulative ceiling of €13,500,000 for all capital increases performed under resolution 11, or
- the issue of debt securities giving access to share capital up to a total cumulative ceiling of €50,000,000.

The issue price for shares will be at least equal to the minimum permitted by law.

FIFTEENTH RESOLUTION

Delegation of power to be granted to the Board of Directors to increase the number of shares to issue in the event of a capital increase with or without pre-emptive subscription rights within the framework of a greenshoe option

With this delegation of power, for issues decided upon in application of the delegations of power covered in resolutions 11 to 14, the Board of Directors may increase the initial planned amount of the capital increase by up to 15% of the initial issue if it observes excess demand, while respecting any limits set by resolutions 11, 12 and 13.

SIXTEENTH RESOLUTION

Delegation of power to be granted to the Board of Directors to increase the share capital, while eliminating pre-emptive subscription rights, by the issue of any marketable securities giving access, immediately or in the long term, to Company shares for the purpose of remunerating contributions in kind of equity securities or marketable securities giving access to capital, up to a limit of 10% of capital

This involves authorising the Board of Directors to proceed with one or several increases of shareholders' equity by issuing ordinary shares and/or any marketable securities giving access to Company for the purpose of remunerating contributions in kind of equity securities up to a limit of 10% of capital at the date of the transaction and up to the limit of a total cumulative ceiling of €13,500,000 for all capital increases (set by resolution 11) and of a total cumulative ceiling provisions set in the 13th resolution of €4,000,000 for all capital increases while eliminating pre-emptive subscription rights.

The issue price for shares will be at least equal to the minimum permitted by law.

SEVENTEENTH RESOLUTION

Delegation of power to be granted to the Board of Directors to increase shareholders' equity by capitalisation of profits, premiums and reserves

This delegation of power is intended to authorise the Board of Directors to proceed with capitalising all or part of the profits, reserves and premiums for which capitalisation is legally possible, by allocating free shares or raising the nominal value of existing shares, up to a total cumulative ceiling of €13,500,000 (set in resolution 11) for all capital increases.

EIGHTEENTH RESOLUTION

Authorisation to be granted to the Board of Directors in order to increase capital while eliminating pre-emptive subscription rights for directors and employees, as per 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 €1,000,000 for the benefit of directors and employees of the Company and of its subsidiaries. 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 twenty-six months.

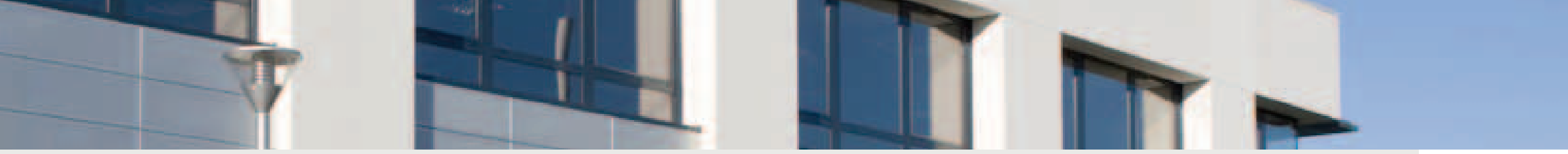
NINETEENTH RESOLUTION

Authorisation to be granted to the Board of Directors to award free shares up to a percentage of 1% of equity

Bearing in mind the number of subscription rights or stock options have been reduced to 1.1% of the share capital and that the Board has no authority to attribute free shares, we ask you to authorise the Board of Directors to allocate free shares to all or part of the employees and/or directors of the Group as incentives and to encourage loyalty.

The free allocation shares is designed to motivate management staff and employees and encourage loyalty by providing an additional means of remuneration that reflects the performance and development of the Company and which they enjoy only after a period of two years.

The Board of Directors would be authorised to award free shares within the limit of 1% of share capital.



In the case of directors, the definitive allocation of shares would be conditional to reaching the following two non-cumulative performances after a period of two years:

- two third of the shares would be definitively allocated on the condition that the Company's equity capital is first reinforced and that banking debt (notably expiring in 2013) has been refinanced under conditions that are favourable to the Company;
- one third of shares would be definitively allocated on the condition that the consolidated operating cash flow on a like-for-like basis, adjusted to capital gains or losses on sales, is at least 5% higher than the average of the three previous financial years on the date of acquisition.

Non-executive employees would not be subject to performance conditions.

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 on the company's books until they relinquish their duties.

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

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 earnings on these new shares and on capitalised reserves.

TWENTIETH RESOLUTION

Delegation of powers to be granted to the Board of Directors to reduce share capital in accordance with Article L.225.209 of the Commercial Code

As an addition to the proposal to authorise under certain conditions the share repurchase programme which has been submitted to you in the 10th resolution, the purpose of this resolution is to authorise the Board of Directors to carry out one or more capital reductions by cancelling treasury shares, up to a limit of 10% of the Company's capital, for a twenty-six month period.

TEXT OF THE RESOLUTIONS SUBMITTED TO THE ANNUAL COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 18 MAY 2011

I - BY DECISION OF THE ORDINARY SHAREHOLDERS' MEETING

FIRST RESOLUTION

(Approval of the individual financial statements)

Recognising the conditions of quorum and majority required for ordinary shareholder 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 2010, which show a profit of €36,739,798.

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

SECOND RESOLUTION

(Appropriation of earnings)

Recognising the conditions of quorum and majority required for ordinary shareholder meetings, and 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:

The financial year profit of	€36,739,798
- minus the allocation to the statutory reserve	€(79,624)
leaves a remaining distributable profit of	€36,660,174

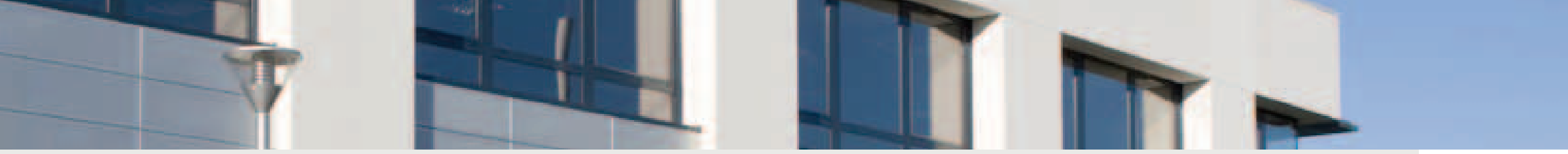
off of which an interim dividend of 2 euros per share has already been drawn as decided upon by the Board of Directors meeting of 28 July 2010,

representing the portion paid out in cash	€(10,680,106)
leaving a remaining distributable profit of	€25,980,068
- distribution of the remaining dividend of 2.2 euros per share,	€12,303,025(*)
- allocation of the remaining to retained earnings	€13,677,043(*)

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

The total amount of the dividends and retained earnings account may be adjusted to take into account the following:

- in the event that, when a dividend is being paid, new shares have been issued before the dividend payment date as a result of exercising share subscription options, these new shares would give rise to a dividend payment which would be withheld, where applicable, from the retained earnings,
- in the event that, when a dividend is being paid, the Company happens to hold some treasury stock, the profit corresponding to the dividend not paid on the aforesaid stock would be allocated to the retained earnings account,
- payment of the dividend in shares.



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

	2007	2008	2009
Number of shares	5,190,253[2]	5,193,003[2]	5,433,036
Net dividend per share	€6[1]	€5[1]	0[3]

(1) amount eligible for a 40% tax deduction and for the option of an 18% withholding tax for individuals whose tax domicile is in France as stipulated in Article 158-3 of the General Tax Code.
(2) for the company's treasury shares, the earnings corresponding to the dividends not paid on the aforesaid shares were appropriated to the Retained Earnings.
(3) no dividend was distributed in relation to 2009 financial year, but reserve distributions were made totalling €4 per share.

For individuals domiciled in France, all taxable sums distributed and paid out in 2011, and subject to the progressive income tax scale, are eligible for:

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

Individuals domiciled in France may opt to have 19% withheld (in addition to social security contributions of 12.3%) on the taxable gross amounts distributed in 2011, in lieu of the progressive income tax by the terms of Article 117 "quater" of the General Tax Code.

THIRD RESOLUTION

(Option of payment of dividends and interim dividends in cash or in shares)

The General meeting, having acknowledged that the share capital is entirely paid up and heard the reading of the Board of Directors' report and of the Statutory Auditors' report, resolves to offer each shareholder an option of having the 2.20 euros per share dividend paid either in cash or in shares.

This option would apply to the entire receivable dividend per beneficiary.

In compliance with the law, the share price used to calculate the dividend payment will be determined as follows: 90% of the average closing market value of the 20 days of trading prior to the date on which the decision to distribute is made, minus the net amount of the dividend rounded up to the nearest centime.

If the dividend amount for which the option is exercised does not equal a whole number of shares, the shareholders may obtain the number of shares immediately below plus a cash payment.

Shareholders who request payment of the dividend in shares will be able to exercise their option from 25 May 2011 to 10 June 2011 inclusive through financial intermediaries authorised by the Company to pay out the dividend. Once this deadline has elapsed, the dividend will be paid out in cash on 21 June 2011.

The General Shareholders' Meeting, after having heard the Board of Directors' report and pursuant to article L.232-18 paragraph 1 of the French Commercial Code, authorises the Board of Directors in the event of an interim dividend is paid out, to offer each shareholder the option of receiving their interim dividend payment in cash or in shares. This option would apply to the entire interim dividend.

The share price used for this payment of the interim dividend will be calculated by the Board of Directors as follows: 90% of the average closing market value of the 20 days of trading prior to the date on which the decision to distribute is made, minus the net amount of the interim dividend rounded up to the nearest centime, subject to the issuing price being not less than the share's nominal value, as required by law.

Enjoyment of the shares issued as payment of the dividend or interim dividend will be effective from the date of their creation.

The General Shareholders' Meeting 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 dividend or interim dividends in shares, to modify the articles of association as a consequence and to proceed with the required announcements.

This authorisation is valid up to the next Ordinary General Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2011.

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 resolve to approve the consolidated financial statements as at 31 December 2010 as well as the transactions set forth in these statements or summed up in the Group management report included in the management report.

FIFTH RESOLUTION

(Regulated agreements)

Recognising the conditions of quorum and majority required for ordinary shareholders' 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 resolve to approve the conclusions of the said report and the agreements mentioned therein.

SIXTH RESOLUTION

(Continuation of Robert Waterland's severance compensation provisions)

Having heard and considered the report of the Board of Directors and the Statutory Auditors' special report in application of Article L. 225-42-I paragraph 4 of the Commercial Code, the shareholders vote to approve the continuation of Mr Robert Waterland's severance compensation provisions, which have stayed unchanged following the renewal of his mandate as Deputy Managing Director which was agreed by the Board of Directors on 20 May 2010.

The shareholders recognise that Mr Robert Waterland's employment contract as real estate director also entitles him to the following redundancy package and notifications:

- redundancy or termination of contract package of twelve months remuneration; the portion of this exceeding the portion stipulated in the Collective Bargain is subject to the performance condition that consolidated operating cash flow on a like-for-like basis, excluding capital gains from disposals, is greater by at least 5% of the average of the three previous financial years,
- indemnity of twenty-four months in the event of dismissal, if Mr. Robert Waterland is exempted from serving said notice.
- the total amount of the redundancy package which would be paid to Mr Robert Waterland is capped at two years of remuneration, both fixed and variable.

SEVENTH RESOLUTION

(Attendance fees)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders resolve that the total amount of attendance fees to be split among the Board Members for the current financial year will amount to 120,000 (one hundred and twenty thousand) euros.

The shareholders resolve that the above annual overall attendance 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 distribute the annual overall attendance fees between its members.

EIGHTH RESOLUTION

(Appointment of Mrs Mercedes Erra to the Board of Directors)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders resolve to appoint Mrs Mercedes Erra, residing 7 Avenue André Guillaume in Garches (92380), as a new Director for a period of three years until the end of the General Meeting called in 2014 to approve the financial statements of the 2013 financial year.

Mrs Mercedes Erra has informed the Board that she accepts this mandate and that she is subject to no impediment as to its execution.

NINTH RESOLUTION

(Appointment of Mr Richard Nottage to the Board of Directors)

Recognising the conditions of quorum and majority required for ordinary shareholders' meetings, the shareholders resolve to appoint Mr Richard Nottage, residing 3 Rue Eugène-Delacroix in Paris (75116), as a new Director for a period of three years until the end of the General Meeting called in 2014 to approve the financial statements of the 2013 financial year.

Mr Richard Nottage has informed the Board that he accepts this mandate and that he is subject to no impediment as to its execution.

TENTH RESOLUTION

(Authorisation 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 authorise 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 sub-delegate entrusted it in accordance with the law, in order to:

- stimulate the market or share liquidity through a liquidity agreement with an investment services firm;
- 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 authorised by the General Shareholders' Meeting;
- have shares on hand which it may issue to its directors 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 allocation of existing shares, and corporate or inter-company savings plans (Fr. *plan d'épargne d'entreprise/interentreprises*);

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 per share exclusive of fees on the basis of a nominal value of €5 per share.

The Board of Directors, with the possibility of sub-delegating its authorisations as allowed for by law, may adjust the aforementioned price in the event of capitalisation of reserves or earnings, giving rise either to an increase in the nominal value of the shares or to the creation and allocation of free shares, in the event of a stock split or a reverse stock split, and, more generally, in the event of transactions involving 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 ratio of the number of shares making up the capital before and after the operation.

The maximum amount that the Company may earmark for its share buyback must not exceed fifty million three hundred and thirty thousand five hundred and fifty six (€50,330,556) euros.

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.

It may not be used during a period of takeover bid or exchange.

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 sub-delegate 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.

2 - BY DECISION OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

ELEVENTH RESOLUTION

(Delegation of powers granted to the Board of Directors to increase the share capital by the issue of any marketable securities while maintaining pre-emptive subscription rights, giving access, immediately or in the long term, to Company shares)

Recognising the conditions of quorum and majority required for extraordinary shareholders' meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-127, L. 225-128, L. 225-129 et seq. L. 228-91 and L. 228-92 et seq. of the Commercial Code, the shareholders:

1 - delegate to the Board of Directors full powers required to proceed with the capital increase, in one or several instalments, while maintaining pre-emptive subscription rights, to the extent and at that time that it sees fit,, 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 a precise date, to ordinary shares of the company through subscription, conversion, trade, redemption, presentation of a warrant, or any other means.

2- limit the term of the delegation of power to twenty-six months starting from the date of the current General Meeting.

3- 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 for all capital increases performed under resolutions 11, 12, 13, 14, 15, 16, and 17, namely, thirteen million five hundred thousand (13,500,000) euros, to which must be added, if applicable, the additional nominal amount of shares issued, as required by law, to guarantee the rights of bearers of marketable securities giving the right to shares;

(ii) the total nominal value of marketable securities representing borrowings giving access to capital which may be issued under resolutions 11, 12, 13, and 14, 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- in the event that the Board of Directors uses the current delegation of power as part of the issues addressed in 1 above:

- resolve that the issue or issues will be preferably reserved to shareholders who may subscribe new shares as of right,
- nevertheless grant the Board of Directors the ability to offer a right to application for excess shares,
- resolve 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 or any or all 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.
- resolve 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 allocation to holders of existing shares,
- resolve that where naked warrants are allocated, the Board of Directors will have the right to resolve that the fractional-share stock dividend rights will be non-negotiable and that the corresponding securities will be sold,

- resolve 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.

5- resolve 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 ex 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, if applicable, the procedures for exercising 1) rights attached to shares or marketable securities giving access to equity; or 2) 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, determining: whether or not they will be subordinated and their seniority in the capital structure; in what currency they will be issued; their 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 any changes to the procedures mentioned above throughout the life of the debt securities in question, in compliance with applicable formalities,
  - 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 giving access to equity are safeguarded, if applicable,
  - generally, entering into any agreement, taking any measures and carrying 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- resolve 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 permission, to one of the Board Members.

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

TWELFTH RESOLUTION

(Delegation of powers to be granted to the Board of Directors to increase the share capital by the issue of any marketable securities giving access, immediately or in the long term, to Company shares, while eliminating pre-emptive subscription rights but introducing a period of right of priority for shareholders totalling at least five trading days)

Recognising the conditions of quorum and majority required for extraordinary shareholder meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92 et seq. of the Commercial Code, the shareholders:

1 - delegate to the Board of Directors full powers required to proceed with the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access to ordinary shares of the company, at one time or in several instalments, at any time or on a specific date, 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, 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.

2- limit the term of this delegation of power to twenty-six months as of the date of the current meeting.

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

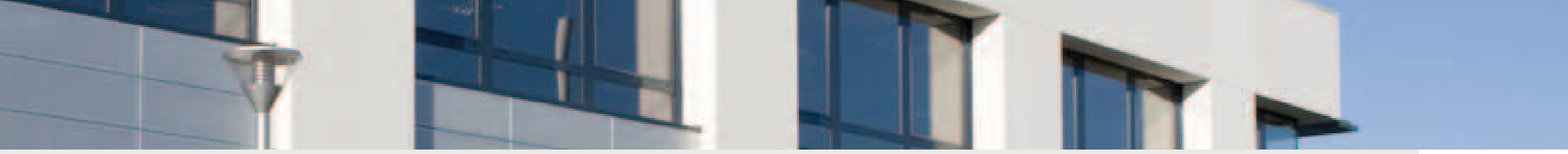
(i) the total nominal amount of the capital increases, immediate or future, which may be performed in application of this resolution may exceed neither (a) the overall ceiling for all capital increases without pre-emptive subscription rights performed under resolutions 12, 13, 14, 15, and 16, namely, six million five hundred thousand (6,500,000) euros, nor (b) the overall ceiling of thirteen million five hundred thousand (13,500,000) euros provided for by resolution 11, to which must be added, if applicable, the additional nominal amount of shares issued, as required by law, to guarantee the rights of bearers of marketable securities giving the right to shares.

(ii) the nominal value of marketable securities representing borrowings giving access to capital 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 seventy five (75) million euros or its equivalent in foreign currency.

4 - resolve 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, on the condition that the Board of Directors grants shareholders pre-emptive subscription rights which will not lead to the creation of negotiable rights, which must be exercised proportionate to the number of shares held by each shareholder and which may be supplemented by an application for additional shares. This will be done in accordance with Article L. 225-135 of the Commercial Code, for a minimum period of five trading days 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 pre-emptive subscription, unsubscribed securities will be offered on the public stock exchanges in France and/or abroad and/or on the international markets.

5- resolve 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.

6- resolve 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- resolve 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 ex 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, if applicable, the procedures for exercising 1) rights attached to shares or marketable securities giving access to equity; or 2) 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, determining: whether or not they will be subordinated and their seniority in the capital structure; in what currency they will be issued; their 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 more than half of the share capital; and any changes to the procedures mentioned above throughout the life of the debt securities in question, in compliance with applicable formalities,
- 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 giving access to equity are safeguarded, if applicable,
- generally, entering into any agreement, taking any measures and carrying 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.

8 - resolve 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 permission, to one or more Deputy Managing Direcors.

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

THIRTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors to increase the share capital, while eliminating pre-emptive subscription rights, by the issue of any marketable securities giving access, immediately or in the long term, to Company shares)

Recognising the conditions of quorum and majority required for extraordinary shareholders' meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91 and L. 228-92 et seq. of the Commercial Code, the shareholders:

1 - delegate to the Board of Directors full powers required to proceed with the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access to ordinary shares of the company, at one time or in several instalments, at any time or on a specific date, 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, or giving access to equity of another company in which it directly or indirectly holds more than half of the share capital, through subscription, conversion, trade, redemption, presentation of a warrant, or any other means.

2 - limit the term of this delegation of power to twenty-six months as of the date of the current meeting.

3- 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 exceed neither (a) the overall ceiling for all capital increases without pre-emptive subscription rights and without a compulsory period of priority performed under resolutions 13, 14, 15, and 16, namely, four million (4,000,000) euros, nor (b) the overall ceiling of thirteen million five hundred thousand (13,500,000) euros provided for by resolution 11, to which must be added, if applicable, the additional nominal amount of shares issued, as required by law, 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 long-term 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 (50) million euros or its equivalent in foreign currency.

4- resolve 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 more than half of the share capital. The Board of Directors may nevertheless grant shareholders right of priority subscription rights which will not lead to the creation of negotiable rights, may be exercised proportionate to the number of shares held by each shareholder, and which may be supplemented by an application for additional shares. 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 right of priority subscription, if allowed for, unsubscribed securities will be offered on the public stock exchanges in France and/or in Europe and/or on the international markets.

5- resolve 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.

6- resolve 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- resolve 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 ex 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, if applicable, the procedures for exercising 1) rights attached to shares or marketable securities giving access to equity; or 2) 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, determining: whether or not they will be subordinated and their seniority in the capital structure; in what currency they will be issued; their 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 more than half of the share capital; and any changes to the procedures mentioned above throughout the life of the debt securities in question, in compliance with applicable formalities,
- 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 giving access to equity are safeguarded, if applicable,
- generally, entering into any agreement, taking any measures and carrying 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.

8- resolve 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 permission, to one or more Deputy Managing Direcors.

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

FOURTEENTH 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 in the long term, reserved to qualified investors and/or a limited circle of investors)

Recognising the conditions of quorum and majority required for extraordinary shareholder meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-127, L. 225-128, L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-91, L. 228-92 et seq. of the Commercial Code and article L 411-2 II of the French Monetary and Financial Code, the shareholders:

1 - delegate to the Board of Directors full powers required to proceed with the capital increase by issuing shares, warrants and/or marketable securities giving immediate or delayed access to ordinary shares of the company for qualified investors and/or a limited circle of investors, 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.

2- limit the term of this delegation of power to twenty-six months as of the date of the current meeting.

3- 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 are to be deducted from the ceiling provisions including in the eleventh and thirteenth resolution, to which must be added, if applicable, the additional nominal amount of shares issued, as required by law, 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 long-term 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 fifty (50) million euros or its equivalent in foreign currency.

4- resolve 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 more than half of the share capital, for the benefit of qualified investors and/or a limited circle of investors.

5- resolve 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.

6- resolve 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- resolve 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 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 new capital after each increase; and to ensure that resulting capital increases occur, and to modify related articles of associations as needed.

8- resolve 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 permission, to one or more Deputy Managing Directors.

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

FIFTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors to increase the number of shares to issue in the event of a capital increase with or without pre-emptive subscription rights within the framework of a greenshoe option)

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 sub delegation to any person authorised by law, to decide for each of the share issues resolved in application of resolutions 11, 12, 13, and 14 that the number of ordinary shares and marketable securities to be issued may be increased by the Board of Directors, with powers of delegation to any person authorised by law, when the Board of Directors observes an excess demand within thirty days of the end of subscription, up to a limit of 15% of the initial issue and at the same price as that used for the initial issue, up to the ceilings outlined in resolutions 11, 12 and 13.

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

SIXTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors to increase the share capital, while eliminating pre-emptive subscription rights, by the issue of any marketable securities giving access, immediately or in the long term, to Company shares for the purpose of remunerating contributions in kind of equity securities or marketable securities giving access to capital, up to a limit of 10% of capital)

Recognising the conditions of quorum and majority required for extraordinary shareholders' meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of legislation governing trading companies, notably Article L. 225-147 of the Commercial Code, the shareholders:

1 - grant the Board of Directors the powers necessary to increase share capital by the issue of shares, warrants and/or marketable securities giving immediate or future access to ordinary securities in the Company, at any time or on a set date, in one £or several instalments, in such proportion and at such time as it may deem fit, said issues limited to 10% of the share capital being intended to remunerate share 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.

2- limit the term of this delegation of power to twenty-six months as of the date of the current meeting.

3- resolve that the share issues performed in execution of this delegation of power will be deducted from the ceilings described in resolutions 11 and 13.

4- recognise that the Company shareholders have no pre-emptive subscription right to any securities issued by virtue of this delegation of power, shares or other Company equity securities to which the securities issued under this delegation of power may confer a right. The sole purpose of the latter is to remunerate contributions in kind.

5- resolve 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.

6- resolve 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 approve the value of the contributions; determine the conditions for the issue, subscription and paying up of capital; perform the resulting capital increases; deduct the costs of the share capital increases from the related issue premiums and modify related articles of associations as needed.

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

SEVENTEENTH RESOLUTION

(Delegation of power to be granted to the Board of Directors to increase shareholders' equity by incorporation of profits, premiums and reserves)

Recognising the conditions of quorum and majority required for extraordinary shareholders' meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of legislation governing trading companies, notably Articles L. 225-129, L 225-129-2 and L. 225-130 of the Commercial Code, the shareholders:

1 - delegate to the Board of Directors full powers required to proceed, at one time or in several instalments, to the extent and at that time that it sees fit, with the capitalisation of profits, premiums, reserves or other funds the capitalization of which is legally possible in the form of allocation of free shares and/or raising the nominal value of existing shares.

2- limit the term of this delegation of power to twenty-six months as of the date of the current meeting.

3- set the maximum nominal amount of capital increases that may be performed under this delegation of power to thirteen million five hundred thousand (13,500,000) euros.

4 - resolve 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; to decide that the fractional rights are not negotiable, that the corresponding shares will be sold and that proceeds will be allocated to the rights holders; to ensure that resulting capital increases occur; and to modify related articles of associations required.

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

EIGHTEENTH RESOLUTION

(Delegation of Power to be granted to the Board of Directors in order to increase capital while eliminating pre-emptive subscription rights for directors and employees, as per the provisions of Articles L. 225-129-6 of the Commercial Code and L. 3332-18 et seq. of the Labour Code)

The General Shareholders' Meeting, having met the conditions of quorum and majority required for extraordinary shareholders' meetings, having heard the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions Article L. 225-129-6 of the Commercial Code, grants full Powers to the Board of Directors, for a period of twenty-six months from the date of the current General Meeting, to proceed with capital increases, as provided for in Articles L. 225-129, L. 225-129-2, L. 225-138, and L. 225-138-1 of the Commercial Code and L. 3332-18 and 3332-19 of the Labour Code, reserved to the directors 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 (Fr. plan d'épargne d'entreprise or plan partenarial d'épargne salariale volontaire) to a maximum nominal amount of one million (1,000,000) 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 shareholders note that these resolutions cause shareholders to give up their pre-emptive subscription rights in favour of the directors 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,
- recognising that the capital increases occur, modifying the Company's articles of association accordingly, and generally taking all required and practical steps as authorised by current laws and regulations.

The shareholders resolve 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 authorisation to its Chairman, or with the latter's consent, to one or more Deputy Managing Director.

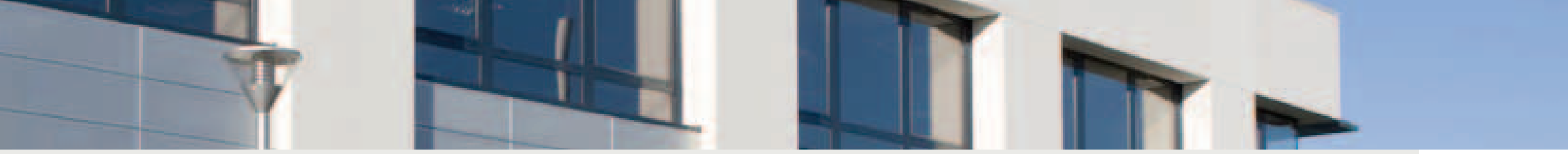
The General Shareholders' Meeting resolves that this delegation of power shall render ineffective any previous delegation with the same purpose.

NINETEENTH RESOLUTION

(Delegation of Power to be granted to the Board of Directors to award free shares up to a percentage of 1% of equity)

Recognising the conditions of quorum and majority required for extraordinary shareholder meetings and acknowledging the Board of Directors' report and the Statutory Auditors' Special Report, in accordance with the provisions of Articles L. 225-197-1 et seq. of the Commercial Code, and acknowledging the shareholders' equity is entirely paid up, the shareholders:

1 - authorise the Board of Directors to proceed with a free allocation of existing or to-be-issued shares for the benefit of certain directors and/or employees of the Company or of the affiliates of its choice, on condition that the legal allocation conditions are met. If the shares to be issued are allocated, this authorisation will give rise, after the acquisition period(s), to a capital increase by capitalisation of reserves, profits and issue premiums for the beneficiaries of said shares.



2 - resolve that the Board of Directors will proceed with allocations and will determine the identity of the allocation beneficiaries.

3- resolve that the allocations of shares performed by virtue of this authorisation may not involve a number of existing or new shares representing a percentage greater than 1% (one) of the Company's shareholders' equity as noted at the end of this General Meeting, on the condition of any adjustments likely to be performed in compliance with applicable legal and regulatory provisions and, in some cases, to maintain the rights of holders of marketable securities or other rights giving access to capital.

4- resolve that the existing or new shares allocated by virtue of this authorisation may benefit the Chief Executive Officer and the Deputy Managing Directors of the Company as well as the Group's directors if allocated based on performance conditions.

5- resolve that some shares may be conferred on certain employees, not including directors, with no performance condition.

6- resolve that the allocation of shares to their beneficiaries will be definitive at the end of a minimum acquisition period of two years, and that the beneficiaries must keep the shares for a minimum period of two years following the definitive allocation of these shares.

7- acknowledge that the right resulting from the allocation of free shares will not be transferable until the end of the minimum 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.

8- acknowledge that this authorisation gives rise to shareholders' expressly renouncing their pre-emptive subscription right for shares to be issued, to the benefit of bearers of shares to be issued by virtue of this resolution.

9- delegate full powers to the Board of Directors, with the authority to sub-delegate entrusted it in accordance with the law, to decide and implement this authorisation under the above conditions and within the limits authorised by applicable texts, particularly to specify its terms if necessary and decide on the modalities and conditions of any issues performed by virtue of this authorisation as well as the ex date of the new shares; note the accomplishment of the capital increases; modify the articles of association accordingly, and more generally to comply with all formalities useful for the issue, listing and financial service of the shares issued by virtue of this resolution as well as to take all required and practical steps as authorised by current laws and regulations.

10- resolve that this authorisation may be used by the Board of Directors for a maximum period of thirty-eight months.

11- acknowledge that this delegation of power shall render ineffective any previous delegation with the same purpose.

TWENTIETH RESOLUTION

(Delegation of Power 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 extraordinary 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 sub-delegate 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 twenty-six 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 share capital in any given period of twenty-four months.

4- grants the broadest possible powers to the Board of Directors, with the authority to sub-delegate 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 all necessary formalities.

TWENTY-FIRST 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 all necessary formalities.

STOCK MARKET LISTING

The shares of Société de la Tour Eiffel
are listed on NYSE Euronext Paris (Eurolist B):
ISIN Code: FR 0000036816
Indexes: IEIF Immobilier France, IEIF Foncières
Reuters: TEIF.PA
Bloomberg: EIFF.FP

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FINANCIAL REPORTING

Press releases as well as financial and legal information
are available on the Company's website at:
www.societetoureiffel.com

Design, creation and execution: TERRE DE SIENNE Paris | www.terredesienne.com
Photo credits: Christophe Boulze *(portraits)*, Paul Maurer, Tristan Deschamps, Emile Luider
Armchair Creation (pages 2 & 5): Cyril Gavard
Text: Capmot

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