



SOCIÉTÉ DE LA TOUR EIFFEL

STATUTORY AUDITORS' SPECIAL REPORT
ON REGULATED AGREEMENTS AND COMMITMENTS

General Meeting held to approve the financial statements
for the financial year ending 31 December 2011

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STATUTORY AUDITORS' SPECIAL REPORT
ON REGULATED AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting held to approve the financial statements
for the financial year ending 31 December 2011

To the shareholders of:

SOCIÉTÉ DE LA TOUR EIFFEL
A French joint stock company with capital of €28,681,360

20-22 rue de la Ville
l'Evêque
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 have been 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 Shareholders' 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 of 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 Shareholders' Meeting for approval

Agreements and commitments authorised during the last financial year

Pursuant to Article L.225-40 of the French Commercial Code, we have been informed of the following agreements and commitments which were previously authorised by your Board of Directors.

Naming convention of the Managing Director (Approval of the appointment and the terms of same by the Board meeting of 27 July 2011, approval of the compensation for revocation and performance criteria by the Board meeting of 23 September 2011).

On 17 October 2011, your company signed an agreement specifying the procedures for exercising the mandate of Mr. Renaud Haberkorn as Managing Director of the company with effect from 1 September 2012 and provides:

- Compensation for revocation of 1.2 million euros in case of a forced departure unrelated to any fault of Mr. Renaud Haberkorn for the first two years of his term of office, subject to the following performance criteria:
 - o In the event of a forced departure in 2012 or 2013: cash flow from operations before cost of debt and taxes adjusted for nonrecurring items of € 52 million for 2012,
 - o In the event of a forced departure in 2014: cash flow from operations before cost of debt and taxes adjusted for nonrecurring items of € 54 million for 2013,
- Special compensation in case of non-compliance by the company to observe its commitment to appoint Mr. Renaud Haberkorn as Managing Director set at 1.2 million euros.

Director involved: Mr. Renaud Haberkorn

Amendment no. 5 to the contract committing the subsidiaries to the asset management master agreement entered into with TOUR EIFFEL ASSET MANAGEMENT (Board Meeting of 8 December 2011)

On 13 December 2011, 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 2011 under this contract came to € 150,000.

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

Agreements and commitments already approved by the General Shareholders' Meeting

Commitments and agreements approved during previous financial years which continued into the 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 on 30 November 2006 continued into the financial year.

The remuneration paid by SOCIÉTÉ DE LA TOUR EIFFEL to TOUR EIFFEL ASSET MANAGEMENT during the 2011 financial year came to € 4,735,089.

- **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 € 3,413,644.

- 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 € 1,299,906 for management costs.

- The standardised contract forms entered into with RBS concerning certain subsidiaries continued. The amounts committed as of 31 December 2011 were:

SCI DES BERGES DE L'OURCQ	7 618 220 €	SCI CAEN COLOMBELLES	21 284 134 €
SCI COMETE	23 507 207 €	SCI ETUPES DE L'ALLAN	8 975 944 €
SCI CHAMPIGNY CARNOT	17 131 165 €	SCI MARCEAU BEZONS	4 245 804 €
SCI DU 153 AVENUE JEAN JAURES	12 354 648 €	SCI GRENOBLE PONT D'OXFORD	6 715 707 €
		SCI RUEIL NATIONAL	21 925 170 €

- **With BLUEBIRD INVESTISSEMENTS**

This contract, which gives BLUEBIRD INVESTISSEMENTS the task of helping the top executives to manage the existing property portfolio and upon subsequent acquisitions of new buildings, searching new shareholders, negotiating with investors and advising on debt structuration, resulted in the payment of €670,000 for the 2011 financial year.

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

Mr. Robert Waterland received a gross remuneration of €500,000 for the 2011 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 is the increase of consolidated operating cash flow on a like-for-like basis, excluding capital gains from disposals, above 5% of the average of the three previous financial years. This condition would not apply to redundancy payments paid in the case of Mr. Waterland being exempted from giving notice.

Commitments and agreements approved during previous financial years that were not performed during the financial year

We were also informed that the following agreements and commitments approved by the General Shareholders' Meeting during previous financial years, were not performed during the last financial year.

- **With Eiffel Holding Limited (formerly 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.

Eiffel Holding Limited did not pay any amount under this contract in 2011.

Paris and Neuilly-sur-Seine, 27th March 2012

The Statutory Auditors

Expertise & Audit SA

PricewaterhouseCoopers Audit

Hélène Kermorgant

Yves Nicolas