

## **Audit Opinion**

We audited the annual financial statements – consisting of the balance sheet, income statement and notes to the financial statements – including the accounting records, and the management report of Société Générale Effekten GmbH, Frankfurt am Main, for the fiscal year from 1 January to 31 December 2009. The accounting records and the preparation of the annual financial statements and management report in accordance with the applicable provisions of German commercial law are the responsibility of the Management of the company. Our task is to issue an opinion of the annual financial statements, including the accounting records, and the management report, on the basis of our audit.

In accordance with Section 317 HGB, we conducted our audit of the annual financial statements in compliance with the German audit principles promulgated by the Institute of Public Auditors in Germany. According to these principles, the audit must be planned and conducted in such a way as to detect, with reasonable assurance, any misstatements and violations that have a material effect on the presentation of a true and fair view of the company's financial position, cash flows and operating results in the annual financial statements prepared in accordance with German generally accepted accounting principles, and in the management report. The audit activities were planned in consideration of our knowledge of the business activity and of the economic and legal environment of the company and our expectations of possible errors. As part of the audit, we evaluated the effectiveness of the internal control system as it relates to the financial reporting system and documentary evidence for the statements contained in the accounting records, annual financial statements and management report, mainly on the basis of test samples. Our audit comprised an evaluation of the accounting principles applied and the significant estimations of the Management, as well as an assessment of the overall assertion of the annual financial statements and management report. We believe that our audit provides a sufficiently certain basis for our opinion.

Based on the results of our audit, we have no reservations to note.

In our opinion, based on the knowledge gained during the course of our audit, the annual financial statements of Société Générale Effekten GmbH, Frankfurt am Main, comply with the applicable provisions of law and present a true and fair view of the financial position, cash flows and operating results of the company, in accordance with German generally accepted accounting principles. The management report accords with the annual financial statements and presents, on the whole, a true and fair view of the company's situation and accurately describes the opportunities and risks of its future development.

Frankfurt am Main, 24 March 2010

**Deloitte & Touche GmbH**  
Wirtschaftsprüfungsgesellschaft

(Kopatschek)  
Wirtschaftsprüfer  
(Public Auditor)

(Lange)  
Wirtschaftsprüfer  
(Public Auditor)

**ASSETS**

	Dec 31, 2009 EUR	Dec 31, 2008 EUR
<b>A. CURRENT ASSETS</b>		
I. Receivables and other assets		
1. Receivables from affiliated companies		
a) from the investment of issue proceeds		
- thereof due in more than one	31.757.511.995,77	39.083.170.143,88
year: EUR 11.177.704.735,64 (prior year: EUR 6.842.834.497,83 )		
b) Other receivables	451.331,94	1.169.198,99
- thereof due in more than one		
year: EUR 0.00 (prior year: EUR 0.00)		
2. Other assets	7.628.270.462,98	13.158.748.908,44
- thereof due in more than one		
year: EUR 5.327.655.115,17 (prior year: EUR 8.230.462.294,80)		
	<u>39.386.233.790,69</u>	<u>52.243.088.251,31</u>
II. Cash on hand, Bundesbank balances, bank balances and checks	183.981,09	202.631,85
<b>B. TRUST ASSETS</b>		
Receivables		
- thereof due in more than one	3.920.798.414,81	3.256.146.347,41
year: EUR 2.687.210.373,70 (prior year: EUR 3.075.560.507,41)		
	<u>43.307.216.186,59</u>	<u>55.499.437.230,57</u>

**EQUITY AND LIABILITIES**

	Dec 31, 2009 EUR	Dec 31, 2008 EUR
<b>A. Equity</b>		
I. Capital stock	25.564,59	25.564,59
II. Profit carryforward	338.353,93	255.885,28
III. Net income for the year	56.744,88	82.468,65
	<u>420.663,40</u>	<u>363.918,52</u>
<b>B. ACCRUALS</b>		
I. Accruals for pensions and similar obligations	58.284,00	51.176,00
II. Tax accruals	5.069,66	7.069,66
III. Other accruals	61.341,00	272.621,00
	<u>124.694,66</u>	<u>330.866,66</u>
<b>C. LIABILITIES</b>		
I. Liabilities from certificates issued		
- thereof due up to one	31.757.511.995,77	39.083.170.143,88
year: EUR 20.579.607.260,13 (prior year: EUR 32.240.335.646,05 )		
II. Trade payables	87.166,88	7.720,92
- thereof due up to one		
year: EUR 87.166,88 (prior year: EUR 7.720,92 )		
III. Amounts owed to affiliated companies	25,03	675.791,17
- thereof due up to one		
year: EUR 25,03 (prior year: EUR 675.791,17 )		
IV. Other liabilities		
- thereof due up to one	7.628.273.226,04	13.158.742.442,01
year: EUR 2.300.618.110,87 (prior year: EUR 4.928.280.147,21 )		
- thereof taxes: EUR 2.999,35 (prior year: EUR 2.977,21 )		
	<u>39.385.872.413,72</u>	<u>52.242.596.097,96</u>
<b>D. TRUST LIABILITIES</b>		
Liabilities from certificates issued		
- thereof due up to one	3.920.798.414,81	3.256.146.347,41
year: EUR 1,233,588,041,03 (prior year: EUR 180,585,840,00 )		
	<u>43.307.216.186,59</u>	<u>55.499.437.230,57</u>

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBHFRANKFURT AM MAIN, GERMANYINCOME STATEMENTFOR THE PERIOD FROM JANUARY 1, 2009 TO DECEMBER 31, 2009

	2009 EUR	2008 EUR
1. Income from options	11.202.883.387,96	16.673.670.217,97
2. Expenses from options	11.202.883.387,96	16.673.670.217,97
3. Income from certificates	12.589.461.612,93	10.989.351.520,09
4. Expenses from certificates	12.589.461.612,93	10.989.351.520,09
5. Other operating income	1.929.012,42	2.285.093,82
6. Personnel expenses		
a) Wages and salaries	177.809,62	162.057,76
b) Social security contributions and related costs	36.729,28	32.131,03
- thereof for old age pensions EUR 7,108.00 (prior year: EUR 7,916.00 )		
7. Other operating expenses	1.631.049,31	1.990.610,83
8. Other interest and related income	587,52	20.644,80
- thereof from affiliated companies: EUR 587.52 (prior year: EUR 20,644.80 )		
9. Other interest and related expenses	2.886,29	5.122,46
- thereof to affiliated companies: EUR 2,886.29 (prior year: EUR 4,445.02)		
10. Result from ordinary activities	<u>81.125,44</u>	<u>115.816,54</u>
11. Income taxes	24.380,56	33.347,89
12. Net income for the year	<u><u>56.744,88</u></u>	<u><u>82.468,65</u></u>

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Notes to the Annual Financial Statements  
for Fiscal Year 2009**

**Notes to the annual financial statements as of 31 December 2009 and other disclosures**

The annual financial statements of Société Générale Effekten GmbH as of 31 December 2009 were prepared in accordance with the applicable provisions of German commercial law governing the financial reporting of limited liability companies.

**1. Accounting and valuation principles**

Receivables are stated at their nominal value, plus accrued interest. Non-hedged liabilities are stated at the amounts repayable.

Provisions are recognized in the appropriate amount to account for liabilities of uncertain timing or amount as of the balance sheet date.

Provisions for pensions are recognized in the maximum amounts allowed by tax law. The net present values were determined on the basis of actuarial principles in accordance with Section 6a of the German Income Tax Act (EstG) with reference to the 2005 G Mortality Tables and by application of a discount factor of 6%.

Warrant premiums are recognized as other assets or other liabilities until they are exercised or expire. Upon exercise or expiration, warrant premiums are recognized in the income statement.

Certificates issued are presented as liabilities under certificates issued until they expire. Certificates issued are covered by opposite hedging transactions, which are presented as receivables due from affiliated companies.

Liabilities under certificates issued and warrants, as well as the hedging transactions presented as receivables and other assets, have been grouped into valuation units and recognized as liabilities at acquisition costs or as assets in the amount of the issue proceeds.

As of the balance sheet date, the warrants and certificates issued were fully hedged against market price risks by means of hedging transactions with the shareholder.

In addition, the company operates under a trust agreement with the sole shareholder Société Générale Paris. The certificates issued under trust transactions are covered by hedging transactions presented as trust assets. These transactions are valued at acquisition costs.

## 2. Notes to the balance sheet

**Receivables due from affiliated companies** in the amount of EUR 31,757,963 thousand are owed by the shareholder.

**Other assets** are mainly composed of the OTC options purchased from the shareholder as hedges for warrants issued.

The **trust receivables** consist of funds passed through to the shareholder from several certificates issued for account of the shareholder.

The other provisions consist mainly of provisions for issuance costs, as well as auditing and consulting costs.

The **trust liabilities** relate to the issue of certificates issued in the company's own name for account of third parties.

**Issues denominated in foreign currencies** are presented under the asset item of "receivables from the investment of issue proceeds" and under the liability item of "liabilities under issued certificates" (EUR 272,956 thousand in both cases) and are denominated exclusively in U.S. dollars. These amounts were translated to euros at the official middle exchange rate of 31 December 2009.

### Maturity Structure of Receivables and Payables

in EUR thousands	Total Amount	Due in up to one year	Due in one to five years	Due in more than five years
<b>Receivables</b>				
- from the investment of issue proceeds	31,757,512	20,579,807	10,665,201	512,504
- other receivables	451	451	0	0
- under trust transactions	3,920,798	1,233,588	1,819,264	867,946
Other assets	7,628,270	2,300,615	4,037,853	1,289,802
<b>Liabilities</b>				
- from certificates issued	31,757,512	20,579,807	10,665,201	512,504
- as trade payables	87	87	0	0
- other liabilities	7,628,273	2,300,618	4,037,853	1,289,802
- under trust transactions	3,920,798	1,233,588	1,819,264	867,946

## 3. Notes to the income statement

The income statement has been prepared in accordance with the cost summary method.

**Other operating income** consists mainly of costs assumed by the shareholder.

**Other operating expenses** consist mainly of issuance costs, as well as legal and consulting costs.

**Income taxes** relate to the income from ordinary activities.

**4. Cash flow statement**

	2009 EUR	2008 EUR
<b>1. Cash flow from operating activities</b>		
Net income before extraordinary items	56,744.88	82,468.65
Increase/ decrease in provisions	(206,172.00)	24,672.66
Increase/ decrease in trade receivables and other assets not attributable to investing or financing activities	(12,192,202,393.22)	(239,011,099.71)
Increase/ decrease in trade payables and other liabilities not attributable to investing or financing activities	12,192,535,801.43	239,106,590.25
Cash flow from operating activities	183,981.09	202,631.85
<b>2. Cash and cash equivalents as of 31/12</b>		
Change in cash and cash equivalents	(18,650.76)	202,631.85
Cash and cash equivalents at the beginning of the period	202,631.85	0.00
Cash and cash equivalents at the end of the period	183,981.09	202,631.85
<b>3. Composition of cash and cash equivalents as of 31/12</b>		
Cash and cash equivalents	183,981.09	202,631.85

**Additional information pursuant to No. 52 DRS 2:**

Demand deposits with the shareholder are presented as cash and cash equivalents.

No change was made to the definition of cash and cash equivalents compared with the prior period.

The cash and cash equivalents are equivalent to the balance sheet item of cash on hand, cash in the Bundesbank, cash in banks and checks.

No significant non-cash investing and financing activities or transactions were conducted in the reporting period.

The company did not purchase or sell any enterprises during the reporting period.

**Additional information pursuant to No. 53 DRS 2:**

The cash and cash equivalents presented in the balance sheet are not derived from proportionally consolidated companies and are not subject to restrictions on disposal.

**5. Information on the issuance business**

The issuance volume in the past fiscal year is presented below. All issues are fully hedged by means of identically structured OTC options or by the investment of issue proceeds with Société Générale S.A., Paris.

WARRANT CLASS / CERTIFICATES	TYPE	FISCAL YEAR 2009			FISCAL YEAR 2008		
		NO.	VOLUME (IN UNITS)	LONGEST MATURITY	NO.	VOLUME (IN UNITS)	LONGEST MATURITY
<b>Warrants</b>							
Equity warrants	CALL	7	5,475,000	28.12.2012	1,863	6,172,147,000	04.01.2013
	PUT	9	4,650,000	17/12/2010	575	1,601,897,000	27.12.2010
	Open End Turbo Short	1	1,300,000	open end	372	181,330,000	open end
	Open End Turbo Long	2	1,266,000	open end	2,738	1,352,895,000	open end
	Discount Optionsschein	1	1,000,000	29.12.2009	-	-	-
	Inline Optionsschein	20	4,445,000	04.09.2009	-	-	-
		<b>40</b>	<b>18,136,000</b>		<b>5,548</b>	<b>9,308,269,000</b>	
Index warrants	CALL	61	16,009,000	27.12.2010	731	518,974,000	04.07.2013
	PUT	121	110,802,000	27.12.2010	592	397,258,500	23.12.2011
	Open End Turbo Short	-	-	-	498	225,020,000	open end
	Open End Turbo Long	-	-	-	708	276,690,000	open end
	Inline warrant	113	33,284,000	27.12.2010	-	-	-
	Korridor Hit warrant	15	4,500,000	29.12.2009	-	-	-
	Put Down and out	97	173,764,000	25.06.2010	-	-	-
		<b>407</b>	<b>338,359,000</b>		<b>2,529</b>	<b>1,417,942,500</b>	
Currency warrants	Open End Turbo Short	-	-	-	122	42,560,000	open end
	Open end Turbo Long	-	-	-	161	57,670,000	open end
					<b>283</b>	<b>100,230,000</b>	
Commodity warrants	CALL	50	33,100,000	22.06.2010	257	224,350,000	22.12.2017
	PUT	60	23,300,000	22.12.2011	77	63,060,000	22.12.2017
	Open End Turbo Short	93	58,880,000	open end	204	119,940,000	open end
	Open End Turbo Long	362	289,590,000	open end	414	254,860,000	open end
	Inline warrant	6	1,450,000	22.09.2009	-	-	-
		<b>571</b>	<b>406,320,000</b>		<b>952</b>	<b>662,210,000</b>	
Futures	Bund Future	-	-	-	49	17630000	open end
	Future	1,726	778,233,000	open end	3,205	1,611,550,000	open end
		<b>1,726</b>	<b>778,233,000</b>		<b>3,254</b>	<b>1,629,180,000</b>	
<b>TOTAL warrants:</b>		<b>2,744</b>	<b>1,541,048,000</b>		<b>12,566</b>	<b>13,117,831,500</b>	



WARRANT CLASS / CERTIFICATES	TYPE	FISCAL YEAR 2009			FISCAL YEAR 2008		
		NO.	VOLUME (IN UNITS)	LONGEST MATURITY	NO.	VOLUME (IN UNITS)	LONGEST MATURITY
<b>Certificates</b>							
Equity certificates	Index	1	200,000	05.02.2010	14	6,618,000	25.03.2011
	Bonus	4,214	802,036,500	22.06.2012	2,848	553,820,425	31.04.2011
	Discount	549	133,758,000	27.12.2010	476	134,855,700	24.06.2011
	Express	-	-	-	2	200	26.06.2012
	Other	144	31,313,956	Open end	88	7,636,078	Open end
		<b>4,908</b>	<b>967,313,456</b>		<b>3,428</b>	<b>702,930,403</b>	
Index certificates	Index	5	1,200,000	20.02.2012	53	5,994,000	Open end
	Guarantee	1	150,000	07.12.2015	21	880	28.11.2014
	Bonus	2,488	251,524,400	06.03.2014	1,687	166,852,350	Open
	Discount	586	111,345,400	04.01.2013	818	127,349,250	25.12.2011
	Airbag	1	50,000	15.07.2013	-	-	-
	Express	20	3,850,000	27.11.2015	24	2,009,500	29.12.2014
	Outperformance	-	-	-	20	800	26.06.2009
	Other	94	10,109,300	Open end	68	7,502,032	Open end
		<b>3,195</b>	<b>378,029,100</b>		<b>2,691</b>	<b>309,708,812</b>	
Currency certificates	Other	2	206,400	23.02.2010	-	-	-
		<b>2</b>	<b>2,064,000</b>		<b>0</b>	<b>0</b>	
Commodity certificates	Index	-	-	-	5	757,000	Open end
	Guarantee	-	-	-	1	200,000	09.08.2010
	Bonus	11	1,141,000	17.12.2010	9	690,600	25.06.2010
	Discount	86	15,007,000	22.06.2011	67	16,158,000	25.06.2010
	Express	-	-	-	1	100,000	24.06.2011
	Other	7	540,000	07.07.2014	9	5,392,500	Open end
		<b>104</b>	<b>16,688,000</b>		<b>92</b>	<b>23,298,100</b>	
Fund certificates	Other	1	4,000	09.03.2010	7	363,500	Open end
		<b>1</b>	<b>4,000</b>		<b>7</b>	<b>363,500</b>	
Futures certificates	Index	1	102,000	Open end	29	9,158,000	Open end
	Guarantee	-	-	-	26	1,329,000	10.09.2013
	Bonus	46	2,365,500	27.12.2010	35	1,256,000	27.12.2010
	Discount	116	12,010,000	23.11.2010	126	17,573,000	09.06.2010
	Other	33	8,783,000	Open end	12	2,678,000	Open end
		<b>196</b>	<b>23,260,500</b>		<b>228</b>	<b>31,994,000</b>	
TOTAL certificates		<b>8,406</b>	<b>1,387,359,056</b>		<b>6,446</b>	<b>1,068,294,815</b>	
<b>Total certificates and warrants:</b>		<b>11,150</b>	<b>2,928,407,056</b>		<b>19,012</b>	<b>14,186,126,315</b>	

The fair values of financial derivatives and bonds with embedded derivatives are determined on the basis of market values, as a general rule; in the case of illiquid markets, such items are valued on the basis of internal models. These internal valuation models are tested by specialists in the Risk Department of Société Générale S.A., Paris, on a regular basis. Derivative financial instruments similar to warrants by their nature are valued by Société Générale S.A., Paris, using generally accepted option price models.

If there is an active market, the quoted prices of stock exchanges, brokers and pricing agencies are used.

The type, extent and fair values of derivative hedging contracts as of the balance sheet are stated in the following. The company held 892 OTC options with a market value of EUR 2,153 million as hedges for equity and index warrants, 47 OTC options with a market value of EUR 107 million as hedges for currency warrants and 3,011 OTC options with a market value of EUR 10,561 million as hedges for commodity warrants.

In addition, the company held 6,770 certificates with a market value of EUR 36,943 million.

The book value of the above-mentioned warrants as of 31 December 2009 was EUR 7,628 million; this amount is presented in the balance sheet item of other liabilities. The book value of issued certificates as of 31 December 2009 was EUR 35,678 million; this amount is presented in the balance sheet item of liabilities under issued certificates or under trust liabilities.

#### **6. Information on professional fees recognized as expenses in the fiscal year**

The professional fee for the audit of the 2009 financial statements, which was recognized as an expense in fiscal year 2009, amounted to EUR 47 thousand.

#### **7. Information on the company's executive officers and employees**

The following persons served as managing directors in fiscal year 2009:

Mr. Jean-Louis Jégou, trained banker, Frankfurt am Main  
Dr. Joachim Totzke, general counsel, Frankfurt am Main  
Mr. Günter Happ, trained banker, Flieden

The managing directors are employees of Société Générale S.A., Frankfurt am Main Branch. Expenses of EUR 12 thousand were charged to Société Générale Effekten GmbH in fiscal year 2009 as compensation for the activity of the managing directors.

The company had an average of 2.5 employees during the fiscal year.

**8. Group affiliation**

Société Générale S.A., Paris, is the parent company of Société Générale Effekten GmbH and prepares consolidated financial statements. The consolidated financial statements of Société Générale S.A., Paris, are published in France in the "Bulletin des Annonces Légales Obligatoires (B.A.L.O.)."  
The consolidated financial statements are available at the website [www.socgen.com](http://www.socgen.com).

Frankfurt am Main, 23 March 2010

Société Générale Effekten GmbH

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Jean-Louis Jégou

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Dr. Joachim Totzke

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Günter Happ

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Management Report  
for Fiscal Year 2009**

**Strategic orientation**

Société Générale Effekten GmbH issues warrants and certificates, all of which are sold to the parent company Société Générale S.A., Paris and to the companies Société Générale Option Europe S.A., Paris, and INORA Life Limited, Dublin.

Because the issues are placed by Société Générale S.A., Paris, with end purchasers, this activity has no bearing on the economic situation of the issuer.

**Business developments**

As a result of lower demand, the volume of issues was reduced in fiscal year 2009, as in the prior year.

In fiscal year 2009, warrants were issued through a total of 2,744 issues (PY: 12,566). Of this total, 40 issues were comprised of warrants for equities, 407 issues of warrants for various indexes, 1,726 issues of warrants for futures and 571 issues of warrants for commodities.

Furthermore, 8,406 certificates were issued (PY: 6,446), mainly in the form of bonus and discount certificates. By contrast to the development of warrants, the issue volume of certificates was increased by around 30% in fiscal year 2009, despite the difficult market environment.

**Financial position, cash flows and operating results**

The significantly reduced issue volume, especially in the segment of warrants, and the further optimization of issue volumes to reflect the demand situation led to a substantial reduction in the balance sheet total. At EUR 43,307 million, the balance sheet total was EUR 12,192 million less than the prior-year figure.

The company's share capital of EUR 25,564.59 was unchanged in fiscal year 2009. In addition, the company holds an accumulated prior-year profit of EUR 338,353.93.

All receivables are owed to the company by the sole shareholder. There are no default risks outside the Société Générale Group.

The proceeds from the sale of the issued warrants and certificates are always identical to the expenses for the purchase of the corresponding hedging transactions, so that the company does not earn a profit on its issuance business.

The company generated net income of EUR 57 thousand in fiscal year 2009.

### **Risk Report**

The company's risk situation is largely determined by the simplicity of its business structure and by its close affiliation with the Société Générale Group.

In particular, all market price risks associated with the issued warrants and certificates are fully covered by hedging transactions with Société Générale S.A., Paris. Therefore, the company is not subject to market price risks. The company is also not subject to settlement risks because the payments from the sale of issued securities and from the purchase of hedging transactions, as well as the payments related to the exercise of warrants, always offset each other. All receivables are owed exclusively by the parent company Société Générale S.A., Paris. Therefore, the company is not subject to any risk of its own. The credit quality of Société Générale S.A., Paris, and its subsidiaries is the determining factor for assessing the company's risk. Due to the company's affiliation with the Société Générale Group, no liquidity risks can be discerned at the present time.

### **Internal control and risk management system as it relates to the financial reporting process**

In fiscal year 2009, the company had 2.5 employees, who are organizationally attached to the Accounting Department and possess the necessary qualifications. Transactions are settled and posted centrally in the back-office departments of Société Générale Paris. The financial reporting process is subject to groupwide regulations, procedural directives and prescribed controls and is regularly adjusted to fulfill the legal requirements. Invoices payable by the company are always checked by another person prior to clearance. The financial reporting process is documented in a way that can be clearly understood by knowledgeable third parties. The corresponding documents are kept on file in accordance with the retention periods established by law. The internal control system and risk management system are monitored by means of periodic audits conducted by the Group's Internal Audit Department and by external entities as well. Prompt, reliable and extensive reports are provided to the Management on a monthly basis.

### **Events after the balance sheet date**

No events of particular importance that would have had possible consequential effects on the financial position, cash flows and operating results of the company occurred after the close of the fiscal year.

### **Forecast Report/ Outlook**

The company's issuance activity in fiscal year 2010 will depend on the further developments in the financial markets.

Therefore, we cannot make a reliable statement on the business volumes in the product segments of certificates and warrants.

Furthermore, the financial crisis, which has not yet been overcome, will lead to a further tightening of regulatory provisions.

In consideration of the company's strict risk coverage policy, its net income will be positive in fiscal years 2010 and 2011.

Frankfurt am Main, 23 March 2010

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Jean-Louis Jégou

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Dr. Joachim Totzke

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Günter Happ