

# Registration Document

pursuant to Sec. 12 (1) of the German Securities Prospectus Act  
(*Wertpapierprospektgesetz – WpPG*) in conjunction with Art. 7 and  
Annex IV of Commission Regulation (EC) No. 809/2004 of April 29,  
2004

of

**Société Générale Effekten GmbH**

Frankfurt am Main

dated

**August 11, 2011**

## TABLE OF CONTENTS

I.	RISK FACTORS RELATING TO THE ISSUER .....	4
1.	Risks Involving the Legal Form and Organization of the Issuer .....	4
2.	Risks Relating to the Economic Activities of the Issuer.....	4
II.	RESPONSIBILITY FOR THE INFORMATION IN THE REGISTRATION DOCUMENT .....	5
III.	AUDITOR AND SELECTED FINANCIAL INFORMATION .....	6
1.	Auditor .....	6
2.	Selected Financial Information .....	6
a)	Results of Operations .....	6
b)	Composition of Assets, Equity and Liabilities .....	7
IV.	INFORMATION ON THE ISSUER.....	9
1.	History and Business Performance .....	9
2.	Business Overview .....	9
3.	Organizational Structure .....	9
4.	Trend Information.....	10
5.	Management and Company Representatives .....	10
6.	Financial Information on the Net Assets, Financial Position and Results of Operations of the Issuer .....	10
a)	Historical Financial Information From Fiscal Year 2009 .....	10
b)	Historical Financial Information From Fiscal Year 2010 .....	18
c)	Financial Statements .....	27
d)	Audit of the Financial Information .....	27
e)	Interim Financial Information.....	27
f)	Significant Court or Arbitration Proceedings .....	27
g)	Significant Changes in the Financial Position or Trading Position of the Issuer .....	28
7.	Additional Notes.....	28
8.	Significant Contracts .....	28
9.	Documents Available for Inspection .....	29
V.	EXHIBIT I: Financial statements, management report, audit opinion and cash flow statement as of December 31, 2009.....	30
1.	Balance Sheet as of December 31, 2009.....	31
2.	Income Statement for Fiscal Year 2009 .....	32
3.	Notes to the Annual Financial Statements for Fiscal Year 2009 .....	33

4.	Management Report for Fiscal Year 2009.....	40
5.	Audit Opinion .....	43
VI.	EXHIBIT II: Financial statements, management report, audit opinion and cash flow statement as of December 31, 2010.....	45
1.	Balance Sheet as of December 31, 2010.....	46
2.	Income Statement for Fiscal Year 2010 .....	47
3.	Notes to the Annual Financial Statements for Fiscal Year 2010.....	48
4.	Cash Flow Statement.....	55
5.	Management Report for Fiscal Year 2010.....	56
6.	Audit Opinion .....	61
	Signatures.....	S-1

## I. RISK FACTORS RELATING TO THE ISSUER

### 1. Risks Involving the Legal Form and Organization of the Issuer

There is a risk that the Issuer may not or only partially be able to fulfil its obligations arising from the securities. Investors should therefore consider the credit quality of the Issuer when making investment decisions. The credit risk is understood to be the risk of insolvency or illiquidity of the Issuer, i.e. the possible, temporary or ultimate inability to meet its interest and principal payment obligations. Issuers with a low credit rating are usually associated with a higher insolvency risk.

Please also note that the credit quality of the Issuer may change before the securities mature due to developments in the overall economy or company-specific circumstances. Principal causes could be economic changes that have a lasting adverse impact on the earnings situation and solvency of the Issuer. Other causes include changes in individual companies, industries, or countries, e.g. economic crises, as well as political developments with significant economic repercussions.

In accordance with its articles of association, the Issuer of the securities, Société Générale Effekten GmbH, Frankfurt am Main, was formed solely for the purpose of issuing fungible securities and does not engage in any other independent operating activities. The liable capital stock of the Issuer amounts to EUR 25,564.59. **By acquiring securities from the Issuer, investors are exposed to a considerably higher credit risk compared to an issuer with much greater capital resources.**

The Issuer is not a member of a deposit guarantee fund or similar assurance system that would fully or partially cover the claims of security holders in the event of insolvency of the Issuer.

**Securities in the form of bearer bonds are neither included in the guarantee bond of the Federal Government (Bundesregierung) dated 5 October 2008 for deposit protection nor in the deposit guarantee and investor compensation law or the deposit guarantee fund of the Federal Association of German Banks (Bundesverband Deutscher Banken).**

**In the case of the insolvency of the Issuer the investors will not have any right to any claims from such assurance institutes.**

In addition to the insolvency risk of the Issuer, investors are also exposed to the insolvency risk of the parties with whom the Issuer concludes derivative transactions to hedge its obligations from the issue of securities. As opposed to an issuer with a more diversified range of potential contracting parties, the Issuer is subject to a cluster risk as it only concludes hedging transactions with affiliated companies. In this context, cluster risk is the credit risk ensuing from the limited range of potential contracting parties with whom various hedging transactions can be conducted. There is a risk that the insolvency of companies affiliated to the Issuer could directly trigger the insolvency of the Issuer.

### 2. Risks Relating to the Economic Activities of the Issuer

The Issuer is primarily engaged in issuing and selling securities. The Issuer's activities and annual issue volume may be influenced by negative trends on the markets in which it operates. Difficult market conditions, however, may lead to a lower Issue volume and adversely impact the Issuer's results of operations.

The general market trend for securities is primarily linked to capital market trends, themselves shaped by the global economy as well as economic and political factors at national level (market risk).

## **II. RESPONSIBILITY FOR THE INFORMATION IN THE REGISTRATION DOCUMENT**

Société Générale Effekten GmbH, Frankfurt am Main, as the Issuer, and Société Générale, Paris, as the Offeror, assume responsibility for the information contained in this registration document.

They also declare that having taken all reasonable care to ensure that such is the case the information contained in the Registration Document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

### III. AUDITOR AND SELECTED FINANCIAL INFORMATION

#### 1. Auditor

The financial statements of Société Générale Effekten GmbH, Frankfurt am Main for the fiscal year 2009 (from January 1, 2009 to December 31, 2009) were audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, D-60486 Frankfurt am Main, and an unqualified audit opinion was issued thereon.

Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft is a member of the public law institution German Chamber of Auditors ("Wirtschaftsprüferkammer K.d.ö.R."), Rauchstrasse 26, D-10787 Berlin.

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#### 2. Selected Financial Information

##### a) Results of Operations

Condensed income statements for the last two fiscal years are detailed below (audited). The items have been arranged according to operational criteria.

	2010 EUR k	2009 EUR k	+/- EUR k	%
Income from option contracts and certificate transactions	12,438,304	23,792,345	-11,354,041	-52
Expenses from option contracts and certificate transactions	- 12,438,304	-23,792,345	11,354,041	52
<b>Gross performance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other operating result	318	298	20	7
Personnel expenses	-174	-215	41	-19
<b>Operating result</b>	<b>144</b>	<b>83</b>	<b>61</b>	<b>74</b>
<b>Net financial income</b>	<b>-4</b>	<b>-2</b>	<b>-2</b>	<b>&gt;100</b>
<b>Net income before taxes</b>	<b>140</b>	<b>81</b>	<b>59</b>	<b>73</b>
Taxes on income	-46	-24	-22	92
<b>Net income/net loss for the financial year</b>	<b>94</b>	<b>57</b>	<b>37</b>	<b>65</b>

In the fiscal year 2010, the Company generated income and expenses of EUR 7,372,359k (prior year: EUR 11,202,883k) from exercised, maturing or settled warrants and the related hedges.

In the fiscal year 2010, the Company generated income and incurred expenses from maturing certificates and related hedges of EUR 5,065,945k (prior year: EUR 12,589,462k).

Other operating income relates mainly to costs assumed by the shareholder.

Other operating expenses comprise mainly issuing costs and legal and consulting expenses as well as costs associated with stock exchanges.

## b) Composition of Assets, Equity and Liabilities

Condensed balance sheets for the last two fiscal years are shown below (audited). The items have been arranged according to operational criteria.

<b>Assets</b>	Dec. 31, 2010 EUR k	%	Dec. 31, 2009 EUR k	%	+/- EUR k
Receivables	60,242,512	86	35,678,762	82	24,563,750
Other assets	9,518,218	14	7,628,270	18	1,889,948
Deposits with banks	0	0	184	0	-184
Current assets	69,760,730	100	43,307,216	100	26,453,514
Deferred tax assets	1	0	0	0	1
	69,760,731	100	43,307,216	100	26,453,515
<b>Capital</b>	EUR k	%	EUR k	%	EUR k
Equity	514	0	421	0	93
Provisions	238	0	125	0	113
Liabilities	69,759,979	100	43,306,670	100	26,453,309
	69,760,731	100	43,307,216	100	26,453,515

EUR 49,359m of the receivables are from hedges concluded with Société Générale, Paris, which,

together with the certificates issued, are accounted for as a valuation unit. In addition, the receivables include trust assets of EUR 10,882m and deferred tax assets of EUR 1k. The trust assets are attributable to the transfer of proceeds from the issue of certificates in the Company's own name and for the account of the shareholder.

The Other Assets of EUR 9,518m derive from premiums paid to hedge warrant issues.

The Liabilities primarily comprise liabilities from certificates issued (EUR 49,359m), trust liabilities to the shareholder from the issue of certificates (EUR 10,882m) and liabilities from option premiums received for the issue of warrants (EUR 9,518m).

## IV. INFORMATION ON THE ISSUER

### 1. History and Business Performance

Société Générale Effekten GmbH (hereinafter also referred to as the “Issuer” or “SGE” or the “Company”) has its registered office in Frankfurt am Main and is entered in the commercial register of Frankfurt local court under no. HRB 32283. It came into existence after LT Industriebeteiligungs-Gesellschaft mbH, which was founded on March 3, 1977, was renamed by resolution of the shareholders’ meeting on October 5, 1990. Société Générale Effekten GmbH was founded as a limited liability company (*Gesellschaft mit beschränkter Haftung* - GmbH) under German law.

The business address and telephone number of the Issuer are:

Société Générale Effekten GmbH  
Neue Mainzer Straße 46-50  
D-60311 Frankfurt am Main  
Tel. 069/71 74 0

### 2. Business Overview

The business purpose of the Issuer, as stipulated in Sec. 2 of its articles of association, is the issue and sale of securities as well as related activities, with the exception of those requiring a license. The Company is engaged in the issue and placement of securities, mainly warrants and certificates, as well as related activities. In the fiscal year 2010, the Company issued a total of 16,235 warrants and certificates (prior year: 11,150). Banking business as defined by the German Banking Act (*Kreditwesengesetz* - KWG) is not included by the business purpose. The Issuer is a financial entity as defined in Sec. 1 (3) Sentence 1 No. 5 KWG.

The securities are primarily issued on the German market, one of the most important derivatives markets. The securities may also be sold publicly in certain other EU member states.

### 3. Organizational Structure

The Issuer is a wholly owned subsidiary of Société Générale, Paris. According to its own appraisal, Société Générale group (the **Group**) is one of the leading financial services groups in the Eurozone, structured into five core businesses, such as French Networks, International Retail Banking, Specialised Financing and Insurance, Private Banking - Global Investment Management & Services, and Corporate & Investment Banking. Société Générale, the parent company of the Group, is listed on the Euronext Paris (Nyse-Euronext).

The Issuer is not dependent upon other entities within the group; there are only service level agreements in place. Within the scope of these service level agreements the Issuer has access to resources of Société Générale, Frankfurt am Main branch, and/or Société Générale, Paris.

The consolidated financial statements prepared by the parent company can be inspected at Société

Générale, Frankfurt branch, Frankfurt am Main.

#### **4. Trend Information**

Since the date of its last published audited financial statements on December 31, 2010, there has been no material adverse change in the prospects of the Issuer.

#### **5. Management and Company Representatives**

The general managers of Société Générale Effekten GmbH are currently Dr. Joachim Totzke, Frankfurt am Main, Mr. Günter Happ, Flieden and Mr. Jean-Louis Jégou, Frankfurt am Main. With effect from April 6, 2009, Mr. Marc Braun was recalled as general manager and Mr. Jean-Louis Jégou was appointed as general manager. Furthermore, Mr. Achim Oswald, Frankfurt am Main and Ms. Jeanette Plachetka, Köln were granted full commercial power of attorney to represent the company in all normal business matters. Dr. Joachim Totzke, Mr. Günter Happ and Mr. Jean-Louis Jégou can be contacted at Société Générale, Frankfurt am Main branch, Neue Mainzer Straße 46-50, D-60311 Frankfurt am Main.

The Company is represented jointly by two general managers or by one general manager together with an authorized signatory.

The articles of association do not contain any provisions on the appointment of a supervisory board. No supervisory board existed during the past fiscal year.

Provided that the above named persons perform any activities out of the range of the scope of the Issuers activities, these activities are not relevant for the Issuer.

There are no potential conflicts of interest between the obligations of the general managers in respect of Société Générale Effekten GmbH and their private interests and other obligations.

As a capital market-oriented company, an audit committee consisting of the following members was established in accordance with section 264d HGB (German Commercial Code (Handelsgesetzbuch, "HGB")):

Mr. Francis Repka (Chairman)  
Ms. Catherine Bittner  
Mr. Achim Oswald

The Issuer does not comply with the German Corporate Governance Codex as amended on the 26 May 2010. As the Issuer is not a stock exchange listed company the Corporate Governance Codex does not apply to the Issuer.

#### **6. Financial Information on the Net Assets, Financial Position and Results of Operations of the Issuer**

##### **a) Historical Financial Information From Fiscal Year 2009**

The following table shows the **balance sheet** items for fiscal year 2009 as of December 31, 2009. The financial information given below has been audited.

BALANCE SHEET as of December 31, 2009

<u>ASSETS</u>	Dec. 31, 2009 EUR	Dec. 31, 2008 EUR
<b>A. <u>CURRENT ASSETS</u></b>		
I. Receivables and other assets		
1. Receivables from affiliated companies		
a) from the investment of issue proceeds	31,757,511,995.77	39,083,170,143.88
- thereof due in more than one 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. <u>TRUST ASSETS</u></b>		
Receivables	3,920,798,414.81	3,256,146,347.41
- thereof due in more than one 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>

<u>EQUITY AND LIABILITIES</u>	Dec. 31, 2009 EUR	Dec. 31, 2008 EUR
<b>A. <u>EQUITY</u></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	<u>56,744.88</u>	<u>82,468.65</u>
	420,663.40	363,918.52
<b>B. <u>ACCRUALS</u></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	<u>61,341.00</u>	<u>272,621.00</u>
	124,694.66	330,866.66
<b>C. <u>LIABILITIES</u></b>		
I. Liabilities from certificates issued	31,757,511,995.77	39,083,170,143.88
- thereof due up to one year: EUR 20,579,807,260.13 (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	7,628,273,226.04	13,158,742,442.01
- thereof due up to one 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>52,242,596,097.98</u>
<b>D. <u>TRUST LIABILITIES</u></b>		
Liabilities from certificates issued	3,920,798,414.81	3,256,146,347.41
- thereof due up to one 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>

The following table compares the **income statement** items for fiscal years 2009 and 2008. The financial information given below has been audited:

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

FRANKFURT AM MAIN, GERMANY

INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 1, 2009 TO DECEMBER 31, 2009

	Dec. 31, 2009 EUR	Dec. 31, 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	81,125.44	115,816.54
11. Income taxes	24,380.56	33,347.89
12. Net income for the year	56,744.88	82,468.65

**Société Générale Effekten GmbH****Cash Flow Statement as of December 31, 2009****(audited)**

	Dec. 31, 2009 EUR	Dec. 31, 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.

## 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 certifi-

ates" (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.

<b>Maturity Structure of Receivables and Payables</b>				
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) 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, 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	31,318,956	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	2488	251,524,400	06.03.2014	1687	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	3,650,000	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>	
<b>TOTAL certificates</b>		<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, Paris, on a regular basis. Derivative financial instruments similar

to warrants by their nature are valued by Société Générale, 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.

## **b) Historical Financial Information From Fiscal Year 2010**

The following table shows the balance sheet items for fiscal year 2010 as of December 31, 2010. The financial information given below has been audited.

Balance Sheet as of December 31, 2010

ASSETS

A. CURRENT ASSETS

I. Receivables and other assets

1. Receivables from affiliated companies

a) from the investment of issuing proceeds 49.358.874.287,12 31.757.511.995,77  
 - of which with a remaining term of more than one year: EUR 15,270,665,265.35 (previous year: EUR 11,177,704,735.64)

b) Other receivables 1.349.954,12 451.331,94  
 - of which with a remaining term of more than one year: EUR 0.00 (previous year: EUR 0.00)

2. Other assets 9.518.218.378,05 7.628.270.462,98  
 - of which with a remaining term of more than one year: EUR 6,208,362,509.57 (previous year: EUR 5,327,655,115.17)

58.878.442.619,29 39.386.233.790,69

II. Bank balances

0,00 183.981,09

B. DEFERRED TAX ASSETS

1.093,24 0,00

C. TRUST ASSETS

Receivables 10.882.287.155,15 3.920.798.414,81  
 - of which with a remaining term of more than one year: EUR 3,071,563,503.18 (previous year: EUR 2,687,210,373.70)

69.760.730.867,68 43.307.216.186,59

EQUITY & LIABILITIES

A. EQUITY

I. Subscribed capital 25.564,59 25.564,59  
 II. Retained profits brought forward 395.098,81 338.353,93  
 III. Net income for the year 93.784,65 56.744,88  
 514.448,05 420.663,40

B. PROVISIONS

I. Provisions for pensions and similar obligations 68.488,87 58.284,00  
 II. Provisions for taxes 20.000,00 5.069,66  
 III. Other provisions 149.378,00 61.341,00  
 237.866,87 124.694,66

C. LIABILITIES

I. Liabilities under issued certificates 49.358.874.287,12 31.757.511.995,77  
 - of which, with a remaining term of up to one year: EUR 34,088,209,021.77 (previous year: EUR 20,579,807,260.13)  
 II. Trade payables 352.233,88 87.166,88  
 - of which, with a remaining term of up to one year: EUR 352,233.88 (previous year: EUR 87,166.88)  
 III. Liabilities to affiliated companies 246.649,91 25,03  
 - of which, with a remaining term of up to one year: EUR 239,821.63 (previous year: EUR 25.03)  
 IV. Other liabilities 9.518.218.226,70 7.628.273.226,04  
 - of which, with a remaining term of up to one year: EUR 3,309,855,717.13 (previous year: EUR 2,300,618,110.87)  
 - of which taxes: EUR 2,261.99 (previous year: EUR 2,999.35)

58.877.691.397,61 39.385.872.413,72

D. TRUST LIABILITIES

Certificates 10.882.287.155,15 3.920.798.414,81  
 - of which, with a remaining term of up to one year: EUR 7,810,723,651.97 (previous year: EUR 1,233,588,041.03)

69.760.730.867,68 43.307.216.186,59

The following table compares the **income statement** items for fiscal years 2010 and 2009. The financial information given below has been audited:

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH

FRANKFURT AM MAIN, GERMANY

INCOME STATEMENT

FOR THE PERIOD FROM JANUARY 1, 2010 TO DECEMBER 31, 2010

	Dec. 31, 2010 EUR	Dec. 31, 2009 EUR
1. Income from option contracts	7,372,359,163.78	11,202,883,387.96
2. Expenses from option contracts	7,372,359,163.78	11,202,883,387.96
3. Income from certificate business	5,065,944,591.40	12,589,461,612.93
4. Expenses from certificate business	5,065,944,591.40	12,589,461,612.93
5. Other operating income	3,155,446.80	1,929,012.42
6. Personnel expenses		
a) Wages and salaries	141,464.52	177,809.62
b) Social security, post-employment and other employee benefit costs	32,667.98	36,729.28
- of which in respect of old age pensions: EUR 10,204.87 (previous year: EUR 7,108.00)		
7. Other operating expenses	2,836,799.87	1,631,049.31
8. Other interest and similar income	625.89	587.52
- of which from affiliated companies: EUR 625.89 (previous year: EUR 587.52)		
9. Interest and similar expenses	5,058.62	2,886.29
- of which from affiliated companies: EUR 5,058.62 (previous year: EUR 2,886.29)		
10. Result from ordinary activities	140,081.70	81,125.44
11. Taxes on income	46,297.05	24,380.56
- of which from deferred taxes assets: EUR 1,093.24 (previous year: EUR 0.00)		
12. Net income for the year	93,784.65	56,744.88

**Société Générale Effekten GmbH****Cash Flow Statement as of December 31, 2010****(audited)**

	2010 EUR	2009 EUR
<b>1. Cash flow from operating activities</b>		
Net income/net loss for the fiscal year before extraordinary	93,784.65	56,744.88
Increase (decrease) in provisions	113,172.21	-206,172.00
Increase in trade receivables as well as other assets not attributable to investment or financing activities	-26,453,697,568.94	-12,192,202,393.22
Increase in deferred tax assets	-1,093.24	0.00
Increase in trade payables as well as other liabilities not attributable to investment or financing activities	<u>26,453,307,724.23</u>	<u>12,192,535,801.43</u>
Cash flow from continuing operations	-183,981.09	183,981.09
<b>2. Closing balance of cash funds</b>		
Change in cash funds	-183,981.09	-18,650.76
Opening balance of cash funds	<u>183,981.09</u>	<u>202,631.85</u>
Closing balance of cash funds	<u><u>0.00</u></u>	<u><u>183,981.09</u></u>
<b>3. Composition of cash funds</b>		
Liquid assets	<u><u>0.00</u></u>	<u><u>183,981.09</u></u>

**Other disclosures in accordance with paragraph 52 of German Accounting Standard (DRS) 2:**

- a) The daily payable demand deposits at the shareholder are presented under cash funds.
- b) The definition of cash funds was not changed compared to the previous period.
- c) The carrying amount of cash funds corresponds to bank deposits.
- d) No significant non-cash investment or financing operations or transactions were entered into in the reporting period.
- e) The Company did not purchase or sell any companies in the reporting period.

**Other disclosures in accordance with paragraph 53 of German Accounting Standard (DRS) 2:**

The amount of cash funds presented is not attributable to companies proportionately included in the consolidated group and is not subject to any restrictions on disposal.

## **Notes to the annual financial statements for the period ended December 31, 2010, and other disclosures**

The annual financial statements of Société Générale Effekten GmbH for the period ended December 31, 2010, were prepared in accordance with the accounting regulations of the German Commercial Code (Handelsgesetzbuch, "HGB") and the supplementary provisions of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit Beschränkter Haftung, "GmbHG") in compliance with German accepted accounting principles.

### **(1) General information regarding the annual financial statements**

The annual financial statements were prepared for the first time in accordance with the provisions of the German Accounting Law Modernization Act (Bilanzierungsmodernisierungsgesetz, "BilMoG"). In this respect, the previous form of presentation and previously applied methods of measurement were adjusted. Insofar, there has been no break in consistency (Art. 67 (8) sentence 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch, "EGHGB"). The previous year's figures were not adjusted as a result of the option granted under Art. 67 (8) sentence 2 EGHGB.

### **(2) Accounting policies**

Receivables are recognized at nominal value plus accrued interest. Liabilities not covered by hedging transactions are recognized at the repayment amount.

Deferred taxes are calculated based on temporary differences between the financial and tax accounts in accordance with section 274 HGB. They were presented as deferred tax assets in the amount of EUR 1,093.24 in the balance sheet based on pension provisions. The tax rate used to calculate deferred taxes was 31.93%.

The provisions for pensions were measured at the settlement amount necessary according to prudent business judgment (section 253 (1) sentence 2 HGB) based on actuarial principles taking into account the mortality tables 2005 G. They are discounted based on an estimated remaining term of 15 years (section 253 (2) sentence 2 HGB). The projected unit credit method is applied as the actuarial method of measurement. An actuarial interest rate of 5.15% (previous year: 5.25%), a benefits dynamic of 2.79% (previous year: 2.84%), and a pension dynamic of 1.79% (previous year: 2.04%) were used as parameters for the provisions for pension commitments.

Liabilities are recognized at their settlement amount (section 253 (1) sentence 1 HGB).

Warrant premiums are recognized as other assets or other liabilities until the warrant is exercised or until it expires, at which time they are recognized in the income statement.

Issued certificates are presented as liabilities under issued certificates until they are payable. The issued certificates are offset by hedging transactions that are presented under receivables from affiliated companies.

Hedge accounting was applied to liabilities under issued certificates and warrants as well as the hedging transactions presented under receivables and other assets and they were recognized under liabilities at cost or recognized under assets in the amount of the issuing proceeds. These represent perfect micro hedges that are not measured in accordance with section 254 HGB due to their qualification for the use of hedge accounting; i.e. the net hedge presentation method is applied, because the offsetting changes in value are not recognized (section 285 no. 19b and c HGB as well as section 285 no. 23a and b HGB). It was not necessary to recognize impairment allowances for receivables and other assets.

The warrants and certificates issued as of the balance sheet date were completely hedged against changes in market prices 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 under trust assets. These transactions are recognized at cost.

### (3) Balance sheet disclosures

**Receivables from affiliated companies** amount to EUR 49,360,224 thousand (previous year: EUR 31,757,963 thousand) owed by the shareholder.

**Other assets** mainly include the OTC options acquired by the shareholder to hedge the issued warrants.

Trust receivables consist of funds passed on to the shareholder from several certificates issued on behalf of the shareholder.

Other provisions result mainly from provisions for issuing costs as well as auditing and consulting expenses.

**Trust liabilities** include the issue of certificates issued in the Company's own name on behalf of third parties.

**Issues denominated in foreign currencies** are presented under the asset item "receivables from the investment of issuing proceeds" and under the liability item "liabilities under issued certificates" (respectively EUR 674,120 thousand from USD and EUR 1,112,589 thousand from GBP). These amounts were translated to euros at the official mean rate of exchange prevailing on December 31, 2010.

<b>Maturities schedule of receivables and liabilities</b>				
	Total amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years
in € thousands				
<b>Receivables</b>				
- from the investment of issuing proceeds	49,358,874	34,088,209	14,975,699	294,966
- other receivables	1,350	1,350	0	0
- from trust	10,882,287	7,810,724	2,301,215	770,348
Other assets	9,518,219	3,309,856	5,120,531	1,087,832
<b>Liabilities</b>				
- from issued certificates	49,358,874	34,088,209	14,975,699	294,966
- trade payables	352	352	0	0
- liabilities to affiliated companies	247	240	7	
- other liabilities	9,518,219	3,309,856	5,120,531	1,087,832
- from trust	10,882,287	7,810,724	2,301,215	770,348

**(4) Income statement disclosures**

The income statement was prepared using the total cost (nature of expense) method.

**Other operating income** relates mainly to costs assumed by the shareholder.

**Other operating expenses** comprise mainly issuing costs and legal and consulting expenses as well as costs associated with stock exchanges.

Taxes on income **relate to the result from ordinary activities.**

**(5) Disclosures regarding new issue activities**

The issue volume in the 2010 fiscal year is presented below: all issues are completely hedged by entering into OTC options with identical terms and/or the investment of issuing proceeds on the part of Société Générale, Paris.

		FISCAL YEAR 2010			FISCAL YEAR 2009		
TYPE OF WARRANT/CERTIFICATE	TYPE	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY
<b>Warrants</b>							
Equity warrants	CALL	1	500,000	22/06/2011	7	5,475,000	28/12/2012
	PUT	6	920,000	23/03/2012	9	4,650,000	17/12/2010
	Open End Turbo Short	-	-	-	1	1,300,000	open end
	Open End Turbo Long	2	1,000,000	open end	2	1,266,000	open end
	Discount warrant	-	-	-	1	1,000,000	29/12/2009
	Inline warrant	401	120,300,000	23/12/2011	20	4,445,000	04/09/2009
		<b>410</b>	<b>122,720,000</b>		<b>40</b>	<b>18,136,000</b>	
Index warrants	CALL	200	152,123,500	07/07/2016	61	16,009,000	27/12/2010
	PUT	176	155,954,000	25/03/2011	121	110,802,000	27/12/2010
	Open End Turbo Short	31	13,170,000	open end	-	-	-
	Open End Turbo Long	44	19,590,000	open end	-	-	-
	Inline /stay - high/low warrant	931	278,725,000	04/01/2013	113	33,284,000	27/12/2010
	Corridor hit warrant	59	17,700,000	23/12/2011	15	4,500,000	29/12/2009
	Put down and out	10	3,227,500	23/12/2011	97	173,764,000	25.06.2010
		<b>1,451</b>	<b>640,490,000</b>		<b>407</b>	<b>338,359,000</b>	
Currency options	Open End Turbo Short	71	22,036,000	open end	-	-	-
	Open End Turbo Long	72	21,796,000	open end	-	-	-
		<b>143</b>	<b>43,832,000</b>				
Commodities options	CALL	505	267,170,000	24/06/2016	50	33,100,000	22.06.2010
	PUT	311	149,080,000	22/12/2015	60	23,300,000	22/12/2011
	Open End Turbo Short	374	184,470,000	open end	93	58,880,000	open end
	Open End Turbo Long	781	492,560,000	open end	362	289,590,000	open end
	Inline warrant	179	53,700,000	21/12/2012	6	1,450,000	22/09/2009
		<b>2,150</b>	<b>1,146,980,000</b>		<b>571</b>	<b>406,320,000</b>	
Fixed Income	Open End Turbo Short	37	12,080,000	open end			
	Open End Turbo Long	38	12,070,000	open end			
		<b>75</b>	<b>24,150,000</b>				
Futures	Bund Future	-	-	-	-	-	-
	Future	786	331,710,000	open end	1,726	778,233,000	open end
		<b>786</b>	<b>331,710,000</b>		<b>1,726</b>	<b>778,233,000</b>	
<b>TOTAL Warrants:</b>		<b>5,015</b>	<b>2,309,882,000</b>		<b>2,744</b>	<b>1,541,048,000</b>	

TYPE OF WARRANT/CERTIFICATE	TYPE	FISCAL YEAR 2010			FISCAL YEAR 2009		
		NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY
<b>certificates</b>							
Equity certificates	Index	-	-	-	1	200,000	05.02.2010
	Bonus	5,013	1,091,531,300	02/01/2015	4,214	802,036,500	22.06.2012
	Discount	916	254,167,000	23/12/2011	549	133,758,000	27/12/2010
	Express	38	2,940,000	06/12/2013	-	-	-
	Guaranties	3	300,000	07/09/2017	-	-	-
	Other	35	52,122,000	Open end	144	31,318,956	Open end
		<b>6,005</b>	<b>1,401,060,300</b>		<b>4,908</b>	<b>967,313,456</b>	
Bonds	Equities	863	56,375,000	04/01/2013	-	-	-
	Index	1	500,000	Open end	-	-	-
	Coupon bonds	3	700,000	29/11/2013	-	-	-
	Reverse convertible	30	1,500,000	04/08/2011	-	-	-
		<b>897</b>	<b>59,075,000</b>				
index certificates	Index	-	-	-	5	1200000	20/02/2012
	Guaranties	10	10,350,000	05/02/2016	1	150000	07/12/2015
	Airbag	-	-	-	1	50,000	15/07/2013
	Bonus	3160	283,281,585	11/12/2015	2488	251,524,400	06.03.2014
	Discount	608	83,893,500	04.01.2013	586	111,345,400	04.01.2013
	Express	66	9,200,000	16/12/2016	20	3,650,000	27/11/2015
	Outperformance	-	-	-	-	-	-
	Other	21	2,355,000	13/09/2018	94	10,109,300	Open end
		<b>3,865</b>	<b>389,080,085</b>		<b>3,195</b>	<b>378,029,100</b>	
Currency certificates	Other	1	3000	Open end	2	2,064,000	23/02/2010
		<b>1</b>	<b>3,000</b>		<b>2</b>	<b>2,064,000</b>	
Commodities certificates	Guaranties	1	250,000	Open end	-	-	-
	Bonus	101	17,128,000	22/06/2012	11	1,141,000	17/12/2010
	Discount	215	34,580,000	22.06.2011	86	15,007,000	22.06.2011
	Other	40	219,187,000	Open end	7	540,000	07.07.2014
		<b>357</b>	<b>271,145,000</b>		<b>104</b>	<b>16,688,000</b>	
Fund certificates	Other	-	-	-	1	4,000	09/03/2010
		<b>0</b>	<b>0</b>		<b>1</b>	<b>4,000</b>	
Futures certificates	Index	-	-	-	1	102,000	Open end
	Guaranties	-	-	-	-	-	-
	Bonus	49	2,599,000	23/12/2011	46	2,365,500	27/12/2010
	Discount	46	2,411,000	19/11/2012	116	12,010,000	23/11/2010
	Other	-	-	-	33	8,783,000	Open end
		<b>95</b>	<b>5,010,000</b>		<b>196</b>	<b>23,260,500</b>	
<b>TOTAL Certificates</b>		<b>11,220</b>	<b>2,125,373,385</b>		<b>8,406</b>	<b>1,387,359,056</b>	
<b>Total Certificates and Warrants:</b>		<b>16,235</b>	<b>4,435,255,385</b>		<b>11,150</b>	<b>2,928,407,056</b>	

As a rule, the fair value of the financial derivatives and debt securities with embedded derivatives are calculated using market values; in the case of illiquid markets, they are measured based on internal models. These "in-house valuation models" are periodically tested by specialists from the risk department of Société Générale, Paris. Derivative financial instruments similar in nature to options are measured using generally accepted option price models by Société Générale, Paris.

If an active market exists, quoted prices from stock exchanges, brokers and price finding agents are used.

The type, scope, and fair value of the derivative hedging transactions as of the balance sheet date is presented below: the Company holds 1,314 OTC options with a fair value of EUR 3,897 million to hedge equities and index warrants, 218 OTC options with a fair value of EUR 442 million to hedge currency warrants and 3,494 OTC options with a fair value EUR 14,904 million to hedge warrants on commodities.

In addition, the Company holds 12,091 certificates with a fair value EUR 60,031 million.

The carrying amount of the warrants listed here for the period ended December 31, 2010, is EUR 9,518 million and is included in the balance sheet under other liabilities. The carrying amount of the issued certificates for the period ended December 31, 2010, is EUR 49,359 million and is presented in the balance sheet under liabilities under issued certificates or under trust liabilities.

**c) Financial Statements**

Attached as exhibits I and II to this registration document are the financial statements as of December 31, 2009 and December 31, 2010, the management reports of the Issuer, Société Générale Effekten GmbH, the cash flow statements for fiscal years 2009 and 2010 and the relevant audit opinions.

**d) Audit of the Financial Information**

The financial statements of Société Générale Effekten GmbH, Frankfurt am Main for the fiscal year 2009 (from January 1, 2009 to December 31, 2009) were audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, D-60486 Frankfurt am Main, and an unqualified audit opinion was issued thereon.

The financial statements of Société Générale Effekten GmbH, Frankfurt am Main for the fiscal year 2010 (from January 1, 2010 to December 31, 2010) were audited by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Franklinstraße 50, D-60486 Frankfurt am Main, and an unqualified audit opinion was issued thereon.

**e) Interim Financial Information**

Since the end of the last fiscal year, no interim financial information has been prepared.

**f) Significant Court or Arbitration Proceedings**

Any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, have not been pending.

**g) Significant Changes in the Financial Position or Trading Position of the Issuer**

Since the end of the last fiscal year, 31 December 2010, no significant changes in the financial or trading position of the Group have occurred.

**7. Additional Notes**

The fully paid-in capital stock of Société Générale Effekten GmbH amounts to EUR 25,564.59. All shares in the Company are held by Société Générale, Paris.

Société Générale Effekten GmbH is entered in the commercial register of Frankfurt local court under no. HRB 32283.

The business purpose of the Company, which is stipulated in Art. 2 of its articles of association dated October 5, 1990, is the issue and sale of securities as well as related activities, with the exception of those requiring a license.

**8. Significant Contracts**

On October 10, 2001, Société Générale Effekten GmbH, under a trust agreement with Société Générale, Paris, issued a hedge index certificate with a nominal value of EUR 500,000k. A loan arrangement is in place between Société Générale, Paris, (borrower) and Société Générale Effekten GmbH (lender) for the funds raised in the course of the issue, which were transferred to Société Générale, Paris. The loan bears no interest. The loan becomes payable on the same date as the certificate. This could not be terminated before October 10, 2006. Upon maturity, the loan shall be repaid in the amount required to redeem the certificate. In 2004, the loan was reduced by the portion of the issue not placed on the market of EUR 475,000k.

On July 18, 2001, prior to the issue of the hedge index certificate, Société Générale, Paris, assumed responsibility for any potential liability risks resulting from the issue of the hedge index certificate or from the statements made in the prospectus from Société Générale Effekten GmbH.

With effect from February 28, 2006, Société Générale Effekten GmbH concluded a framework trust agreement with Société Générale, Paris. The trust agreement governs the issue of debt securities in Société Générale Effekten GmbH's name for the account of Société Générale, Paris. Société Générale Effekten GmbH agrees to receive all proceeds from the issue of debt securities and pass them on to Société Générale, Paris. The trust agreement was concluded for a one-year term and will renew itself automatically by one more year unless it has been terminated with 15 days' notice.

Furthermore, Société Générale Effekten GmbH and Société Générale, Paris have entered into an agreement on May 1, 2005 regarding the refunding of the costs incurred by Société Générale Effekten GmbH in connection with its issuing activities. Under the terms of the agreement, Société Générale Effekten GmbH also receives a monthly management fee of 5% of the issue costs.

As of September 1, 2006 a service agreement was concluded between Société Générale Wertpapierhandelsgesellschaft mbH, Frankfurt am Main, and Société Générale Effekten GmbH. Under the agreement, in return for the provision of services for Société Générale Wertpapierhandelsgesellschaft mbH, Société Générale Effekten GmbH is refunded its costs plus a 5% mark-up. The agreement was extended again till June 30, 2010. The contract has not been extended after June 30, 2010, because the Société Générale Wertpapierhandelsgesellschaft mbH is in liquidation and therefore no more services are provided by Société Générale Effekten GmbH to

to Société Générale Wertpapierhandelsgesellschaft mbH.

## **9. Documents Available for Inspection**

The documents named in this registration document relating to Société Générale Effekten GmbH and intended for publication are available for inspection at Société Générale, Frankfurt am Main branch, Neue Mainzer Strasse 46 - 50, D-60311 Frankfurt am Main, during normal office hours.

While this registration document is valid, a copy of the following documents can be inspected in paper form in particular:

- The articles of association as amended on October 5, 1990
- The financial statements as of December 31, 2009 and as of December 31, 2010 and the management reports for fiscal years 2009 and 2010 of Société Générale Effekten GmbH

**V. EXHIBIT I: Financial statements, management report, audit opinion and cash flow statement as of December 31, 2009**

- 1. Balance Sheet as of December 31, 2009**
- 2. Income Statement for Fiscal Year 2009**
- 3. Notes to the Annual Financial Statements for Fiscal Year 2009**
- 4. Management Report for Fiscal Year 2009**
- 5. Audit Opinion**

BALANCE SHEET as of December 31, 2009

<u>ASSETS</u>	<u>Dec 31, 2009</u> EUR	<u>Dec 31, 2008</u> EUR	<u>EQUITY AND LIABILITIES</u>	<u>Dec 31, 2009</u> EUR	<u>Dec 31, 2008</u> EUR
<b>A. CURRENT ASSETS</b>			<b>A. Equity</b>		
I. Receivables and other assets			I. Capital stock	25.564,59	25.564,59
1. Receivables from affiliated companies			II. Profit carryforward	338.353,93	255.885,28
a) from the investment of issue proceeds	31.757.511.995,77	39.083.170.143,88	III. Net income for the year	56.744,88	82.468,65
- thereof due in more than one				<u>420.663,40</u>	<u>363.918,52</u>
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	<b>B. ACCRUALS</b>		
- thereof due in more than one			I. Accruals for pensions and similar obligations	58.284,00	51.176,00
year: EUR 0.00 (prior year: EUR 0.00)			II. Tax accruals	5.069,66	7.069,66
2. Other assets	7.628.270.462,98	13.158.748.908,44	III. Other accruals	61.341,00	272.621,00
- thereof due in more than one				<u>124.694,66</u>	<u>330.866,66</u>
year: EUR 5,327,655,115.17 (prior year: EUR 8,230,462,294.80)			<b>C. LIABILITIES</b>		
	<u>39.386.233.790,69</u>	<u>52.243.088.251,31</u>	I. Liabilities from certificates issued	31.757.511.995,77	39.083.170.143,88
			- thereof due up to one		
II. Cash on hand, Bundesbank balances, bank balances			year: EUR 20,579,807,260.13 (prior year: EUR 32,240,335,646.05 )		
and checks	183.981,09	202.631,85	II. Trade payables	87.166,88	7.720,92
			- thereof due up to one		
<b>B. TRUST ASSETS</b>			year: EUR 87,166.88 (prior year: EUR 7,720.92 )		
Receivables	3.920.798.414,81	3.256.146.347,41	III. Amounts owed to affiliated companies	25,03	675.791,17
- thereof due in more than one			- thereof due up to one		
year: EUR 2,687,210,373.70 (prior year: EUR 3,075,560,507.41)			year: EUR 25.03 (prior year: EUR 675,791.17 )		
			IV. Other liabilities	7.628.273.226,04	13.158.742.442,01
			- thereof due up to one		
			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>52.242.596.097,98</u>
			<b>D. TRUST LIABILITIES</b>		
			Liabilities from certificates issued	3.920.798.414,81	3.256.146.347,41
			- thereof due up to one		
			year: EUR 1,233,588,041.03 (prior year: EUR 180,585,840.00 )		
	<u><u>43.307.216.186,59</u></u>	<u><u>55.499.437.230,57</u></u>		<u><u>43.307.216.186,59</u></u>	<u><u>55.499.437.230,57</u></u>

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

	<u>2009</u> EUR	<u>2008</u> 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.

<b>Maturity Structure of Receivables and Payables</b>				
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	<u>12,192,535,801.43</u>	<u>239,106,590.25</u>
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	<u>202,631.85</u>	<u>0.00</u>
Cash and cash equivalents at the end of the period	<u><u>183,981.09</u></u>	<u><u>202,631.85</u></u>
<b>3. Composition of cash and cash equivalents as of 31/12</b>		
Cash and cash equivalents	<u>183,981.09</u>	<u>202,631.85</u>

#### 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	31,318,956	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	2488	251,524,400	06.03.2014	1687	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	3,650,000	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, Fliesen

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

\_\_\_\_\_  
Jean-Louis Jégou

\_\_\_\_\_  
Dr. Joachim Totzke

\_\_\_\_\_  
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

## **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)

**VI. EXHIBIT II: Financial statements, management report, audit opinion and cash flow statement as of December 31, 2010**

- 1. Balance Sheet as of December 31, 2010**
- 2. Income Statement for Fiscal Year 2010**
- 3. Notes to the Annual Financial Statements for Fiscal Year 2010**
- 4. Cash Flow Statement**
- 5. Management Report for Fiscal Year 2010**
- 6. Audit Opinion**

Balance Sheet as of December 31, 2010

ASSETS

	Dec. 31, 2010 EUR	Dec. 31, 2009 EUR
<b>A. CURRENT ASSETS</b>		
I. Receivables and other assets		
1. Receivables from affiliated companies		
a) from the investment of issuing proceeds	49.358.874.287,12	31.757.511.995,77
- of which with a remaining term of more than one year: EUR 15,270,665,265.35 (previous year: EUR 11,177,704,735.64)		
b) Other receivables	1.349.954,12	451.331,94
- of which with a remaining term of more than one year: EUR 0.00 (previous year: EUR 0.00)		
2. Other assets	9.518.218.378,05	7.628.270.462,98
- of which with a remaining term of more than one year: EUR 6,208,362,509.57 (previous year: EUR 5,327,655,115.17)		
	<u>58.878.442.619,29</u>	<u>39.386.233.790,69</u>
II. Bank balances	0,00	183.981,09
<b>B. DEFERRED TAX ASSETS</b>	1.093,24	0,00
<b>C. TRUST ASSETS</b>		
Receivables	10.882.287.155,15	3.920.798.414,81
- of which with a remaining term of more than one year: EUR 3,071,563,503.18 (previous year: EUR 2,687,210,373.70)		
	<u>69.760.730.867,68</u>	<u>43.307.216.186,59</u>

EQUITY & LIABILITIES

	Dec. 31, 2010 EUR	Dec. 31, 2009 EUR
<b>A. EQUITY</b>		
I. Subscribed capital	25.564,59	25.564,59
II. Retained profits brought forward	395.098,81	338.353,93
III. Net income for the year	93.784,65	56.744,88
	<u>514.448,05</u>	<u>420.663,40</u>
<b>B. PROVISIONS</b>		
I. Provisions for pensions and similar obligations	68.488,87	58.284,00
II. Provisions for taxes	20.000,00	5.069,66
III. Other provisions	149.378,00	61.341,00
	<u>237.866,87</u>	<u>124.694,66</u>
<b>C. LIABILITIES</b>		
I. Liabilities under issued certificates	49.358.874.287,12	31.757.511.995,77
- of which, with a remaining term of up to one year: EUR 34,088,209,021.77 (previous year: EUR 20,579,807,260.13)		
II. Trade payables	352.233,88	87.166,88
- of which, with a remaining term of up to one year: EUR 352,233.88 (previous year: EUR 87,166.88)		
III. Liabilities to affiliated companies	246.649,91	25,03
- of which, with a remaining term of up to one year: EUR 239,821.63 (previous year: EUR 25.03)		
IV. Other liabilities	9.518.218.226,70	7.628.273.226,04
- of which, with a remaining term of up to one year: EUR 3,309,855,717.13 (previous year: EUR 2,300,618,110.87)		
- of which taxes: EUR 2,261.99 (previous year: EUR 2,999.35)		
	<u>58.877.691.397,61</u>	<u>39.385.872.413,72</u>
<b>D. TRUST LIABILITIES</b>		
Certificates	10.882.287.155,15	3.920.798.414,81
- of which, with a remaining term of up to one year: EUR 7,810,723,651.97 (previous year: EUR 1,233,588,041.03)		
	<u>69.760.730.867,68</u>	<u>43.307.216.186,59</u>

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBHFRANKFURT AM MAININCOME STATEMENTFOR THE PERIOD FROM JANUARY 1, 2010, TO DECEMBER 31, 2010

	<u>2010</u> <u>EUR</u>	<u>2009</u> <u>EUR</u>
1 Income from option contracts	7.372.359.163,78	11.202.883.387,96
2 Expenses from option contracts	7.372.359.163,78	11.202.883.387,96
3. Income from the certificate business	5.065.944.591,40	12.589.461.612,93
4. Expenses from the certificate business	5.065.944.591,40	12.589.461.612,93
5. Other operating income	3.155.446,80	1.929.012,42
6. Personnel expenses		
a) Wages and salaries	141.464,52	177.809,62
b) Social security, post-employment and other employee benefit costs of which in respect of old age pensions EUR 10,204.87 (previous year: EUR 7,108.00)	32.667,98	36.729,28
7. Other operating expenses	2.836.799,87	1.631.049,31
8. Other interest and similar income	625,89	587,52
- of which from affiliated companies: EUR 625.89 (previous year: EUR 587.52)		
9. Interest and similar expenses	5.058,62	2.886,29
- of which from affiliated companies: EUR 5,058.62 (previous year: EUR 2,886.29)		
10. Result from ordinary activities	<u>140.081,70</u>	<u>81.125,44</u>
11. Taxes on income	46.297,05	24.380,56
- of which from deferred tax assets: EUR 1,093.24 (previous year: EUR 0.00)		
12. Net income for the year	<u><u>93.784,65</u></u>	<u><u>56.744,88</u></u>

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Notes to the Annual Financial Statements  
for Fiscal Year 2010**

**Notes to the annual financial statements for the period ended December 31, 2010, and other disclosures**

The annual financial statements of Société Générale Effekten GmbH for the period ended December 31, 2010, were prepared in accordance with the accounting regulations of the German Commercial Code (Handelsgesetzbuch, "HGB") and the supplementary provisions of the German Limited Liability Companies Act (Gesetz betreffend die Gesellschaften mit Beschränkter Haftung, "GmbHG") in compliance with German accepted accounting principles.

**1. General information regarding the annual financial statements**

The annual financial statements were prepared for the first time in accordance with the provisions of the German Accounting Law Modernization Act (Bilanzierungsmodernisierungsgesetz, "BilMoG"). In this respect, the previous form of presentation and previously applied methods of measurement were adjusted. Insofar, there has been no break in consistency (Art. 67 (8) sentence 1 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch, "EGHGB"). The previous year's figures were not adjusted as a result of the option granted under Art. 67 (8) sentence 2 EGHGB.

**2. Accounting policies**

Receivables are recognized at nominal value plus accrued interest. Liabilities not covered by hedging transactions are recognized at the repayment amount.

Deferred taxes are calculated based on temporary differences between the financial and tax accounts in accordance with section 274 HGB. They were presented as deferred tax assets in the amount of EUR 1,093.24 in the balance sheet based on pension provisions. The tax rate used to calculate deferred taxes was 31.93%.

The provisions for pensions were measured at the settlement amount necessary according to prudent business judgment (section 253 (1) sentence 2 HGB) based on actuarial principles taking into account the mortality tables 2005 G. They are discounted based on an estimated remaining term of 15 years (section 253 (2) sentence 2 HGB). The projected unit credit method is applied as the actuarial method of measurement. An actuarial interest rate of 5.15% (previous year: 5.25%), a benefits dynamic of 2.79% (previous year: 2.84%), and a pension dynamic of 1.79% (previous year: 2.04%) were used as parameters for the provisions for pension commitments.

Liabilities are recognized at their settlement amount (section 253 (1) sentence 1 HGB).

Warrant premiums are recognized as other assets or other liabilities until the warrant is exercised or until it expires, at which time they are recognized in the income statement.

Issued certificates are presented as liabilities under issued certificates until they are payable. The issued certificates are offset by hedging transactions that are presented under receivables from affiliated companies.

Hedge accounting was applied to liabilities under issued certificates and warrants as well as the hedging transactions presented under receivables and other assets and they were recognized under liabilities at cost or recognized under assets in the amount of the issuing proceeds. These represent perfect micro hedges that are not measured in accordance with section 254 HGB due to their qualification for the use of hedge accounting; i.e. the net hedge presentation method is applied, because the offsetting changes in value are not recognized (section 285 no. 19b and c HGB as well as section 285 no. 23a and b HGB). It was not necessary to recognize impairment allowances for receivables and other assets.

The warrants and certificates issued as of the balance sheet date were completely hedged against changes in market prices 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 under trust assets. These transactions are recognized at cost.

### 3. Balance sheet disclosures

**Receivables from affiliated companies** amount to EUR 49,360,224 thousand (previous year: EUR 31,757,963 thousand) owed by the shareholder.

**Other assets** mainly include the OTC options acquired by the shareholder to hedge the issued warrants.

Trust receivables consist of funds passed on to the shareholder from several certificates issued on behalf of the shareholder.

Other provisions result mainly from provisions for issuing costs as well as auditing and consulting expenses.

**Trust liabilities** include the issue of certificates issued in the Company's own name on behalf of third parties.

**Issues denominated in foreign currencies** are presented under the asset item "receivables from the investment of issuing proceeds" and under the liability item "liabilities under issued certificates" (respectively EUR 674,120 thousand from USD and EUR 1,112,589 thousand from GBP). These amounts were translated to euros at the official mean rate of exchange prevailing on December 31, 2010.

<b>Maturities schedule of receivables and liabilities</b>				
in € thousands	Total amount	Remaining term up to 1 year	Remaining term 1 to 5 years	Remaining term more than 5 years
<b>Receivables</b>				
- from the investment of issuing proceeds	49,358,874	34,088,209	14,975,699	294,966
- other receivables	1,350	1,350	0	0
- from trust	10,882,287	7,810,724	2,301,215	770,348
Other assets	9,518,219	3,309,856	5,120,531	1,087,832
<b>Liabilities</b>				
- from issued certificates	49,358,874	34,088,209	14,975,699	294,966
- trade payables	352	352	0	0
- liabilities to affiliated companies	247	240	7	
- other liabilities	9,518,219	3,309,856	5,120,531	1,087,832
- from trust	10,882,287	7,810,724	2,301,215	770,348

#### 4. Income statement disclosures

The income statement was prepared using the total cost (nature of expense) method.

**Other operating income** relates mainly to costs assumed by the shareholder.

**Other operating expenses** comprise mainly issuing costs and legal and consulting expenses as well as costs associated with stock exchanges.

Taxes on income **relate to the result from ordinary activities.**

#### 5. Disclosures regarding new issue activities

The issue volume in the 2010 fiscal year is presented below: all issues are completely hedged by entering into OTC options with identical terms and/or the investment of issuing proceeds on the part of Société Générale S.A., Paris.

		FISCAL YEAR 2010			FISCAL YEAR 2009		
TYPE OF WARRANT/CERTIFICATE	TYPE	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY
<b>Warrants</b>							
Equity warrants	CALL	1	500,000	22/06/2011	7	5,475,000	28/12/2012
	PUT	6	920,000	23/03/2012	9	4,650,000	17/12/2010
	Open End Turbo Short	-	-	-	1	1,300,000	open end
	Open End Turbo Long	2	1,000,000	open end	2	1,266,000	open end
	Discount warrant	-	-	-	1	1,000,000	29/12/2009
	Inline warrant	401	120,300,000	23/12/2011	20	4,445,000	04/09/2009
		<b>410</b>	<b>122,720,000</b>		<b>40</b>	<b>18,136,000</b>	
Index warrants	CALL	200	152,123,500	07/07/2016	61	16,009,000	27/12/2010
	PUT	176	155,954,000	25/03/2011	121	110,802,000	27/12/2010
	Open End Turbo Short	31	13,170,000	open end	-	-	-
	Open End Turbo Long	44	19,530,000	open end	-	-	-
	Inline /stay - high/low warrant	931	278,725,000	04/01/2013	113	33,284,000	27/12/2010
	Corridor hit warrant	59	17,700,000	23/12/2011	15	4,500,000	29/12/2009
	Put down and out	10	3,227,500	23/12/2011	97	173,764,000	25.06.2010
		<b>1,451</b>	<b>640,490,000</b>		<b>407</b>	<b>338,359,000</b>	
Currency options	Open End Turbo Short	71	22,036,000	open end	-	-	-
	Open End Turbo Long	72	21,796,000	open end	-	-	-
		<b>143</b>	<b>43,832,000</b>				
Commodities options	CALL	505	267,170,000	24/06/2016	50	33,100,000	22.06.2010
	PUT	311	149,080,000	22/12/2015	60	23,300,000	22/12/2011
	Open End Turbo Short	374	184,470,000	open end	93	58,880,000	open end
	Open End Turbo Long	781	492,560,000	open end	362	289,590,000	open end
	Inline warrant	179	53,700,000	21/12/2012	6	1,450,000	22/09/2009
		<b>2,150</b>	<b>1,146,980,000</b>		<b>571</b>	<b>406,320,000</b>	
Fixed Income	Open End Turbo Short	37	12,080,000	open end			
	Open End Turbo Long	38	12,070,000	open end			
		<b>75</b>	<b>24,150,000</b>				
Futures	Bund Future	-	-	-	-	-	-
	Future	786	331,710,000	open end	1,726	778,233,000	open end
		<b>786</b>	<b>331,710,000</b>		<b>1,726</b>	<b>778,233,000</b>	
<b>TOTAL Warrants:</b>		<b>5,015</b>	<b>2,309,882,000</b>		<b>2,744</b>	<b>1,541,048,000</b>	

		FISCAL YEAR 2010			FISCAL YEAR 2009		
TYPE OF WARRANT/CERTIFICATE	TYPE	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY	NUMBER	VOLUME (IN UNITS)	LONGEST TERM TO MATURITY
<b>certificates</b>							
Equity certificates	Index	-	-	-	1	200,000	05.02.2010
	Bonus	5,013	1,091,531,300	02/01/2015	4,214	802,036,500	22.06.2012
	Discount	916	254,167,000	23/12/2011	549	133,758,000	27/12/2010
	Express	38	2,940,000	06/12/2013	-	-	-
	Guaranties	3	300,000	07/09/2017	-	-	-
	Other	35	52,122,000	Open end	144	31,318,956	Open end
		<b>6,005</b>	<b>1,401,060,300</b>		<b>4,908</b>	<b>967,313,456</b>	
Bonds	Equities	863	56,375,000	04/01/2013	-	-	-
	Index	1	500,000	Open end	-	-	-
	Coupon bonds	3	700,000	29/11/2013	-	-	-
	Reverse convertible	30	1,500,000	04/08/2011	-	-	-
		<b>897</b>	<b>59,075,000</b>				
index certificates	Index	-	-	-	5	1200000	20/02/2012
	Guaranties	10	10,350,000	05/02/2016	1	150000	07/12/2015
	Airbag	-	-	-	1	50,000	15/07/2013
	Bonus	3160	283,281,585	11/12/2015	2488	251,524,400	06.03.2014
	Discount	608	83,893,500	04.01.2013	586	111,345,400	04.01.2013
	Express	66	9,200,000	16/12/2016	20	3,650,000	27/11/2015
	Outperformance	-	-	-	-	-	-
	Other	21	2,355,000	13/09/2018	94	10,109,300	Open end
		<b>3,865</b>	<b>389,080,085</b>		<b>3,195</b>	<b>378,029,100</b>	
Currency certificates	Other	1	3000	Open end	2	2,064,000	23/02/2010
		<b>1</b>	<b>3,000</b>		<b>2</b>	<b>2,064,000</b>	
Commodities certificates	Guaranties	1	250,000	Open end	-	-	-
	Bonus	101	17,128,000	22/06/2012	11	1,141,000	17/12/2010
	Discount	215	34,580,000	22.06.2011	86	15,007,000	22.06.2011
	Other	40	219,187,000	Open end	7	540,000	07.07.2014
		<b>357</b>	<b>271,145,000</b>		<b>104</b>	<b>16,688,000</b>	
Fund certificates	Other	-	-	-	1	4,000	09/03/2010
		<b>0</b>	<b>0</b>		<b>1</b>	<b>4,000</b>	
Futures certificates	Index	-	-	-	1	102,000	Open end
	Guaranties	-	-	-	-	-	-
	Bonus	49	2,599,000	23/12/2011	46	2,365,500	27/12/2010
	Discount	46	2,411,000	19/11/2012	116	12,010,000	23/11/2010
	Other	-	-	-	33	8,783,000	Open end
		<b>95</b>	<b>5,010,000</b>		<b>196</b>	<b>23,260,500</b>	
TOTAL Certificates		<b>11,220</b>	<b>2,125,373,385</b>		<b>8,406</b>	<b>1,387,359,056</b>	
<b>Total Certificates and Warrants:</b>		<b>16,235</b>	<b>4,435,255,385</b>		<b>11,150</b>	<b>2,928,407,056</b>	

As a rule, the fair value of the financial derivatives and debt securities with embedded derivatives are calculated using market values; in the case of illiquid markets, they are measured based on internal models. These "in-house valuation models" are periodically tested by specialists from the risk department of Société Générale S.A., Paris. Derivative financial instruments similar in nature to options are measured using generally accepted option price models by Société Générale S.A., Paris.

If an active market exists, quoted prices from stock exchanges, brokers and price finding agents are used.

The type, scope, and fair value of the derivative hedging transactions as of the balance sheet date is presented below: the Company holds 1,314 OTC options with a fair value of EUR 3,897 million to hedge equities and index warrants, 218 OTC options with a fair value of EUR 442 million to hedge currency warrants and 3,494 OTC options with a fair value EUR 14,904 million to hedge warrants on commodities.

In addition, the Company holds 12,091 certificates with a fair value EUR 60,031 million.

The carrying amount of the warrants listed here for the period ended December 31, 2010, is EUR 9,518 million and is included in the balance sheet under other liabilities. The carrying amount of the issued certificates for the period ended December 31, 2010, is EUR 49,359 million and is presented in the balance sheet under liabilities under issued certificates or under trust liabilities.

## **6. Disclosures regarding the fees recognized as expenses in the fiscal year**

The fee recognized in the 2010 fiscal year as expense for the 2010 audit amounts to EUR 56 thousand.

## **7. Disclosures regarding board members and employees**

The following individuals were appointed as managing directors in the 2010 fiscal year:

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

The managing directors are salaried employees of Société Générale S.A., Frankfurt am Main branch office. Expenses totaling EUR 12 thousand were charged to Société Générale Effekten GmbH in fiscal year 2010 as remuneration for the managing directors.

The Company had an average of 1.5 employees during the fiscal year.

As a capital market-oriented company, an audit committee consisting of the following members was established in accordance with section 264d HGB:

Francis Repka (Chairman)  
 Catherine Bittner  
 Achim Oswald

## 8. Group affiliation

The parent company of Société Générale Effekten GmbH, which prepares consolidated financial statements, is Société Générale S.A., Paris. The publication of the consolidated financial statements of Société Générale S.A., Paris, is announced in France in the "Bulletin des Annonces Légales Obligatoires (B.A.L.O.) in the section entitled "Publications Périodiques" (R.C.S: 552 120 222).

The consolidated financial statements are available on the web at [www.socgen.com](http://www.socgen.com).

Frankfurt am Main, March 29, 2011

Management

Société Générale Effekten GmbH

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Jean-Louis Jégou

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Dr. Joachim Totzke

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Günter Happ

## Cash Flow Statement

	2010 EUR	2009 EUR
<b>1. Cash flow from operating activities</b>		
Net income/net loss for the fiscal year before extraordinary	93.784,65	56.744,88
Increase (decrease) in provisions	113.172,21	-206.172,00
Increase in trade receivables as well as other assets not attributable to investment or financing activities	-26.453.697.568,94	-12.192.202.393,22
Increase in deferred tax assets	-1.093,24	0,00
Increase in trade payables as well as other liabilities not attributable to investment or financing activities	<u>26.453.307.724,23</u>	<u>12.192.535.801,43</u>
Cash flow from continuing operations	-183.981,09	183.981,09
<b>2. Closing balance of cash funds</b>		
Change in cash funds	-183.981,09	-18.650,76
Opening balance of cash funds	<u>183.981,09</u>	<u>202.631,85</u>
Closing balance of cash funds	<u><u>0,00</u></u>	<u><u>183.981,09</u></u>
<b>3. Composition of cash funds</b>		
Liquid assets	<u><u>0,00</u></u>	<u><u>183.981,09</u></u>

### Other disclosures in accordance with paragraph 52 of German Accounting Standard (DRS) 2:

- a) The daily payable demand deposits at the shareholder are presented under cash funds.
- b) The definition of cash funds was not changed compared to the previous period.
- c) The carrying amount of cash funds corresponds to bank deposits.
- d) No significant non-cash investment or financing operations or transactions were entered into in the reporting period.
- e) The Company did not purchase or sell any companies in the reporting period.

### Other disclosures in accordance with paragraph 53 of German Accounting Standard (DRS) 2:

The amount of cash funds presented is not attributable to companies proportionately included in the consolidated group and is not subject to any restrictions on disposal.

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Management Report  
for Fiscal Year 2010**

**Strategic orientation**

Société Générale Effekten GmbH issues warrants and certificates that are each sold entirely to the parent company Société Générale S.A., Paris, to Société Générale Option Europe S.A., Paris, and to Inora LIFE Limited, Dublin – all wholly owned subsidiaries of the Société Générale Group.

This activity has no influence on the issuer's economic situation, because some of the issues are placed with ultimate purchasers by Société Générale S.A., Paris.

**Business development**

The 2010 fiscal year was characterized by a year-on-year increase in issue volume.

In fiscal year 2010, warrants were issued over a total of 5,015 issues (previous year: 2,744). In addition to 410 issues of warrants on equities, there were 1,451 issues of warrants on various indices, 786 issues of warrants on futures, 75 issues of warrants on fixed income, 143 issues of warrants on currencies, and 2,150 issues of warrants on commodities.

In addition, 11,220 classes of certificates (previous year: 8,406) were issued, mainly in the form of bonus and discount certificates.

**Net assets, financial position and results of operations**

Net assets

The increase in the issue volume of warrants and certificates in 2010 led to a considerable increase in total assets, which increased by EUR 26,454 million to EUR 69,761 million compared to the previous year.

The Company's subscribed capital remains unchanged at EUR 25,564.59. In addition, the Company has retained profits brought forward in the amount of EUR 395,098.81 at its disposal. The Company's equity increased by net income earned for the year in the amount of EUR 94 thousand (previous year: EUR 57 thousand) to EUR 514 thousand (previous year: EUR 420 thousand).

All receivables are owed by the sole shareholder. There was no risk of default outside the Société Générale Group.

#### Results of operations

The Company generates no profit from new issue activities, because the proceeds from the sale of issued warrants and certificates are always offset by the expenses for the acquisition of corresponding hedging transactions.

Personnel and other operating expenses are charged to Société Générale S.A., Paris, on the basis of a "cost-plus rule". By design, the Company cannot suffer a net loss for the year independent of sales.

#### Financial position

The nature and execution of the Company's business activities are oriented on ensuring that its financial position is always balanced. Cash transactions arise only with respect to personnel and other operating expenses as well as their being charged to Société Générale, Paris. Net income for fiscal year 2010 amounted to EUR 94 thousand.

#### **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.

#### Counterparty risk

The Company is not exposed to settlement risk, since payments from the sale of issued securities always offset payments for hedges and payments related to the exercise of warrants. Receivables are owed exclusively by the parent company Société Générale S.A., Paris. The creditworthiness of Société Générale S.A., Paris, and its subsidiaries is the determining factor for assessing the Company's risk.

#### Market risk

In particular, all market risk from issued warrants and certificates is fully hedged by means of hedging transactions entered into with Société Générale S.A., Paris. Therefore, there is no price risk.

#### Liquidity risk

Due to the Company's affiliation with the Société Générale Group, there are no identifiable liquidity risks at the present time.

### Operational risk

Société Générale S.A., Paris, has developed processes and systems to monitor and manage operational risks that are used by Société Générale Effekten GmbH. These include in particular "Permanent Supervision" as well as the Business Continuity Plan (BCP). There are no operational risks.

### **Internal control and risk management system with respect to the accounting process**

With respect to the accounting process, the internal control system (ICS) and risk management system (RMS) include the basic principles, processes, and measures to ensure the effectiveness and efficiency of the accounting as well as to ensure compliance with the relevant legal provisions, and also the hedging of risks and the use of hedge accounting. It ensures that the assets and liabilities are recognized, presented, and measured appropriately in the financial statements.

### Responsibilities in the accounting-related ICS and RMS

The responsibilities of management and the audit committee

Management manages the Company under its own responsibility and works together in trust with the Company's other executive bodies for the benefit of the Company. Its responsibilities include the overall responsibility for the preparation of the annual financial statements.

Management assures according to the best of its knowledge that the annual financial statements represent a true and fair view of the Company's net assets, financial position and results of operations in accordance with the applicable accounting principles.

Management determines under its own responsibility the scope and orientation of the ICS and RMS, which are specifically designed for the Company, and undertakes measures to further develop the systems and to adjust them to changing conditions.

The value systems practiced in all the countries of Société Générale and therefore also by SG Effekten, such as the "Code of Conduct" and the "Compliance Rules", etc., form the basis for responsible behavior also for the employees entrusted with carrying out the accounting process. Despite all risk-mitigating measures established within the scope of the ICS and RMS, established systems and processes that are also adequate and functional cannot guarantee with absolute certainty that risks will be identified and managed. The accounting department is responsible for the accounting process and in particular for the process of preparing the annual financial statements. The accounting department is supported by the back office departments of Société Générale Paris, in particular with respect to the measurement of financial instruments and receivables.

The data processing systems necessary for the accounting process are provided by the parent company.

An audit committee comprising three salaried employees was established to support management with respect to the accounting process. The audit committee concentrates on the development of the net assets, financial position, and results of operations at least once every year – in particular for the annual financial statements. The shareholder is obligated to adopt the annual financial statements as part of the annual financial statement process. In order to fulfill these duties, the financial statement documents, including management's recommendation on the utilization of unappropriated net profits, are made available to the audit committee along with the auditors' report.

#### Organization and components of the accounting-related internal control and risk management system

Process and execution of the preparation of the financial statements of SG Effekten.

The primary process of recording and processing the transactions is largely standardized and carried out in the responsible divisions, including a review by a "second set of eyes" (separate submission and approval). The information recorded in the area "Accounting and Finance" for business operations in general and for facts and circumstances related to accounting in specific is accessed online over the intranet. Technical system maintenance with respect to the preparation of the financial statements is outsourced to the subsidiary responsible for IT in the SG Group.

The parent company is obligated to monitor this process. The technical consulting processes in the central advisory unit are regulated in the working instructions. The parent company is responsible for carrying out the security and filing of the application system databases, for which there are outsourcing contracts. The central data security systems for the mainframe computers as well as the storage networks for the Open Systems area form the primary basis for data security. The data is mirrored redundantly in Paris.

The necessary protection from unauthorized access and the maintenance of functional separation with respect to the use of the Company's application systems relevant to accounting are ensured in particular by the concept of workstation profiles as well as by processes to create the workstation profiles. The workstation profiles are created and maintained in the individual divisions, which are also responsible for the approval of access rights and the separation of functions.

#### Documentation of the processes

As a subsidiary of Société Générale Paris, S.A., the documentation of the processes is specified. This is summarized in the "Accounting & Finance Manual". The main components of the documented processes are automatic controls which ensure the accuracy of data inputs.

#### Measures for continuous updating of the ICS and RMS

As part of the further development of the ICS and RMS, the Company intends to carry out additional projects and measures that contribute to strengthening the ICS and RMS. Moreover, additional relevant processes are successively adopted and assessed and added to the standard process of the ICS and RMS based on the previously achieved process documentation basis.

Any changes in legal requirements and regulations with respect to the accounting are to be reviewed to determine whether and what consequences they have for the accounting process. The unit for basic accounting issues existing in the Finance area is responsible for the contents. For changes or new regulations that have a significant effect on the accounting process, a project is set up accordingly that takes into account all measures such as adjustments to electronic data processing, work processes, and rules for posting bookkeeping entries, among other things, for all departments.

### **Supplementary report**

There were no significant events that could have a potential effect on the net assets, financial position and results of operations after the reporting date.

### **Forecast report/Outlook**

Issuing activities for the 2011 fiscal year depend on the current trend on the financial markets.

After the stabilization of the financial market in 2010, we also expect the issue volume to expand in 2011.

As in the previous years, the Company intends to offer a wide range of products in 2011. However, we have to acknowledge that the investors are focusing increasingly on short-term products.

In addition, the Company intends to conduct its issuing activities also in Swiss francs in 2011.

Net income in fiscal years 2011 and 2012 will be positive, considering the strict risk hedging policy with respect to certificates and warrants.

Frankfurt am Main, March 29, 2011

Management

Société Générale Effekten GmbH

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Jean-Louis Jégou

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Dr. Joachim Totzke

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Günter Happ

## **Audit Opinion**

We audited the annual financial statements – consisting of the balance sheet, income statement, cash flow statement, statement of changes in equity 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 2010. 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, 29 March 2011

**Deloitte & Touche GmbH**  
Wirtschaftsprüfungsgesellschaft

(Kopatschek)  
(Public Auditor)

(ppa. Lange)  
(Public Auditor)

Frankfurt, August 11, 2011

**Société Générale Effekten GmbH**

**Société Générale**

sgd. Dr. Joachim Totzke

sgd. Dr. Joachim Totzke

sgd. Achim Oswald

sgd. Achim Oswald