



Cegereal – Annual Results

2014: Strong growth in operating performance (+24%)

- **Solid operating performance**

In 2014, EPRA earnings rose by 24% to €23.7 million, up from €19.1 million in 2013. This solid performance is mainly driven by a 12.9% growth in net rental income and an increase in the occupancy rate to 90%, leading to a fall in finance costs.

- **Creation of the first Garden Tower in La Défense**

With its unique Garden Tower project in the heart of La Défense, Cegereal is reinventing the relationship between green spaces and office buildings by offering Europlaza users, as from spring 2015, an exceptional outdoor space and fully remodelled ground-floor common areas. Europlaza will give tenants and their visitors the opportunity to enjoy a more than 3,000-sq.m. private garden, as well as two internal gardens, all designed by architect Juan Trindade.

The interior creations, to be located in the building's entrance hall, are in the final phases of their development, while the outdoor space remodeling is ongoing.

- **Successful completion of the Go Green program, start of Upgreen Your Business**

Cegereal completed its Go Green project, launched in 2012, thus becoming France's first fully "green" REIT with a portfolio that has been entirely certified for its environmental qualities.

Cegereal's environmentally responsible approach recently earned its Green Star status in the Global Real Estate Sustainability Benchmark (GRESB). The GRESB recognized Cegereal in its first appearance in the ranking as a benchmark property company in the areas of responsible management and sustainable development.

In January 2015, Cegereal demonstrated its continued commitment to CSR with the launch of the "Upgreen Your Business" collaborative program.

- **Increase in net rental income (up 12.9%)**

In 2014, rental income calculated in accordance with IFRS totaled €44.7 million, up 3.3% compared with 2013. Expense recoveries and penalties received from tenants rose 25% on 2013 at €13.2 million. Building-related costs slightly decreased and amounted to €16.3 million. Overall, the net rental income increased from €36.8 million to €41.6 million.

The portfolio's overall occupancy rate was 90% at December 31, 2014, compared with 89% at end-2013.

Arcs de Seine: 97% occupancy rate

In 2014, Cegereal kept up its marketing strategy for Arcs de Seine, the standout property in Paris's Telecommunication Valley. Located on the banks of the Seine on Quai du Point du Jour in Boulogne-Billancourt, Arcs de Seine was entirely renovated in 2012.

In that year, 22,220 sq.m. were leased, followed by a further 7,800 sq.m. in 2013. In 2014:

- a new lease on 700 sq.m. was signed with a new tenant, BBC, which came into effect during the second quarter;
- Sagem leased an additional 700 sq.m. of space in April, bringing its leased surface area to 5,600 sq.m.;
- in September, Huawei leased an additional 1,400 sq.m. of space, increasing to 5,200 sq.m. the total surface area occupied by this fast-growing tenant.

In January 2015, Cegereal signed two new six-year leases on 4,200 sq.m. of office space. Amgen will occupy 2,800 sq.m. of space and Exclusive Networks 1,400 sq.m.

These new signings raise the property's occupancy rate to 97% at December 31, 2014 (compared with 81% at December 31, 2013), leaving just 1,400 sq.m. of the building's 45,000 sq.m. on the market.

Rives de Bercy: HQE and BREEAM In-Use Very Good certification

The new nine-year lease signed as part of the Go Green program in January 2013 with Crédit Foncier, the building's long-standing sole tenant, includes stringent mutual undertakings by the owner and the tenant to meet environmental targets.

In December 2014, Rives de Bercy (32,000 sq.m.) was officially granted HQE Exploitation environmental performance certification by Certivéa, an independent organization.

On January 20, 2015, the building also received the BREEAM In-Use International Very Good certification.

Europiazza: a buoyant rental activity

During the period, three tenants renewed their leases, with two of them leasing additional surface area, and two new tenants moved in:

- Galderma's lease on 4,000 sq.m. was renewed with effect from January 1, 2014 and a further 800 sq.m. were leased during the second quarter.
- The lease with Crédit Agricole/BforBank on 1,700 sq.m. was also renewed, with a further 1,300 sq.m. leased in the second quarter.
- The lease with NTT Europe on almost 1,300 sq.m. was renewed in May.
- 900 sq.m. were leased to Gas Natural, effective from May, and 600 sq.m. to Heinz France from July.

The Europiazza occupancy rate stood at 77% at December 31, 2014 versus 89% at end-2013.

Following the departure of Cap Gemini from the building's lower floors, Europiazza currently has 10,800 sq.m. of office space available for lease. This space overlooks the new gardens, which will be completed in spring 2015.

• A healthy financial position

Cegereal refinanced all of its debt in 2012 and does not have any repayment obligations until August 2017. Its loan to value is stable at 46.5%.

This debt was refinanced at the competitive rate of 3.40%, reducing finance costs by around 20%. The rate is reduced to 3.15% as soon as the occupancy rate exceeds 90%.

• Amount to be distributed in dividends in 2015: €1.65 per share

At the Annual Shareholders' Meeting on April 15, 2015, Cegereal intends to recommend paying a total of €1.65 in dividends per share in 2015. It will be paid on July 16, 2015, subject to shareholders' approval.

- **Key indicators**

<i>in millions of euros</i>	2014	2013	Change
IFRS rental income	44.7	43.3	+3.3%
IFRS turnover	57.9	53.8	+7.7%
IFRS net rental income	41.6	36.8	+12.9%
IFRS net income	42.4	1.9	N/A
EPRA earnings	23.7	19.1	+24.1%
EPRA NNNAV per share excluding transfer costs (in €)	34.8	34.1	+2.1%
NAV per share including transfer costs (in €)	39.3	38.0	+3.4%
Portfolio value (excluding transfer costs)	871	849	+2.6%
Dividend (in € per share)	1.65	1.50	+10.0%

The portfolio was valued by DTZ Eurexi at €871 million excluding transfer costs (€928 million including transfer costs) as of December 31, 2014 versus €849 million excluding transfer costs as of December 31, 2013.

The three properties' appraisal values, excluding transfer costs, are as follows:

- Arcs de Seine: €347 millions
- Europlaza: €333 millions
- Rives de Bercy: €191 millions

EPRA NNNAV excluding transfer costs stood at €34.8 per share at December 31, 2014, compared with €34.1 per share at the 2013 year-end. The decline over the period reflected dividend distributions (negative impact of €1.5 per share), consolidated earnings growth (positive impact of €1.6 per share), changes in the properties' appraisal values (positive impact of €1.6 per share), rent-free periods granted to new tenants (negative impact of €0.7 per share) and changes in the fair value of bank debt (negative impact of €0.4 per share).

Raphaël Tréguier, Cegereal's Chief Executive Officer, said:

"In 2014, we outperformed our targets with more than 20% growth in recurring net income per share. In addition to this achievement, we are delighted to report on the success of the Go Green program and the launch of Europlaza's transformation into a Garden Tower, both of which are central to our development. 2015 is set to be a promising year for Cegereal, as we look to actively engage in arbitrage opportunities and acquisition operations."

Cegereal's Board of Directors met on February 12, 2015 to approve the audited consolidated financial statements for the year ended December 31, 2014.

The annual results presentation and video can be viewed on the Company's website: www.cegereal.com.

Investor Calendar

- April 15, 2015 Annual Shareholders' Meeting
- April 16, 2015 First-quarter 2015 revenue
- July 16, 2015 Payment of the 2014 dividend
- July 24, 2015 First-half 2015 results
- October 22, 2015 Third-quarter 2015 revenue

About Cegereal (NYSE Euronext Paris – Compartment B - CGR)

Cegereal is a REIT-style property company ("SIIC") that invests in very large prime office properties. Its portfolio currently comprises three office buildings located in the near suburbs of Paris. The portfolio's appraisal value, as estimated by independent valuers DTZ Eurexi as of December 31, 2014, is €928 million including transfer costs.

Listed on Euronext since 2006, in compartment B, its market capitalization as of February 9, 2015 totaled €377 million.

www.cegereal.com.

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APPENDICES

IFRS Income Statement (consolidated)

In thousands of euros, except per share data

	2014	2013
Rental income	44,746	43,303
Income from other services	13,173	10,462
Building-related costs	(16,341)	(16,927)
Net rental income	41,579	36,838
 Sale of building		
Administrative costs	(3,057)	(2,754)
Other operating expenses	0	(4)
Other operating income		
 Increase in fair value of investment property	42,637	15,386
Decrease in fair value of investment property	(23,933)	(32,531)
<i>Total change in fair value of investment property</i>	<i>18,704</i>	<i>(17,145)</i>
 Net operating income	57,226	16,935
 Financial income	17	0
Financial expenses	(14,533)	(14,994)
Net financial expense	(14,515)	(14,994)
 Corporate income tax	(312)	0
 CONSOLIDATED NET INCOME	42,398	1,940
<i>of which attributable to owners of the Company</i>	<i>42,398</i>	<i>1,940</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
 Other comprehensive income		
 TOTAL COMPREHENSIVE INCOME	42,398	1,940
<i>of which attributable to owners of the Company</i>	<i>42,398</i>	<i>1,940</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
 <i>Basic and diluted earnings per share (in euros)</i>	<i>3.18</i>	<i>0.15</i>

IFRS Balance Sheet (consolidated)

In thousands of euros

	Dec. 31, 2014	Dec. 31, 2013
<u>Non-current assets</u>		
Investment property	871,000	849,000
Non-current loans and receivables	30,941	29,331
Total non-current assets	901,941	878,330
<u>Current assets</u>		
Trade accounts receivable	6,469	12,508
Other operating receivables	6,276	261
Prepaid expenses	107	68
Total receivables	12,852	12,837
Cash and cash equivalents	23,499	16,018
Total cash and cash equivalents	23,499	16,018
Total current assets	36,351	28,856
TOTAL ASSETS	938,292	907,186
<u>Shareholders' equity</u>		
Share capital	160,470	160,470
Legal reserve and additional paid-in capital	21,436	31,465
Consolidated reserves and retained earnings	284,831	292,754
Net attributable income	42,398	1,940
Total shareholders' equity	509,135	486,629
<u>Non-current liabilities</u>		
Non-current borrowings	401,889	395,797
Other non-current borrowings and debt	4,166	3,469
Non-current corporate income tax liability	0	0
Total non-current liabilities	406,055	399,266
<u>Current liabilities</u>		
Current borrowings	1,716	1,776
Trade accounts payable	2,148	1,479
Corporate income tax liability	295	0
Other operating liabilities	5,045	3,762
Prepaid revenue	13,898	14,275
Total current liabilities	23,102	21,292
Total liabilities	429,157	420,557
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	938,292	907,186

IFRS Statement of Cash Flows (consolidated)

In thousands of euros	2014	2013
OPERATING ACTIVITIES		
Consolidated net income	42,398	1,940
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	(18,704)	17,145
Indemnity received from lessees for the replacement of components		
<i>Elimination of other income/expense items with no cash impact:</i>		
Adjustments for loans at amortized cost	1,091	1,107
Cash flows from operations before tax and changes in working capital requirements	24,785	20,192
Other changes in working capital requirements	(629)	(15,393)
Change in working capital requirements	(629)	(15,393)
Net cash flows from operating activities	24,156	4,799
INVESTING ACTIVITIES		
Acquisition of fixed assets	(3,296)	(745)
Net increase/(decrease) in amounts due to fixed asset suppliers	874	(1,045)
Net cash flows used in investing activities	(2,422)	(1,790)
FINANCING ACTIVITIES		
Increase in share capital		
Change in bank debt	5,000	
Refinancing transaction costs		
Net increase in current borrowings	(60)	
Net increase in other non-current borrowings and debt	697	796
Net decrease in other non-current borrowings and debt		
Purchases and sales of treasury shares	134	(35)
Dividends paid	(20,025)	(8,674)
Net cash flows used in financing activities	(14,254)	(7,914)
Change in cash and cash equivalents	7,480	(4,904)
Cash and cash equivalents at beginning of year*	16,018	20,921
CASH AND CASH EQUIVALENTS AT END OF YEAR	23,499	16,018

*including the 2014 interim dividend of €0.75 per share paid by Cegereal (representing a total amount of €10,029 thousand euros).

French GAAP Income Statement

In euros

	France	Exports	2014	2013
			Total	Total
Sales of goods for resale				
Sales of manufactured products				
Sales of services				
NET REVENUE	0	0	-	-
Change in finished goods and in-progress inventory				
In-house production				
Operating subsidies				
Reversal of depreciation and amortization charges, provisions for impairment and expense transfers			21,208	37,757
Other revenue			1	39
Total operating revenue	21,209		37,796	
Purchases of goods				
Change in inventories of goods held for resale				
Purchases of raw materials and other supplies				
Change in inventories (raw materials and other supplies)				
Other purchases and external charges			1,488,996	1,406,634
Taxes, duties and other levies			50,810	51,165
Wages and salaries			258,734	265,545
Social security charges			121,105	111,548
Fixed assets: depreciation and amortization				
Fixed assets: provisions for impairment				
Current assets: provisions for impairment				
Loss and contingency provisions				
Other expenses			127,967	92,898
Total operating expenses	2,047,612		1,927,789	
OPERATING LOSS			(2,026,403)	(1,889,993)
Allocated income or transferred loss				
Loss incurred or transferred income				
Financial income from controlled entities			68,300,000	
Income from other securities and receivables			0	
Other interest income			4,797	
Reversal of provisions for impairment, other provisions and expense transfers				
Foreign exchange gains				
Net income on sale of short-term investment securities				
Total financial income			68,304,797	-
Depreciation, amortization, provisions for impairment and other provisions			5,956	
Interest expenses			499,078	140,647
Foreign exchange losses				
Net expenses on sales of short-term investment securities				
Total financial expenses			505,034	140,647
NET FINANCIAL INCOME/(EXPENSE)			67,799,763	(140,647)
RECURRING INCOME/(LOSS) BEFORE TAX			65,773,360	(2,030,640)

In euros

	2014	2013
Non-recurring income on management transactions		
Non-recurring income on capital transactions	78,336	153,570
Reversal of provisions for impairment, other provisions and expense transfers		
Total non-recurring income	78,336	153,570
Non-recurring expenses on management transactions		
Non-recurring expenses on capital transactions		
Depreciation, amortization and provisions for impairment		
Total non-recurring expenses	-	-
NET NON-RECURRING INCOME	78,336	153,570
Employee profit sharing		
Corporate income tax	312,460	
TOTAL INCOME	68,404,342	191,365
TOTAL EXPENSES	2,865,106	2,068,436
NET INCOME/(LOSS)	65,539,236	(1,877,070)

French GAAP Balance Sheet

In euros

ASSETS	Gross amount	Depr., amort. & prov.	Dec. 31, 2014	Dec. 31, 2013
Uncalled subscribed capital				
Intangible fixed assets				
Start-up costs				
Research and development costs				
Licenses, patents and similar				
concessions				
Goodwill				
Other intangible fixed assets				
Advances/down payments on intangible assets				
Property, plant and equipment				
Land				
Buildings				
Plant, machinery and equipment				
Other property, plant and equipment				
Property, plant and equipment in progress				
Advances and down payments				
Financial fixed assets				
Receivables from controlled entities	387,709,685		387,709,685	349,301,810
Other long-term investments				
Loans				
Other financial fixed assets	794,802		788,846	716,466
		5,956		
FIXED ASSETS	388,504,487	5,956	388,498,531	350,018,276
Inventories and work in progress				
Raw materials and other supplies				
Manufactured products in progress				
Services in progress				
Semi-finished and finished goods				
Goods held for resale				
Advances/down payments on orders				
Receivables				
Trade accounts receivable				
Other receivables	21,067		21,067	77,127
Subscribed capital, called up but not paid				
Short-term investment securities				
Cash and cash equivalents	460,028		460,028	1,580,482
CURRENT ASSETS	481,095	-	481,095	1,657,609
Prepaid expenses				
Adjustment accounts	87,792		87,792	23,691
TOTAL ASSETS	389,073,374	5,956	389,067,418	351,699,576

In euros

EQUITY AND LIABILITIES	Dec. 31, 2014	Dec. 31, 2013
Capital		
Share capital (including paid-up capital: 160,470,000)	160,470,000	160,470,000
Additional paid-in capital	5,388,776	15,418,151
Revaluation reserve	152,341,864	152,341,864
Reserves		
Legal reserve	16,047,000	16,047,000
Statutory or contractual reserves	0	0
Regulated reserves	0	0
Other reserves	0	8,423
Income		
Retained earnings	(3,256,815)	(1,422,072)
Net income/(loss) for the year	65,539,236	(1,877,070)
Interim dividend	(10,029,375)	
Investment subsidies		
Regulated provisions		
SHAREHOLDERS' EQUITY	386,500,686	340,986,296
Income from the issue of equity instruments		
Contingent advances		
OTHER EQUITY	-	-
Contingency provisions		
Loss provisions		
LOSS AND CONTINGENCY PROVISIONS	-	-
Non-current borrowings and debt		
Convertible bonds		
Other bonds		
Bank borrowings		
Miscellaneous borrowings and debt	1,806,957	10,174,731
Trade accounts payable and other current liabilities		
Advances/down payments received on orders in progress		
Trade accounts payable	357,837	444,399
Tax and social liabilities	401,938	93,397
Amounts owed to fixed asset suppliers		
Other liabilities		752
Prepaid revenue		
LIABILITIES	2,566,732	10,713,280
Adjustment accounts		
TOTAL EQUITY AND LIABILITIES	389,067,418	351,699,576