

2009, a year of consolidation

Compliance with the SIIC regime and renegotiation of leases in 2009

Cash-flow per share
€3.10

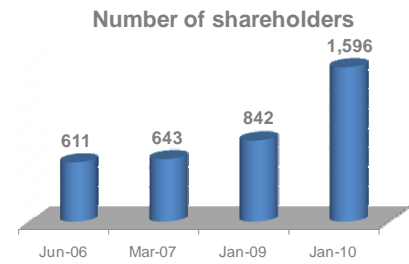
Dividend per share
€1.70

Property assets value
€828M

LTV ratio
49%

- **Stock value: +30% in 2009**

Despite difficulties at the end of 2008, the stock overperformed the EPRA and the SBF 250 indexes, since the IPO and also since January 1st 2008 and January 1st 2009. Moreover, the number of shareholders doubled.



Comparison of the annualized TSR of CeGeREAL, the SBF 250 and the European REIT EPRA indices

	Period from 28/03/2006 (**) to 31/12/2009	Period from 01/01/2008 to 31/12/2009	Year 2009
CeGeREAL	0%	-7%	40%
SBF 250 (*)	-4%	-13%	29%
EPRA (*)	-12%	-16%	36%

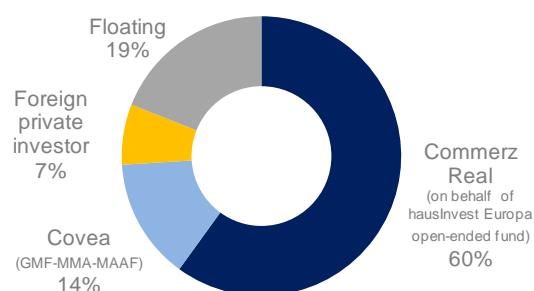
(*) dividend reinvested

(**) Date of the company's IPO

- **SIIC regime**

As committed by Commerz Real, the fund hausInvest Europa sold in December 09 a 7% share to a foreign private investor, thus reducing its participation under the obligatory threshold of 60%, which was necessary to maintain the SIIC regime and not to pay any penalty.

CeGeREAL shareholding structure as at 31/12/09



- **Rents decreasing by 2%**

The vacancy rate remains very low, around 5% as of December 31st 2009, thanks to some successful lettings to Cap Gemini, Software and NTT.

After two years of renegotiations on 81% of total area, the company is well positioned to face the coming years.

- the average residual lease term reached 4.7 years,
- the portion of tenants benefiting from Dun & Bradstreet's best rating in terms of financial strength, rose from 93% to 97%,
- 46% of its leases (except Bouygues Telecom), are submitted to a 3.5% fixed indexation rate, and thus are not concerned by any downward fluctuation of the ICC.

- **Management costs decreasing by 11%**

The outsourcing of its operating and real estate management allowed the company to cut its operating costs, from €6.4 million to 5.7 million.

- **Net cash-flow up by 12%**

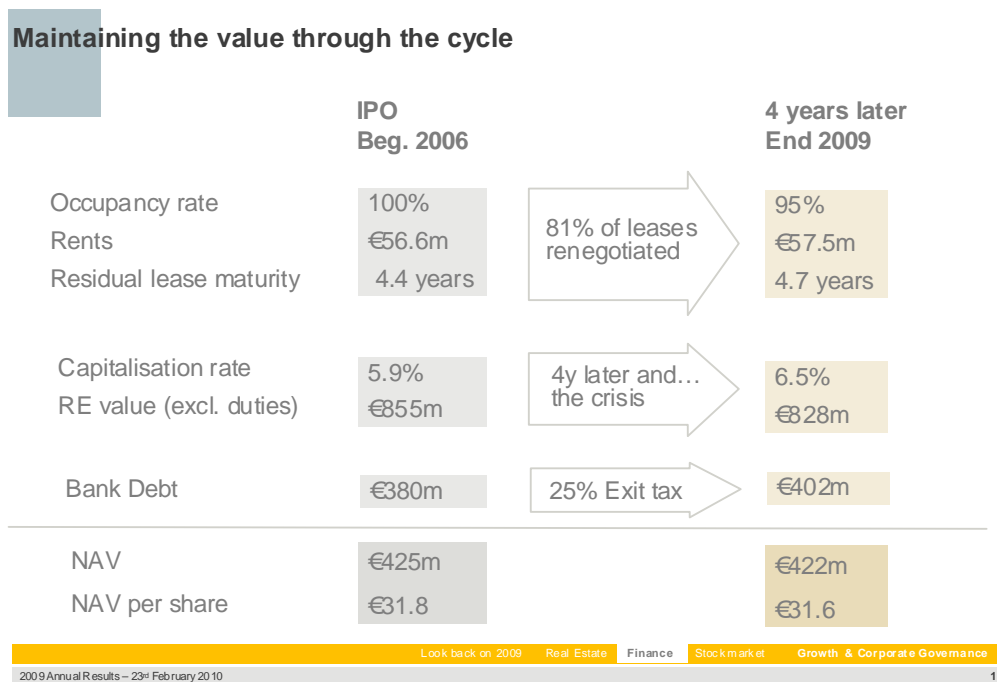
The absence of financial income related to a better cash management policy is more than compensated by a non recurrent event that added up to our recurring cash-flow: Aviva bought to CeGeREAL a real estate right for €6.85 million (without any intrinsic value, so entirely registered as a capital gain) in order to build the Carpe Diem tower.

<i>In €k</i>	31/12/2009	31/12/2008
IFRS Rents	57,518	58,460
Recovered RE expenses and indemnities	9,656	12,158
Real Estate expenses	(13,531)	(15,824)
Net rents	53,643	54,794
Asset Management fees	(2,896)	(3,283)
Other management costs	(2,760)	(3,107)
Other	101	450
Operating income	50,981	52,134
Net financial interests	(16,283)	(15,049)
Recurring Cash Flow	34,698	37,085
Carpe Diem	6,850	-
Total generated Cash Flow	41,548	37,085

- **A NAV back to its IPO level in March 2006**

CeGeREAL's NAV amounted to €422 million at the end of 2009. After decreasing by 17% in H1, the decrease in H2 corresponds to the amount of the dividend distributed in July.

Indeed, recent and leased office buildings, that define the company's positioning, have experienced an increasing demand, leading to a slight yield compression. 15 deals on office buildings superior to a €50 million value were closed in H2 compared to only 3 in H1.



About CeGeREAL

CeGeREAL which opted for the French SIIC tax regime (Sociétés d'Investissements Immobiliers Cotées), is a real estate company that specializes in the management of premium office property assets.

The Company's assets consist of three important properties located in the inner suburbs of Paris. As of December 31 2009, their estimated total value, as determined by the independent appraiser BNP Paribas Real Estate, is approximately €828 million (excluding duties).

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Annual accounts

French and IFRS standards

For the 12 months exercise closed on December 31st 2009

Extract from the financial statement

Approved by the Board of Directors on February 12th 2010

1.1. ACCOUNTS ON IFRS STANDARDS

Balance sheet on IFRS standards

(in thousands of euros)	Notes	Dec. 31, 2009	Dec. 31, 2008
Non-current assets			
Investment property	5.1	827,500	938,410
Non-current loans and receivables	5.2	12,127	6,675
Total non-current assets		839,627	945,085
Current assets			
Accounts receivable	5.3	14,483	13,348
Other operating receivables	5.4	3,882	3,104
Prepaid expenses	5.18	2,204	2,230
Total receivables		20,569	18,682
Cash and cash equivalents	5.5	16,200	9,787
Total cash and cash equivalents		16,200	9,787
Total current assets		36,769	28,469
TOTAL ASSETS		876,395	973,554

(in thousands of euros)	Notes	Dec. 31, 2009	Dec. 31, 2008
Shareholders' equity			
Capital		160,470	160,470
Legal reserve		16,047	16,047
Merger premium		35,292	39,745
Retained earnings		309,618	390,136
Net loss for the year		(70,886)	(59,228)
Total shareholders' equity	5.11	450,541	547,170
Non-current liabilities			
Non-current borrowings	5.12	400,526	377,455
Other non-current financial debt	5.14	1,567	1,776
Non-current corporate income tax liability	5.15		
Total non-current liabilities		402,093	379,231
Current liabilities			
Accounts payable		2,725	4,940
Corporate income tax liability	5.15	0	21,821
Other operating liabilities	5.16	3,953	3,079
Prepaid revenue	5.18	17,083	17,313
Total current liabilities		23,761	47,153
Total liabilities		425,853	426,385
TOTAL EQUITY AND LIABILITIES		876,395	973,554

CeGeREAL S.A. IFRS Income Statement

(in thousands of euros)	Notes	Dec. 31, 2009	2008
Rental income	5.19	57,039	57,933
Income from other services	5.20	10,135	12,889
Building-related costs	5.14	(13,533)	(15,827)
Income from sale of building		6,850	
Net rental income		60,490	54,994
Administrative costs	5.22	(2,760)	(3,106)
Other operating expenses		8	(142)
Other operating income			210
Increase in the fair value of investment property			
Decrease in the fair value of investment property		(111,091)	(93,748)
<i>Total change in the fair value of investment property</i>	5.1	<i>(111,091)</i>	<i>(93,748)</i>
Net operating expense		(53,352)	(41,792)
Financial income		94	1,070
Financial expenses		(17,793)	(18,671)
Net financial expense	5.23	(17,699)	(17,601)
Corporate income tax	5.24	164	165
NET LOSS		(70,886)	(59,228)
Other comprehensive income			
TOTAL COMPREHENSIVE LOSS		(70,886)	(59,228)
<i>Basic and diluted loss per share (in euros)</i>	5.25	<i>(5.31)</i>	<i>(4.44)</i>

Statement of changes in equity of CeGeREAL S.A. - IFRS

(in thousands of euros)	Share capital	Additional paid-in capital	Undistributed reserves and retained earnings	Total shareholders' equity
At December 31, 2007	160,470	39,745	432,622	632,837
Total comprehensive loss for the year			(59,228)	(59,228)
- Net loss for the year			(59,228)	(59,228)
- Other comprehensive income				
Capital transactions with owners			(26,439)	(26,439)
- Dividends paid			(26,056)	(26,056)
- Change in treasury shares held			(383)	(383)
At December 31, 2008	160,470	39,745	346,955	547,170
Total comprehensive loss for the year			(70,886)	(70,886)
- Net loss for the year			(70,886)	(70,886)
- Other comprehensive income				
Capital transactions with owners		(4,453)	(21,290)	(25,743)
- Dividends paid		(4,453)	(21,580)	(26,033)
- Change in treasury shares held			290	290
At December 31, 2009	160,470	35,292	254,779	450,541

Cash Flow - IFRS

(in thousands of euros)	2009	2008
OPERATING ACTIVITIES		
Net income excluding loan interest expense	(54,508)	(43,239)
<i>Elimination of income/expense items with no cash impact:</i>		
Additions to depreciation, amortization and provisions for impairment		49
Reversals of depreciation, amortization and provisions for impairment	(38)	
Deduction of merger expenses from merger premium		
Fair value adjustments to investment property	111,090	93,747
Change in provision for deferred taxation	(164)	(165)
Discounting of exit tax liability	835	1,902
Cash flows from operations before tax and changes in working capital requirements*	57,215	52,294
Change in exit tax liability	(22,492)	(22,491)
Other changes in working capital requirements	(8,483)	1,890
Change in working capital requirements	(30,975)	(20,601)
Cash flows from operating activities	26,240	31,692
INVESTING ACTIVITIES		
Acquisition of fixed assets	(180)	(260)
Cash flows used in investing activities	(180)	(260)
FINANCING ACTIVITIES		
Increase in bank debt	22,492	
Decrease in bank debt		
Net increase in other non-current financial debt		5
Net decrease in other non-current financial debt	(209)	(3)
Purchases and sales of treasury shares	(99)	(164)
Dividends paid	(26,033)	(26,056)
Loan interest expense	(16,377)	(15,989)
<i>Elimination of income/expense items related to financing with no cash impact:</i>		
Adjustments for loans at amortized cost	581	780
Cash flows used in financing activities	(19,646)	(41,427)
Change in cash and cash equivalents	6,414	(9,994)
Cash and cash equivalents at beginning of year	9,787	19,780
CASH AND CASH EQUIVALENTS AT END OF YEAR	16,200	9,787

* There were no cash liabilities for either of the years presented above.

Balance Sheet – French GAAP

(in euros)

ASSETS	Notes	Gross amount	Depr., Amort. & Prov.	Dec. 31, 2009	Dec. 31, 2009
Uncalled subscribed capital					
Intangible fixed assets					
Start-up costs					
Research & development costs					
Licenses, patents and similar concessions					
Goodwill					
Other intangible fixed assets					
Advances/down payments on intangible assets					
Property, plant and equipment					
Land		365,072,706		365,072,706	365,072,706
Buildings		607,962,126	202,832,256	405,129,870	430,618,902
Technical plant, equipment and industrial machinery		1,028,652	680,325	348,327	451,497
Other property, plant and equipment		535,727	204,203	331,524	344,668
Property, plant and equipment in progress					259,898
Advances and down payments					
Financial fixed assets					
Measured investments					
Other investments					
Receivables from controlled entities					
Other long-term investments					
Loans					
Other financial fixed assets		867,938		867,938	638,186
FIXED ASSETS	5.1	975,467,149	203,716,784	771,750,365	797,385,857
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	5.5	14,709,388	21,800	14,687,588	13,347,986
Other receivables	5.5	15,699,302		15,699,302	9,766,672
Subscribed capital, called up but not paid					
Short-term investment securities					
Cash and cash equivalents	5.4	16,199,825		16,199,825	9,786,522
CURRENT ASSETS		46,608,515	21,800	46,586,715	32,901,180
Prepaid expenses	5.8	2,070,096		2,070,096	2,095,744
Adjustment accounts					
TOTAL ASSETS		1,024,145,760	203,738,584	820,407,176	832,382,780

(in euros)

EQUITY AND LIABILITIES	Notes	Dec. 31, 2009	Dec. 31, 2009
Capital			
Share capital (including paid-up capital: 160,470,000)	5.9	160,470,000	160,470,000
Additional paid-in capital		35,291,776	39,745,105
Revaluation reserve	5.11	164,937,725	171,113,225
Reserves			
Legal reserve		16,047,000	16,047,000
Statutory or contractual reserves			
Regulated reserves			
Other reserves			4,552,332
Income			
Retained earnings		43,192	20,290
Net income for the period		15,540,619	10,874,924
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	5.10	392,330,312	402,822,876
Income from the issue of equity instruments			
Contingent advances			
OTHER EQUITY			
Contingency provisions			37,500
Provision for losses			
LOSS AND CONTINGENCY PROVISIONS			37,500
Non-current borrowings			
Convertible bonds			
Other bonds			
Bank borrowings	5.5	402,391,840	379,900,000
Miscellaneous borrowings and financial debt	5.5	1,608,094	1,817,287
Accounts payable and other current liabilities			
Advances/down payments received on orders in progress			
Trade accounts payable	5.5	2,810,173	4,942,360
Tax and social liabilities	5.5	3,135,253	25,103,843
Amounts owed to fixed asset suppliers	5.5		
Other liabilities	5.5	1,048,748	445,581
Prepaid revenue	5.8	17,082,756	17,313,333
LIABILITIES		428,076,864	429,522,404
Adjustment accounts			
TOTAL EQUITY AND LIABILITIES		820,407,176	832,382,780

Income Statement – French GAAP

	Notes	Dec. 31, 2009	Dec. 31, 2009
		12 months	12 months
		Total	Total
		France	Exports
Sales of goods for resale			
Sales of manufactured products			
Sales of services	5.12	67,043,926	70,618,236
NET REVENUE		67,043,926	70,618,236
Change in finished goods and in-progress inventory			
In-house production			
Operating subsidies			
Release of amortization and depreciation charges, provisions for impairment and expense transfers		85,780	53,007
Other revenue		36,927	153,823
Total operating revenue		67,166,633	70,825,067
Purchases of goods			
Changes in inventories of goods held for resale			
Purchases of raw materials and other supplies			
Changes in inventories (raw materials and other supplies)			
Other purchases and external charges	5.13	12,138,989	14,884,371
Taxes, duties and other levies		3,818,074	3,621,935
Wages and salaries		221,188	265,459
Social security charges		92,952	106,213
On fixed assets: depreciation, amortization	5.2	26,045,681	26,031,180
On fixed assets: provisions for impairment			
On current assets: provisions for impairment	5.3		11,201
Loss and contingency provisions			
Other expenses		50,261	14,330
Total operating expenses		42,367,146	44,934,689
OPERATING INCOME		24,799,487	25,890,378
Allocated income or transferred loss			
Loss incurred or transferred income			
Financial income from controlled entities			
Income from other securities and receivables			
Other interest income		231,575	1,070,053
Release of provisions for impairment, other provisions and expense transfers			
Foreign exchange gains			
Net income on sale of short-term investment securities			
Total financial income		231,575	1,070,053
Financial amortization charges, provisions for impairment and other provisions			130,478
Interest expenses		16,377,344	15,988,785
Foreign exchange losses			
Net expenses on sales of short-term investment securities			
Total financial expenses		16,377,344	16,119,263
NET FINANCIAL EXPENSE		(16,145,769)	(15,049,210)
CURRENT INCOME BEFORE TAX		8,653,718	10,841,168

(in euros)

	Notes	Dec. 31, 2009 12 months	Dec. 31, 2009 12 months
Non-recurring income on management transactions			157,610
Non-recurring income on capital transactions		6,851,247	48,895
Release of provisions for impairment, other provisions and expense transfers		37,500	
Total non-recurring income		6,888,747	206,505
Non-recurring expenses on management transactions			194
Non-recurring expenses on capital transactions		1,846	135,054
Depreciation, amortization and provisions for impairment			37,500
Total non-recurring expenses		1,846	172,748
NET NON-RECURRING INCOME		6,886,901	33,757
Employee profit-sharing			
Corporate income tax			
TOTAL INCOME		74,286,955	72,101,624
TOTAL EXPENSES		58,746,336	61,226,700
NET INCOME		15,540,619	10,874,924

Changes in the gross value of fixed assets can be broken down as follows:

(in euros)

Caption	Gross value at Jan. 1, 2009	Increases	Decreases	Gross value at Dec. 31, 2009
Property, plant and equipment	974,418,770	440,343	259,898	974,599,215
- Land	365,072,706		-	365,072,706
Europlaza	142,136,000			142,136,000
Arcs de Seine	154,416,706			154,416,706
Rives de Bercy	68,520,000			68,520,000
- Buildings	607,521,785	440,343	-	607,962,128
Europlaza	265,042,774	440,343		265,483,116
Arcs de Seine	227,724,336			227,724,336
Rives de Bercy	114,754,675			114,754,675
- Technical plant, industrial machinery and other property, plant and equipment	1,564,381			1,564,381
Europlaza	337,584			337,584
Arcs de Seine	53,326			53,326
Rives de Bercy	1,173,471			1,173,471
- Property, plant and equipment in progress	259,898		259,898	-
Europlaza	259,898		259,898	-
Financial fixed assets	768,664	388,946	289,672	867,938
Security guarantees and deposits				
Treasury shares	696,082		289,672	406,410
Cash used in the liquidity agreement	72,582	388,946		461,528
Total gross fixed assets	975,187,434	829,289	549,570	975,467,153

At December 31, 2009, CeGeREAL held 17,451 of the Company's shares out of a total of 13,372,500.

Turnover and real estate-related costs (French GAAP)

Net revenue is generated entirely in France and can be broken down as follows by type of service provided:

(in euros)

	2009	2008
Rental income	57,518,102	58,460,264
Rental expenses rebilled to lessees	5,800,685	6,243,395
Real estate taxes rebilled to lessees	3,346,635	3,444,950
Termination indemnities	121,864	2,334,243
Insurance costs rebilled to lessees		45,327
Other revenue	256,640	90,057
Total	67,043,926	70,618,236

The offsetting entries for rental expenses, insurance costs and real estate taxes rebilled to lessees appear in "Other purchases and external charges" and "Taxes, duties and other levies".

The other revenues correspond to the rebilling of costs related to the extension of the restaurant of Europlaza, which were attributable to Arpège.

Breakdown of certain income statement items

Other purchases and external charges can be analyzed as follows:

(in euros)

	2009	2008
Insurance ^(a)	194,793	232,676
Expenses rebilled to lessees	5,235,354	6,084,443
Rental expenses	108,954	77,103
Upkeep and repair of buildings	157,633	179,300
Property restoration costs ^(b)		1,915,656
Expenses on vacant premises ^(c)	833,306	281,000
Fees ^(d)	4,745,741	5,257,825
Publications	450,472	613,533
Sundry expenses	412,736	242,834
	12,138,989	14,884,371

(a) Rebilled to lessees in full in first-half 2010.

(b) See Note 2.8 concerning property restoration costs.

(c) Expenses related to vacant premises at the Europlaza site.

(d) Asset management fees amounted to EUR 2,896,250 in 2009 compared to EUR 3,284,436 in 2008.

Cash Flow – French GAAP

In euros

SOURCES	2009	2008
Funds from operations	41,548,807	37,084,547
Available cash flow	41,548,807	37,084,547
Increase in shareholders' equity and current account balance	43,192	20,290
Increase in other financial debt (security deposits received from lessees)	22,491,840	
Total sources of funds	64,083,839	37,104,837
USES		
Dividends paid	26,076,375	26,076,375
Increase in fixed assets	410,197	423,739
Decrease in financial debt (security deposits paid back to lessees)	209,193	2,184
Decrease in financial debt (bank borrowings)		
Total uses of funds	26,695,765	26,502,298
Net change in working capital	37,388,074	10,602,539

CHANGE IN OPERATING WORKING CAPITAL	2009		2009	2008
	Uses	Sources		
<u>Change in operating assets</u>				
Trade accounts receivable	1,339,603		(1,339,603)	10,875,415
Other receivables	5,932,629		(5,932,629)	258,664
Adjustment accounts and prepaid expenses		25,648	25,648	(49,366)
<u>Change in operating liabilities</u>			-	-
Trade accounts payable	2,132,187		(2,132,187)	2,157,868
Tax and social liabilities (excluding exit tax)		523,250	523,250	(1,474,397)
Amounts owed to fixed asset suppliers	-		-	(220,137)
Other liabilities		603,167	603,167	(12,087,580)
Adjustment accounts and prepaid revenue	230,577		(230,577)	2,435,147
Net change in operating working capital	9,634,996	1,152,065	(8,482,931)	1,895,614
CHANGE IN NON-OPERATING WORKING CAPITAL				
<u>Change in other receivables</u>				
Due to partners				
<u>Change in other payables</u>				
Tax and social liabilities (exit tax)	22,491,840		(22,491,840)	(22,491,840)
Net change in non-operating working capital	22,491,840	-	(22,491,840)	(22,491,840)
Increase or decrease in working capital	32,126,836	1,152,065	(30,974,771)	(20,596,226)
Change in cash on hand		6,413,303	6,413,303	(9,993,687)
Net change in cash and cash equivalents	-	6,413,303	6,413,303	(9,993,687)
Net change in working capital	32,126,836	(5,261,238)	37,388,074	10,602,539