



Cegereal – Annual Results

2015: A decisive year with NAV up 12.6% and the entrance of Northwood Investors

"2015 was a decisive year for Cegereal. Our operating performance, combined with our ongoing commitment to environmental responsibility, positions us as one of the most attractive, forward-looking players in the French office property market. In addition, we are pleased to welcome a new shareholder, Northwood Investors, who wants to support our Company in its growth projects and make Cegereal a benchmark office property company in France," said Raphaël Tréguier, Cegereal's Chief Executive Officer.

- **Northwood Investors' successful tender offer**

In the fourth quarter of 2015, Northwood Investors acquired Commerz Real's 59.78% interest in Cegereal. Following this transaction, Jérôme Anselme was appointed Deputy Chief Executive Officer of Cegereal and five new members were chosen to serve on the Board of Directors. Their appointments will be submitted to shareholders for ratification at the General Shareholders' Meeting on February 18, 2016. Marie-Flore Bachelier, former CFO of Mercialis, also joined as independent Director, alongside Richard Wrigley and Alec Emmott, and was appointed Chairman of the Audit Committee.

In accordance with applicable rules and regulations, Northwood filed a tender offer for the remaining Cegereal shares, which closed on January 25, 2016. As a result, Northwood now holds 98.44% of Cegereal's share capital. Northwood has announced its intention to allocate significant resources to Cegereal to support its growth strategy while maintaining its REIT status. The company's shares will not be delisted.

- **Portfolio value up 8.15%**

As expected, the return of institutional investors to the high-quality office segment in greater Paris continued and led to a drop in the capitalization rate for real estate assets in the inner suburbs.

This trend helped lift the appraisal value of Cegereal's real estate portfolio by a net 8.15% year-on-year to €942 million excluding transfer costs (more than €1 billion including transfer costs, also known as "replacement value") as of December 31, 2015. This compares with €871 million excluding transfer costs at the previous year-end and €902 million excluding transfer costs as of June 30, 2015.

EPRA NNNAV came to €39.2 per share, up 12.6% from the year before. This increase primarily reflects the rise in the fair value of properties (positive impact of €5.3 per share), dividend distributions (impact of €1.65 per share), consolidated earnings growth (positive impact of €0.7 per share), rent-free periods granted to new tenants (positive impact of €0.1 per share) and changes in the fair value of bank debt (negative impact of €0.2 per share).

As of December 31, 2015, the three properties' appraisal values excluding transfer costs were as follows:

- Europlaza: €361 million (up 8.4%)
- Arcs de Seine: €379 million (up 9.2%)
- Rives de Bercy: €202 million (up 5.8%)

• Key indicators

<i>In millions of euros</i>	2015	2014	Change
IFRS rental income	44.3	44.7	- 1.0%
IFRS net income	81.0	42.4	+90.9%
EPRA earnings	18.2	23.7	-23.1%
Net cash-flows from operations	22.5	18.3	+22.5%
EPRA NNNAV per share excluding transfer costs (in €)	39.2	34.8	+12.6%
Replacement NAV per share including transfer costs (in €)	44.0	39.3	+12.1%
Portfolio value (excluding transfer costs)	942	871	+8.2%
Dividend (in € per share)	2.0	1.65	+21.2%

The net cash-flows from operations deducted all IFRS adjustments from the EPRA earnings, such as tenant incentives linearization granted over the last years.

2015 EPRA earnings were €18.2 million (versus €23.7 million in 2014) with net cash-flows from operation increasing by 22.5% to €22.5 million, mainly due to the reduction of the tenant incentives granted over the last years.

The IFRS net income almost doubled largely as a result of the compression in the valuation yields assumed in the appraisal values which led to a change of up to €62.7 million (versus €18.7 million in 2014).

Cegereal refinanced all of its debt in 2012 at a reduced rate of 3.15% and does not have any repayment obligations until August 2017. Its loan to value stood at 43.0% as of December 31, 2015.

• Strong rental activity

While the rental market for large properties was sluggish in 2015, Cegereal made the most of its ability to provide flexible solutions for tenants and continued to turn in a strong letting performance for the Arcs de Seine and Europlaza buildings. During the year, eight new leases were signed for a total of 10,400 sq.m.

Arcs de Seine: 100% occupancy rate

This standout property in Paris's Telecommunication Valley on the banks of the Seine has been fully let since April 2015 (the occupancy rate stood at 97% as of December 31, 2014). Arcs de Seine is the fourth office complex in France to hold both HQE Exploitation and BREEAM In-Use "Very Good" certification. The property was entirely renovated in 2012.

In January 2015, Cegereal signed two new six-year leases, the first with Amgen on 2,800 sq.m. and the second with Exclusive Networks on 1,400 sq.m. In April, Boursorama, an Arcs de Seine tenant since 2012, leased an additional 1,400 sq.m., raising the occupancy rate to 100%.

Eurola: "Garden Tower" a success

The private gardens at the base of the tower were inaugurated in the spring of 2015. The new renovated "garden floors" were completed in September and have been very actively marketed since then.

In 2015, five leases were signed on a total of 4,800 sq.m., including two renewals (Gartner and Software on 1,300 sq.m. each) and one extension (Gas Natural on 700 sq.m.). The La Défense tower's two new tenants, KPMG (900 sq.m.) and Robert Half (600 sq.m.), have raised the occupancy rate to 82% from 77% as of end-2014.

Rives de Bercy: the final property in the portfolio to obtain dual certification (HQE and BREEAM "Very Good")

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 January 2015, Rives de Bercy (32,000 sq.m.) officially obtained BREEAM In-Use International "Very Good" certification alongside its HQE Exploitation certification delivered by independent organization Certivéa in December 2014.

- **Continued commitment to CSR/Upgreen Your Business**

Cegereal demonstrated its active commitment to corporate social responsibility (CSR) in early 2015 by inviting all of its stakeholders to take part in the Upgreen Your Business collaborative program. The successful completion of the Go Green project made Cegereal France's first fully "green" REIT in 2014.

In 2015, the international GRESB index ranked Cegereal third among listed office property companies for responsible management and sustainable development thanks to a 28% improvement in its overall performance.

- **Amount to be distributed in dividends in 2016: €2.0 per share**

At the Annual Shareholders' Meeting on May 2016, Cegereal intends to recommend paying a total of €2.0 in dividends per share in 2016. The dividend will be paid on July 20, 2016, subject to shareholders' approval.

Cegereal's Board of Directors met on February 17, 2016 to approve the audited consolidated financial statements for the year ended December 31, 2015.

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

Investor Calendar

- | | |
|------------------|------------------------------|
| - April 15, 2016 | First-quarter 2016 revenue |
| - May 2016 | Annual Shareholders' Meeting |
| - July 20, 2016 | Payment of the 2015 dividend |
| - July 22, 2016 | First-half 2016 results |
| - October 2016 | Third-quarter 2016 revenue |

Media Relations

Aliénor Miens / +33 (0)1 53 32 84 77
alienor.miens@citigate.fr

Investor Relations

Raphaël Tréguier / +33 (0)1 42 25 76 36
raphael.treguier@cegereal.com

About Cegereal

Created in 2006, Cegereal is a commercial property company that invests in prime office properties in Greater Paris. The portfolio's appraisal value is estimated by independent valuers DTZ Eurexi at €1 billion as of December 31, 2015 (replacement value).

To date, Cegereal is the first French property company with a fully certified portfolio from an environmental point of view (HQE and BREEAM "Very Good") and benefits from the Green Star rating in the international benchmark GRESB.

Cegereal is a REIT listed on Euronext Paris since 2006, in compartment B (ISIN: FR0010309096). The Company had a market capitalization of €476 million on December 31, 2015.

www.cegereal.com.

APPENDICES

IFRS Income Statement (consolidated)

in thousands of euros, except per share data

	2015	2014
	12 months	12 months
Rental income	44,310	44,746
Income from other services	11,349	13,173
Building-related costs	(17,156)	(16,341)
Net rental income	38,504	41,579
Sale of building		
Administrative costs	(4,976)	(3,057)
Other operating expenses	(5)	0
Other operating income	65	
Increase in fair value of investment property	62,736	42,637
Decrease in fair value of investment property		(23,933)
<i>Total change in fair value of investment property</i>	<i>62,736</i>	<i>18,704</i>
Net operating income	96,323	57,226
Financial income	15	17
Financial expenses	(14,719)	(14,533)
Net financial expense	(14,705)	(14,515)
Corporate income tax	(662)	(312)
CONSOLIDATED NET INCOME	80,957	42,398
<i>of which attributable to owners of the Company</i>	<i>80,957</i>	<i>42,398</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
Other comprehensive income		
TOTAL COMPREHENSIVE INCOME	80,957	42,398
<i>of which attributable to owners of the Company</i>	<i>80,957</i>	<i>42,398</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
Basic and diluted earnings per share (in euros)	6.06	3.18

IFRS Balance Sheet (consolidated)

in thousands of euros

	Dec. 31, 2015	Dec. 31, 2014
<u>Non-current assets</u>		
Property, plant and equipment	61	
Investment property	942,000	871,000
Non-current loans and receivables	28,928	30,941
Total non-current assets	970,989	901,941
<u>Current assets</u>		
Trade accounts receivable	13,132	6,469
Other operating receivables	6,899	6,276
Prepaid expenses	96	107
Total receivables	20,127	12,852
Cash and cash equivalents	8,723	23,499
Total cash and cash equivalents	8,723	23,499
Total current assets	28,850	36,351
TOTAL ASSETS	999,839	938,292
<u>Shareholders' equity</u>		
Share capital	160,470	160,470
Legal reserve and additional paid-in capital	21,436	21,436
Consolidated reserves and retained earnings	305,447	284,831
Net attributable income	80,957	42,398
Total shareholders' equity	568,309	509,135
<u>Non-current liabilities</u>		
Non-current borrowings	402,664	401,889
Other non-current borrowings and debt	3,951	4,166
Non-current corporate income tax liability		
Total non-current liabilities	406,615	406,055
<u>Current liabilities</u>		
Current borrowings	1,626	1,716
Trade accounts payable	3,150	2,148
Corporate income tax liability		295
Other operating liabilities	4,573	5,045
Prepaid revenue	15,566	13,898
Total current liabilities	24,915	23,102
Total liabilities	431,530	429,157
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	999,839	938,292

IFRS Statement of Cash Flows (consolidated)

in thousands of euros

	2015	2014
OPERATING ACTIVITIES		
Consolidated net income	80,957	42,398
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	(62,736)	(18,704)
Indemnity received from lessees for the replacement of components		
<i>Elimination of other income/expense items with no cash impact:</i>		
Depreciation of property, plant and equipment (excluding investment property)	5	
Adjustments for loans at amortized cost	775	1,091
Cash flows from operations before tax and changes in working capital requirements	19,001	24,785
Other changes in working capital requirements	(2,975)	(629)
Change in working capital requirements	(2,975)	(629)
Net cash flows from operating activities	16,026	24,156
INVESTING ACTIVITIES		
Acquisition of fixed assets	(8,331)	(3,296)
Net decrease in amounts due to fixed asset suppliers	(384)	874
Net cash flows used in investing activities	(8,715)	(2,422)
FINANCING ACTIVITIES		
Increase in share capital		5,000
Change in bank debt		
Refinancing transaction costs		
Net increase in current borrowings	(90)	(60)
Net increase in other non-current borrowings and debt	(215)	697
Net decrease in other non-current borrowings and debt		
Purchases and sales of treasury shares	252	134
Dividends paid	(22,034)	(20,025)
Net cash flows used in financing activities	(22,087)	(14,254)
Change in cash and cash equivalents	(14,776)	7,480
Cash and cash equivalents at beginning of the period	23,499	16,018
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,723	23,499

French GAAP Income Statement

in euros

	France	Exports	2015 12 months Total	2014 12 months Total
Sales of goods for resale				
Sales of manufactured products				
Sales of services			46,667	
NET REVENUE	0	0	46,667	-
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			27,155	21,208
Other revenue				1
Total operating revenue			73,822	21,209
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			1,745,487	1,488,996
Taxes, duties and other levies			129,284	50,810
Wages and salaries			649,380	258,734
Social security charges			266,126	121,105
Fixed assets: depreciation and amortization				
Fixed assets: provisions for impairment				
Current assets: provisions for impairment				
Contingency and loss provisions				
Other expenses			122,762	127,967
Total operating expenses			2,913,039	2,047,612
OPERATING LOSS			(2,839,218)	(2,026,403)
Allocated income or transferred loss				
Loss incurred or transferred income				
Financial income from controlled entities				68,300,000
Income from other securities and receivables				
Other interest income			144	4,797
Reversal of provisions for impairment, other provisions and expense transfers			5,956	
Foreign exchange gains				
Net income on sale of short-term investment securities				
Total financial income			6,100	68,304,797
Depreciation, amortization, provisions for impairment and other provisions				5,956
Interest expenses			16,302	499,078
Foreign exchange losses				
Net expenses on sales of short-term investment securities				
Total financial expenses			16,302	505,034
NET FINANCIAL INCOME/(EXPENSE)			(10,202)	67,799,763
RECURRING INCOME/(LOSS) BEFORE TAX			(2,849,420)	65,773,360

in euros

	2015 12 months	2014 12 months
Non-recurring income on management transactions		
Non-recurring income on capital transactions	53,309	78,336
Reversal of provisions for impairment, other provisions and expense transfers		
Total non-recurring income	53,309	78,336
Non-recurring expenses on management transactions		
Non-recurring expenses on capital transactions	5,111	
Depreciation, amortization and provisions for impairment		
Total non-recurring expenses	5,111	-
NET NON-RECURRING INCOME	48,198	78,336
Employee profit sharing		
Corporate income tax	661,939	312,460
TOTAL INCOME	133,230	68,404,342
TOTAL EXPENSES	3,596,391	2,865,106
NET INCOME/(LOSS)	(3,463,161)	65,539,236

French GAAP Balance Sheet

in euros

ASSETS	Gross amount	Depr., amort. & prov.	Dec. 31, 2015	Dec. 31, 2014
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	361,229,772		361,229,772	387,709,685
Other long-term investments			-	
Loans			-	
Other financial fixed assets	643,078		643,078	788,846
FIXED ASSETS	361,872,850	-	361,872,850	388,498,531
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	266,196		266,196	21,067
Subscribed capital, called up but not paid			-	
Short-term investment securities			-	
Cash and cash equivalents	109,145		109,145	460,028
CURRENT ASSETS	375,341	-	375,341	481,095
Prepaid expenses	58,718		58,718	87,792
Adjustment accounts	-		-	
TOTAL ASSETS	362,306,909	-	362,306,909	389,067,418

in euros

EQUITY AND LIABILITIES	Dec. 31, 2015	Dec. 31, 2014
Capital		
Share capital (including paid-up capital: 160,470,000)	160,470,000	160,470,000
Additional paid-in capital	5,388,776	5,388,776
Revaluation reserve	152,341,864	152,341,864
Reserves		
Legal reserve	16,047,000	16,047,000
Statutory or contractual reserves		-
Regulated reserves		-
Other reserves	30,188,422	-
Retained earnings		
Retained earnings/(accumulated losses)	30,409	(3,256,815)
Net income/(loss) for the year	(3,463,161)	65,539,236
Interim dividend	0	(10,029,375)
Investment subsidies		-
Regulated provisions		-
SHAREHOLDERS' EQUITY	361,003,310	386,500,686
Income from the issue of equity instruments	-	
Contingent advances	-	
OTHER EQUITY	-	-
Contingency provisions	-	
Loss provisions	-	
CONTINGENCY AND LOSS PROVISIONS	-	-
Non-current borrowings and debt		
Convertible bonds		-
Other bonds		-
Bank borrowings		-
Miscellaneous borrowings and debt	-	1,806,957
Trade accounts payable and other current liabilities		
Advances/down payments received on orders in progress	-	-
Trade accounts payable	823,374	357,837
Tax and social liabilities	480,224	401,938
Amounts owed to fixed asset suppliers		-
Other liabilities		-
Prepaid revenue		-
LIABILITIES	1,303,598	2,566,732
Adjustment accounts	-	
TOTAL EQUITY AND LIABILITIES	362,306,909	389,067,418