

2008

Annual Report



Profile

CeGeREAL owns three recent high-quality office complexes located in the main business districts immediately outside Paris:

Europlaza in La Défense, Arcs de Seine in Boulogne-Billancourt and Rives de Bercy in Charenton-le-Pont. CeGeREAL has excellent relations with the national and international companies who lease office areas of between 30,000 m² and 50,000 m².

CeGeREAL's financial position is sound as a result of moderate financial leverage and net rental revenues that are more than three times its interest charges.

Quoted on the French stock exchange since 2006 as a real-estate investment trust (SIIC), CeGeREAL is clearly positioned as a high-yield company. Its objective is to optimize the value of its assets and distribute regular dividends to its shareholders.

www.cegereal.com



€938 M

– Company asset value (net of tax)
(Valuation by CB Richard Ellis as of 31/12/2008)

126,415 m²

– Total surface area
of its three recent high-quality
property complexes

6.21%

– Net return on property

93%

– Percentage of leases with
very good financial solidity
(In rental value, Dun & Bradstreet rating)



Contents



Key figures	02
Chairman's Message	03
Joint interview with Raphaël Tréguier and Martin Weinbrenner	04
Governance & Performance Management	06
Market, Positioning & Presentation of assets	18
Financial foundations	34

2008 Key figures



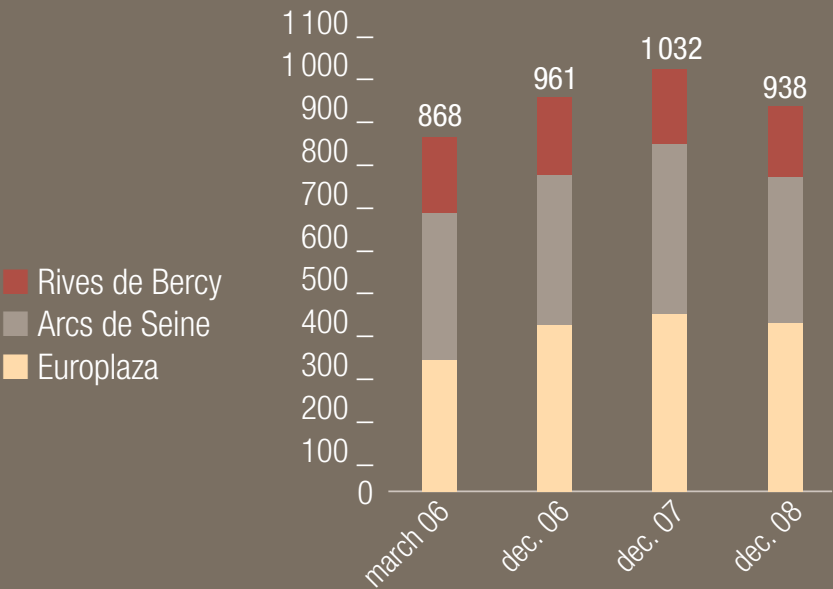
Performance

▷ **6.21%**
net return on
property
Management costs **0.55%**
Operating rate of return **5.66%**

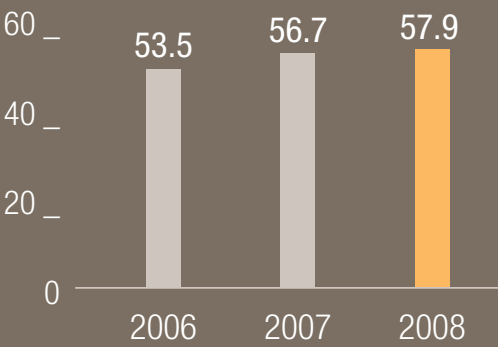
▷ **40%**
financing
100% at a fixed rate of
4.15%

▷ **72%**
percentage of
renegotiated leases

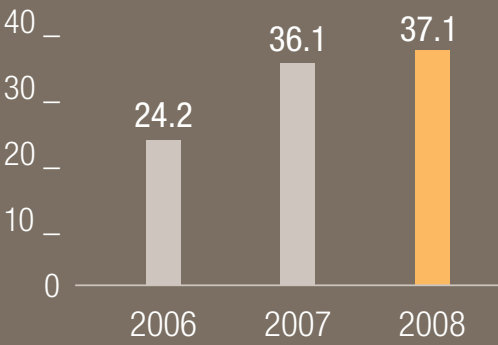
▷ Portfolio valuation
in M€



▷ Net rents
in M€



▷ Current cash flow
in M€



Chairman's Message

Ensuring sustainability of returns

The most significant characteristic of 2008 was the global financial crisis and its impact on all business sectors, particularly property. It continues to raise legitimate questions for all economic players.

Thanks to our high-quality positioning we succeeded in getting through the year as smoothly as possible and can pay our shareholders a dividend per share equivalent to that of the previous year.

We must, in 2009, continue to take advantage of the quality and solidity of our asset portfolio, the loyalty of our tenants and the performance of our operational teams. We will also strengthen our governance and increase our transparency.

The simplicity of our structure enables our shareholders to have excellent visibility of their assets. Since our listing on the stock exchange three years ago, our continual dialogue and the pursuit of a clear mission to obtain high yields has earned us the trust of our institutional and individual shareholders.

Despite an exceptionally difficult economic context, growth remains one of our main goals. Our actions are of course guided by prudence and selectivity in order to continue to ensure our priority, the sustainability of returns.

Richard Wrigley
Chairman of the CeGeREAL Board of Directors



“ In 2009, our actions will be guided by prudence and selectivity. ”

Highlights of 2008

MARCH

Reorganization of senior management and investor relations.

JUNE

Dividend distribution 2007 (1.95 € per share compared with 1.84 € the previous year).

JULY

Launch of a three-year Risk Management plan.

AUGUST

Legal authorization for CeGeREAL to own more than three assets.

NOVEMBER

Individual shareholders showed massive support for CeGeREAL at the Actionaria fair, raising its stock price by 25% the following week.

DECEMBER

The obligation imposed on CRI to reduce its stake in CeGeREAL to less than 60% is postponed until January 1, 2010.

“A positioning in relation to large buildings, which are still rare”

Martin Weinbrenner and Raphaël Tréguier, CeGeREAL's Managing Directors, discuss the consequences of the crisis on SIICs in general and CeGeREAL in particular.

— IS THE CRISIS AFFECTING SIICS?

Raphaël Tréguier: After two exceptional years, forecasts for SIICs have been revised downwards as a result of the financial crisis and the drastic reduction in credit. CeGeREAL is ready to meet the demand for transparency regarding the value of its assets and the solidity of its tenants.

— WHAT IS THE IMPACT IN TERMS OF INVESTMENT?

R. T.: In 2008 the crisis led to a rise in the cost of financing and a significant deceleration in investments as many owners of large buildings decided to keep their assets: the level of transactions fell to the 2000-2004 level.

— WHERE IS THE RENTAL MARKET NOW?

Martin Weinbrenner: The market basics are more robust compared with the situation in 1991. In the Île-de-France, the vacancy rate for offices remains low,

at around 5%. However, to the extent that take-up is strongly linked to the financial health of renting companies, we must remain vigilant in 2009.

CeGeREAL possesses major advantages, the outstanding quality of our long-term lessees and our positioning on large buildings, which we expect to continue to be scarce.

— WHAT METHODS DO YOU PLAN TO USE TO “REMAIN VIGILANT”?

R.T.: In order to adapt to this difficult context, we immediately begin an overhaul of our organization and our risk management tools, such as credit analyses on each tenant and cash-flow projection.

— HAS CEGEREAL'S DEBT BEEN IMPACTED BY THE FINANCIAL CRISIS?

R. T.: We have negotiated very competitive financing, without using any financial instruments and have obtained a fixed rate of 4.15% until March 2013 so that our rental revenues cover the debt servicing more than three times over.

— CAN YOU MAINTAIN YOUR PROFITABILITY AT CURRENT LEVELS?

M. W.: Our average vacancy rate in 2008 remained very low, while finance costs were similar to those of the previous year. With the current discount on our NAV, our portfolio offers a good quality-return ratio.

— YOU DID NOT GROW IN 2008. WOULD IT BE TRUE TO SAY YOU DID NOT ACHIEVE YOUR OBJECTIVE?

R. T.: Yes and no. Our principal objective is still to sustain the quality and profitability of the Company. We are maintaining our development goals over five years and, in the meantime, continuing to study investment opportunities that arise. These will certainly be few and far between in 2009. But, whatever the case, they will have to comply with our quality and profitability criteria.

— YOU HAVE CHOSEN TO
OUTSOURCE MANAGEMENT
OF YOUR ASSETS. WHY?

M. W.: Outsourcing to the external Commerz Real and Yxime teams means that we benefit fully from their expertise in running large buildings. You must recall that Commerz Real manages around 50 buildings with surface areas of more than 10,000 m².

— IS YOUR SIIC STATUS AN
OPPORTUNITY OR A RESTRICTION?

R. T.: The status has enabled the quoted real-estate company segment to quadruple in size since 2003. It is therefore very popular with investors. Secondly, it is clearly of interest to property sellers since they benefit from a reduced taxation rate of 19% on real-estate capital

gains. Finally, the decision to postpone the deadline for SIIC shareholders to reduce their investment to less than 60% is good news. This delay will allow Commerz Real to assess the best way for CeGeREAL to be compliant by the end of the year.

— FINALLY, WHAT WILL YOUR
DIVIDENDS DISTRIBUTION POLICY
BE THIS YEAR?

R. T.: CeGeREAL is positioning itself as a high-yield company. At the General Meeting we will therefore recommend distribution of a dividend per share of 1.95 euro for 2008, identical to that of 2007.

*Interview conducted by Guy Schwartz,
economic journalist.*

Martin Weinbrenner
Managing Director

Raphaël Tréguier
Deputy Managing Director



A sound financial situation

For three years now, CeGeREAL has offered its shareholders a clear investment and an extremely solid profile.

CeGeREAL achieved satisfactory results in 2008 despite the crisis. Defining itself as a high yielding company, the Company enjoys a sound financial position and plans to distribute a dividend to its shareholders identical to that of 2007.

► ITS ADVANTAGES

— **A low loan to value** of 40% at December 31, 2008, and an interest rate set at 4.15% until March 2013 (4.25% if LTV exceeds 60%). These conditions do not require any financial instrument;

— **High solvency** with 100% of tenants rated as “solid” and “very solid” (Dun & Bradstreet rating), 72% of leases renegotiated and rents which cover annual interest charges more than three times;

— **Three high quality assets** – large recent buildings – entirely leased to well known national and international companies, with a very low vacancy rate in 2008;

— **The simplicity of a structure** which enables shareholders to be well informed about their assets;

— **Use of the services of Commerz Real**, a respected operator on the global property market, particularly for this type of building.

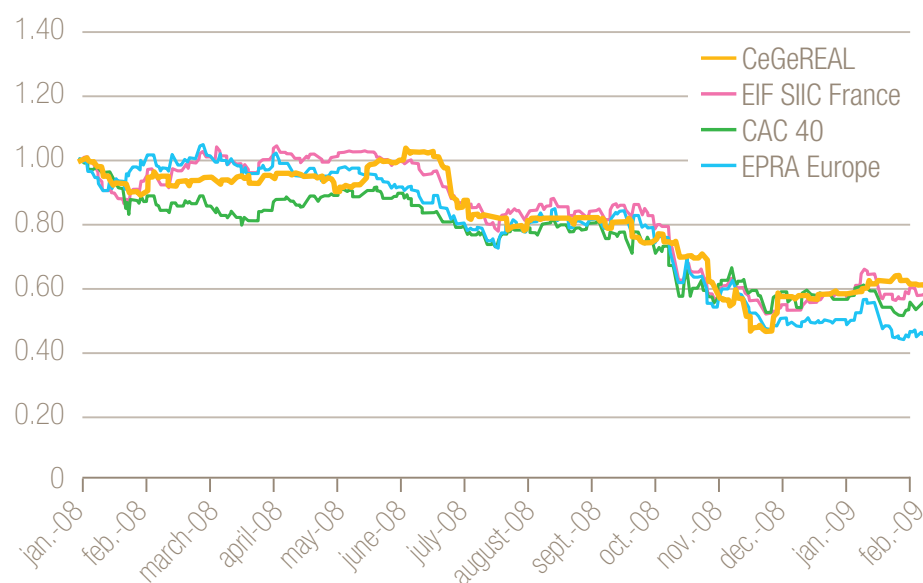
As a result, self-financing and distribution capacities were the same as in 2007. For the financial year 2008, the distribution of a dividend per share of 1.95 euro, identical to the previous year, will be recommended at the General Meeting.

Simplified Balance Sheet			
Investment property	938	Shareholders' equity	547
Other assets	36	Bank debt	379
		Exit Tax liabilities	22
		Other liabilities	26
Total	974	Total	974

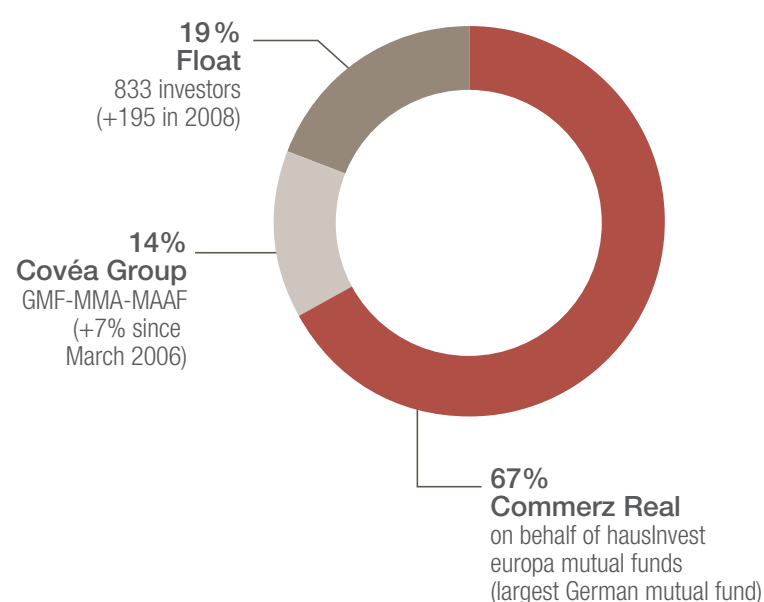
CHANGES IN STOCK PRICES

► A SOLID PROFILE

Since the height of the crisis, CeGeREAL stock has outperformed the main indices in the sector.



DISTRIBUTION OF SHAREHOLDING STRUCTURE



DIVIDEND PER SHARE: 1.95 EURO

(in M€)	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006
Per-share dividend	1.95	1.95	1.84
Return			
Stock price (Results -2D)	9.70%	6.12%	5.10%
Initial public offering price (March 2006)	6.13%	6.13%	5.79%
Current cash-flow Rate	70%	72%	-

— DISTRIBUTABLE CORPORATE PROFITS, NOT SUBJECT TO IFRS

To adhere to investment practice and offer another means of comparison with other property equity companies, CeGeREAL has chosen to provide its shareholders with an additional accounting procedure, International Financial Reporting Standards (IFRS), selecting the method of fair value of investment property.

The variation in fair value is recorded in the IFRS results, making them more volatile, since they are influenced by the short-term movements in the property market.

The Company's distributable profit is independent of the IFRS results, since its calculation is based on the Company's financial statements.

— COMMERZ REAL (CR) IN BRIEF

Commerz Real, CeGeREAL's largest shareholder for the account of the open-ended fund hausInvest europa, manages a 33 billion euros global property portfolio including about 50 buildings larger than 10,000 m².

— AGENDA FOR 2009

First quarter results	→ May 7 th
General Meeting	→ May 29 th
Payment of 2008 dividend	→ July 30 th
Half-yearly results	→ August

Governance which adheres to strict rules

A Board of Directors, committees (Investment, Audit, Appointments and Compensation) and general management: CeGeREAL's governance adheres to a strict and modern organization in line with its objective of transparency.



Martin Weinbrenner

Raphaël Tréguier

Two Managing Directors

The two directors combine complementary expertise in the corporate real-estate sector with an in-depth knowledge of the Île-de-France market.

— Martin Weinbrenner Managing Director

Aged 43, Martin Weinbrenner previously worked as a financial consultant for German property company Eschner & Partners before joining CRI in 1994, where he runs the Asset Management division. Within CeGeREAL, he is more specifically responsible for real estate issues.

— Raphaël Tréguier Deputy Managing Director

Aged 34, Raphaël Tréguier has 11 years' experience in real estate and Corporate Finance. Involved in managing take-over operations of listed and non-listed companies as well as large portfolios, in particular, he spent seven years working in the Investment team of GE Real Estate France. Manager of CeGeREAL's operational and development department, he is also responsible for financial and communications issues.

Three committees

In accordance with the most recent governance regulations, at least two-thirds of these committees are made up of independent members.

These individuals have “*no relationship of any kind with the Company, its group or its management which could compromise the exercise of their freedom of judgment*” as defined in the Bouton report on governance of listed companies.

Investment Committee

- Richard Wrigley,
(Chairman), Independent Director
- Graham Spensley,
Independent Member
- Henk J. Jacobs,
Independent Member

Its principal tasks:

- assisting the Board of Directors with regard to investments (namely in the case of sale, acquisition, development or significant refurbishment of a property asset),
- advising on investment plans and the annual investment budget,
- evaluating the strategy of already completed investment operations,
- monitoring actions which may have a material impact on investments.

Audit Committee

- Richard Wrigley,
(Chairman), Independent Director
- Jean-Pierre Bonnefond,
Independent Member
- Gerry Dietel,
Fund Manager - Commerz Real

Its principal tasks:

- assisting the Board of Directors in the review and finalization of the interim and annual accounts,
- verifying the independence of the Auditors,
- reviewing internal procedures regarding internal control, auditing, accountancy and management,
- ensuring that the Company possesses the adequate means for the prevention of risks and irregularities in the running of its business.

Appointments and Compensation Committee

- Jean-Pierre Bonnefond,
(Chairman), Independent Director
- Graham Spensley,
Independent Member
- Henk J. Jacobs,
Independent Member

Its principal tasks:

- proposing CeGeREAL's management team's remunerations,
- estimating any other emoluments and allowances which may be due to them,
- evaluating candidates for the posts of Chief Executive Officer, Executive Vice President and Deputy Director,
- checking that each director has effectively freedom of judgement,
- undertaking a regular evaluation of the Board of Directors.

The Board of Directors

Directors known for their competence

Three new members joined CeGeREAL's Board of Directors in 2008, including Hans Joachim Kühl, Investment Director with Commerz Real and Erich Seeger, CRI's legal representative and Commerz Real's Sales and Marketing Director.



— **Richard Wrigley,**
Chairman and Independent
Director

Aged 61, Richard Wrigley was chairman of CB Richard Ellis Property Management's French operation in France up until the end of 2008. A graduate in property management from the University of London, he was chairman of the French real-estate subsidiary of Imperial Chemical Industries Pension Funds, before founding Corporate Property Management Services (CPMS) in 1986 which now manages 3.7 million m² on behalf of international investors. He sold CPMS to CB Richard Ellis in 2006.



— **Jean-Pierre Bonnefond,**
Independent
Director

Aged 63 holder of a DESS in Private Law from the University of Sorbonne-Panthéon, Jean-Pierre Bonnefond is now a consultant in capital strategy, after having been Chairman of the Groupement Foncier Français, a subsidiary of the Caisse des Dépôts Group, until 2004.



— **Erich Seeger,**
CRI's Representative

45 years old, he holds a marketing degree from the Munich Academy of Publicity and Marketing. Member of the Commerz Real board since 2008, he joined the group in 2004 to supervise the Marketing & Sales departments. He previously worked in various strategic and marketing-related functions with HVB group's asset management branch in Munich. At last he headed the sales activities of their fund management company Activest.



— **Hans-Joachim Kühl,**
Director

41 years old, he holds a degree in business management from the University of Berlin. He joined the acquisitions team of CRI in 1998 and since 2004 he was responsible for all real estate acquisitions and sales activities in Europe. Member of the CRI board since 2007, he took the responsibility for the acquisition and sale of properties worldwide as well as, from January 2009 on the responsibility of the real estate asset management. Prior to joining CR, he worked for Daimler at the Potsdamer Platz Project in Berlin.



— **Gerry Dietel,**
Director

Holder of a real estate economics degree from HfWU of Nürtingen-Geislingen. Gerry Dietel worked from 2005 until 2006 for IPD Investment Property Databank Germany and joined CRI in 2007 where he is one of the fund managers of hausInvest europa.



— **Klaus Waldherr,**
Director

Aged 44, Klaus Waldherr is a doctor of law and qualified lawyer with degrees from the University of Nancy II and from the University of Mainz in Germany. A specialist in foreign property investments, he has worked as a lawyer for CRI for 11 years.

Working with leading specialists

We benefit continually from a double expertise for every role in the Company: on the one hand, we use all the skills of the Commerz Real group; and on the other, we resort to external service providers respected for their expertise in the key areas of our business: Yxime, Fidal, PricewaterhouseCoopers and Publicis Consultants. These companies have built up committed teams and so have created an effective structure.

ASSET MANAGEMENT



Martin Weinbrenner
Managing Director

DEVELOPMENT, OPERATIONS & COMMUNICATION



Raphaël Tréguier
Deputy Managing Director



► **HIGH-LEVEL TEAMS ALLOCATED OVER THE LONG TERM**

Commerz Real team		Permanent advisors	
 <p>► Frederike Hoberg Key Account Manager Commerz Real France</p>	 <p>► Jonas Hafner Asset Manager Commerz Real</p>	<p>Rental management & Property management</p>	
 <p>► Ingo Trappel Engineering Director</p>		<p>Technical projects</p>	
		 <p>YXIME ► Alex Gooch Vice Chairman</p>	 <p>► Thierry Dorison Managing Director</p>
 <p>► Raphaël Colomby Acquisitions Manager Commerz Real France</p>			
 <p>► Markus Schürmann Head of Debt Finance Commerz Real</p>			
 <p>► Markus Esser Head of Corporate Communication Commerz Real</p>		<p>PUBLICIS CONSULTANTS ► Stéphanie Binet Partner</p>	
 <p>► Klaus Waldherr Legal Counsel Commerz Real</p>			
 <p>► Andrea Griesbach Head of Tax Commerz Real</p>		 <p>FIDAL ► Marc Cretté Legal Partner</p>	 <p>► Raphaël Teyssot Senior Manager</p>
<p>► Daniela Lammert Equity Management Commerz Real</p>		<p>PRICEWATERHOUSECOOPERS ENTREPRISES ► Florence Hauducœur Partner</p>	
		 <p>► Ludovic Dodon Senior Manager</p>	

A special relationship with tenants

CeGeREAL's rental policy is based on two key guidelines: accommodating well-known tenants and developing an ongoing relationship of trust with them.

PRESTIGIOUS TENANTS

Our policy is very strict when it comes to selecting our tenants. We feel it is important to sign leases with national or international companies with proven

financial solidity and corporate credibility. There is therefore less risk of them defaulting on their rental payment commitments. 93% of our tenants have obtained

the top Dun & Bradstreet ratings for financial solidity.

RELATIONSHIPS OF TRUST

Our key values are transparency and quality in our relations with tenants.

The staff responsible for day-to-day management of the buildings are constantly available to listen to tenants' requirements. A

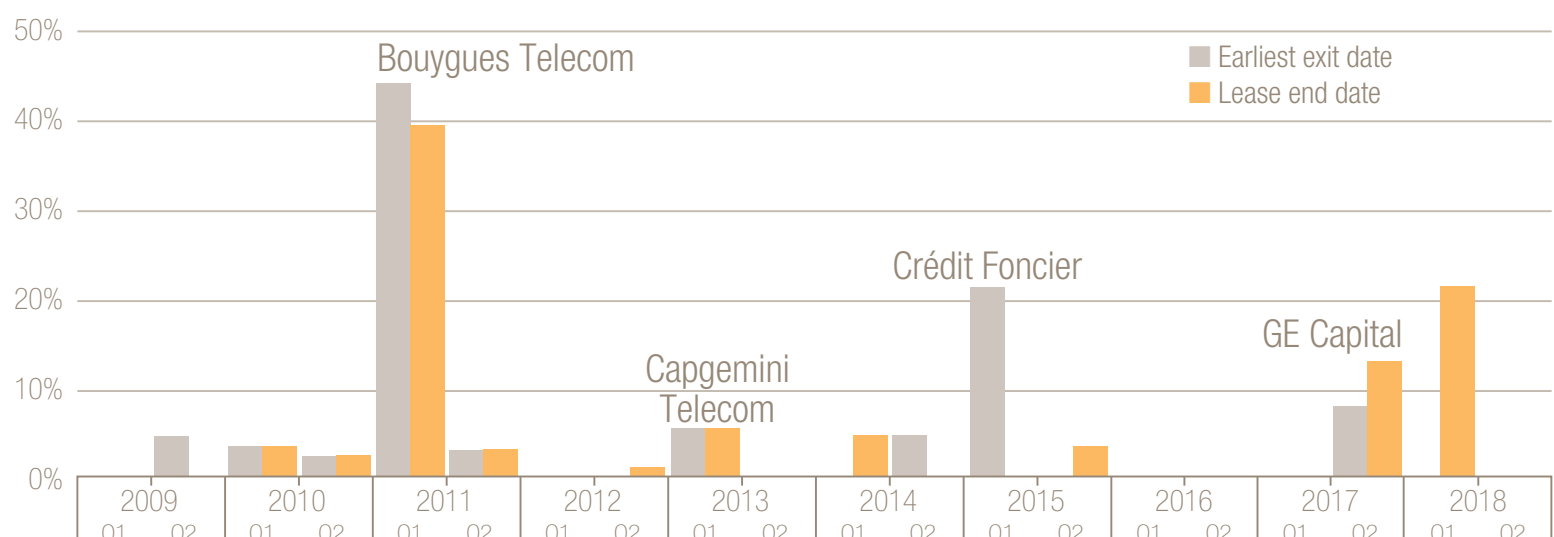
representative of CeGeREAL's management meets each tenant regularly to learn about his latest requirements and plans.

This policy creates a relationship of mutual trust, helps maintain loyalty and encourages tenants to

notify us of their property plans at a very early stage, so that we can propose suitable solutions.

Rental schedule

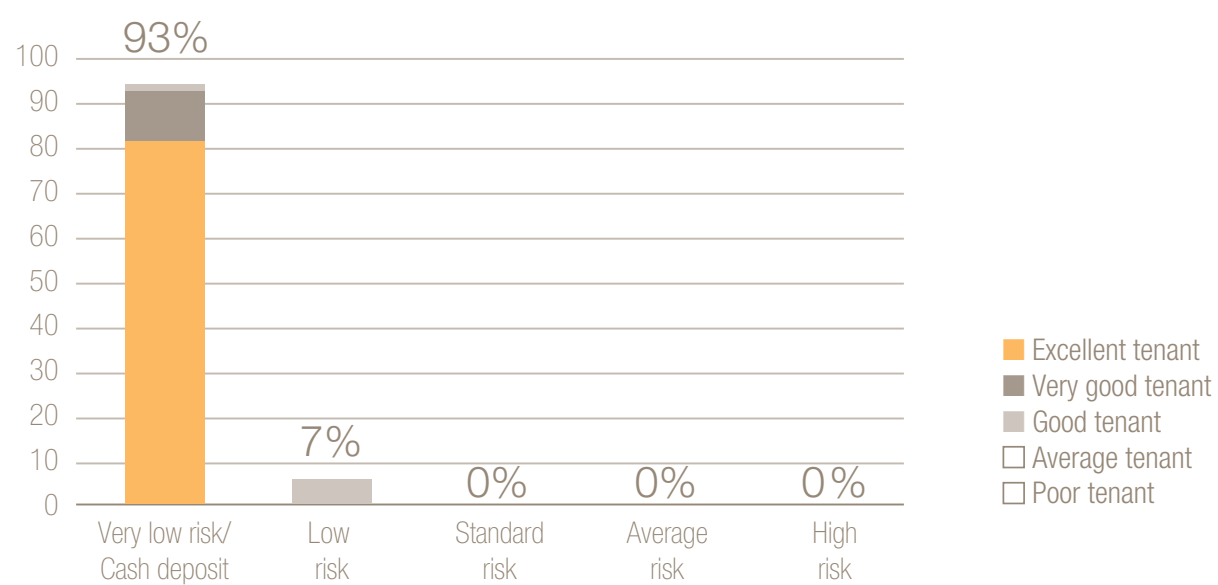
► LEASE EXPIRATIONS SPREAD OVER THE NEXT NINE YEARS





Analysis of rental risk

► **100%** OF OUR LEASES PRESENT LOW RISK OF NON-PAYMENT (DUN & BRADSTREET)



Experts in rental management

We have chosen to outsource asset, property and technical management to specialists, in order to ensure that our tenants benefit from the best skills available and that the buildings' operating costs are optimized.

COMMERZ REAL - INDISPUTABLE EXPERTISE

- For the management of our assets, we employ the skills of our principal shareholder, CRI (Commerz Real Investmentgesellschaft), a subsidiary of Commerz Real, Commerzbank's real asset management division. Managing a 33 billion euros property portfolio, which includes some 50 properties larger than 10,000 m², its expertise is indisputable. CeGeREAL benefits from its knowledge of the Île-de-France market and the reactivity of its marketing and management teams.

- The Asset Management team had a great year in 2008 for several reasons. It renegotiated 72% of our leases, meaning that a large proportion of our portfolio is now protected against the risk of any downward rental renegotiation, in a difficult economic climate. Tenants could initiate these negotiations at any time if the cumulative indexation since the start of their lease is greater than 25%. These lettings,

renewals and extensions were completed under favourable conditions (limited to an overall decrease of 5%, excluding rent-free periods) as a result of tenants' acknowledgement of the properties' qualities and the proactivity of the asset managers.

- Key achievements include the lease renewals of GE Capital for a fixed term of nine years and of Crédit Foncier for a fixed term of six years, the extension and alignment of Bouygues Telecom's leases until March 2011 and the arrival of a division of Crédit Agricole at Europlaza for a fixed term of six years.

- The asset management contract concluded with Commerz Real covers consultancy work regarding property investments and analysis of the operation of the assets. For example, its services include drawing up the annual business plan, appraisal of the as-

sets and their performance, market development, leases policies and recommendations.

- CRI also produces an annual report for CeGeREAL on what is being offered by competitors and quarterly inspection reports for the buildings. Finally, CRI analyzes CeGeREAL's rental strategy and suggests areas for improvement.

“These buildings offer top quality comfort and technical services. We ensure that the quality of relations between the building, its owner and its tenants is maintained on a daily basis.”

Thierry Dorison,
Yxime Managing Director



— YXIME, A SPECIALIST IN PROPERTY MANAGEMENT

- CeGeREAL have chosen to outsource property management to Yxime, one of the largest companies in its field who manage three million m² of premises with a total value of some 11 billion euros. This external partner knows our properties particularly well, as it has been managing them since they were acquired.
- Yxime's role involves managing relations with tenants - controlling the respect of their lease obligations, for example, for repairs and maintenance - and verifying compliancy with internal regulations. Yxime also provides administrative and accounting management of the buildings (invoicing the rents and the recovery charges, etc.).
- Yxime is also responsible for supervising the technical contracts for Europlaza and Arcs de Seine.

Volume of large surface area transactions maintained

A significant fall in overall investment volumes but an Île-de-France rental market that has resisted reasonably well compared with other large European capitals.

► OFFICE LARGER THAN 5,000 M²



In 2008, fears for corporate property in France confirmed the early signs of the financial crisis emerging in the United States a year earlier. Investment in the French market fell 60% to 11 billion euros. The difficulty of financing or refinancing assets is the most obvious explanation for this phenomenon. Also the lack of activity in the market has been exacerbated by the disparity between the expectations of vendors and the conservative approach of those few investors who still benefits from the available liquidities.

However, satisfactory aspects do exist. The volume of transactions for surface areas of more than 20,000 m², CeGeREAL's competitive environment, have remained similar to previous years. Moreover, a change in market structure has emerged. La Défense has increased its market share. It is now on par with Paris's Central Business District, which was the most sought after area up to now. They each account for 13% of take-up.

► OUR COMPETITIVE ENVIRONMENT: OFFICES LARGER THAN 20,000 M²



— ONE OF THE BEST RENTAL MARKETS IN EUROPE

The Île-de-France rental market has demonstrated its resilience in a more general way. Immostat, the economic interest group comprising four of the main real-estate consultants, including CB Richard Ellis, considers that rental take-up rose to around 2.3 million m² in 2008. Although this was less than the level attained in 2007, it is equivalent to those of 2005 and 2006. According to the experts, these results are even more impressive as they are higher than most of those achieved in other European markets.

“ In the long term, large new and restructured buildings are likely to suffer less than other sectors. ”

Expert opinion

The recovery will favour demand for recent large buildings

Denis François, Chairman of CB Richard Ellis Valuation, analyzes changes in the market for large offices in Île-de-France.



1

— WHAT IS YOUR ASSESSMENT OF THE ÎLE-DE-FRANCE LARGE OFFICES MARKET DURING 2008?

Firstly, a distinction should be made between the rental market and the investment market. In relation to large, new or entirely restructured offices, the rental market in 2008 could be said to have been fairly positive. Up until November, rents were stable and even increased slightly, since demand for this type of building was sustained. During the last months this demand certainly began to weaken somewhat, but overall, the volume of take-up in m² by companies for their own needs finished the year at 2.3 million m², compared, it must be added, with 2.7 million m² in 2007.

2

— AND THE INVESTMENT MARKET?

It was significantly less healthy than the rental market. Over the entire year, it fell 60% compared with 2007 and especially affected large buildings as a result of the credit crunch: there were far fewer transactions. After a modest increase over the first five months, rates of return climbed slightly in June and July and then progressed more strongly with the outset of the financial crisis. Though large new and refurbished buildings were impacted by recent events, they are likely to suffer less than other sectors in the long term. This is due to the fact that since construction of this type of building will contract during the crisis, the market recovery will provoke a flood of demand from companies and public agencies.

3

— HAS THE CRISIS AFFECTED THE VALUE OF REAL ESTATE ASSETS?

The values of corporate property portfolios are likely to decrease by between 8% and 15%.

For buildings such as those of CeGeREAL, the decrease should be nearer to 10%.

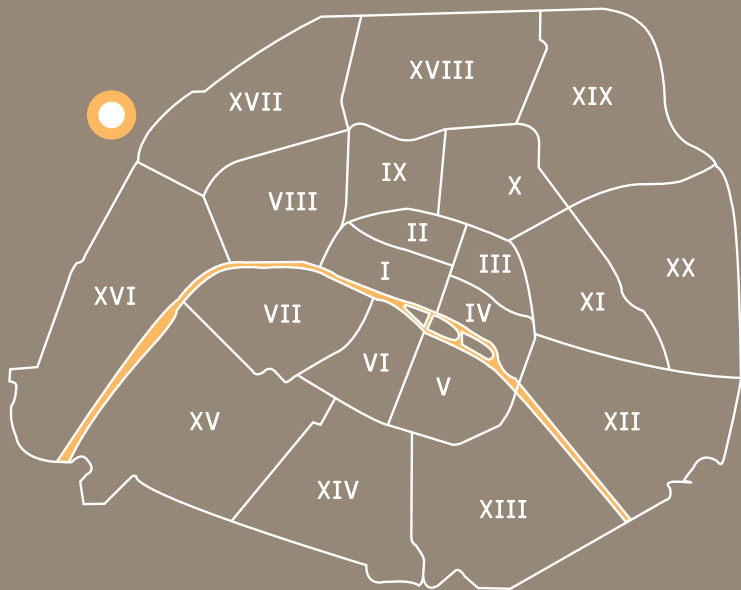
Large new and recent buildings are negatively affected by the credit crunch but are certainly better protected, since they meet the standards and requirements of the large corporate tenants.



Europlaza

Located in the heart of La Défense, the largest European business centre, the Europlaza complex consists of more than 47,500 m² of office space and was completely refurbished 10 years ago by HRO. The main building comprises 31 storeys, each of 1,300 m², and has such prestigious tenants as GE Capital, Capgemini and Crédit Agricole. Qualitative and environmental interviews carried out in 2008 have given positive results from tenants.

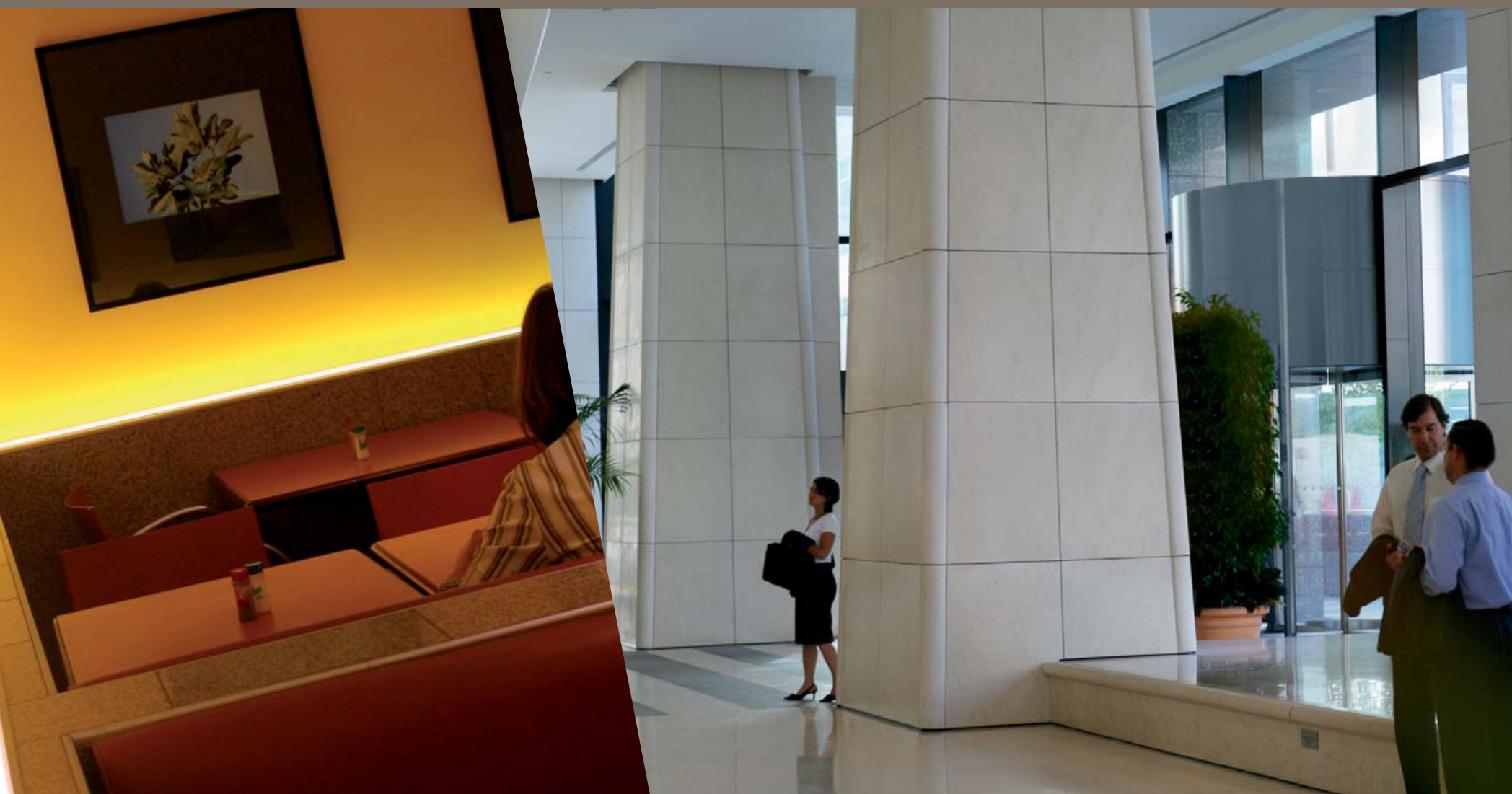




— Europlaza

— Arcs de Seine

— Rives de Bercy



● Welcome to Europlaza

On entering Europlaza's lobby, one is struck by its refinement, its size and its majestic chandeliers. It is decorated with contemporary works of art and comfortable art deco armchairs. After passing the two reception desks, visitors ascend through well-lit floors to discover the exceptional working environment and views: on one side, a peaceful green landscape, and on the other, the magnificent architectural perspective and the constant bustle of Europe's leading business district.



In the centre of a highly desirable district

— AN UNRIVALED DISTRICT

More than 3.5 million m² of offices, 150,000 employees and 1,500 companies: the La Défense district, to the west of Paris, is the largest business centre in Europe. Despite the recession, its properties, 77% of which are office buildings larger than 5,000 m², remain attractive. Take-up in 2008, which was 265,600 m² in this sector, only fell by 2.3% whereas the vacancy rate improved decreasing significantly from 4.6% a year earlier to 3.6% as at December 31.

— LARGE MODULAR SPACES

The Europlaza complex has a total rental surface area of 49,322 m², 47,567 m² of which is offices (1,300 m² per floor), as well as 1,755 m² of archive space.

The open-plan offices are modular and easily adaptable to each tenant's specific requirements, for example by creating a clear, bright central corridor, flanked by offices on either side.

— COMPLETE SERVICES

The services provided by Europlaza are in line with what large tenant companies are looking for in terms of comfort and security. This is especially true for air-conditioning, fire protection and surveillance of premises (video-surveillance). Numerous facilities are available to the companies' employees. As well as an auditorium and a sport center. Europlaza offers a self-service staff canteen, a cafeteria a snack bar and VIP rooms designed by interior designer Alberto Pinto. Finally, a building manager and two technicians who are on site to handle occupants' day-to-day problems.

— LOYAL TENANTS

Europlaza renewed 52% of its leases during 2008. General Electric renewed its lease for a fixed term of nine years, as did Laboratoires Galderma, a joint L'Oréal and Nestlé subsidiary, for six years. Since these all operate on the basis of investor-type commercial leases, CeGeREAL recovers almost all of the operating costs.

TENANT SATISFACTION SURVEY

IN 2008 WE CARRIED OUT A POLL OF TENANTS CONTAINING 58 QUESTIONS CONCERNING THE QUALITY OF COMMON AND PRIVATE AREAS RENTED, THE SERVICES PROVIDED AND FINANCIAL CONDITIONS.

THE RESULTS CONFIRMED THAT, OVERALL, THE SERVICES PROVIDED BY EUROPLAZA WERE MUCH APPRECIATED. THEY WERE VERY POSITIVE FOR ALL POINTS, EXCEPT FOR THE TECHNICAL SERVICES. CEGEREAL AND YXIME DECIDED TO REACT IMMEDIATELY BY CHANGING THE TECHNICAL FACILITY MANAGER.

“Europlaza’s positioning and quality confirmed Capgemini’s decision to renew its lease and remain one of the tower’s main tenants.”

Pascal Gillois

Purchasing and Real-Estate Director for Capgemini France.



47,567 m²

▷ of offices divided between two buildings

100%

▷ financial occupation rate in 2008

€21.7 M

▷ in rent in 2008

€425 M

▷ valuation net of taxes as at Dec. 31, 2008

Arcs de Seine

The Arcs de Seine complex is situated in Boulogne-Billancourt, one of the main economic centres in the Île-de-France. It can be recognized from a distance due to its unusual design in the form of an arch, which explains its name and helped it participate in the final of the international BWAR competition in 2002. Three tenants occupy its three independent buildings of five, seven and eight floors, which have a total surface of 45,000 m², set in a private park.

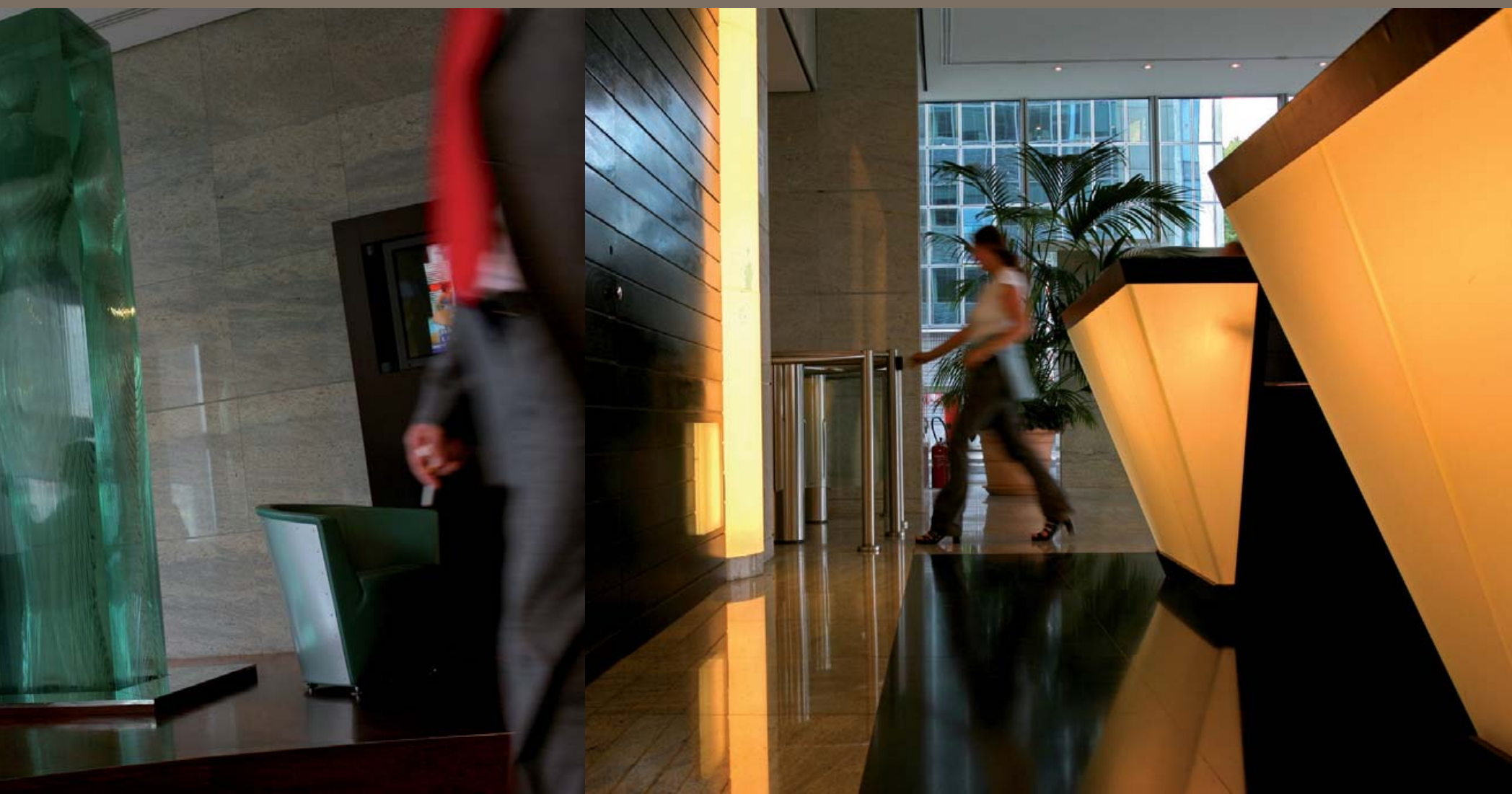




— Europlaza

— **Arcs de Seine**

— Rives de Bercy



Welcome to Arcs de Seine

Each of the three buildings has its own separate entrance and all floors have exceptional lighting. No matter which direction their offices face, users have an incomparable view: on the one side they have the green tranquillity of the private gardens of Boulogne, on the other they look down on the Seine. As well as being comfortable and set in beautiful surroundings, these premises, built or completely refurbished in 1999 and 2001, offer optimal working conditions.



Three upmarket buildings

— MEDIA AND NIT CENTER

Arcs de Seine is located in a district of Boulogne-Billancourt where media and new information and communications technologies (NICT) companies are concentrated:

TF1, Europe 1 and Microsoft have recently leased large premises nearby. In 2008, the average rent there grew by 2% attaining 500 euros excluding tax and charges/m²/year as at December 31. Meanwhile the vacancy rate increased slightly while remaining at a low level: 5.9% compared with 5.5% a year earlier.

— EXTREMELY EASY ACCESS

The 45,151 m² complex consists of three buildings with surfaces of 25,547 m², 10,571 m² and 9,033 m² respectively. Located in a business district where several television stations in particular are based, it is easily accessible using public transport (bus, tram or underground) or from the nearby Paris ring road.

— HIGH QUALITY SERVICES

Designed by a prestigious team of architects (Skidmore Owings & Merrill in partnership with Alexandre & Sandoz), the Arcs de Seine site offers its users high quality services and state of the art modularity. It provides technical services of a very high level, whether in terms of air-conditioning, electrical power, security using video-surveillance or meeting rooms. It also has an auditorium, which, at the request of one of its tenants, has been authorized to receive the public (ERP) so that it can host events open to the general public.

The complex also includes a staff canteen, a management canteen, a cafeteria and a snack bar. Finally, a manager and a technician are always on duty at the site and can answer tenants' day-to-day questions and requests.

— THREE LOYAL TENANTS

Arcs de Seine is entirely rented to three companies: Bouygues Telecom - which will continue to rent 23,000 m² until March 2011 following an extension to its two leases in the first half of 2008 - TF1 until January 14, 2010, and Boursorama (one of the leading online brokers in France) until January 14, 2011. Finally, as with Europlaza, CeGeREAL is able to recoup almost all operating costs.

A BUILDING WITH "NF BÂTIMENTS TERTIAIRES DÉMARCHE HQE" CERTIFICATION

At the end of 2006, Arcs de Seine was amongst the first buildings to be awarded this French high environmental quality standard for office buildings. Out of the 14 basic targets, it obtained five "very good" ratings and three "good" ratings:

- VERY GOOD:
 - Energy management
 - The building's relationship with its immediate environment
 - The low environmental impact of the construction site
 - Management of waste from activities
 - Environmental performances of maintenance.
- GOOD:
 - Visual comfort
 - Hygiene and cleanliness of interior spaces
 - Hygiene and cleanliness of water.

“ The technical nature of our company’s activity requires a high level of flexibility for the corresponding infrastructure. This we have found at Arcs de Seine which, with its comfortable working conditions, matches our requirements perfectly. ”

Charles Morane

Human resources manager in charge of general services for Boursorama.



45,151 m²

▷ total for the three buildings

100%

▷ occupation rate for at least the next two years

€24.5 M

▷ in rent in 2008

€350 M

▷ valuation net of taxes as at Dec. 31, 2008

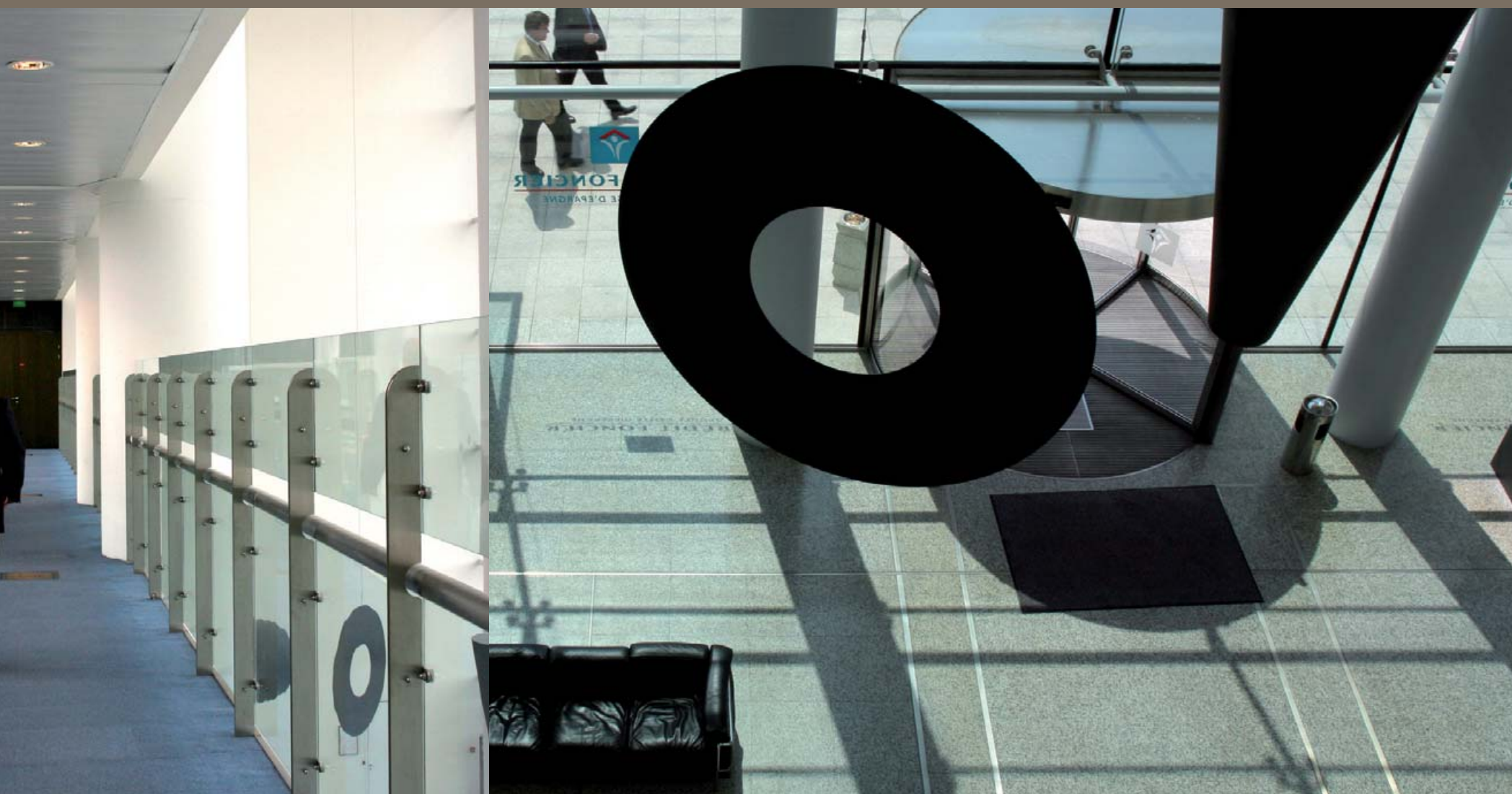
Rives de Bercy

Located in Charenton-le-Pont, to the east of Paris, the Rives de Bercy complex comprises seven floors of offices and two parking levels for a surface of more than 30,000 m². It has been entirely leased to Crédit Foncier since 2003. The site's quality and design plays a significant part in rebalancing Île-de-France's business districts, which are still concentrated to the west.





- Europlaza
- Arcs de Seine
- Rives de Bercy



Welcome to Rives de Bercy

Rives de Bercy is very contemporary with its innovative architecture, its human dimensions, its floors which are naturally well lit by their glass curtain walls, its walkways and its relaxing views, either over the Seine or the internal Japanese style garden laid out by Crédit Foncier. Its panoramic terraces are lawn laid, as are the walkways linking the various wings of the building. They amplify this impression of a building in which the pleasant surroundings create an effective working environment. Its friendly atmosphere is also enhanced by the presence of a sports center that is open daily.



A friendly, designer spirit

— THE CALL OF THE EAST

Built in Charenton-le-Pont, the Rives de Bercy building is set in one of the new business districts to the east of Paris which are likely to develop significantly over the coming years. Their economic activity is already increasing. Rents there are more attractive than in the west. Despite a 5.5% increase in 2008, rents remain between €290 and €385 excl. taxes and charges/m²/year, depending on the area.

— DESIGN AND ACCESSIBILITY

The Rives de Bercy stands on a 16,374 m² site and provides 31,942 m² of office space spread over seven floors. It also has two basement levels (657 parking spaces). The property, created six years ago, takes the form of several wings linked by suspended glass passageways and a monumental lobby facing the Quai de Bercy. Located by the Seine, Rives de Bercy is accessible by underground, as well as from the embankment expressway, the Paris ring-road and the A4 motorway.

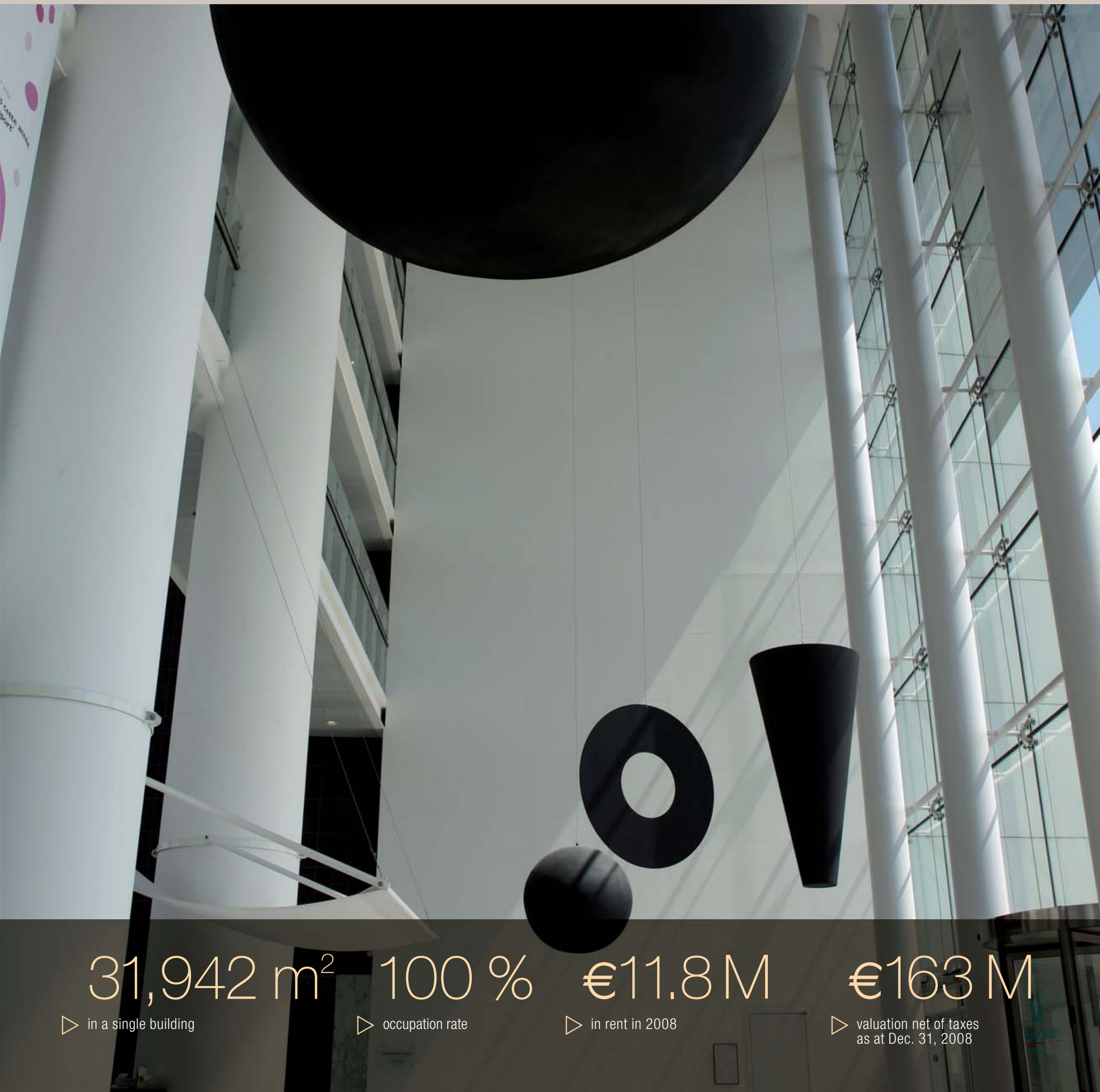
— COMFORT AND A RANGE OF FACILITIES

Rives de Bercy provides a pleasant working environment and security services which naturally meet current standards. The range of facilities includes a staff canteen, a cafeteria, an auditorium, various sized meeting rooms and a sports center.

— A SINGLE TENANT

Despite being completely divisible, the building is entirely leased to Crédit Foncier which has moved its head office there and has been happy to occupy it since its completion in 2003. The commercial lease is triple net meaning that works and rental charges are paid by CeGeREAL with the owner's agreement.

The Rives de Bercy complex has been
entirely occupied by Crédit Foncier
since it was first offered for let in 2003.



31,942 m² 100 % €11.8 M €163 M

▷ in a single building

▷ occupation rate

▷ in rent in 2008

▷ valuation net of taxes
as at Dec. 31, 2008

Sustainable development

Sustainable development is a crucial aspect of the investment approach and ethical commitment of CeGeREAL and its main shareholder Commerz Real.

CeGeREAL is socially responsible and believes that sustainable development and respect for the environment are of primary importance. In this respect the company is entirely in line with the concerns of its large tenants – Bouygues Telecom, General Electric, Capgemini and Crédit Foncier de France.

These common values shared by lessor and lessee can be seen concretely in the way that Yxime, the partner selected by CeGeREAL for this contract, manages buildings day by day. This is a long-term approach by which the company strives to implement best practices and the most suitable solutions in order to continually improve the way the buildings function from an environmental, social and economic perspective.

— A DETERMINED APPROACH

The reduction in energy and water consumption and the optimization of waste management are visible examples of respect for the environment. As examples of this resolute approach, we could mention the use of low-energy bulbs and the automated light switching, improved maintenance of technical installations, the establishment of leak detection systems, as well as increasing user awareness of selective recycling of waste and the use of non-polluting cleaning and maintenance products.

— MUTUAL WORK WITH TENANTS

The combined work of CeGeREAL and Bouygues Telecom has reduced energy consumption at Bouygues Telecom's head office in Arcs de Seine by 10% in two years.



A responsible partner

CeGeREAL selected Yxime for the property management of its buildings. Every day Yxime applies the sustainable development charter it has drawn up.

By respecting this charter Yxime aims to save energy (through management of consumption, analysis of thermal insulation, etc.), prevent pollution (through recovery of waste, reduction in the use of toxic chemicals, etc.) and improve occupants' working conditions (by monitoring levels of lead, water and air quality, etc.).

Summary Financial Results

Simplified Financial Data

Annual Financial Statements

Assets in thousands of euros	Dec 31, 2008	Dec 31, 2007
Investment property	796,748	822,521
Other financial fixed assets	638	605
Fixed assets	797,386	823,126
Accounts receivable	13,348	24,231
Other receivables	9,767	10,025
Cash and cash equivalent	9,787	19,780
Prepaid expenses	2,096	2,046
Current assets	34,997	56,083
Total assets	832,383	879,210

Equity and liabilities in thousands of euros	Dec 31, 2008	Dec 31, 2007
Share capital	160,470	160,470
Merger premium, reserve and retained earnings	60,365	65,542
Revaluation reserve	171,113	181,916
Net income for the period	10,875	10,076
Shareholders' equity	402,823	418,004
Provisions for liabilities and charges	38	-
Shareholders' funds	38	-
Non-current borrowings	381,717	381,714
Accounts payable and other current liabilities	47,805	79,491
Liabilities	429,522	461,206
Total equity and liabilities	832,383	879,210

Income statement in thousands of euros	Dec 31, 2008 12 months	Dec 31, 2007 12 months
Operating income	25,890	24,916
<i>Including rental revenue</i>	<i>70,618</i>	<i>61,095</i>
Net financial expense	(15,049)	(14,843)
Net non recurring income	34	3
Corporate income tax		
Net income	10,875	10,076

IFRS balance sheet

Assets in thousands of euros	Dec 31, 2008 IFRS Accounts	Dec 31, 2007 IFRS Accounts
Investment property	938,410	1,031,900
Other non-current assets	6,675	2,339
Non-current assets	945,085	1,034,239
Accounts receivable	13,348	19,825
Other operating receivables	5,334	5,144
Cash and cash equivalents	9,787	19,780
Current assets	28,469	44,750
Total assets	973,554	1,078,989

Equity and liabilities in thousands of euros	Dec 31, 2008 IFRS Accounts	Dec 31, 2007 IFRS Accounts
Capital	160,470	160,470
Merger premium and retained earnings	445,928	370,211
Net income for the period	(59,228)	102,156
Shareholders' equity	547,170	632,837
Non-current liabilities	379,231	399,286
Current liabilities	47,153	46,866
Non current and current liabilities	426,385	446,151
Total equity and liabilities	973,554	1,078,989

Pro forma income statement in thousands of euros	Dec 31, 2008 12 months	Dec 31, 2007 12 months
Operating income	(41,792)	119,371
<i>Including: Net rental income (*)</i>	<i>54,994</i>	<i>52,933</i>
<i>Increase in the fair value of investment property</i>	<i>(93,748)</i>	<i>68,436</i>
Net financial expense	(17,601)	(17,380)
Corporate income tax	165	165
Net income	(59,228)	102,156

(*) Rent + other services - building related costs.

Financial communication: close relations with shareholders

CeGeREAL pursues an active policy of transparency and proximity with its shareholders, corroborated by reinforced communication initiatives in 2008.



website screen-shot



Annual Report 2007

— WEBSITE

www.cegereal.com

Since September 2008, the corporate website offers a longer list of sections aimed at shareholders, in particular concerning the Company, its property portfolio and its finances. There is a very dynamic presentation of the assets in the form of virtual tours.

Press releases are available, as well as annual and half-yearly reports. A special section: Shareholder Note-book, contains financial information.

— ANNUAL REPORT

Comprising the Company Report and the Financial Report, this printed document is distributed at the various shareholder meetings. It is also available and can be downloaded from the Company's website.

— HALF-YEARLY REPORT

Sent out on request, this document is one of the information events that CeGeREAL feels are so important. It can also be downloaded from the website.

— PRESS RELEASES

The quarterly results and any important event for the Company are the subject of press releases, which are sent out on request. The quarterly asset valuations carried out by CB Richard Ellis is of particular note.



“What has been important about our relations with CeGeREAL since it was founded is the constant wish to implement the best possible practices in terms of corporate and financial communications.”

Stéphanie Binet,
Publicis Consultants partner



Financial press



Raphaël Tréguier, in an interview at the Actionaria event

— MEETINGS WITH THE PRESS AND FINANCIAL ANALYSTS

These meetings take place at least once a year, when the annual results are presented. The half-yearly results are also subject to question and answer sessions in the form of conference calls.

The Company's general management also meets financial analysts and institutional investors on a regular basis to discuss the property sector more specifically.

— GENERAL MEETING

The Annual General Meeting in 2007 and in 2008 took place in Europlaza.

— ACTIONARIA EVENT

In 2008 CeGeREAL took part for the first time in this general public event specializing in stock market investment. The company welcomed many visitors to its stand and was able to provide information, to answer questions and hand out detailed corporate brochures. This was a good opportunity to introduce CeGeREAL to a wider public of individual investors.

— ADVERTISING

CeGeREAL's annual and half-yearly results are published in the economic and financial press in the form of financial notices. A corporate advertisement was produced in 2008 and published in the daily press as well as the investment and specialized press, aimed at increasing recognition of the Company among the financial community.

To keep up to date with the company and changes in rights attached to shares, as well as reading this company report which covers 2008, visit our website regularly at www.cegereal.com

Shareholders may also contact the Company directly:

CeGeREAL

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20
08
Annual Report