Registration document

2009

CeGeREAL

A French *société anonyme* (corporation) with capital of EUR 160,470k
Registered office: 21-25 rue Balzac, 75008 Paris
422 800 029 RCS Paris

SIRET No.: 422 800 029 00023

REGISTRATION DOCUMENT INCLUDING THE ANNUAL FINANCIAL REPORT

2009

DISCLAIMER

The English-language version of the Registration Document is a free translation of the official *Document de Référence* prepared in French.

All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over this translation.

Pursuant to the General Regulations of the *Autorité des Marchés Financiers* (the French financial markets authority – AMF), in particular Article 212-13, the French version of this Registration Document was filed with the AMF on April 29, 2010 under the number [•]. This document may only be used in support of a financial transaction if it is supplemented by an offering circular approved by the AMF. This Registration Document was prepared by the issuer under the responsibility of its signatories.

In compliance with the provisions of Article L.621-8-1-1 of the French Monetary and Financial Code (*Code Monétaire et Financier*) approval was granted after the AMF had checked "*that the document is complete and comprehensible and that the information contained therein is consistent*". It does not entail the AMF's authentication of the accounting and financial information presented.

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I. MANAGEMENT REPORT

1. OVERVIEW OF THE COMPANY

CeGeREAL (the "**Company**") is a listed real estate investment company (*Société d'Investissement Immobilière Côtée* – SIIC, or listed REIT) that was set up in 2006 at the initiative of its majority shareholder, **Commerz Real Investmentgesellschaft mbH** (CRI) on behalf of its hausInvest europa fund.

The Company's business activity is property ownership, which involves acquiring and operating commercial real estate with a view to leasing it primarily to large companies of national and international renown.

The Company owns three real estate assets in the inner suburbs of Paris, the total value of which, at December 31, 2009, was estimated by BNP Paribas Real Estate Valuation France at approximately €827.5m (excluding transfer duties). Rental income totaled €57.04m (IFRS) in 2009.

In terms of its capitalization, at December 31, 2009, the Company ranked 18th among French property companies with SIIC status. The Company is one of the few listed real estate companies on the French market whose portfolio is exclusively comprised of recently-built office complexes, making it an original, specialized investment vehicle.

Key Figures

The tables below show the Company's main accounting and operating data for the last three financial years. The data are taken from the IFRS financial statements for the years ended December 31, 2007, 2008 and 2009.

Statement of comprehensive income of CeGeREAL S.A. – IFRS

In thousands of euros, unless given by share

	2009 12 months	2008 12 months	2007 12 months
Net rental income	53,640	54,994	52,933
Sale of building	6,850		
Administrative costs and other operating expenses	(2,752)	(3,038)	(1,998)
Increase in the fair value of investment property	(111,091)	(93,748)	68,436
Net operating expense	(53,352)	(41,792)	119,371
Net financial expense	(17,699)	(17,601)	(17,380)
Corporate income tax	164	165	165
NET INCOME (LOSS)	(70,886)	(59,228)	102,156
Income per share in euros	*(5.31)*	*(4.44)*	*7.64*

Balance sheet of CeGeREAL S.A. – IFRS

In thousands of euros, unless given by share

	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Non-current assets			
Investment property	827,500	938,410	1,031,900
Other non-current assets	12,127	6,675	2,339
Total non-current assets	839,626	945,085	1,034,239
Current assets			
Accounts receivable	14,483	13,348	19,825
Other operating receivables	3,882	3,104	2,964
Prepaid expenses	2,204	2,230	2,180
Total receivables	**20,569**	**18,682**	**24,969**
Cash and cash equivalents	16,200	9,787	19,780
Total cash and cash equivalents	**16,200**	**9,787**	**19,780**
Total current assets	36,769	28,469	44,750
TOTAL ASSETS	876,395	973,554	1,078,989
Shareholders' equity			
Capital	160,470	160,470	160,470
Premiums and reserves	360,957	445,928	370,211
Net income/(loss) for the year	(70,886)	(59,228)	102,156
Shareholders' equity	450,541	547,170	632,837
Liabilities			
Non-current liabilities	402,094	379,231	399,286
Current liabilities	23,762	47,153	46,866
Total liabilities	425,855	426,385	446,152
Total shareholders' equity and liabilities	876,395	973,554	1,078,989

Simplified statement of cash flows from operations

(in thousands of euros)	2009	2008	2007
Rental income	57,518	57,933	56,651
Rebilled expenses and indemnities	9,656	12,889	10,512
Building-related costs	(10,638)	(12,543)	(10,651)
Net rental income	56,536	58,279	56,512
Administrative costs	(2,760)	(3,106)	(2,006)
Asset management expenses	(2,896)	(3,284)	(3,579)
Other operating income and expenses	101	245	2
Gross operating income	50,981	52,134	50,929
Net financial expense	(16,283)	(15,049)	(14,843)
Cash flows from ordinary operations	34,698	37,085	36,086
Carpe Diem	6,850		
Cash flows from operations for the period	41,548	37,085	36,086

The difference between cash flows from operations and cash flows from operations before tax and changes in working capital requirements presented in the table below corresponds mainly to the loan interest expense presented in cash flows used in financing activities.

Statement of cash flows of CeGeREAL S.A. – IFRS

The table below shows the statement of cash flows prepared in accordance with the Company's financial statements for the financial years ended December 31, 2007, 2008 and 2009. The financial statements are presented in accordance with IFRS.

In thousands of euros, unless given by share **Operating activities**	2009	2008	2007
Cash flows from operations before tax and changes in working capital requirements	57 215	52 294	51 734
Change in exit tax liability	(22 492)	(22 491)	(22 492)
Other changes in working capital requirements	(8 483)	1 890	(114)
Cash flows from operating activities	26 240	31 693	29 128
Investing activities			
Acquisition	(180)	(260)	(463)
Cash flows used in investing activities	(180)	(260)	(463)
Financing activities			
Increase in bank indebtedness/debt	22 492		
Net decrease in other non-current financial debt	(209)	2	196
Purchases of treasury shares	(99)	(164)	(96)
Dividends paid	(26 033)	(26 056)	(24 596)
Loan interest expense	(16 377)	(15 989)	(16 107)
Adjustments for loans at amortized cost	581	780	464
Cash flows used in financing activities	(19 646)	(41 427)	(40 139)
Change in cash and cash equivalents	**6 414**	**(9 994)**	**(11 474)**
Cash and cash equivalents at beginning of year	9 787	19 780	31 254
Cash and cash equivalents at end of year	**16 200**	**9 787**	**19 780**

Adjusted Net Asset Value (ANAV)

	Dec. 31, 2009	Dec. 31, 2008	Change recorded between Dec. 31, 2009 and Dec. 31, 2008	Dec. 31, 2007	Change recorded between Dec. 31, 2008 and Dec. 31, 2007
ANAV per share (net of taxes)	31.62 €	40.00 €	-20.94%	47.49 €	16.10%
ANAV per share (including taxes)	35.46 €	44.26 €	-19.87%	52.28 €	16.80%

Changes in the value of the portfolio (net of tax)

In thousands of euros

	Dec. 31, 2009	Dec. 31, 2008	Change recorded between Dec. 31, 2009 and Dec. 31, 2008	Dec. 31, 2007	Change recorded between Dec. 31, 2008 and Dec. 31, 2007
Real estate assets	827,500	938,410	-11.82%	1,031,900	-9.06%

There was no change in the portfolio of real estate assets during the year ended December 31, 2009.

Debt-to-equity ratios and interest coverage ratio

	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Debt-to-equity ratio			
Non-current borrowings/adjusted net assets	48.59%	40.50%	36.50%
Interest Coverage Ratio			
Operating income/Interest expenses	333%	364%	351%

The above ratios are determined on the basis of the annual financial statements prepared in accordance with French GAAP, excluding the real estate assets which are measured at fair value, net of tax.

N.b.

The net rental income corresponds to rents and other services, less building-related costs.

2. HIGHLIGHTS OF 2009

2.1. COMPLIANCE WITH SIIC 4

In order to facilitate and diversify access to the capital of SIICs (listed real estate investment companies), SIIC regulations, as modified by the Amending French Finance Act for 2006 – "SIIC 4" – stipulate that any shareholder or group of shareholders, acting alone or in concert, must hold less than 60% of the SIIC's capital. If a company does not comply with this 60% threshold condition at January 1, 2010, the preferential tax treatment it enjoys as an SIIC will be temporarily suspended; in such a case, the company will be subject to corporate income tax at the standard rate. If the company still does not comply with the threshold at January 1, 2011, it will be deemed to have definitively lost SIIC status and will have to reimburse some of the tax savings accrued on the properties' unrealized capital gains.

Since its listing on the stock market in March 2006, until December 2009, CeGeREAL's majority shareholder - the German open-ended fund hausInvest europa, managed by the Commerz Real group – held 67% of the capital. In order to comply with the new SIIC regulation, on December 7, 2009 Commerz Real privately sold a block of shares representing 7% of the Company's capital and voting rights to an individual foreign investor, Rolland-Yves Mauvernay. Commerz Real also sold an additional 30,000 shares on the open market. These sales thereby brought Commerz Real's holding in the Company to under the 60% threshold. As a consequence, CeGeREAL will maintain its SIIC status for 2010, and for the years to come, for as long as it complies with this threshold.

2.2. RELETTING OF TOUR EUROPLAZA

The Company renegotiated 72% of its leases in 2008. At December 31, 2008, the physical occupancy rate for all of its real estate assets was 93%, with a financial occupancy rate of 100%.

N.b.

The financial occupancy rate is the physical occupancy rate adjusted for termination indemnities paid by lessees when they leave a premises, which may cover several months of rental payments.

At December 31, 2008, Tour Europlaza had an occupancy rate of 82% (office area). Following the reletting of various vacant areas (see table below) at conditions very similar to those contained in the lease agreements (c. EUR 480-EUR 490/m^2), the occupancy rate has now risen to 86%.

TOUR EUROPLAZA (La Défense)		
Situation at 12/31/2008	*In m²*	12/31/2008
	Available office space	8,670
	Total office space	47,566
	Occupancy rate (office)	81.8%
Lessee turnover	*In m²*	12/31/2008
	Departure of At&T	-435
	Renewal by Cap Gemini Telecom France	435
	Departure of Nec	-1,272
	Letting by Software	1,295
	Letting by NTT	1,272
	Departure of SPSS	-407
	Letting by Cap Gemini Telecom France	1,295
Situation at 12/31/2009	*In m²*	12/31/2009
	Available office space	6,487
	Total office space	47,566
	Occupancy rate (office)	86.4%

Given the 100% occupancy rate at the Arcs de Seine building in Boulogne-Billancourt and the Rives de Bercy building in Charenton, at December 31, 2009 the overall financial and physical occupancy rate for CeGeREAL's portfolio stood at 95%.

A significant number of the Group's leases will expire in early 2011, with Bouygues Telecom vacating 80% of the Arcs de Seine building. Marketing to relet this space started in 2008.

2.3. Carpe Diem

Within the scope of the construction by AVIVA/Hines of the Carpe Diem tower in the vicinity of Tour Europlaza, CeGeREAL granted easements in favor of the Carpe Diem tower for a consideration of EUR 7m, EUR 150k of which was paid in 2008 to compensate CeGeREAL for the costs incurred at the time of the transaction, and EUR 6,850k in 2009 at the time the easement was set up.

Setting up an easement in return for financial consideration can be understood as the transfer of in rem rights associated with the property. The cost of sale of such easement is considered as zero, as according to the external real estate valuer, the value of the building before and after the transfer of the easement is the same.

As a consequence, the Company recorded a capital gain of EUR 6,850k in 2009 as a result of the transfer of this easement. This capital gain is not liable for income tax within the scope of the Company's SIIC status, provided that the Company fulfills its dividend payment obligations.

Furthermore, the Company has undertaken to reimburse Eurohypo EUR 3,500k under the credit agreement of March 2, 2006 (see paragraph II.2.2).

3. OVERVIEW OF BUSINESS ACTIVITIES

3.1. Positioning

The Company has positioned itself on the investment market for office real estate as a player specialized in high-end assets, while aiming to optimize returns and contain management costs. This positioning involves:

- High-end assets exclusively comprised of office buildings.

- A selective rental policy based on "institutional" leases with first-ranking lessees.

- Management based on a policy of outsourcing.

With the support of the Commerz Real group, the Company intends to continue optimizing its real estate portfolio through a responsive rental policy, in particular aiming to:

- maintain an efficient, responsive rental policy that ensures the Company has excellent occupancy rates (no financial vacancies were reported in 2007 and 2008);

- enhance the level of rental income from its portfolio of buildings, in light of the trends on the office real estate market in the Paris region, both when expired leases are renewed and through constructive dialog with its clients, if necessary in advance of lease expirations; and

- remain vigilant with respect to its assets' quality levels and make investments that aim to reinforce the attractiveness and value of its real estate assets.

In the short term, the Company may consider expanding its portfolio, by acquiring one or more real estate assets, provided it signs an amendment to the credit agreement entered into between the Company and the bank Eurohypo on March 2, 2006.

In this regard, the Company is contemplating prioritizing the acquisition of large-size office complexes. Such investments could be made by the Company alone, and/or in cooperation with other major investors such as insurance companies and investment funds, as part of business partnerships.

3.2. Office real estate market

With an office portfolio of over 51 million m², Paris and the greater Paris region form the leading tertiary hub in Europe. Paris' main competitor is London, with more than 23 million m² of office space, followed by Munich (almost 20 million m²), Berlin (17 million m²), Hamburg (almost 14 million m²), Brussels (almost 14 million m²), Frankfurt (12 million m²), and Madrid (11 million m²) (Source: Cushman & Wakefield – *European office market survey: 2009 Review and 2010 Outlook*, study published in March 2010).

Rental market

The Paris region rental market is also the leading market in Europe, which is consistent with the size of its rental stock. This market also benefits from considerable business sector diversity among its users, a characteristic that encourages balanced market development. Despite the current economic crisis, the

Paris region rental market appears to be solid, with a vacancy rate of around 7% at January 1, 2010. Of this 7%, 28% is in the new/renovated market (Source: CB Richard Ellis – *Market View* – Real Estate Markets 4th quarter 2009).

Although down compared to the previous two years, the market for large surface areas (of more than 5,000 m²) has been characterized by business combinations and streamlining operations, totaling 40% of volume take-up.

Investment

According to Jones Lang LaSalle, the volumes traded on the Paris region market for general corporate real estate (EUR 5.2bn in 2009) fell by almost 40% in one year, dipping to 1998/1999 levels.

CeGeREAL's competitive environment was particularly flat in the first half of 2009, with three transactions, although it is beginning to recover thanks to the inflow of liquidities in the core building segment, which offer secure revenues with a restored risk premium. The reluctance of banks to grant credit hit the large office building market particularly hard: in 2009, only 18 transactions regarding office buildings worth over EUR 50m were completed.

3.3. RENTAL ACTIVITY

In 2009, the Company recorded EUR 57.04m in rental income (IFRS), versus €57.9m (IFRS) in 2008.

The marketing of Tour Europlaza has enabled the Company to reduce this building's vacancy rate from 18% to 14%. The leases signed in 2009 are similar to those already in place, but include a clause allowing for a one-and-a-half-month rent-free period per year over the firm term of the lease.

No lessees left the Arcs de Seine or Rives de Bercy buildings in 2009. The portfolio's occupancy rate thus dropped to 95% at December 31, 2009, with the 5% vacancy relating solely to Tour Europlaza.

As of the date hereof, TF1 had vacated 3,840m² in January 2010, and Bouygues Telecom, the principal lessee, will vacate 80% of the surface area of Arcs de Seine in January 2011. Marketing to relet these spaces commenced in 2008. Boursorama, on the other hand, renewed its lease for a firm term of six years.

4. ASSETS

4.1. BUILDINGS

The Company's real estate assets comprise three office complexes located near Paris, at La Défense and Boulogne-Billancourt (Hauts de Seine) and Charenton-le-Pont (Val de Marne), in business areas that are undergoing rapid development due to their proximity to Paris and their ease of access by public transport.

The three assets are significant in size, with an approximate surface area of between 30,000 m² and 50,000 m² each. At December 31, 2009, the total leasable office area of the three assets was approximately 126,145 m².

The buildings are located at 20 avenue André Prothin, 92127 Paris La Défense 4 (Tour Europlaza), 34 quai du Point du Jour, 92104 Boulogne-Billancourt (Arcs de Seine), and 4 & 5 quai de Bercy et Rue de l'Arcade, 3 quai de Bercy et Avenue de la Liberté, and 1bis Avenue de la Liberté et 12 rue de l'Arcade, 94220 Charenton-le-Pont (Rives de Bercy).

The complexes are highly visible thanks to their locations near major thoroughfares (the La Défense beltway, Quai-de-Seine throughway and A5 highway) and to their modern architecture. Built or entirely renovated between 1998 and 2003, the three complexes offer a high level of quality and services, including:

- modern technical equipment (air conditioning, security systems, electricity generators, etc.);
- sufficient number of parking spaces (approximately 1 per 50 m² of office area on average);
- annexes that meet the expectations of major companies and their employees in terms of archiving space, eating facilities, auditoriums, gyms, etc.

As the buildings are significant in size, and were recently built or renovated, the related operating expenses make the complexes particularly attractive in light of the services provided.

The Company has complete and absolute ownership of the buildings and therefore fully controls the use and development thereof. It considers that it can adapt the buildings in accordance with lessees' requests and expectations, by transforming single-use areas into multi-use areas for example.

The buildings have many advantages, making them highly sought-after properties that are easy to rent out due to their location in prestigious office districts and their recent, modern design.

The table below presents the financial and physical occupancy rates for the portfolio in 2006, 2007, 2008 and 2009.

CeGeREAL portfolio	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009
Physical occupancy rate	100%	100%	93%	95%
Financial occupancy rate	100%	100%	100%	95%

The table below presents the financial and physical occupancy rates for each of the buildings and the average lease maturity at December 31, 2009.

At Dec. 31, 2009	Europlaza	Arcs de Seine	Rives de Bercy	Total
Physical occupancy rate	86%	100%	100%	95%
Financial occupancy rate	86%	100%	100%	95%
Average lease maturity	6.7 years	1.7 years	8.1 years	4.7 years

The properties are currently leased to approximately twenty lessees. The lessees are national and international corporations such as Crédit Foncier de France, Cap Gemini, GE Capital and Boursorama. This reduces the Company's risk of unpaid rent.

At December 31, 2009, the total leasable area of the Company's assets was approximately 131,728 m², for a total value of approximately EUR 827,500k (excluding transfer duties). This value was obtained using the hardcore capitalization method. The resulting valuation was then confirmed using the comparable method.

The table below provides a breakdown of the Company's real estate portfolio gross leasable area at December 31, 2009, and the rents generated by each site over the year then ended:

Building	Year of construction or restoration	Gross leasable area at December 31, 2009		Annual rent (net of taxes)	
		(m^2)	(%)	(in thousands of euros)	(%)
Europlaza	1999	49,322	39%	20,525	36%
Arcs de Seine	2000	45,151	36%	26,382	46%
Rives de Bercy	2003	31,942	25.3%	10,132	18%
Total		**126,415**	**100%**	**57,039**	**100%**

The Company's properties offer many qualities that meet the needs of the most demanding lessees. The Company's policy of enhancing the value of its assets has led to an occupancy rate of close to 100% for its three properties since 2003.

Tour Europlaza

This office tower was built in 1972, at which time it was known as Tour Septentrion. It underwent significant redevelopment work in 1998-1999 and, until 2009, was covered by the 10-year builder's warranty (*garantie décennale*). It was then renamed Tour Europlaza and, thanks to the renovation work, was transformed into a very modern complex. Tour Europlaza consists of two buildings, one four-story unit and one 31-story tower.

The complex is located in the center of La Défense, 3 km west of Paris, in a very favorable location. It is easily accessible from Paris and the Paris airports and enjoys very good access by public transport and road (it is served by a major subway and regional railway line and by several major highways). Paris's two airports – Roissy-CDG and Orly – are less than an hour away from Tour Europlaza.

The photograph below shows the front of the Europlaza building.

The location of the Tour Europlaza complex is shown on the map below.

This building is located at the heart of the bustling La Défense business district, which is constantly being developed. The older buildings are renovated on a regular basis, making La Défense one of most modern, sought-after business districts for corporate tenants in the Paris area.

The entire La Défense area comprises 5.4 million m^2 of office space, or nearly 10% of the total office space in the greater Paris region and just over 12% of the immediate offering.

Tour Europlaza is in a neighborhood consisting of office buildings and shopping malls, including the CNIT complex and the "Les 4 Temps" shopping mall. The main corporate tenants in nearby buildings are multinationals such as General Electric, AXA, BNP Paribas, Total, Société Générale and EDF.

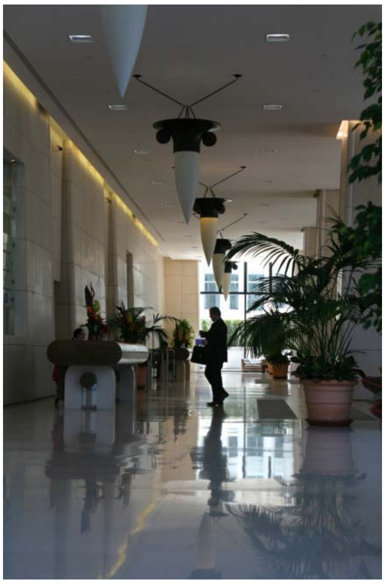
The two buildings that make up Tour Europlaza have a gross leasable area of 52,478 m^2, including 47,566 m^2 of office space. The staff cafeteria represents 2,757 m^2 and the remaining 1,793 m^2 is taken up by archiving space and general service rooms. There are also 722 parking spaces.

This complex is equipped with modern air conditioning, fire protection and video surveillance equipment. The lessees also have access to services such as an auditorium, conference rooms, a gymnasium, an executive dining room, a staff cafeteria and snack bar and a security desk manned around the clock.

The building can readily be partitioned by floor and each floor can be subdivided and built out according to lessee needs and requests.

Current Tour Europlaza lessees include several large French and international corporations such as General Electric, Cap Gemini, Crédit Agricole and Galderma. The largest lessees, in terms of rents generated in 2009, are Cap Gemini Telecom and Cap Gemini France, entities of Cap Gemini, a multinational traded on the Eurolist by Euronext and a world leader in IT consulting and services (BBB- rating from Standard & Poor's in March 2009); GE Capital, an entity of the US multinational, which has been operating in France for over 50 years, listed on the New York Stock Exchange, with strong presence in the energy, healthcare and financial services sectors (AA+ rating from Standard & Poor's in March 2009); and Galderma, a company created in 1981 by multinationals Nestlé and L'Oréal, and a world leader in dermatological products.

The photo below shows an interior view of Tour Europlaza.



In sum, the complex offers many advantages. The Company has complete and absolute ownership of the complex, including the land on which it is built (it is not divided into volume lots), and the general structural and interior condition is excellent. It can be accessed directly from the La Défense circular highway and, for the area, has a large number of parking spaces (one space per 65 m²). From its renovation in 1998-1999 until fourth quarter 2008 it enjoyed a 100% occupancy rate.

Arcs de Seine

The Arcs de Seine complex, completed in 2000, is comprised of three independent buildings of eight, seven and five floors respectively, built on a plot of 15,987 m² around a private garden. The total surface area of 47,308 m² includes 40,832 m² of offices, 2,500 m² of general service rooms, a 906 m², 298-seat auditorium, a staff cafeteria of 2,041 m², archiving space of 999 m² and 942 parking spaces.

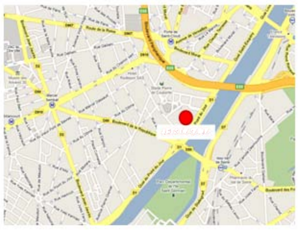
The Company has complete and absolute ownership of the complex, including the land on which it is built. It is however specified that 240 parking spaces are in a building located in the Point du Jour mixed-development zone (*Zone d'Aménagement Concertée – Z.A.C.*) and have been divided into lots.

The photograph below shows the front of the Arcs de Seine building.

The complex is located in Boulogne-Billancourt in the Point du Jour mixed-development zone, a large office district on the banks of the river Seine. Many advertising, audiovisual and telecommunications companies are located in the area, including TF1, Canal+ and Neuf Télécom.

Arcs de Seine is easily accessible by public transport (subway, bus and tram) and road (close to the Paris beltway) and Roissy-CDG and Orly airports are less than 45 minutes away. Downtown Paris is also easily accessible, along the quays by the river Seine.

The location of the Arcs de Seine complex is shown on the map below.



Arcs de Seine is in a neighborhood consisting of office and residential buildings.

The complex was built on a site that previously belonged to Renault. Buildings A and C were extensively renovated and building B was built from scratch. Renovation and building work was completed between late 1999 and late 2000.

Building A, which was previously occupied by Renault and was fully renovated, was delivered in December 2000 and comprises eight floors. It has a separate entrance at 20 quai du Point du Jour and has 23,978 m² of leasable office space and a 298-seat auditorium.

Building B was delivered in late 2000 and has seven floors. It also has a separate entrance at 18 quai du Point du Jour. It has 6,619 m² of leasable office space.

Building C was delivered in the fourth quarter of 1999. The renovation work mainly involved the addition of two extra floors, to make what is now a five-storey building. Its separate entrance is at 1 place Abel Gance. It has 10,235 m² of leasable office space.

This modern complex, which is still covered by the ten-year builder's warranty, is equipped with modern air conditioning, fire protection and video surveillance systems, which meet lessee expectations. Lessees also enjoy a state-of-the-art, fully-equipped auditorium, conference rooms, an executive dining room, a staff cafeteria, snack bar and a security desk manned around the clock. Each floor has been laid out to provide the best possible use of space. The available floor area is adjustable, to better meet lessee requirements. The ceiling height ranges from 2.70 m to 3.44 m on the ground floor.

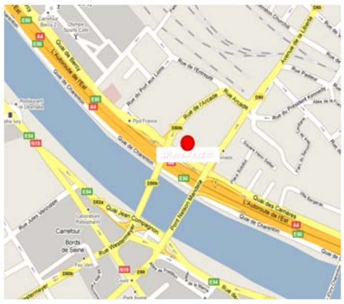
On the whole, this complex is in excellent condition. Asbestos removal work was performed by Intertam during the renovation and no trace of legionella was found on the site (inspection report by Henkel, dated April 4, 2005). In 2009, the buildings were under lease to three major national and international corporations: TF1, one of the leading audiovisual groups in Europe and France's foremost TV channel in terms of audience; Bouygues Telecom, one of France's three leading mobile telephone operators; and Boursorama, one of the top online brokers and financial information websites in France. Arcs de Seine has enjoyed 100% occupancy since 2003 (see section I.2.2 "Reletting of Tour Europlaza").

Rives de Bercy

Rives de Bercy was completed in 2003, and is located in Charenton-le-Pont, 5.5 km east of Paris. It has a total surface area of 31,942 m² on a 16,374 m² plot, divided over seven floors and two underground levels. It has an employee cafeteria and snack bar, a gymnasium, conference rooms, an auditorium, and 657 parking spaces.

The photograph below shows the front of the Rives de Bercy building.

The location of the Rives de Bercy complex is shown in the map below.



Rives de Bercy enjoys excellent road access. It is very close to the Paris beltway. The Porte de Bercy and Porte de Charenton exits are less than 2 km away and the A4 highway is less than 1 km from the site. The complex is also located close to a subway line.

The complex is built in the form of a series of wings. Two of the wings are interconnected by aerial walkways. There are two underground parking levels.

The reception area is a vast lobby that opens onto the quays at Bercy. To the left and right of the reception are hallways leading to the offices, staff cafeteria, conference rooms, lounges and auditorium. The offices are located in three of the building's wings.

The complex is equipped with modern, high-quality equipment, including an auditorium with state-of-the-art presentation and conferencing facilities; lounges for employees and their guests; conference and training rooms of various sizes and containing various kinds of equipment, making them readily adaptable to lessee requirements; and a gymnasium.

Some of the terraces are covered with lawn. They offer a panoramic vista of the building and the surrounding area. Some of the green spaces are designed in the style of Japanese gardens.

This modern building has been leased to a single tenant since 2003. The space can however be built out to accommodate several tenants. Its overall condition is excellent. The building is also highly visible from the A4 highway.

The current tenant, Crédit Foncier de France, a subsidiary of the Caisse d'Epargne Group, is a bank specializing in mortgage financing, rated A by Standard & Poor's in 2009. The complex has had an occupancy rate of 100% since it was first leased.

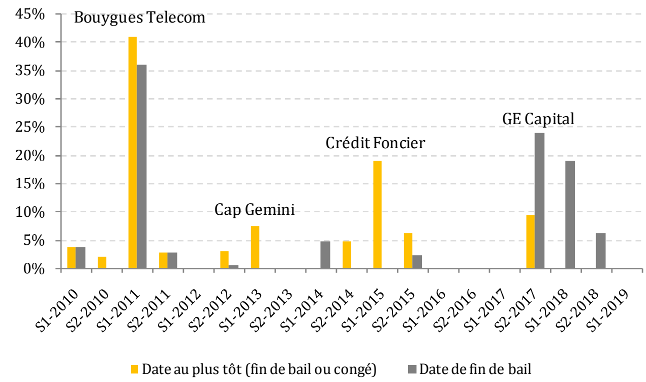
The building has not been inspected for asbestos because it was erected after the regulations prohibiting the use, importation and sale of asbestos-containing materials were enacted. Furthermore, no traces of legionella have been identified on the site (inspection report from Laboratoire de Contrôle des Fluides et Matériaux dated February 18, 2005).

4.2. RENTAL SITUATION

As of the date hereof, the Company's lessees show a very limited historic risk of default.

The graph below shows the breakdown of the leases at December 31, 2009, according to their expiration and the next date on which they could be terminated before term. Apart from the expiration of Bouygues Telecom's lease in January 2011, the Company has a good breakdown of expiration dates.

Graph of the breakdown of expiration dates



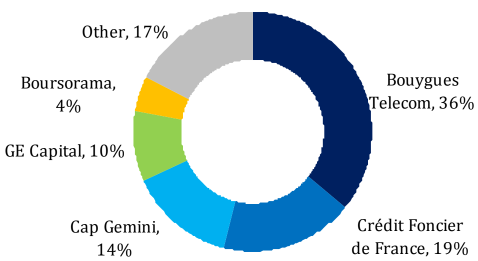
N.b.: "Earliest exit date" means the lease expiration date and/or the lessee’s ability to terminate the lease at the end of the first three-year period. "Maturity" means the lease expiration date.

The Company considers that the size and location of its assets, as well as the quality of services proposed and the layout of the buildings are, for lessees, significant advantages in favor of renewing their leases. The Company feels that, in the event of the departure of a lessee occupying a significant surface area, it could increase the number of its lessees by transforming single-use areas into multi-use areas.

Main lessees

Most of the Company’s lessees are large national or international corporations.

Breakdown of rental income by main lessee



Lease and rent structure

Term

All leases granted by the Company are commercial leases. They are usually granted for a term of nine years. While the lessor is bound by the minimum period laid down in the lease, unless otherwise stipulated, the lessee has the option to terminate the lease at the end of each three-year period providing that it gives notice at least six months before the end of the three-year period underway. Most of CeGeREAL's leases stipulate that the lessees waive their right to terminate the lease at the end of the first renewal period. Crédit Foncier de France thus committed to a lease with a minimum six-year term. Similarly, GE Capital will occupy part of Tour Europlaza until at least 2018.

Indexing

For most leases, pursuant to the applicable regulations, the base rent is contractually indexed to the French building costs index published by INSEE (France's National Institute of Statistics and Economic Studies), and can be increased accordingly each year. Pursuant to the leases, the rent is indexed as of January 1 of each year or on the anniversary date of the lease. However, two major leases provide for an index fixed at 3.5% per annum until expiration of the lease. The leases are those of Crédit Foncier de France in the Rives de Bercy building and GE Capital in Tour Europlaza.

Ability to renegotiate rents

As a general rule, subject to the rent increases authorized by law based on increases in the building costs index, the rents set when the lease is signed cannot be revised during the initial lease term except under exceptional circumstances.

The table below shows the expiration dates of the leases for the Company’s real estate portfolio for the period 2010 to 2019.

In thousands of euros	Earliest exit date (end of lease or notice)				Lease expiration date			
Half-year	Number of leases	Rental income at Dec. 31, 2009	% number of leases	% of total rental income	Number of leases	Rental income at Dec. 31, 2009	% number of leases	% of total rental income
H1-2010	2	2,341	11%	4%	2	2,341	11%	4%
H2-2010	1	1,312	6%	2%	0	0	0%	0%
H1-2011	2	25,078	11%	41%	1	22,108	6%	36%
H2-2011	1	1,730	6%	3%	1	1,730	6%	3%
H1-2012	0	0	0%	0%	0	0	0%	0%
H2-2012	3	1,905	17%	3%	1	454	6%	1%
H1-2013	2	4,682	11%	8%	0	0	0%	0%
H2-2013	0	0	0%	0%	0	0	0%	0%
H1-2014	0	0	0%	0%	1	2,970	6%	5%
H2-2014	2	2,955	11%	5%	0	0	0%	0%
H1-2015	1	11,677	6%	19%	0	0	0%	0%
H2-2015	3	3,852	17%	6%	2	1,468	11%	2%
H1-2016	0	0	0%	0%	0	0	0%	0%
H2-2016	0	0	0%	0%	0	0	0%	0%
H1-2017	0	0	0%	0%	0	0	0%	0%
H2-2017	1	5,823	6%	9%	6	14,772	33%	24%
H1-2018	0	0	0%	0%	1	11,677	6%	19%
H2-2018	0	0	0%	0%	3	3,835	17%	6%
H1-2019	0	0	0%	0%	0	0	0%	0%
Total	18	61,354	100%	100%	18	61,354	100%	100%

Rebilling of expenses to lessees

Except in exceptional cases, rents are net of all charges, since the lessees are required to pay the lessor for their share of taxes, building insurance premiums and asset and property management fees applicable to the leased premises.

Most of the leases also stipulate that the lessee is responsible for paying for work required to bring the premises into compliance with any new laws or regulations. However, under certain leases, the lessor is responsible for structural work required to bring the premises into compliance. In most cases, the lessor is responsible for major repairs as defined by Article 606 of the French Civil Code (*Code Civil*), except for certain leases, for example that of Crédit Foncier de France, the only lessee at the Rives de Bercy complex.

Lastly, the Company bears all costs that it does not bill back to its tenants, (mainly charges for vacant premises and the cost of major work on its properties).

Every year, YXIME, which is responsible for the Company's property management business, draws up a budget of general expenses, a staff cafeteria budget and a renovations budget. Renovation expenditures that can be billed back to tenants are included in the general expenses budget. This budget also includes insurance premiums and YXIME's management fees.

General expenses are broken down in a floor area allocation chart that allocates their share of cafeteria area to the lessees.

Europlaza's expenses are higher than Arcs de Seine's because it is a high-rise building. Even so, the Company believes that expenses for Europlaza are competitive by comparison with rival high-rises.

The table below shows taxes paid by the Company for each of the buildings. In most cases, all of these expenses are billed back to the lessees.

in thousands of euros

Breakdown of tax on office premises per building			
	2009	2008	2007
Europlaza	474	474	474
Arcs de Seine	452	452	452
Rives de Bercy	172	172	172
Total	1,098	1,098	1,098

in thousands of euros

Breakdown of property tax per building			
	2009	2008	2007
Europlaza	904	808	786
Arcs de Seine	953	881	858
Rives de Bercy	758	720	702
Total	2,615	2,409	2,346

As the buildings were recently built or redeveloped, the cost of work that cannot be billed back to lessees is low.

Option to terminate a lease after three years

Most of the leases stipulate that the lessee waives its right to terminate its lease after each three-year period. The other leases stipulate that the lessee may terminate the lease at the end of each three-year period.

Assignment of lease

All leases stipulate that the lease cannot be assigned except to the purchaser of the lessee's business and stipulates that the lessee must remain jointly liable for paying the rent and charges and for abiding by the clauses and conditions of the lease for the residual term of the lease. Furthermore, certain leases extend the lessee's joint liability for payment of rent and charges to the two renewal periods following the lease expiration date.

Subleasing option

Likewise, all of the leases prohibit subleasing the premises except for use exclusively as business offices to a company belonging to the lessee's group. It is also stipulated that the lessee and sub-lessee are jointly liable to the lessor and that the duration of the sublease is limited to the duration of the main lease. However, certain leases authorize subleasing to a company that does not belong to the lessee's group. Under certain leases, the lessor reserves the right to reject a potential sub-lessee within a specified period of time, but only for a reasonable and duly justified cause. Some leases also contain a stipulation that if the premises are subleased to a company that does not belong to the lessee's group, the term of the said sublease cannot exceed two years.

Complete destruction of the premises

Most of the leases can be terminated if the premises are completely destroyed. However, certain leases stipulate that the lessor has the option to arrange for the leased premises to be rebuilt within a certain time from the date they are destroyed.

Partial destruction of the premises

Most of the leases stipulate that, if the leased premises are partially destroyed, the lessor and lessee may terminate the lease if the length of repair work exceeds 12 or 18 months depending on the lease, and, that if they do not terminate the lease, if the repair work is performed, the lessee has the right to request a rent reduction due to deprivation of its enjoyment of the premises.

Compensation in case of termination

Certain leases stipulate that in the event that the lease is terminated at the end of the next three-year period, the lessee is required to pay compensation to the lessor.

Rent-free periods

In accordance with customary business practices in the office rental market, the Company may grant certain inducements to its tenants. More specifically, it may grant them rent-free periods when first concluding or renewing a lease signed in 2009. The reduction in rents billed as a result of rent-free periods granted by the company amounted to EUR 1,778k in 2009.

in thousands of euros

Rent-free periods granted	In 2009
Gartner	413
NTT	559
SOFTWARE	518
Cap Gemini	288
Total	1,778

Guarantee

Some leases require that the lessee provide a guarantee from its parent company.

5. SUSTAINABLE DEVELOPMENT

The Company's business activity is subject to environmental and public health laws and regulations.

In each of the three buildings that the Company owns, the management system has been modified to implement optimal solutions to manage the buildings in line with the best practices pursuant to a sustainable development strategy.

YXIME, the property manager, has set up a sustainable development charter with a view to:

- anticipating and controlling any risks (flooding, fire, theft, etc.) at the managed buildings, for management and lessees, via audits and information that is communicated to occupants. In addition, YXIME analyzes and verifies all the related laws and regulations in force or in the process of being enacted, as well as their potential effects on the buildings;

- contributing to protecting the environment through energy savings (controlling consumption, analyzing thermal insulation, etc.), preventing pollution (recycling of waste, reduction in the use of toxic chemicals, etc.) and enhancing the staff's quality of life and safety (asbestos, lead, water quality, legionella, etc.).

The Company's environmental compliance policy, the applicable laws and regulations, and the environmental risk factors arising from the Company's ownership of buildings are presented in section IV.6.6 "Environmental risk linked to health (asbestos, legionnaire's disease and classified facilities) and in section IV.7.1 "Other aspects of the regulatory environment".

6. ADJUSTED NET ASSET VALUE

6.1. CHANGES IN THE VALUE OF THE ASSETS

Valuation methods

All of the Company's real estate assets were measured at market value at December 31, 2009, based on an update to the June 2009 valuation by external real estate valuer, BNP Paribas Estate Valuation France, member of the RICS.

It is common practice to change valuer after three years in order to obtain a fresh analysis of an asset's qualities and market value. During the first three years, CB Richard Ellis carried out regular valuations of the three properties in its capacity as external real estate valuer. On July 1, 2009, the Company appointed BNPP Real Estate Expertise as its new external real estate valuer. The basic valuation principle used is based on the application of three methods: The DCF method, the return on investment method (taking account of the difference between actual rents and market rates) and the comparable method. The fair value is estimated by the real estate valuer on the basis of values obtained using three methods. The results obtained are confirmed against the initial rate of return and the fair value per m².

The economic crisis has generated a significant decrease in the number of representative transactions enabling comparisons. Most of the transactions that occur involve sellers that are in financial difficulty and buyers seeking bargains, leading to greater price volatility. Real estate valuers have reacted to this increased uncertainty by examining the few transactions that do take place – including those that do not come to fruition – with caution, with emphasis on the DCF and return on investment methods.

The real estate assets are measured "net of taxes" on the basis of an annual assessment and quarterly updates. Taxes are determined based on the tax position of each property at the appraisal date. Transfer duties were taken into account at the rate of 6.20%.

Value of the Company's real estate assets

The value of the assets stood at EUR 938m at December 31, 2008 compared to EUR 827.5m at December 31, 2009, mainly owing to the increase in the yield rates selected by the independent expert, which averaged 6.51% per portfolio compared to 5.79% in 2008.

Building	Estimated value at 12/31/2009 (net of taxes) (in millions of euros)	(%)	Estimated value at 06/30/2009 (net of taxes) (in millions of euros)	Estimated value at 12/31/2008 (net of taxes) (in millions of euros)	Estimated value at 06/30/2008 (net of taxes) (in millions of euros)	Estimated value at 12/31/2007 (net of taxes) (in millions of euros)	Estimated value at 06/30/2007 (net of taxes) (in millions of euros)
Europlaza (1999*)	361	44%	382	425	463	459	452
Arcs de Seine (2000*)	311	38%	311	350	378	174	375
Rives de Bercy (2003*)	156	19%	155	163	174	188**	197
Total	**828**	**100%**	**848**	**938**	**1,015**	**1,032**	**1,024**

** year of construction or renovation*
***rate of 1.8%*

There was no change in the portfolio of real estate assets during the year ended December 31, 2009.

6.2. CHANGES IN ADJUSTED NET ASSET VALUE (ANAV)

At December 31, 2009, the adjusted net asset value per share was estimated at EUR 31.62, down 20.94% compared to December 31, 2008.

ANAV is determined in accordance with the recommendations of the European Public Real Estate Association (EPRA), using the triple net method:

Assets	At Dec. 31, 2009 (€)	At June 30, 2009 (€)	At Dec. 31, 2008 (€)	*Change Dec. 31, 2009 Dec. 31, 2008*
ANAV per share (excl. taxes)	31.6	31.4	40.0	*-21%*
ANAV per share (incl. taxes)	35.5	35.4	44.3	*-20%*

Assets	At June 30, 2008 (€)	At Dec. 31, 2007 (€)	At June 30, 2007 (€)	*Change Dec. 31, 2008 Dec. 31, 2007*
ANAV per share (excl. taxes)	46.4	47.5	45.9	*-16%*
ANAV per share (incl. taxes)	51.1	52.3	50.0	*-15%*

Determination of the ANAV

ANAV is calculated on the basis of shareholders' equity under IFRS, which notably includes unrealized gains and losses on real estate assets.

There was no change in the portfolio of real estate assets during the year ended December 31, 2009.

The value of the real estate assets (net of tax) taken into account in the calculation of such unrealized gains and losses is set out below:

In thousands of euros

	Dec. 31, 2009	Dec. 31, 2008	Change recorded between Dec. 31, 2009 and Dec. 31, 2008	Dec. 31, 2007	Change recorded between Dec. 31, 2008 and Dec. 31, 2007
Real estate assets	827,500	938,410	-11.82%	1,031,900	-9.06%

In December 2009, the market value of the Company's real estate assets was reappraised by external real estate valuer, BNP Paribas Real Estate Valuation France.

Each property was measured on the basis of various methods, including the hardcore capitalization method, which essentially consists of capitalizing current market rents and factoring in the differential between actual rents and market rates.

All real estate assets are measured and stated net of taxes. Taxes are determined based on the tax position of each property at the appraisal date. Transfer duties were taken into account at the rate of 6.20%.

The adjusted net asset value incorporates the market value of the fixed-rate bank loan debt (no financial instruments).

Treasury shares, held at December 31, 2009 were not taken into account in calculating adjusted net asset value.

in thousands of euros

ANAV	AT Dec. 31, 2009	AT Dec. 31, 2008
Shareholders' equity under IFRS	450,540	547,170
Market value of the loan	(392,673)	(385,872)
Carrying amount of the loan	379,900	379,900
Portion of rent-free periods	(15,449)	(8,844)
Adjusted net asset value	**422,318**	**532,354**
Number of shares (excl. treasury shares)	13,355,049	13,343,300
ANAV per share (€)	**31.6**	**40.0**
Taxes	51,305	58,181
ANAV incl. registration taxes	**473,623**	**590,535**
ANAV per share incl. registration taxes (€)	**35.5**	**44.3**

in euros

ANAV per share excl. Registration taxes at Dec. 31, 2008	**40.0**
2009 recurring income (IFRS)	3.0
Change in the fair value of real estate assets	(8.3)
Change in the fair value of bank indebtedness/debt	(0.5)
Change in rent-free periods	(0.6)
Dividends paid in 2009	(2.0)
ANAV per share excl. Registration taxes at Dec. 31, 2009	**31.6**

7. FINANCIAL POSITION OF THE COMPANY

The following presentation and analysis should be read in conjuction with this Registration Document in its entirety and in particular with the annual and IFRS financial statements which are presented in section III.3 "Statutory financial statements".

7.1. COMPARABILITY OF FINANCIAL STATEMENTS

The fiscal years ended December 31, 2007, 2008 and 2009 each covered 12-month periods.

There were no changes in accounting methods during the year ended December 31, 2009.

7.2. STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

The statutory financial statements for the year ended December 31, 2009, were prepared in accordance with French generally accepted accounting principles applicable to individual financial statements.

As it does not hold any subsidiaries or investments, the Company does not prepare consolidated financial statements.

The financial year covers 12 months, from January 1, 2009 to December 31, 2009.

Financial position/Statutory financial statements

At December 31, 2009, shareholders' equity stood at EUR 392,330k, down from EUR 402,823k at January 1, 2009.

Cash and cash equivalents totaled EUR 16,200k at end-2009, representing a EUR 6,413k increase compared to December 31, 2008.

This increase is mainly attributable to the following movements in 2009:

- Funds from operations amounting to EUR 41,549k during the year.

- Dividend payout of EUR 26,076k in July 2009.

- Payment of the fourth and final installment of the exit tax in December 2009 in the amount of EUR 22,492k. The exit tax was payable in four installments, all which had been paid at December 31, 2009.

- Drawdowns on tranche C of the credit agreement entered into with Eurohypo on March 2, 2006 to finance the final installment of the exit tax in December 2009, in the amount of EUR 22,491k.

- Increase in net working capital requirements, in the amount of EUR 8,483k.

Net income for the year/Statutory financial statements

Net income for the year under review amounted to €15,541k. Net income breaks down as follows by key indicator:

Operating revenue of EUR 67,167k

Net revenue for the year under review came in at EUR 67,044k versus EUR 70,618k for 2008, consisting of rental income (EUR 57,518k), termination indemnities (EUR 122k) and rental expenses rebilled to lessees as well as other expenses charged to lessees under rental agreements (EUR 9,404k).

Rental income for 2009 declined 2% compared with 2008, mainly due to the fact that certain floors of the Europlaza building were unoccupied during the period under review. The resulting loss of revenue was partially offset by contractual rental increases on the expiration of leases.

Operating expenses of EUR 42,367k

Other purchases and external charges came to EUR 12,139k and mainly consisted of rebillable rental expenses in an amount of EUR 5,547k and fees, including EUR 2,896k for asset management services. Other expenses mainly comprised insurance premiums, building upkeep expenses that were not invoiced to lessees and miscellaneous fees. The decrease in external charges is attributable to the non-recurring nature of the maintenance work carried out in 2008 for an amount of EUR 2,097k.

Taxes and duties concern real property tax and levies on office premises rebilled to lessees in the amount of EUR 3,818k.

Depreciation and amortization expense for the year came in at EUR 26,045k, of which EUR 6,160k represents additional depreciation recorded with respect to the prior remeasurement of fixed assets.

On the basis of the above-described items, operating income for the year came to EUR 24,799k.

Net financial expense of EUR 16,146k

Net financial expense breaks down as EUR 16,377K in financial expenses and EUR 232k in financial income.

Net non-recurring income of EUR 6,887k

Net non-recurring income for the period amounted to EUR 6,887k, of which EUR 6,850k relates to non-recurring income from the sale of the easement in connection with the Carpe Diem project.

Corporate income tax

Due to the application of the SIIC regime with effect from April 1, 2006, and given that all of the Company's profits are generated by the rental of investment properties and the sale of real property rights, no income tax expense was recorded for the year. This tax exemption is, however, subject to certain criteria relating essentially to the payment of dividends.

7.3. IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

Financial position/IFRS financial statements

Shareholders' equity at December 31, 2009 stood at EUR 450,540k, versus EUR 547,170k at January 1, 2009. The decrease is mainly attributable to a net loss of EUR 70,886k for the year and the payment of the dividend (EUR 26,033k, net of dividends accrued on treasury shares) approved by the General Shareholders' Meeting of May 29, 2009.

Comparison between the IFRS financial statements and statutory financial statements for the year ended December 31, 2009

Under IFRS the Company generated a loss of EUR 70,886k for the year ended December 31, 2009 while under French GAAP it earned net income of EUR 15,541k for the same period. The net loss under IFRS and net income under French GAAP can be attributed to the following factors:

- The recognition of investment property at fair value in the IFRS financial statements. These assets are recognized at their acquisition cost, net of depreciation, in the statutory financial statements.

- The discounting of the exit tax liability in the IFRS financial statements. This liability is recognized at its nominal amount in the statutory financial statements.

The following table shows the reconciliation of the financial statements at December 31, 2009 under IFRS and French GAAP:

(in thousands of euros)	Dec. 31. 2009 12 months
Net loss under IFRS	(70,886)
Decrease in fair value of investment property	111,090
Depreciation, amortization and impairment of fixed assets	(26,045)
Discounting of exit tax provision	835
Deferred tax liability arising on interest expense for the year	(164)
Restatement of interest expense for the year	581
Elimination of provisions for treasury shares	130
Net income under French GAAP	15,541

Remeasurement of investment property at fair value

At December 31, 2009, investment property is stated at fair value under IFRS, with changes in fair value taken to income.

The decrease in the fair value of investment property during the year was EUR 111,090k. The corresponding depreciation expense for the year recorded under French GAAP and eliminated in the IFRS financial statements amounted to EUR 26,045k.

The difference in the accounting method used to measure investment property in the French GAAP and IFRS financial statements results in a negative EUR 85,045k impact on net income under IFRS compared to the income statement under French GAAP.

Net financial expense

The exit tax liability relating to the remeasurement of the Company's investment property, which was payable on an annual basis in four equal installments as of December 15, 2006, was stated at present value in the IFRS financial statements. The difference between the actual liability and the discounted liability is recognized in the pro forma financial statements for the year ended March 31, 2006 in an amount of EUR 6,907k and was amortized on a pro rata basis with the payment of the exit tax. In the IFRS financial statements for the year ended December 31, 2009, this amount was reduced by EUR 671k, with an offsetting entry to financial expenses in the same amount.

For the year ended December 31, 2009, the application of this accounting method results in a negative EUR 671k impact on net income under IFRS compared with net income under French GAAP.

Restatement of charges for the arrangement of bank loans

Under IFRS, the charges incurred during the arrangement of bank loans in March 2006 were amortized over the period of the loan using the effective interest rate method. In the French GAAP financial statements, these charges are expensed as incurred.

The application of this accounting method results in a negative EUR 581k impact on the income statement under IFRS compared with net income under French GAAP.

Restatement of provisions for the impairment of treasury shares

Provisions for the impairment of treasury shares were restated under IFRS and reversed during the year in the statutory financial statements.

The application of this accounting method results in a negative EUR 130k impact on the income statement under IFRS compared with net income under French GAAP.

7.4. Appropriation of net income for the year ended December 31, 2009

Transfer to a reserve account

The General Shareholders' Meeting will be asked to approve the transfer a portion of the sum recorded in the "revaluation reserve" at December 31, 2009, i.e., EUR 6,159,773, to "Other reserves", which would then have a net allocation of EUR 6,159,773.

Appropriation of net income – Dividend

The General Shareholders' Meeting will be asked to approve the appropriation of 2009 net income as follows:

From:

Net income for the period: EUR 15,540,619

Retained earnings: EUR 43,192

Allocation:

Dividend: EUR 15,512,100

Retained earnings: EUR 28,519, bringing the total amount recorded under "Retained earnings" to EUR 71.711.

Consequently, the gross dividend per share will be EUR 1.16. This dividend will be fully eligible for the 40% tax rebate referred to in Article 158-3-2 of the French Tax Code for individuals subject to personal income tax in France.

The ex-dividend date is July 16, 2010.

The dividend payment date is July 21, 2010.

In the event that the Company holds any of its own shares on payment of the dividend, the sums corresponding to the unpaid dividends relating to said shares (paragraph 4 of Article L. 225-210 of the French Commercial Code) will be allocated to retained earnings.

Distribution of reserves

In accordance with the provisions of paragraph 2 of Article L. 232-11 of the French Commercial Code, the General Shareholders' Meeting will also be asked to approve the payment of an additional dividend in the amount of EUR 6,151,350, by deduction from "Other reserves", corresponding to EUR 0.46 per share and bringing the amount recorded under "Other Reserves" to EUR 8,423.

This dividend will be fully eligible for the 40% tax rebate referred to in Article 158-3-2 of the French Tax Code for individuals subject to personal income tax in France.

The dividend payment date will be July 21, 2010 at the latest.

Special dividend paid out of the issue premium

The General Shareholders' Meeting will also be asked to approve a special payment by deduction from the issue premium in an amount of EUR 1,069.800, corresponding to EUR 0.08 per share, reducing the amount recorded under the "Issue premium" account from EUR 35,291,776 to EUR 34,221,976.

From a tax standpoint, the dividend will be treated as the reimbursement of a contribution not subject to personal income tax in France, and will not be eligible for the abovementioned 40% rebate.

The dividend payment date will be July 21, 2010 at the latest.

Prior distributions of dividends (Article 243 *bis* of the French Tax Code)

Pursuant to the disclosure requirements set out in article 243 *bis* of the French Tax Code, dividends paid over the past three fiscal years were as follows:

Fiscal year	Eligible for tax rebate: Dividends	Eligible for tax rebate: Other income distributed	Ineligible for tax rebate
March 31, 2006			
December 31, 2006	EUR 24,605,400		
December 31, 2007	EUR 26,076,375		
December 31, 2008	EUR 21,623,046		EUR 4,453,329

Non tax-deductible expenses (Article 39-4 of the French Tax Code)

No expenses or charges referred to in Article 39-4 of the French Tax Code were incurred during the year ended December 31, 2009.

7.5. Information on payment periods for suppliers and customers

Amounts outstanding with respect to suppliers totaled EUR 345k at December 31, 2009, versus EUR 317k one year earlier.

All such amounts are payable within 60 days.

7.6. Tax Audit

In 2009, the Company underwent a tax audit of all of its tax returns and transactions carried out between January 1, 2006 and December 31, 2006. The basis of assessment for the exit tax declared when the Company opted for SIIC status was in particular verified, and has not resulted in a tax deficiency notice.

Tax adjustments were only notified in relation to office premises with respect to the Rives de Bercy building, for a principle of EUR 11,550 per annum, from 2006 to 2009 inclusive. The Company did not dispute these adjustments and has paid the amounts in full.

8. OUTLOOK

8.1. TREND INFORMATION

At the date of publication of this Registration Document, the Company is not aware of any trends or other significant events that are reasonably likely to impact or to have impacted the Company's financial position, results of operations, activity, assets or outlook, other than the decline in the rental market and the known risk relating to the departure of Bouygues Telecom from the Arcs de Seine building (see section I.1.2 "Highlights of 2009" and section IV.6.2 "Managing market risks".

In order to comply with the new SIIC regulation, on December 7, 2009 Commerz Real privately sold a block of shares representing 7% of the Company's capital and voting rights to an individual foreign investor. Commerz Real also sold an additional 30,000 shares on the open market. These sales reduced Commerz Real's holding in the Company to beneath the 60% threshold. As a consequence, CeGeREAL will maintain its SIIC status for 2010, and for the years to come, for as long as it complies with this threshold.

8.2. PROFIT PROJECTIONS OR ESTIMATES

The Company does not and has no plans to issue projections or estimates relating to its profits.

II. SHAREHOLDERS & ORGANIZATION

1. SHAREHOLDERS

1.1. MAIN SHAREHOLDERS

Majority shareholder

Before being listed on the stock market, the Company was a subsidiary in which CRI, part of the Commerz Real group and one of the leading European real estate investment groups, held a stake of more than 99.99%. Since the Company's shares were admitted to trading on Euronext Paris by NYSE EURONEXT and until December 2009, CRI retained 67% of the Company's capital and voting rights. As of December 31, 2009, CRI holds 59.78% of CeGeREAL's capital and voting rights. CRI is represented, directly or indirectly, on the Company's Board of Directors by four directors and could alone adopt all the resolutions submitted for approval at Ordinary Shareholders' Meetings.

In addition, as of December 31, 2009, the Mutual Insurance Group Company Covéa holds 13.8% of the Company's capital and voting rights.

Voting rights held by the majority shareholder

As of the date of filing of this Registration Document, no shareholder holds specific voting rights.

Declaration relating to the control of the Company by the majority shareholder

Since the Company's shares were admitted to trading on Euronext Paris by NYSE EURONEXT and until December 2009, CRI held 67% of the Company's capital. However, in 2009, CRI reduced its shareholding to below 60% by selling shares, both directly and on the market.

For the sake of transparency and public disclosure, the Company has implemented a set of measures based on the December 2008 AFEP-MEDEF Corporate Governance Code of Listed Corporations.(the "Reference Code"), available on the MEDEF's website, to the extent that it is compatible with the Company's organization and size. In particular, the Company has implemented an Audit Committee, an Appointments and Compensation Committee and an Investment Committee that include independent directors, so as to prevent conflicts of interest and with a view to ensuring, as far as possible, that this control is not wrongfully exercised.

Agreements relating to control of the Company

As of the date hereof, to the knowledge of the Company, there are no agreements, which, if implemented, could lead to a change in its control.

2. CORPORATE GOVERNANCE

2.1. DECLARATIONS RELATING TO CORPORATE GOVERNANCE

In corporate governance matters, our Company refers to the Reference Code.

The Chairman's report on internal control and corporate governance is included in section III.5.8 "Chairman's report relating to corporate governance and internal control" of this Registration Document.

2.2. INTERNAL ORGANIZATION

The Company's strategic decisions are made by the Board of Directors, which defines the direction of the Company's business activity and oversees the implementation thereof. The Board of Directors can rely on its directors' abilities, experience and availability and, in addition, benefits from the opinions, recommendations and analyses formulated by the Audit Committee, the Appointments and Compensation Committee and the Investment Committee.

The Commerz Real group has assigned one of its Germany-based employees to the Company's Executive Management.

The Company's Board of Directors appointed a Deputy Managing Director with a view to implementing a strategy to expand its real estate portfolio.

2.3. Details of the management and executive structures

The Company is a French *société anonyme* (corporation) with a Board of Directors. The Company is managed by a Managing Director, it being noted that the Company's bylaws provide that the Company can be managed, either by the Chairman of the Board of Directors, or by another natural person appointed as Managing Director by the Board of Directors. The Managing Director cannot validly bind the Company without the joint signature of a Deputy Managing Director. In the same way, a Deputy Managing Director cannot validly bind the Company without the joint signature of the Managing Director or another Deputy Managing Director. The Board of Directors has six members. Moreover, the Board of Directors has set up three specialized committees. Nonetheless, although the operational management is entrusted to the Managing Director, the Board of Directors may address any issues relating to the Company's operation.

During the December 31, 2005 meeting, the Board of Directors decided that the Executive Management would henceforth be ensured by an individual other than the Chairman of the Board. In this respect, it must be noted that the Chairman is one of the two independent directors of the Board.

2.4. Information on service agreements between the directors and the Company

There are no agreements between the members of the Board of Directors and the Company that provide for benefits to be granted.

2.5. Committees under the Board of Directors

In accordance with Article 18 of the Company's bylaws, the Board of Directors can decide to create committees that answer to the Board, for which the Board determines the members and remits, and which perform their tasks under the responsibility of the Board, provided that the Board of Directors does not delegate to a committee the powers that are conferred on the Board of Directors by the law, the Internal Rules and Regulations adopted by the Board of Directors or the bylaws and provided that the creation of such committees does not result in a reduction or limitation of the powers of the Chairman, the Managing Director or the Deputy Managing Directors.

To this end, an Audit Committee, an Appointments and Compensation Committee, and an Investment Committee have been created. The rules that govern how these committees operate were determined in the Internal Rules and Regulations of the Company's Board of Directors.

Within the scope of its remit, each committee can issue proposals, recommendations and opinions, as applicable, and report on its assignments to the Board of Directors. To this end, it can call on any outside advisor and expert it deems useful. Each committee can decide to invite, as need be, any person of its choice to its meetings. The chairman of each committee reports to the Board of Directors on the committee's work.

2.6. Limits on management powers

In addition to the limits provided for in the bylaws, the Board of Directors has implemented a certain number of mechanisms in the form of Internal Rules and Regulations that aim to limit the powers of the Company's Executive Management.

Information provided to the Board of Directors

Throughout the year, the Board of Directors performs the checks and controls it deems appropriate. Each director receives all the documents and information related to the items on the agenda (to the extent that the documents and information are available when the directors are convened) which allow the directors to prepare for the meeting.

These documents and information can also be provided to the directors between the issue of the convening notice and the actual meeting.

Outside the scope of the Board of Directors' meetings, each director can ask the Managing Director and/or the Deputy Managing Director, at any time, to provide all information or documents that are useful for the director's Board duties.

Moreover, the Internal Rules and Regulations adopted by the Company's Board of Directors obligate the Managing Director to perform the following disclosure and reporting duties:

- within a maximum of thirty (30) days following the end of the first half of each fiscal year, the Managing Director must submit the following items to the Board of Directors for review: a non-audited balance sheet (prepared on the last day of the half-year in question), an interim income statement and statement of cash flows, the comparison between the balance sheet, the statement of cash flows and the budget, and the comparison between these statements and the budget, as well as the revised income projections for the current fiscal year;

- ninety (90) days at the latest before the end of each fiscal year, the Managing Director must submit the following items to the Board of Directors for review: the budget for the next fiscal year, including respectively projections for the balance sheet, the income statement, the statement of cash flows and a statement of rental income and expenses;

- arrange for all the Company's assets to be valued once a year by an independent third-party expert;

- for as long as CRI's stake in the Company is classified as a "shareholding in property companies" as defined by the German regulations applicable to it, make available at the Company registered office all the monthly reports that provide the information needed by CRI to comply with its own accounting, financial and regulatory disclosure obligations, in particular those made available to the directors in order for them to fulfill their obligations under the applicable regulations.

Without prejudice to compliance with all the legal provisions, within a maximum of ninety (90) days following the end of each fiscal year, the Managing Director must provide the audited annual financial statements to the Board of Directors for review. These include (a) the balance sheet for the past fiscal year prepared on the last day of said fiscal year, (b) the income statement for the fiscal year, (c) a statement of cash flows, and (d) a comparison between the balance sheet and the income statement, on the one hand, and the budget, on the other hand.

Limitations on the powers of the Managing Director and the Deputy Managing Directors

The limitations on the powers of the Managing Director and the Deputy Managing Directors are described in section III.5.8 "Chairman's report relating to corporate governance and internal control".

3. COMPOSITION OF THE BOARD OF DIRECTORS

3.1. THREE COMMITTEES

In accordance with the most recent governance rules, at least two-thirds of the members of the three committees are independent. These members have "no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to color his or her judgment", in accordance with the Reference Code.

The Investment Committee

• Richard Wrigley, Chairman, independent director

• Graham Spensley, independent member

• Henk J. Jacobs, independent member

Main assignments:

- assist the Board of Directors with investments, in particular with regards to the sale, acquisition, development or significant renovation of real estate assets;

- give an opinion on investment projects and the annual budget;

- review the strategies used during investment projects already carried out;

- address any issues that could have a significant impact on investments.

The Audit Committee

• Richard Wrigley, Chairman, independent director

• Jean-Pierre Bonnefond, independent member

• Gerry Dietel, Fund Manager, Commerz Real

Main assignments:

- assist the Board of Directors in reviewing and approving the annual and interim financial statements;

- monitor the independence of the Statutory Auditors;

- review the internal control, audit, accounting and risk management procedures;

- ensure that the Company's management strategy includes the appropriate resources for preventing risks and irregularities.

The Appointments and Compensation Committee

• Jean-Pierre Bonnefond, Chairman, independent director

• Graham Spensley, independent member

• Henk J. Jacobs, independent member

Main assignments:

- prepare the determination of the compensation for each member of the Executive Management;

- assess the value of all the other benefits or gratuities that Executive Management enjoy;

- review the candidacies for the positions of Managing Director, Deputy Managing Director and director;

- assess the situation of each director with respect to freedom of judgment;

- evaluate the Board of Directors on a regular basis.

3.2. PERSONAL INFORMATION RELATING TO THE MEMBERS OF THE BOARD OF DIRECTORS

Richard Wrigley (62), Chairman of the Board of Directors, independent director

In 1975, Richard Wrigley joined the Orbisa group, a subsidiary of Imperial Chemical Industries Pension Fund, as assistant to the managing director. He was responsible for the asset and property management activities. In 1978, he became the deputy managing director of ICI Pension Fund where he was responsible for legal reorganizations and implementation of financing. In 1980, he became the managing director of this company. As managing director, he was responsible for the management and marketing of a portfolio of assets representing more than GBP 100 million. In 1985, he set up Corporate Property Management Services (CPMS), the purpose of which was to manage property companies and their assets on behalf of international investors. In 2004, he set up Corporate Property Accounting Services (CPAS). In 2006, he sold CPMS and CPAS to CB Richard Ellis which ensures the management of real estate assets representing 2,700,000 m^2. He left the company in 2009.

Richard Wrigley holds a Bachelor of Science in estate management from London University. He is a Fellow of the Royal Institution of Chartered Surveyors (F.R.I.C.S).

Erich Seeger (46), permanent representative of CRI

Erich Seeger holds a marketing degree from the Munich Academy of Publicity and Marketing.

Member of the Commerz Real Board since 2008, Eric Seeger joined the Group in 2004 to supervise the Marketing and Sales departments. He is also an employee of Commerz Real AG.

He previously worked in various strategic and marketing-related functions with HVB group's asset management branch in Munich. He notably headed the sales activities of their fund management company Activest.

Jean-Pierre Bonnefond (64), independent director

In 1978, Jean-Pierre Bonnefond joined the Groupement Foncier Français ("GFF"), a subsidiary of the Caisse des dépôts, where he started his career as company secretary. In 1988, he became deputy managing director; in this capacity, he was in charge of the operational departments. In 1994, he became GFF's managing director, and, in 1998, went on to hold sole executive responsibility. In June 2000, he was appointed chairman of GFF and held this office until October 2004. Since November 2004, he has been a consultant in asset strategy. Jean-Pierre Bonnefond holds a post-graduate degree in private law from the Sorbonne-Panthéon University. He is a Knight of the Legion of Honor.

Klaus Waldherr (45), director

Klaus Waldherr previously worked as a legal counsel for a German government institution. He joined CRI in 1998 as a legal counsel. His specialization is foreign real estate investments. He holds a doctorate in law and is admitted to the bar. He is a graduate of the University of Nancy II and the University of Mainz.

Gerry Dietel (32), director

Gerry Dietel holds 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 Commerz Real in 2007 where he is one of the fund managers of hausInvest europa. He is an employee of CRI mbH.

Hans-Joachim Kühl (42), director

Hans-Joachim Kühl holds a degree in business management from the University of Berlin.

He joined the Acquisitions team of Commerz Real in 1998 and since 2004 he has been responsible for all real estate sales and acquisitions activities in Europe. He is an employee of Commerz Real AG. Member of the Board since 2007, he has responsibility for the real estate sales and acquisitions business worldwide and, since January 2009, for real estate asset management. Before joining Commerz Real he worked for Daimler at the Potsdamer Platz Project in Berlin.

None of the terms of office of the members of the Board of Directors will expire during the next General Meeting.

4. EXECUTIVE MANAGEMENT

4.1. MAIN SENIOR EXECUTIVES

The Company's main senior executives are as follows:

Martin Weinbrenner (44)

Martin Weinbrenner worked at Eschner & Partners as a financial consultant. He joined CRI in 1994. He is the director of CRI's property management department. He was also the Company's Managing Director until February 17, 2010.

Bardo Magel (43)

Bardo Magel is deputy head of rental management at Commerz Real AG. He joined this company in 1999.

Following his studies in Engineering and Industrial Management, he worked as a financial consultant at Hessische Wohnungsbau in Frankfurt where he trained in real estate. Since February 17, 2010, he has held the position of Managing Director of CRI.

Raphaël Tréguier (35)

Raphaël Tréguier has been responsible for the operational management of CeGeREAL since February 2008. His main assignment is to ensure the Company's development. He brings the benefit of 10 years' experience in real estate and corporate finance during which he was part of the management team for purchases of listed and non-listed companies, and major portfolios. In particular, he was part of the investments team at GE Real Estate France for seven years.

There are no family ties between the members of the Board of Directors and the other main senior executives in the Company.

To the knowledge of the Company, none of the members of the Board of Directors and none of the main senior executives have been convicted of fraud in the last five years. They have not been involved, in their capacity as senior executives in bankruptcy, receivership or liquidation proceedings in the last five years, nor have they been charged with an offence or issued with a penalty handed down by a statutory or regulatory authority. None of these members has been prevented by a court from acting as member of a managing, executive or supervisory structure of an issuer or from intervening in the management or running of the business of an issuer during the last five years.

4.2. ABSENCE OF CONFLICTS OF INTEREST AT THE LEVEL OF THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

There are no potential conflicts of interests between the duties, with regards to the Company, of the members of the Board of Directors and the Executive Management and their private interests.

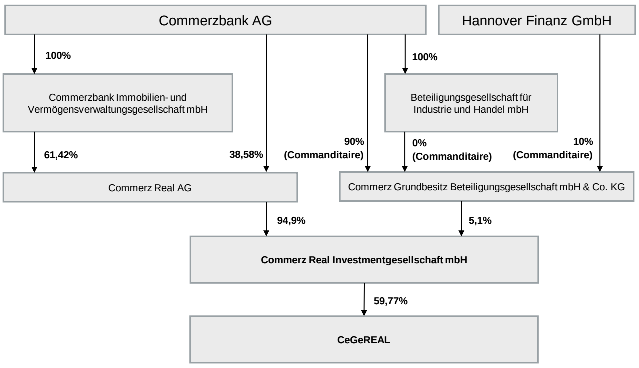
The Company has relations of major importance for its business activities and development with the Commerz Real group, which remains its majority shareholder through the intermediary of CRI. There is always the possibility that the Commerz Real group will have to give priority to its own interests to the detriment of those of the Company.

Moreover, Bardo Magel, (Managing Director) and Klaus Waldherr (director) are employees of Commerz Real AG. Bardo Magel performs the duties of deputy head of rental management and Klaus Waldherr the duties of legal counsel. They both hold delegations of powers (*Prokuristen*).

The Company has not granted any loans or guarantees to the members of the Board of Directors.

5. COMPANY'S POSITION IN THE COMMERZ REAL GROUP

The simplified organization chart below shows the Company's position in the Commerz Real group (see section I.2.1 "Compliance with SIIC 4").



The other shareholders, including Covéa, hold more than 40% of the Company's capital.

CeGeREAL holds all its real estate assets directly and does not hold participating interests in other companies.

6. RELATED-PARTY TRANSACTIONS

6.1. MEMORANDUM OF UNDERSTANDING WITH CRI

The Company, CRI and the custodian bank Commerzbank AG entered into a memorandum of understanding on March 2, 2006, the purpose of which is to enable CRI to comply with the laws and regulations that are applicable in Germany in relation to its status as a management company and, in particular, the provisions that require a custodian bank to control actions by the management company in order to protect the interests of holders of units in investment funds. Where applicable, this engagement can take the form of an *a priori* control.

Pursuant to this memorandum, the Company authorizes the CRI representatives on its Board of Directors to provide CRI and Commerzbank AG with information they receive about the Company in their capacity as directors of the Company, so that Commerzbank AG can exercise its control over CRI in accordance with the provisions of German regulations. The purpose of this control is to ensure compliance with German laws and regulations on management companies. On no account does it constitute a review of appropriateness.

The Company also makes available to its directors at the registered office a monthly statement in a form approved by mutual agreement between the parties, in compliance with the provisions of German laws and regulations on management companies, in order to enable CRI's representatives on the Company's Board of Directors to fulfill their obligations with respect to Commerzbank AG.

Commerzbank AG has undertaken to ensure the strict confidentiality of the information on the Company that is provided to it and only to use said information for the specific and exclusive requirements of its control role as custodian bank.

The parties to this agreement have undertaken to use their best efforts to enable Commerzbank AG to perform the procedures incumbent upon it, in its capacity as custodian bank for the hausInvest europa fund, in accordance with the applicable provisions of German regulations, *mutatis mutandis*.

Moreover, it is specified that on no account can the Company be held directly or indirectly liable, even partially, by CRI and/or Commerzbank AG, for a breach of the applicable German regulations.

This agreement shall terminate automatically as soon as CRI no longer has any obligations to Commerzbank AG with respect to the applicable German regulations, in particular because its stake in the Company will no longer be deemed to be a shareholding in a property company.

CRI and Commerzbank AG are reminded of their obligations with respect to French laws and regulations applicable each time they receive information that could be deemed to be insider information. In addition, any information that may have an impact on the Company's value is provided without delay by means of a press release and a note to the financial analysts or within the quarterly publications.

6.2. ASSET MANAGEMENT AGREEMENT

On February 8, 2006, the Company entered into an asset management agreement with CRI pursuant to which CRI provides the Company with investment consulting services with respect to the Company's real estate assets. However, the decision to invest is still made at the discretion of the Company.

CRI must, in particular, submit all new leases or agreements relating to the Company's real estate assets for approval by the Company, in accordance with a procedure stipulated in the asset management agreement.

Pursuant to the asset management agreement, asset management concerns, in particular, consulting activities in the field of investment strategy and opportunity.

This type of service involves, in particular, determining an investment strategy with the Company, including policies with respect to debt and the holding/selling of assets, as well as analyzing investment opportunities and whether they match the Company's investment strategy. In this regard, CRI must submit investment proposals, as well as recommendations on the structure of the Company's real estate assets. CRI is also required to advise the Company on the implementation of its investment strategy.

Where applicable, CRI may also advise the Company on the sale or purchase of buildings. CRI will be responsible for negotiating purchase and sale agreements for real estate assets. CRI will also assist the Company at the time of valuations of the assets concerned, as well as with investment disposal procedures. In this regard, CRI will submit recommendations to the Company regarding the holding/selling of assets and the choice of real estate intermediaries. Lastly, by analyzing investment offers, CRI will participate in the due diligence process and recommend potential buyers (in particular as regards the price offered and the buyers' credibility) to the Company.

Pursuant to this asset management agreement, CRI is also required to provide analysis services.

Such analysis services concern, in particular, the business operation of assets. In this regard, CRI draws up an Annual Business Plan that includes a summary of investments, performance, asset value, the real estate market, trends with respect to leases, recommendations and analyses regarding the holding and selling of assets, priority issues and tasks. This Annual Business Plan is then submitted to the Company, along with recommendations. CRI also advises the Company on the implementation of this Annual Business Plan.

Moreover, each year, CRI presents a report on the Company's real estate assets and the real estate market. Analysis services also cover (i) the methods for operating the assets and the risk management policy in order to determine if they are in line with market standards; (ii) the assessment of insurance cover; (iii) the operating budget. In this regard, CRI must submit recommendations to the Company, based in particular on the analysis of operations and covering rental strategy, operating income and expenses, fittings, cash-flow and dividends.

Analysis services moreover involve preparing the following reports: (i) a detailed report on the real estate market, which is updated annually and includes economic projections, information on supply and demand in the real estate sector and real estate market trends, and updates on market rent trends, rental activity, investments and new development projects; (ii) a yearly analysis report on other buildings in the sub-market, including their location, size, quality, available floor space, level of rent and main selling points; and (iii) quarterly inspection reports on the sites describing, in particular, improvements made by the lessees and shared facilities.

CRI also analyses the Company's rental strategy, which includes a review of lease proposals, the solvency of potential lessees and the financial terms of draft leases. Each quarter, CRI meets with the team responsible for rental management, with a view to analyzing the progress made and making recommendations in order to improve its rental strategy. This analysis assignment also covers monitoring of the rental market and sub-market in order to advise the Company on significant real estate market trends.

Each year, CRI produces an analysis of changes in the Company's real estate assets based, in particular, on a quantitative and qualitative analysis of real estate market conditions and trends.

CRI's assignment is to coordinate the annual operating budgets, the rental strategy and the evaluation and analysis in terms of holding/selling the Company's assets. Where applicable, it is responsible for evaluating and recommending asset management alternatives.

Lastly, pursuant to this asset management agreement, CRI is required to assist the Company in obtaining loans.

As compensation for its assignments, CRI receives fixed-rate annual compensation equal to 0.35% of the gross value of the buildings, determined annually by the independent experts appointed by the Company. CRI also receives (i) a fee set at 1% of the acquisition or sale price of the assets as compensation for its assistance in any purchase or sale transaction and (ii) a fee of 1% of the final purchase price for each development project payable as and when the work is performed, on a quarterly basis, as well as additional compensation for supervising the development operation and the technical support services specific to this operation, which must be negotiated on an individual basis by the parties.

The asset management agreement was entered into for an initial term of six years. However, each party has the possibility of terminating the agreement upon expiration of the first three-year period, subject to it giving six months' notice to the other party by registered letter with return receipt or by process. This agreement can also be terminated by the Company with no indemnities in the event of (i) non-performance by CRI of certain of its contractual obligations and (ii) gross negligence by CRI. CRI may also terminate the agreement for the same reasons in the event that the Company were responsible for the same shortcomings.

The assignment thus entrusted to CRI under the asset management agreement excludes all activity for which a professional license is required under French Act no. 70-9 of January 2, 1970, known as the Hoguet Act.

Asset management fees paid to CRI amounted to EUR 2,896k for 2009.

7. OUTSOURCING OF OPERATIONS

7.1. OPERATIONAL ORGANIZATION

The Company's Board of Directors and the various committees that report to it control CRI's implementation of the asset management policy that has been defined, as well as the various administrative assignments with which CRI has been charged.

The Company's operational organization is based on the expertise of its Board of Directors, Executive Management and staff, as well as on the expertise of the service providers that the Company has commissioned to perform certain tasks under its supervision.

This organization gives the Company greater flexibility in its operations and allows it to hold down management costs.

Under the oversight of the Company's Board of Directors and the various committees, CRI is expected to implement the asset management policy and various administrative tasks (financial control, legal advice, etc.) that have been defined pursuant to the asset management agreement.

The Company's staff will remain limited, at least initially, as the Company wants to continue to outsource.

7.2. OUTSOURCING OF ASSET AND PROPERTY MANAGEMENT

The Company outsources its asset management and property management activities.

Asset management activities

Asset management entails analyzing each asset to maximize its value, defining the ensuing strategy (lease renewal, identification of new lessees, building renovation or expansion, etc.) and implementing that strategy. It also entails developing plans for potential investments that will contribute to expanding and enhancing the value of the property portfolio (acquisitions).

The Company's Board of Directors defines the asset management policy, which is implemented by CRI pursuant to an agreement entered into on February 8, 2006.

Marketing

Marketing is carried out by the asset manager with the assistance of YXIME, which is in charge of coordinating such operations. The lease renewal strategy is determined by the Company in conjunction with the asset manager. The asset manager's and property manager's staff handles the renewals after they have been approved by the Company's management.

Negotiations with lessees are carried out based on the specimen lease agreement drawn up by the Company.

Capital expenditure

Because the properties are new or recently renovated, the Company plans to spend only a limited amount on restructuring or renovation (see above, "Rebilling of expenses to lessees").

Property management

Property management mainly involves administrative tasks. It primarily entails the day-to-day management of lessee relations, billing and collecting rents, charges and taxes on behalf of the Company, drawing up a monthly operations report showing amounts billed and collected and the ageing of any overdue rents, and reviewing the status of legal matters. Property management also covers building maintenance and janitorial services and paying bills received from service providers.

Under the terms of agreements dated February 7, 2006, YXIME is responsible for property management for the Company.

Other than the asset manager and property manager, the Company's four largest service providers are Iguane and DGSI (security/fire safety), which account for 8.9% and 4.5% of the budget; Isor (janitorial services), for 5.8% of the budget; Energilec (equipment maintenance), for 6.1% of the budget; and Cegelec (multitechnical maintenance), for 5.3% of the 2009 operating budget.

8. EMPLOYEES

At December 31, 2009, the Company had three employees. This small number can be explained by the fact that CeGeREAL outsources all the administrative, financial, accounting, legal, tax and IT services to external service providers. All the property management services are also outsourced, currently to YXIME. Around five YXIME employees are responsible for the day-to-day management of CeGeREAL assets.

The Company is subject to the French National Collective Bargaining Agreement for Real Estate – Property Managers – Real Estate companies and Estate Agents.

The Company has not encountered any specific difficulties in hiring personnel. No dismissals were made during the year ended December 31, 2009.

The Company does not use any external manpower.

No mass layoff schemes have been implemented.

Given the very low number of employees, there are no employee representatives in the Company.

III. FINANCIAL INFORMATION

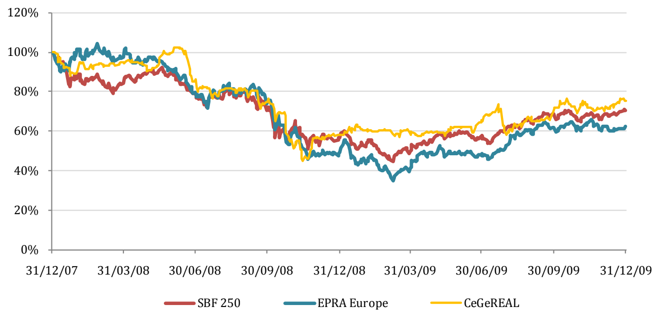
1. STOCK MARKET AND DIVIDEND PAYMENT POLICY

1.1. CHANGE IN THE STOCK MARKET PRICE

Listed on Euronext Compartment B since 2006, CeGeREAL belongs to the SBF 250 index and the FRRE IEIF index. At December 31, 2009, its stock market capitalization was EUR 341m.

At December 31, 2009, the trading price of the Company's share was EUR 25.5, corresponding to a discount compared to the Adjusted Net Asset Value ("ANAV") per share of 19%. The share price has risen by 30% over a period of one year.

Change in the CeGeREAL share price as compared to the SBF 250 index and the EPRA (European Public Real Estate Association) index for European property companies (Euro zone)



Stock market value creation is measured by Total Shareholder Return (TSR). It is based on the change in the stock market price plus the dividend.

Comparison of annualized TSR of CeGeREAL, the SBF 250 and the EPRA index for European property companies

	From Mar. 28, 2006 (**) to Dec. 31, 2009	From Jan. 1, 2008 to Dec. 31, 2009	2009
CeGeREAL (*)	0%	-7%	40%
SBF 250 (*)	-4%	-13%	29%
EPRA (*)	-12%	-16%	36%

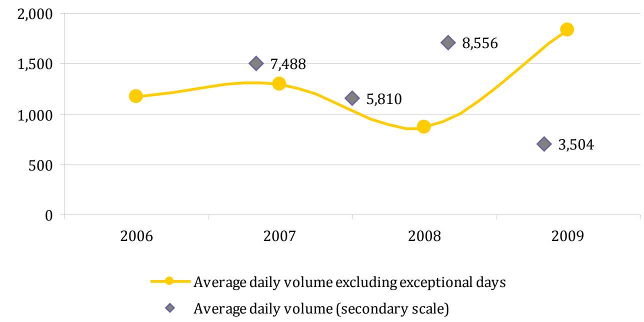
(*) reinvested coupon

(**) date of the Company's listing on the stock market

1.2. VOLUMES OF TRADES

Despite the financial crisis, except for exceptional-size transactions (ten trading days a year on average), the daily volume of shares traded doubled between 2008 and 2009.

Change in volumes traded between the date of listing on the stock market (in March 2006) and the end of 2009



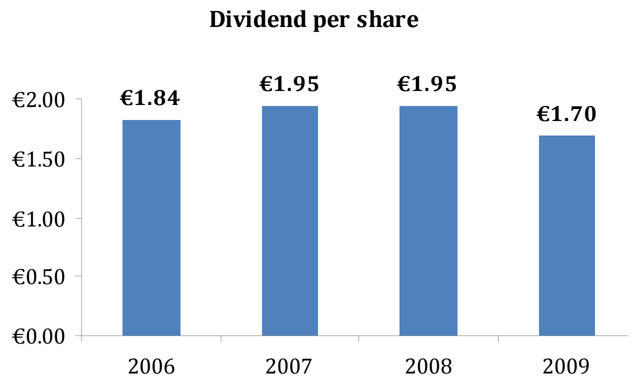
1.3. DIVIDEND PAYMENT POLICY

The Company opted for the tax treatment for SIICs (listed real estate investment companies) provided for in Article 208 C of the French Tax Code (*Code Général des Impôts*). This treatment allows SIICs to benefit from exemption from corporate income tax on their rental income and the capital gains they generate when disposing of buildings. As consideration for this tax exemption, SIICs are obliged to pay their shareholders at least 85% of their exempt income generated by their rental activity, and at least 50% of their exempt income generated by the disposal of buildings and all the dividends received from subsidiaries subject to corporate income tax covered by the election.

In respect of the five fiscal years following the year that ended December 31, 2009, the Company does not intend to systematically limit the amount of dividend payments to the minimum distribution obligations laid down by Article 208 C of the French Tax Code, in order to offer its shareholders – to the extent possible – a return higher than the average in this business segment.

The dividend paid for 13,372,500 shares with regard to the entire period was: EUR 1.84 per share for the year ended December 31, 2006, EUR 1.95 per share for the year ended December 31, 2007 and EUR 1.95 per share for the year ended December 31, 2008.

It is proposed to the Company's Annual General Meeting of June 29, 2010 that the Company pay a dividend of EUR 1.70 per share.



Historically, the Company has distributed a significant part of its recurring cash flow.

The dividend is paid on an annual basis.

2. DEBT

2.1. MAIN FINANCIAL RATIOS

Gearing (loan-to-value) ratio and interest coverage ratio

	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Loan-to-value ratio			
Non-current borrowings/adjusted net assets	48.59%	40.50%	36.50%
Interest Coverage Ratio			
Operating income/Interest expenses	333%	364%	351%

The ratios that are presented above are determined on the basis of the annual financial statements prepared in accordance with French GAAP, excluding real estate assets, which are measured at fair value, excluding rights.

2.2. MARCH 2, 2006 CREDIT AGREEMENT

On March 2, 2006, the Company entered into a credit agreement with the Eurohypo AG bank for a maximum principal of EUR 424,900,000 (see section III.3.2 "IFRS financial statements", note 5.12 "Non-current borrowings").

The main provisions of this credit agreement are as follows:

Purpose

The purpose of this credit agreement is to enable the Company to refinance its existing debt (bank and intra-group) (in particular in respect of the two loan agreements entered into to refinance the Rives de Bercy and Arcs de Seine buildings) (Tranches A and B) and, in addition, to finance part of the Exit Tax that will be owed by the Company as a result of SIIC tax treatment (Tranche C).

Tranche A is for a principal of EUR 199,900,000, Tranche B is for a principal of EUR 180,000,000 and Tranche C is for a maximum principal of EUR 45,000,000.

Tranche C, for an initial amount of EUR 45,000,000, reduced to the amount of the last installment of Exit Tax remaining to be paid at December 15, 2009, i.e., EUR 22,491,840, was used in 2009.

Availability

Tranches A and B of the loan were made available to the Company in a single installment on March 2, 2006, which is the refinancing date for its existing debt.

Interest rate/Margin

The interest rate applicable to Tranches A and B is a fixed rate equal to 3.55% per year plus the applicable margin set at 0.60% i.e., a total of 4.15%.

Tranche C will bear interest, as from the time it is drawn down by the Company, at a floating rate (EURIBOR).

A margin of 0.60% per year is added to the interest rate applicable to the three loan tranches if the loan-to-value ratio (outstanding bank debt/market value of the buildings) ("LTV") is less than 60%. Alternatively, a margin of 0.70% per year is added if the LTV ratio is 60% or more.

The interest and margin are payable quarterly in advance, on February 15, May 15, August 16 and November 15 of each year (the "Interest Payment Dates").

Term/Repayment

This credit agreement was concluded for a term of seven years as from March 2, 2006.

The credit agreement provides that the loan must be repaid on each Interest Payment Date in an amount of 1% per year of its initial amount (Tranches A, B and C), calculated on a *pro rata temporis* basis, if the LTV ratio exceeds 60% and/or if the interest coverage ratio (projected net annual rental income/annual interest and expenses) ("ICR") falls below 180%. The balance must be repaid when the loan matures, i.e., on March 2, 2013.

Early repayment

Fees for early repayment and cancellation.

The Company will pay fees of 1% of the amount repaid or cancelled in the event of early repayment or cancellation of the loan during the first three years. These fees are reduced to 0.5% in the event of repayment or cancellation during the fourth year. No fees will be owed in the event of early repayment or cancellation during the last three years. In addition, the Company will reimburse Eurohypo for the swap breakage costs borne by the bank where applicable.

Significant undertakings by the Company

Pursuant to the credit agreement, the Company made the following undertakings:

- to use each tranche of the loan only for its stated purpose;

- to pledge its assets as collateral only to Eurohypo AG, unless otherwise agreed with the latter;

- to maintain its assets in a good general state of repair;

- to provide Eurohypo AG with a number of documents and information, at various times, including a copy of the audited annual financial statements, quarterly rental statements, the details of any capital expenditure relating to the Company's real estate assets and an annual budget;

- to ensure that the interest coverage ratio (ICR) (projected annual net rental income/annual interest expense and charges) is at least equal to 150%;

- to maintain the loan-to-value ratio (outstanding bank debt/market value of the buildings, excluding taxes) (LTV) below 70%;

- not to significantly amend the terms and conditions of leases generating over 5% of projected net rental income without the prior consent of Eurohypo AG;

- not to enter into leases without the prior agreement of Eurohypo AG unless the Company provides it with a copy of such leases accompanied by a certificate confirming that said leases were entered into as part of responsible management; if CRI no longer holds a participating interest that allows it to retain the majority of voting rights at Extraordinary Shareholders' Meetings of the Company, the Company has undertaken not to conclude new leases for which the lease payments would make up more than 5% of the projected net rental income for the buildings without the prior agreement of Eurohypo AG;

- not to incur any debt other than bank loans, intra-group loans, loans or credit terms granted by a supplier of goods or services in the ordinary course of business and under arm's length conditions; not to provide any off-balance sheet commitments and guarantees;

- to incur capital expenditure only in relation to its real estate assets. Such expenditure must be financed using equity and/or surplus cash, after payment of VAT, exit tax, operating expenses related to the real estate assets and the operation of the Company as well as all amounts payable under the loan agreement ("surplus cash");

- in the event of default (as defined below), not to distribute dividends for an amount greater than that stipulated in Article 208 C-II of the French Tax Code;

- in the event that the Company no longer benefits from SIIC status: (i) to pay dividends or repay intra-group loans only out of surplus cash and (ii) in the event of default, not to pay dividends or repay intra-group loans.

- to comply with the legislation applicable to its activity and its assets.

Default events

The credit agreement refers to a certain number of events, which, if they occur, are liable to trigger the early repayment of the loan unless the default is corrected within the specified time. The following, in particular, constitute events of default:

- failure to pay the monies owed under the credit agreement;

- failure by the Company or CRI to comply with the representations, warranties or commitments (and in particular the financial ratios) provided for in the credit agreement and in the other documents that refer thereto;

- payment default by the Company on its debts (other than the credit agreement) if this default concerns an amount of more than EUR 250,000;

- the liquidation of the Company, the discontinuance of all or a substantive part of its activities, or the opening of bankruptcy proceedings involving the Company;

- the takeover of the Company by a third party, within the meaning of Article L.233-3 of the French Commercial Code (*Code de Commerce*), in particular through a public offering for the Company's shares;

- a change in the Company's corporate purpose;

- the occurrence of an event that has a material adverse impact on the Company's real estate assets, its activity or its legal, financial or accounting situation.

Security interests

Moreover, the Company must grant the lender certain security interests to guarantee the loan, including security interests on its buildings (lender's liens and mortgages) or assignments of certain receivables as a guarantee (Articles L.313-23 to L.313-24 of the French Monetary and Financial Code (*Code Monétaire et financier*)), in particular assignments of rental income (and related indemnities) and of insurance payouts for loss of rent.

If CRI no longer holds a participating interest that allows it to retain the majority of voting rights at company Extraordinary Shareholders' Meetings, the Company must, in particular, apply a pledge to the balance of the bank accounts on which the income from the operation of its three real estate assets are received (in particular the rental income) and grant certain assignments of receivables as collateral.

2.3. SUBORDINATION AGREEMENT DATED JULY 31, 2006

The Company also entered into a third agreement with CRI and Eurohypo AG on July 31, 2006 in order to define an order of priority in the repayment of the loans. This agreement provides, in particular, that Eurohypo, which is a creditor under the March 2, 2006 credit agreement, will accordingly be repaid as a priority, with CRI being classified as a "subordinated creditor".

2.4. ANTICIPATED SOURCES OF FINANCING AND RESTRICTIONS ON THE USE OF FUNDS

There are no investment financing projects under way with respect to which the Company's management bodies have made firm commitments.

3. STATUTORY FINANCIAL STATEMENTS

3.1. BACKGROUND FINANCIAL INFORMATION

The IFRS financial statements for the year ended December 31, 2008 and the related Statutory Auditors' report presented on pages 85 to 107 and pages 109 and 110 respectively in the 2008 Registration Document filed with the AMF on April 29, 2009 under no. R.09-035 are incorporated by reference into this document.

The IFRS financial statements for the year ended December 31, 2007 and the related Statutory Auditors' report presented on pages 110 to 129 and page 130 respectively in the 2008 Registration Document filed with the AMF on April 29, 2009 under no. R.09-035 are incorporated by reference into this document.

The IFRS financial statements for the nine months ended December 31, 2006 and the related Statutory Auditors' report presented on pages 131 to 151 and page 152 respectively in the 2008 Registration Document filed with the AMF on April 29, 2009 under no. R.09-035 are incorporated by reference into this document.

The IFRS financial statements for the three months ended March 31, 2006 and the related Statutory Auditors' report presented on pages 153 to 169 and page 170 respectively in the 2008 Registration Document filed with the AMF on April 29, 2009 under no. R.09-035 are incorporated by reference into this document.

3.2. IFRS FINANCIAL STATEMENTS

Balance sheet of CeGeREAL S.A. at December 31, 2009 – IFRS

(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**
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**

Statement of comprehensive income of CeGeREAL S.A. for the year ended December 31, 2009 – IFRS

(in thousands of euros)	Notes	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)
Total change in the fair value of investment property	**5.1**	*(111,091)*	*(93,748)*
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)**
Basic and diluted loss per share (in euros)	**5.25**	**(5.31)**	**(4.44)**

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**

Statement of cash flows of CeGeREAL S.A. for the year ended December 31, 2009 – IFRS

(in thousands of euros)	2009	2008
OPERATING ACTIVITIES		
Net income excluding loan interest expense	(54,508)	(43,239)
Elimination of income/expense items with no cash impact:		
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)
Elimination of income/expense items related to financing with no cash impact:		
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.

Notes to the IFRS financial statements

BACKGROUND AND ASSUMPTIONS USED TO PREPARE THE IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

Note 1.1 Operational context

There were no changes in the Company's operating environment during the year ended December 31, 2009.

The Company did not acquire or dispose of any real estate assets in 2009.

Compliance with SIIC 4

In order to facilitate and diversify access to the capital of SIICs (listed real estate investment companies), SIIC regulations, as modified by the Amending French Finance Act for 2006 – "SIIC 4" – stipulate that any shareholder or group of shareholders, acting alone or in concert, must hold less than 60% of the SIIC's capital. If a company does not comply with this 60% threshold condition at January 1, 2010, the preferential tax treatment it enjoys as an SIIC will be temporarily suspended in 2010; in such a case, the company will be subject to corporate income tax at the standard rate. If the company still does not comply with the threshold at January 1, 2011, it will be deemed to have definitively lost SIIC status and will have to reimburse some of the tax savings accrued on the properties' unrealized capital gains.

Since its listing on the stock market in March 2006 and until December 31, 2009, CeGeREAL's majority shareholder - the German open-ended fund hausInvest europa, managed by the Commerz Real group – held 67% of the capital. In order to comply with the new SIIC regulation, on December 7, 2009 Commerz Real privately sold a block of shares representing 7% of the Company's capital and voting rights to an individual foreign investor. Commerz Real also sold an additional 30,000 shares on the open market. These sales reduced Commerz Real's holding in the Company to beneath the 60% threshold. As a consequences, CeGeREAL will maintain its SIIC status for 2010, and for the years to come, for as long as it complies with this threshold.

Carpe Diem

Within the scope of the construction by AVIVA/Hines of the Carpe Diem tower in the vicinity of the Europlaza building, CeGeREAL granted easements in favor of the Carpe Diem tower for a total consideration of EUR 7m, including EUR 150k received in 2008 in order to compensate the fees incurred by CeGeREAL for the transaction and EUR 6,850k in 2009 when the easement was granted.

The easement which was granted for a financial consideration is analyzed as the transfer of real rights linked to the land. The cost price of this easement is considered as zero because the valuation of the building before and after the easement is the same.

The transaction was booked in an amount of EUR 6,850k under capital gains in the Company's financial statements for the year ended December 31, 2009. This capital gain is exempt from corporate income tax under the SIIC regime, provided that the Company respects its dividend payment obligations.

Under the credit agreement of March 2, 2006 with Eurohypo bank, CeGeREAL must reimburse Tranche A and B of the loan in the amount of EUR 3,500k.

Note 1.2 Regulatory context

The Company does not have any subsidiaries, and does not therefore prepare consolidated financial statements. The Company's statutory annual and interim financial statements are prepared in accordance with French GAAP in accordance with current accounting regulations.

In parallel, the Company provides financial information prepared under International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

The Company's IFRS financial statements for the period ended December 31, 2009 were prepared in accordance with international accounting standards (IAS/IFRS) applicable to accounting periods ended December 31, 2009, as adopted by the European Union (hereafter referred to as "IFRS").

Dividend payments are decided by the General Shareholders' Meeting on the basis of the Company's financial statements prepared in accordance with French GAAP and not on the basis of the IFRS financial statements.

Note 1.3 Presentation of comparative financial information

The financial information presented in the IFRS financial statements for the year ended December 31, 2009 includes, for the purposes of comparison, the IFRS financial statements for the year ended December 31, 2008.

ACCOUNTING PRINCIPLES, RULES AND METHODS USED TO PREPARE THE IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

Note 2.1 Presentation of the IFRS financial statements

The Company's financial statements for the year ended December 31, 2009 have been prepared in accordance with international accounting standards (IAS/IFRS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as adopted in the European Union by the International Accounting Standards Board (IASB) at December 31, 2009 and applicable at that date.

The financial information presented in the IFRS financial statements for the year ended December 31, 2009 has been modified in order to take account of IAS 1 (revised) – Presentation of Financial Statements applicable to accounting periods starting on or after January 1, 2009. The revised standard has no impact on income for the period.

As indicated in Note 2.2 below, the Company presents no additional information with respect to the application of IFRS 8 – Operating Segments.

The Company has not elected to early adopt any IFRS standards or IFRIC interpretations adopted by the European Union at December 31, 2009 but only mandatory for subsequent accounting periods.

Note 2.2 Segment reporting

The Company has not identified different operating segments insofar as its assets and liabilities are composed solely of commercial real estate located in the Paris area. Consequently, the Company has not had significant additional disclosure requirements as a result of the application of IFRS 8 – Operating Segments, with effect from January 1, 2009.

Note 2.3 Investment property

Property held under long-term operating leases to earn rentals or for capital appreciation or both, and not occupied by the Company, is classified as investment property. Investment property includes owned land and buildings.

Investment property is initially measured at cost, including transaction costs. After initial recognition, investment property is remeasured at fair value. As a result, no depreciation or impairment is recognized on investment property. Fair value is measured net of registration tax by an external real estate valuer at each balance sheet date. The methodology used by the real estate valuer is described below (see Note 2.4).

Subsequent expenditure may only be allocated to the assets' carrying amount when it is probable that the future economic benefits that are associated with the property will flow to the Company, and the cost of the property can be measured reliably. All other repair and maintenance costs are recognized in the statement of comprehensive income during the period in which they are incurred. Changes in fair value are recognized in the statement of comprehensive income.

Note 2.4 Estimates of the fair value of investment property

Estimates and assumptions

The fair value of property is measured by an external real estate valuer in accordance with the benchmark treatment in IAS 40.

In accordance with the recommendations of the CESR (Committee of European Securities Regulators), the Company appointed the real estate valuation firm BNP Paribas Real Estate Valuation France in July 2009 to measure its three investment properties.

In fact, companies generally change their external real estate valuer every three years, in order to benefit from a new analysis of their assets' qualities and market values. During the last three years, CB Richard Ellis carried out regular valuations of the three real estate assets, in its capacity as external real estate valuer. The Company appointed BNP Paribas Real Estate Expertise as external real estate valuer with effect from July 1, 2009.

The fees paid by CeGeREAL to the real estate valuation firm represent less than 10% of its total net revenue.

When preparing the financial statements, management and the external real estate valuer are required to use certain estimates and assumptions that are likely to affect the amounts of assets, liabilities, income and expenses reported in the financial statements and in the accompanying notes. The Company and the real estate valuer are required to review these estimates and appraisals on an ongoing basis in light of past experience and other factors deemed of material importance with regard to economic conditions. The amounts appearing in future financial statements may differ from these estimates as a result of changes in assumptions or circumstances.

The main assumptions used when estimating fair value include the following: rent payment patterns, future expected rental payments under firm-term leases, tax treatment applicable to the lessor, periods of vacancy, the current occupancy rate for the building, future requirements in terms of upkeep, and the appropriate discount rates equivalent to the return on the buildings. The resulting valuations are regularly compared to market data concerning return on investment, transactions carried out by the Company and transactions published by the market. The values of investment property measured by the real estate valuers are the best estimates at December 31, 2009, based on recent market observations and valuation methods commonly used within the profession. These estimates are not intended to anticipate any market changes.

All of the Company's real estate assets were measured at market value at December 31, 2009 based on an update to the June 2009 valuation of an external real estate valuer.

Valuation methods

These valuations comply with professional valuation standards applied in France (*Charte de l'expertise en évaluation immobilière*) and the report of the working group chaired by Georges Barthes de Ruyter on the valuation of the real estate assets of listed companies (Official Gazette of the French stock-exchange regulator - *Bulletin COB* - February 2000). They also comply with TEGoVA (European valuation standards) and the rules set out in the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (RICS).

The valuer calculated the fair value of the real estate assets using three valuation methods: the hardcore capitalization and DCF methods, with the resulting valuation confirmed using the comparable method.

Hardcore capitalization method

The hardcore capitalization method consists of capitalizing an amount corresponding to the market rental value of the property and adjusting this amount by the present value of the difference between actual rents and market rents on a lease-by-lease basis. The market rental value (or "Estimated Rental Value") is the annual financial consideration for the use of a real estate asset under a lease. It is expressed net of registration duties or net of VAT and expenses (including rental expenses) rebilled to the lessee.

In practice, net rental income under each lease – after deducting expenses payable by the lessor – is compared with the market rental value.

The "yield" is obtained by observing the rates applied on the real estate market. "Net Initial Yield" corresponds to the ratio between the net income derived from the property and its total acquisition cost (sale price plus taxes, registration duties and irrecoverable expenses).

Comparable method (traditional approach)

This traditional valuation method consists of comparing the property concerned by the valuation with the most recent transactions involving properties of similar type and location, whether subject to registration duties or VAT, at a date as near as possible to the valuation date.

Depending on the method used, the key considerations on which all property valuations are based are as follows:

- Location and local environment
- Accessibility and proximity to public transport
- Architectural style and construction quality (type, structure, façade, roofing, improvements, etc.)
- Age and state of repair
- Parking lots (number, type, capacity, and state of repair)
- Rent
- Rental value
- Remaining lease term
- Expenses payable by the lessor and the lessees
- Capacity of the lessees and lease signatories
- Rental demand, time-to-market
- Size of vacant premises
- Improvements and other work completed
- Competing bid(s)
- Local market trends

The market value used is the value estimated by the real estate valuer at June 30 and December 31 each year, as stated in the valuation report. A discount is applied to the gross value to take account of transfer duties and costs, which are estimated at the rate of 6.20%.

Note 2.5 Financial instruments - classification and measurement of non-derivative financial assets and liabilities

Financial assets and liabilities are recognized and measured in accordance with IAS 39.

Loans and receivables

Financial assets not designated as held-for-trading or available-for-sale upon acquisition are recorded in the balance sheet in “Loans and receivables”. After initial recognition, they are measured at amortized cost using the effective interest rate method. A provision for impairment may be recorded when necessary.

Accounts receivable

Accounts receivable consist of accrued amounts receivable from lessees. They are initially recognized at fair value and then at amortized cost using the effective interest rate, less any provisions for impairment. A provision for impairment of accounts receivable is set aside when there is objective evidence that certain amounts are no longer recoverable. The amount of this provision corresponds to the difference between the carrying amount of the asset and the present value of future cash flows estimated using the effective interest rate. All impairment provisions raised are recorded in the statement of comprehensive income.

Rent is usually billed in advance. As a result, accounts receivable consist of rent billed in respect of the following period.

Accordingly, this timing difference between the billing date and the balance sheet date is eliminated by recognizing rent billed for future periods under “Prepaid revenue”.

Non-derivative financial liabilities

After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest rate.

Note 2.6 Share capital

The Company's ordinary shares are classified in shareholders' equity. Incremental costs directly attributable to new share issues are shown in shareholders’ equity as a deduction, net of tax, from the share issue premium.

Note 2.7 Treasury shares

On August 29, 2006, CeGeREAL entered into a liquidity agreement with Exane BNP Paribas. This agreement complies with the standard-type contract of the French Association of Investment Firms (*Association Française des Entreprises d’Investissement* – AFEI) and the AFEI code of ethics of March 14, 2005 which was approved by the French financial markets authority (*Autorité des Marchés Financiers* – AMF) on March 22, 2005.

Under the terms of this agreement, Exane BNP Paribas may buy and sell CeGeREAL shares on behalf of CeGeREAL within the limits imposed by law and the authorizations granted by CeGeREAL’s Board of Directors.

Within the scope of the liquidity agreement, the Company owned 14,915 treasury shares (representing less than 0.12% of its total issued shares) for a total amount of EUR 350k at December 31, 2009.

In addition, and in accordance with the delegation of authority granted by the General Shareholders’ Meeting of May 29, 2009, the Company purchased treasury shares for EUR 56,483 representing 2,536 shares at December 31, 2009.

The value of these treasury shares is deducted from the Company’s shareholders’ equity.

Cash allocated to the liquidity agreement is stated in “Other operating receivables”.

Note 2.8 Election for tax treatment as an SIIC

In accordance with Article 208 C of the French Tax Code (*Code général des impôts*) applicable to listed real estate investment companies (*Sociétés d’Investissement Immobilières Côtées* - SIICs), the Company has elected for the preferential tax treatment granted to listed companies whose main business activity is the ownership and management of real estate assets. This election took effect on April 1, 2006.

Terms and conditions and impact of tax treatment as an SIIC

a) When a company opts for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

Unrealized capital gains are subject to corporate income tax at a rate of 16.5% and this tax, generally referred to as “exit tax,” must be paid in four installments: on December 15 of the year in which the option takes effect and, then, on December 15 of the three following years. With the payment of the last installment on December 15, 2009, the Company has now paid all of the exit tax due, totaling EUR 89,967,360.

b) SIICs that have opted for preferential treatment are exempted from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 85% of this income is distributed before the end of the financial period following the period in which the income is generated;

- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having opted for preferential tax treatment, provided that 50% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;

- dividends received from subsidiaries having opted for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

In the event that the company opts out of the SIIC regime in the ten years following election, it will be subject to corporate income tax at the standard rate on the revaluation gains determined upon election for the SIIC regime, less any exit tax already paid at the reduced 16.5% rate.

c) The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code (*Code de commerce*).

In accordance with the French Finance Act for 2009, the Company had until December 31, 2009 to comply with the 60% threshold. If the Company had not met this condition at January 1, 2010, the preferential tax treatment it enjoys as an SIIC would have been temporarily suspended. In addition, if the Company had not complied with this condition by December 31, 2010, it would have been deemed to have definitively lost SIIC status with retroactive effect from January 1, 2010, leading to serious financial consequences.

On December 7, 2009, CRI, CeGeREAL's majority shareholder which held 67% of its capital, sold a block of shares representing 7% of the Company's capital and voting rights to a private foreign investor as well as 30,000 shares to other shareholders.

These sales reduced CRI's holding in the Company to less than the 60% threshold thereby bringing CeGeREAL into compliance with the Amending French Finance Act for 2006. As a result, CeGeREAL maintains its SIIC status.

d) The amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not payable in the event that the beneficiary is a company that has an obligation to distribute all dividends it receives.

These provisions apply to all dividends distributed since July 1, 2007.

Dividend distributions to CRI

As CRI holds the CeGeREAL shares in the name and on behalf of the unit holders of the hausInvest europa property fund, the French tax authorities have decided to treat CRI as a tax-transparent entity and to consider that the unit holders of the hausInvest europa property fund hold a direct interest in CeGeREAL.

Based on this approach, the tax authorities considered that:

(i) dividends paid to unit holders of the fund do not fall within the scope of the 20% withholding tax if the unit holders are natural persons;

(ii) dividends paid to unit holders of the fund are not subject to the withholding tax if the unit holders are legal entities, provided that they do not meet the criteria set forth in Article 208 C-II, *ter* of the French Tax Code (which provides that the withholding tax is payable if the dividends are paid to an entity holding over 10% of the voting rights of the SIIC and the entity is not liable for corporate income tax or another equivalent tax on the amounts received).

Considering the status of the current unit holders of the fund, the Company is not liable for the 20% withholding tax on the dividends it distributes.

Dividend distributions to other shareholders

CeGeREAL will not be subject to the 20% withholding tax if it is established that no dividends are paid to shareholders other than natural persons meeting both of the following conditions:

(i) the shareholder holds, directly or indirectly, at least 10% of the dividend entitlements in the SIIC at the time the dividends are paid;

(ii) the shareholder's dividend is not subject to corporate income tax or another equivalent tax.

Considering CeGeREAL's ownership structure at December 31, 2009, the 20% withholding tax was not levied on any of the dividends it distributed.

Deferred taxation

Deferred taxes, calculated at the standard rate, are recognized using the liability method for all temporary differences arising before the Company opted for tax treatment as an SIIC, due to the differences between the carrying amount of assets and liabilities shown in the IFRS financial statements, and their tax basis.

Note 2.9 Bank borrowings

On initial recognition, bank borrowings are measured at the fair value of the consideration received, less directly attributable transaction costs.

They are subsequently measured at amortized cost using the effective interest rate. The long-term portion (due more than 12 months after the balance sheet date) is classified in non-current borrowings, while the short-term portion (due in less than 12 months) is classified in current borrowings.

Note 2.10 Rental income

The Company leases out its real estate under operating leases. Assets leased under operating leases are recognized in the balance sheet in investment property.

Rental income is recognized over the lease term.

The financial impact of all of the lease provisions are recognized on a straight-line basis over the shorter of the lease term or the period up to the date at which the lessee may terminate the lease without suffering any material financial consequences (usually after six years). Therefore, in order to reflect the economic benefits of the lease, rent-free periods and lease premiums paid to lessees are recognized over the firm term of the lease.

Termination indemnities are recognized in "Income from other services" in operating income.

Note 2.11 Rental expenses and rebilling of expenses to lessees

Rental expenses incurred by the lessor on behalf of lessees and expenses chargeable to the lessees under the terms of the lease are recorded in the statement of comprehensive income under “Other purchases and external charges” or “Taxes, duties and other levies”.

The rebilling of rental expenses to lessees and expenses chargeable to lessees under the terms of the lease are recorded in the statement of comprehensive income under “Income from other services”.

The portion of rental expenses concerning vacant premises is recorded directly in the statement of comprehensive income. Given the low vacancy rate in the three buildings, the amount in question is limited to EUR 833k.

Note 2.12 Discounting of deferred payments

Long-term debts and receivables are discounted when they have a material impact.

- The debt corresponding to tax payable over four years in order to qualify for SIIC status is discounted.
- Security deposits received from lessees are not discounted as the discount effect is not material.
- Provisions for material liabilities, as defined in IAS 37, are discounted over the estimated duration of the disputes they cover.

Note 2.13 Earnings per share

Earnings per share, a key indicator, are calculated by dividing net attributable income by the average weighted number of shares outstanding during the period. As the Company has no dilutive instruments, basic and diluted earnings per share are the same.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

To prepare the financial statements, the Company uses estimates and judgments which are updated on a regular basis and are based on past information and other factors, in particular assumptions of future events deemed reasonable in view of the circumstances.

Estimates that could lead to a significant adjustment in the fair value of assets and liabilities during the period mainly concern the determination of the fair value of the Company’s real estate assets which is measured on the basis of valuations carried out by an external real estate valuer using the methodology described in Note 2.4.

Financial market instability has generated a significant decrease in the number of representative transactions. The transactions in the crisis context may not reflect the estimates of external real estate valuers.

As these valuations are only estimates, there may be a significant difference between the amount obtained upon the sale of some real estate assets and their estimated value, even when they are sold in the months following the balance sheet date.

In this context, valuations of the Company’s real estate assets by an external real estate valuer, could vary significantly according to changes in the yield, resulting from observation of the real estate market.

			Changes in market capitalization rate								
Building	Market rental value	Market capitalization rate	0.5%	0.375%	0.250%	0.125%	0.000%	-0.125%	-0.250%	-0.375%	-0.5%
Europlaza	24.8	6.47%	334.6	340.7	347.1	353.7	360.5	367.6	375.0	382.7	390.7
Rives de Bercy	10.8	6.49%	144.8	147.5	150.2	153.1	156.0	159.1	162.3	165.6	169.0
Arcs de Seine	21.7	6.57%	289.0	294.2	299.6	305.2	311.0	317.0	323.3	329.8	336.6
Total	57.2	6.51%	768.5	782.4	796.9	811.9	827.5	843.7	860.5	878.1	896.3
Impact on the portfolio valuation:			-7.13%	-5.45%	-3.70%	-1.88%	0.00%	1.96%	3.99%	6.11%	8.32%

Source: BNPP Real Estate

As these data are linked to the market, they could change significantly in the current context. Moreover, they could have a significant positive or negative impact on the fair value of the Company's real estate assets.

MANAGEMENT OF FINANCIAL RISKS

Note 4.1 Risk related to the valuation of the real estate assets

The Company's real estate portfolio is measured by an external real estate valuer. The value of this portfolio depends on the ratio of supply to demand in the property market, a great number of substantially varying factors, and changes in the economic environment.

All the Company's real estate assets are office buildings with a large surface area (above 30,000 m^2) located in the inner suburbs of Paris. A fall in demand for this type of building could adversely affect the Company's results, business activities and financial position.

The current crisis has given rise to sharp volatility in real estate prices and values. Consequently, the price obtained if the assets are disposed of in the short term may not be in line with the valuation.

Note 4.2 Risk related to changes in market rent levels for office premises

Market rent levels for office premises and the value of office buildings are strongly influenced by the ratio of supply to demand in the property market. A situation where supply outweighs demand is likely to adversely affect the Company's results, business activities, assets and liabilities and financial position.

Note 4.3 Risk related to the regulatory framework applicable to leases

Certain legal provisions applicable to commercial leases, such as public policy regulations governing lease terms and the indexing of rent, can restrict the capacity of property owners to increase rents. In the event of a change in the regulatory framework or the index used, the Company may be exposed to such risks.

Note 4.4 Counterparty risk

Company procedures ensure that lease agreements are only entered into with lessees of suitable credit standing. The Company has developed policies that limit the exposure to credit risk in relation to financial institutions.

The Company is currently dependent on a small number of lessees, three of which account for approximately 63% of all rental income generated over the year ended December 31, 2009, and more than 10% of total rental income on an individual basis. Although the Company's real estate assets could be, and are leased to many different lessees, financial difficulties experienced by one of these lessees, a request for more favorable lease terms upon renewal or a decision to terminate their lease, could adversely impact the Company's financial position, results and future performance.

Note 4.5 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and the ability to unwind market positions.

The Company currently receives financing from a single bank.

Notes 5.12 and 5.26 contain a description of the different credit facilities and the early repayment clauses contained in the loan agreements.

Note 4.6 Foreign exchange risk

As the Company only carries out business in the eurozone, it is not exposed to any foreign exchange risk.

Note 4.7 Interest rate risk

The Company refinances its debt as at December 31, 2009:

- for EUR 379,900k using a fixed-rate loan maturing in March 2013. Pursuant to the loan agreement, the Company is not exposed to any future increases in interest rates.

- for EUR 22,491k using a variable-rate (3-month Euribor) loan maturing in March 2013. In the event that 3-month Euribor exceeds 4%, the Company has undertaken to enter into a hedging agreement.

NOTES TO THE IFRS BALANCE SHEET AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2009

Note 5.1 Investment property

Carrying amount of investment property

Changes in the carrying amount of investment property can be broken down by building as follows:

(in thousands of euros)	Rives de Bercy	Europlaza	Arcs de Seine	Total
At December 31, 2007	**187,740**	**458,650**	**385,510**	**1,031,900**
Subsequent expenditure - Acquisitions		260		260
Disposals				-
Change in fair value	(24,290)	(33,620)	(35,840)	(93,750)
At December 31, 2008	**163,450**	**425,290**	**349,670**	**938,410**
Subsequent expenditure		180		180
Disposals				
Change in fair value	(7,450)	(64,970)	(38,670)	(111,090)
At December 31, 2009	**156,000**	**360,500**	**311,000**	**827,500**

Information regarding the nature and amount of limitations on (i) the disposal of investment property and (ii) the recovery of revenue and income generated on the disposal of investment property is presented in Note 5.26.

At December 31, 2009 there were no contractual obligations regarding the purchase, construction, development, repair, upkeep or improvement of investment property.

Main fair value assumptions

The real estate valuer's estimation of the fair value of the buildings at December 31, 2009 is indicated below, along with the supporting information.

Building	Estimated value at December 31, 2009 (net of taxes)		Yield	Gross leasable area at December 31, 2009		Annual rent (net of taxes)	
	(in millions of euros)	(%)	(%)	(sq.m)	(%)	(in thousands of euros)	(%)
Europlaza (1999*)	361	44%	6.7%	49,321	39%	22,557	37%
Arcs de Seine (2000*)	311	38%	8.3%	45,152	36%	26,918	44%
Rives de Bercy (2003*)	156	19%	7.1%	31,942	25%	11,677	19%
Total	**828**	**100%**		**126,415**	**100%**	**61,152**	**100%**

* Year of construction or restoration

Note 5.2 Non-current loans and receivables

This item can be broken down as follows:

(in thousands of euros)	Dec. 31, 2009	Dec. 31, 2008
Rent-free periods (non-current portion)	12,127	6,675
Non-current loans and receivables	**12,127**	**6,675**

"Rent-free periods" offsets the amounts recorded in the statement of comprehensive income relating to the portion of rent-free periods granted to lessees deferred for more than one year. The sharp increase in rent-free periods is mainly due to the renegotiation of 72% of the leases in 2008.

Note 5.3 Accounts receivable

This item can be broken down as follows:

(in thousands of euros)	Dec. 31, 2009	Dec. 31, 2008
Accounts receivable	14,505	13,370
Provision for impairment of accounts receivable	(22)	(22)
Accounts receivable	**14,483**	**13,348**

Note 5.4 Other operating receivables

This item can be broken down as follows:

(in thousands of euros)	Dec. 31, 2009	Dec. 31, 2008
Rental expenses	640	194
Rent-free periods (current portion)	2,460	2,169
Input VAT	296	659
Supplier accounts in debit and other receivables	25	11
Liquidity account/treasury shares	461	73
Other operating receivables	**3,882**	**3,104**

"Rent-free periods" corresponds to the current portion of the rent-free periods granted to lessees.

Note 5.5 Cash and cash equivalents

"Cash and cash equivalents" are composed of either bank account balances or risk-free bank deposits that may be considered as cash equivalents.

This item is made up of checking account balances amounting to EUR 9,200k and time deposits of EUR 7,000k. The interest rate on time deposits in effect at December 31, 2009 was approximately 0.62%.

Note 5.6 Ageing analysis of receivables

The ageing analysis of receivables at December 31, 2009 is as follows:

(in thousands of euros)	Receivables (net of impairment) At December 31, 2009	Receivables not past due (net of impairment)	Receivables past due (net of impairment)	Receivables less than 6 months past due	Receivables past due more than 6 months and less than 1 year	More than 1 year past due
Non-current receivables						
Non-current loans and receivables	12,127	12,127				
Total non-current receivables	**12,127**	**12,127**	**-**	**-**	**-**	**-**
Current receivables						
Accounts receivable	14,483	14,412	71	67	-	4
Other operating receivables	3,882	3,882	-	-	-	-
Prepaid expenses	2,204	2,204	-	-	-	-
Total current receivables	**20,569**	**20,497**	**71**	**67**	**-**	**4**
Total receivables	**32,696**	**32,624**	**71**	**67**	**-**	**4**

The ageing analysis of receivables at December 31, 2008 is as follows:

(in thousands of euros)	Receivables (net of impairment) At December 31, 2008	Receivables not past due (net of impairment)	Receivables past due (net of impairment)	Receivables less than 6 months past due	Receivables past due more than 6 months and less than 1 year	More than 1 year past due
Non-current receivables						
Non-current loans and receivables	6 675	6 675	-	-	-	-
Total non-current receivables	**6 675**	**6 675**	**-**	**-**	**-**	**-**
Current receivables						
Accounts receivable	13 348	13 323	23	16	-	7
Other operating receivables	3 104	3 103	1	-	-	-
Prepaid expenses	2 230	2 230	-	-	-	-
Total current receivables	**18 682**	**18 656**	**24**	**16**	**-**	**7**
Total receivables	**25 357**	**25 331**	**24**	**16**	**-**	**7**

Note 5.7 Carrying amount of financial assets pledged as collateral for liabilities

The carrying amount of financial assets pledged as collateral for liabilities is set out in Note 5.6 to the IFRS financial statements and corresponds to accounts receivable in the amount of EUR 14,483k.

Note 5.8 Fair value of financial assets

The fair value of financial assets approximates their carrying amount.

Note 5.9 Financial assets and liabilities

The table below presents a summary of financial assets and liabilities:

(in thousands of euros)	Dec. 31, 2009	Dec. 31, 2008
Financial assets at fair value through profit or loss		
Held-to-maturity investments		
Loans and receivables		
Non-current loans and receivables	12,127	6,675
Current receivables	18,365	16,452
Available-for-sale financial assets		
Total financial assets	**30,492**	**23,127**
Financial liabilities at fair value through profit or loss		
Financial liabilities measured at amortized cost		
Non-current liabilities	402,095	379,231
Current liabilities	6,679	29,840
Total financial liabilities	**408,774**	**409,071**

Note 5.10 Changes in impairment of financial assets

Changes in impairment of financial assets can be analyzed as follows:

(in thousands of euros)	Carrying amount at Dec. 31, 2008	Additions	Reversals	Carrying amount at Dec. 31, 2009
Impairment				
On trade accounts receivable	22	0	0	22
Total impairment	**22**	**-**	**-**	**22**

Note 5.11 Shareholders' equity

At December 31, 2009, shareholders' equity was equal to the Company's statutory equity plus adjustments to net income or loss recorded in the IFRS financial statements, less the value of treasury shares held by the Company.

The reserves and retained earnings may not be distributed in full.

At December 31, 2009, the Company's share capital consisted of 13,372,500 shares with a par value of EUR 12 each. The authorized and issued share capital has been fully paid up. There was no change in shares during the year ended December 31, 2009.

The Board of Directors has been authorized by the General Shareholders' Meeting of May 29, 2009 to:

- repurchase, on one or several occasions and at the times it deems fit, shares of the Company representing up to 10% of the share capital – adjusted if necessary to take into account any capital increases or reductions that may take place during the share buy-back program – pursuant to an eighteen-month authorization expiring on November 29, 2010;
- increase the capital by capitalizing reserves, profits or additional paid-in capital, by up to EUR 300m, pursuant to a twenty-six-month authorization expiring on July 29, 2011;
- increase the capital by issuing ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares or the allocation of debt securities, with pre-emptive rights for existing shareholders, pursuant to a twenty-six-month authorization expiring on July 29, 2011;
- increase the capital by issuing ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares or the allocation of debt securities, without pre-emptive rights for existing shareholders, pursuant to a twenty-six-month authorization expiring on July 29, 2011;
- issue new shares representing up to 10% of the capital for allocation in consideration of contributions to the Company of shares or securities, pursuant to a twenty-six-month authorization expiring on July 29, 2011.

Note 5.12 Non-current borrowings

The Company took out a bank loan on March 2, 2006. At December 31, 2009, this loan, measured at fair value less directly attributable transaction costs, amounted to EUR 400,527k.

The loan is broken down into several tranches:

Purpose	Principal (in thousands of euros)	Maturity	Interest rate basis	Interest rate
Tranche A	199,900	March 2, 2013	Fixed with variable-rate option	4.15%
Tranche B	180,000	March 2, 2013	Fixed with variable-rate option	4.15%
Financing of exit tax liability	22,492	March 2, 2013	Variable rate	3-month Euribor + 0.6%
Total	**402,392**			

The third tranche, relating to the financing of exit tax liability, was initially set at EUR 45m and reduced to EUR 22,491,840 in line with the last exit tax installment due on December 15, 2009. At December 31, 2009 this tranche had been drawn down.

On initial recognition, in 2006 bank borrowings were measured at the fair value of the consideration received, less directly attributable transaction costs. On the basis of the amortized cost method, the effective interest rate of the loan (Tranches A and B) amounts to 4.29%.

The average weighted cost of the loan for the year ended December 31, 2009 was 4.05%.

The first two tranches of the loan and the tranche relating to the financing of exit tax liability mature on March 2, 2013. The annual gross interest expense will amount to EUR 16.3m for 2009 to 2011 and EUR 16m for 2012.

Correlatively with the transfer of the easement, the Company has undertaken to repay EUR 3.5m of the debt on February 15, 2010.

Guarantees granted on the loans are recorded as off-balance sheet commitments (see Note 5.26).

The repayment schedule is subject to compliance with covenants or contractual clauses set out in Note 5.26. The Interest Coverage Ratio (ICR) and the Loan-to-Value ratio (LTV) have been determined at December 31, 2009 and do not affect the above repayment schedule. The ratios are described in Note 5.26.

Note 5.13 Fair value of financial liabilities

The fair value of CeGeREAL's fixed-rate bank loan can analyzed as follows:

(in thousands of euros)	Dec. 31, 2009		Dec. 31, 2008	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loan – first tranche (A)	199,900	206,621	199,900	203,042
Bank loan – second tranche (B)	180,000	186,052	180,000	182,830
Bank loan – third tranche (C)	22,491	22,491		
Total	**402,391**	**415,164**	**379,900**	**385,872**

At December 31, 2009, there was no difference between the carrying amounts and fair values of other financial instruments.

Note 5.14 Other non-current financial debt

Other non-current financial debt mainly consists of security deposits paid by lessees, which are recorded as non-current debt based on the assumption that lessees will seek to renew their leases if they expire within the next 12 months.

Note 5.15 Corporate income tax liability

This consists of the corporate income tax liability as described in Note 2.8.

Corporate income tax liability can be analyzed as follows:

(in thousands of euros)	Dec. 31, 2009	Dec. 31, 2008
Gross exit tax liability		22,492
Impact of discounting		(835)
Exit tax liability after discounting		*21,657*
Deferred tax liabilities		164
Corporate income tax liability	**-**	**21,821**
Breakdown of liability after discounting		
Current portion		21,821
Non-current portion		

Exit tax liability is discounted using the average yield on long- and medium-term government bonds at December 31, 2008. The last exit tax installment was paid on December 15, 2009.

The Company formally elected for preferential tax treatment as an SIIC with effect from April 1, 2006. Consequently:

- No deferred tax liabilities are booked in relation to unrealized capital gains on buildings.
- A tax liability was booked corresponding to the balance of the exit tax.

At December 31, 2009, deferred tax liabilities arising on the restatement of transaction costs directly attributable to the bank loan were included in the amount of the exit tax. The impact of the inclusion of these deferred tax liabilities in the amount of the exit tax was EUR 164k at both December 31, 2009 and at December 31, 2008.

Note 5.16 Other operating liabilities

Other operating liabilities can be broken down as follows:

(in thousands of euros)	Dec. 31, 2009	Dec. 31, 2008
Personnel	19	
Accrued VAT, other taxes and social security charges	3,113	2,610
Accrued rental expenses rebilled to lessees	659	427
Rent paid in advance by lessees	121	
Shareholders	41	41
Other operating liabilities	**3,953**	**3,079**
Amounts due to fixed asset suppliers		
Amounts due to fixed asset suppliers	**-**	**-**
Other liabilities	**3,953**	**3,079**

Note 5.17 Maturity schedule for liabilities with undiscounted contractual values

The maturity schedule for liabilities with undiscounted contractual values is as follows:

(in thousands of euros)	IFRS carrying amount at Dec. 31, 2009	Undiscounted contractual value	Undiscounted contractual value		Due in > 5 years
			Due in less than 1 year	Due in 1 to 5 years	
Non-current liabilities					
Non-current borrowings	400,527	402,391		402,391	
Other non-current financial debt	1,567	1,567			1,567
Non-current corporate income tax liability					
Total non-current liabilities	**402,095**	**403,958**	**-**	**402,391**	**1,567**
Current liabilities					
Accounts payable	2,725	2,725	2,725		
Corporate income tax liability	-				
Other operating liabilities	3,953	3,953	3,953		
Total current liabilities	**6,679**	**6,679**	**6,679**	**-**	**-**

Note 5.18 Prepaid expenses and revenue

Prepaid expenses consist mainly of interest paid on the bank loan for the first quarter of 2010. Prepaid revenue consists of rents billed in advance for the following quarter.

Note 5.19 Rental income

Including the impact of rent-free periods granted, rental income can be broken down by building as follows:

(in thousands of euros)	2009	2008
Europlaza	20,525	21,655
Arcs de Seine	26,382	24,507
Rives de Bercy	10,132	11,771
Rental income	**57,039**	**57,933**

Note 5.20 Income from other services

Income from other services can be analyzed as follows:

(in thousands of euros)	2009	2008
Rental expenses rebilled to lessees	5,606	5,900
Insurance costs rebilled to lessees	195	45
Real estate taxes rebilled to lessees	3,347	3,445
Other amounts rebilled to lessees and miscellaneous income	386	732
Termination indemnities	122	2,334
Others	479	433
Income from other services	**10,135**	**12,889**

During the third and fourth quarters 2008, termination indemnities of EUR 2,334k were received in relation to premises vacated by lessees before expiration of the lease term.

Note 5.21 Building-related costs

Building-related costs can be broken down as follows:

(in thousands of euros)	2009	2008
Rental expenses	5,362	6,373
Insurance	195	233
Taxes	3,713	3,507
Fees	3,192	3,530
Maintenance costs	158	1,813
Expenses on vacant premises	833	281
Other expenses	82	90
Building-related costs	**13,534**	**15,827**

Fees mainly comprise asset management fees, which amounted to EUR 2,896k for the year ended December 31, 2009 and EUR 3,284k for the year ended December 31, 2008.

Expenses on vacant premises relate to the Europlaza building.

Rental expenses amounted to EUR 10,102k of which EUR 9,147k were rebilled.

Note 5.22 Administrative costs

Administrative costs mainly comprise professional fees and also include payroll expenses for EUR 314k.

Note 5.23 Financial income and expense

Financial income and expenses can be broken down as follows:

(in thousands of euros)	2009	2008
Financial income	94	1,070
Financial expenses *(a)*	(16,958)	(16,769)
Unwinding of the discounting on the pre-exit tax provision		
Discounting of exit tax provision	(835)	(1,902)
Net financial expense	**(17,699)**	**(17,601)**
(a) Breakdown of financial expenses		
Interest on bank borrowings	*(16,476)*	*(16,618)*
Commissions on bank borrowings	*(482)*	*(151)*
Total financial expenses	**(16,958)**	**(16,769)**

Note 5.24 Corporate income tax

Corporate income tax can be broken down as follows:

(in thousands of euros)	2009	2008
Corporate income tax		
Total current tax expense	**-**	**-**
Deferred taxation income	(164)	(165)
Corporate income tax	**(164)**	**(165)**

Note 5.25 Earnings per share

Earnings per share are calculated by dividing net profit attributable to shareholders of the Company by the number of ordinary shares net of treasury shares at December 31, 2009, i.e., 13,355,049, and are presented at the bottom of the statement of comprehensive income.

The Company has no dilutive instruments. Therefore, basic and diluted earnings per share are identical.

Earnings per share excluding the impact of changes in the fair value of investment property and net of treasury shares amount to EUR 3.01 for the year ended December 31, 2009 versus EUR 2.59 for the year ended December 31, 2008.

Note 5.26 Off-balance sheet commitments and security provided

All material commitments are listed below. The Company has not entered into any complex commitments at the balance sheet date.

Commitments given

(i) The main guarantees provided in relation to bank borrowings are as follows:

- registration of contractual mortgages on all of the Company's existing real estate assets;
- delegation of insurance pursuant to Article L.121-13 of the French Insurance Code (*Code des assurances*) relating to the Company's existing real estate assets;
- assignment of rent receivables under the Dailly Law mechanism on all of the Company's existing real estate assets.

(ii) Under the terms of the loan agreement, the Company has undertaken:

- to use each tranche of the loan only for its stated purpose;
- to pledge its assets as collateral only to the lender, unless otherwise agreed with the latter;
- to ensure that the interest coverage ratio (ICR) (projected annual net rental income/annual interest expense and charges) is at least equal to 150%;
- to ensure that the loan-to-value (LTV) ratio (outstanding bank borrowings/market value of real estate assets net of taxes) remains below 70%;
- not to significantly amend the terms and conditions of leases generating over 5% of projected net rental income without the prior consent of the lender, except in certain specific cases;
- not to incur any debt other than bank loans, intra-group loans, loans or credit terms granted by a supplier of goods or services in the ordinary course of business and under arm's length conditions; not to provide any off-balance sheet commitments and securities;
- to incur capital expenditure only in relation to its real estate assets. Such expenditure must be financed using equity and/or surplus cash, after payment of VAT, exit tax, operating expenses related to the real estate assets and the operation of the Company as well as all amounts payable under the loan agreement ("surplus cash");
- in the event of default (as defined below), not to distribute dividends for an amount greater than that stipulated in Article 208 C-II of the French Tax Code;
- in the event that the Company no longer benefits from the SIIC regime: (i) to pay dividends or repay intra-group loans only out of surplus cash and (ii) in the event of default, not to pay dividends or repay intra-group loans.

(iii) The Company does not possess any derivative financial instruments.

(iv) At December 31, 2008 the Company was bound by a commitment to grant Raphaël Tréguier a termination benefit of EUR 150k if he was removed from office before the expiration of the 12-month waiting period following his first contribution to a private unemployment insurance fund, subject to certain conditions and exceptions. On February 16, 2010, the date on which the financial statements were approved by the Board of Directors, Raphaël Tréguier was still in office and this commitment was not therefore enforced.

Commitments received

(i) Security deposits received from lessees amounted to EUR 39,984k at December 31, 2009.

(ii) On July 31, 2006, in addition to the third tranche of the bank loan (see Note 5.12), the Company entered into a soft underwriting loan and remediation facility agreement, whose exclusive purpose was to finance payment of the exit tax in an amount of EUR 45m. This loan facility may no longer be used at December 31, 2009, as the first three installments of exit tax have already been paid.

(iii) Description of the main provisions and resulting commitments of the Company's operating leases.

All of CeGeREAL's business assets are located in France and are subject to the provisions of French law. The Company's business activities are governed by Articles L.145-1 to L.145-60 of the French Commercial Code. The lease term may not be less than nine years and only the lessee has the option of terminating the lease at the end of each three-year period following inception of the lease, subject to six months' notice. However, the parties may agree to contractually waive the option to terminate the lease at the end of each three-year period.

Rents are generally payable quarterly in advance and are indexed to changes in the INSEE (*Institut National de la Statistique et des Etudes Economiques*) building costs index. The lease may provide for a step-up arrangement or for constant rental payments, and it may include rent-free periods or temporary rent freezes, but in any event, the terms and conditions are fixed at the inception of the lease for the entire lease term. Charges, including real property tax and tax on office premises, are generally borne by the lessee unless otherwise stipulated in the lease.

(iv) Minimum guaranteed rental income from current operating leases.

At December 31, 2009, the minimum annual rental income (excluding VAT and rebilling of taxes and expenses) due to the Company through to the earliest possible termination dates of the different operating leases were as follows (in thousands of euros):

(year/period)	Minimum annual rental income (in thousands of euros)	
	Dec 31, 2009	Dec 31, 2008
2009		48,803
2010	67,122	52,878
2011	41,174	25,150
2012	40,585	19,764
2013	40,344	20,200
2014	34,077	19,973
2015	17,836	6,137
2016	8,776	4,922
2017	5,970	3,250

These rents represent amounts to be invoiced, excluding the impact of the staggering of rent-free periods granted with respect to earlier periods.

Note 5.27 Transactions with related parties

Transactions with related companies

As indicated in Note 1.1, the hausInvest europa fund, CeGeREAL's majority shareholder, is managed by Commerz Real, consequently transactions with Commerz Real are identified as related-party agreements.

(in thousands of euros)	2009	2008
Impact on operating income		
Building-related costs: asset management fees	2,896	3,284
Impact on net financial expense		
Interest expense and related charges		
Total income statement impact	**2,896**	**3,284**
Impact on balance sheet liabilities		
Non-current borrowings		
Accounts payable	566	605
Other operating liabilities	41	41
Total balance sheet impact	**606**	**646**

Transactions with key management personnel

(i) Compensation of the Chairman of the Board of Directors

The gross compensation of the Chairman of the Board of Directors amounted to EUR 50k for the year ended December 31, 2008 and EUR 25k for the year ended December 31, 2009. This amount was paid during the year.

(ii) Compensation of key management personnel

Categories of employee benefits (IAS 19 and IFRS 2)	2009	2008
Short-term employee benefits	221	265
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		150
Share-based payments		
Total	**221**	**415**

(iii) Attendance fees

Attendance fees paid to directors amounted to EUR 7.5k for the year ended December 31, 2008.

Attendance fees in the amount of EUR 15k were paid to directors for the year ended December 31, 2009.

(iv) Loans and securities granted to Company executives

None

(v) Transactions entered into with Company executives

None

(vi) Entities having key management personnel in common with the Company

The Company has key management personnel in common with CRI (formerly CGI), namely certain directors and the Managing Director.

Note 5.28 Personnel

The Company had three employees at December 31, 2009.

Note 5.29 Statutory Auditors

The Statutory Auditors are:

Charles Leguide

21, rue Clément Marot

75008 Paris

First appointed at the Ordinary Shareholders' Meeting held in September 1999 and reappointed at the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005.

KPMG Audit

1 Cours Valmy

F-92923 Paris La Défense Cedex

First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005.

The fees paid to the Statutory Auditors for the years ended December 31, 2009 and 2008 were as follows:

	2009	2008
Statutory audit of the financial statements	330	296
Advisory services and services directly related to the statutory audit engagement	17	17
Total	**347**	**313**

Statutory Auditors' report on the IFRS financial statements for the year ended December 31, 2009

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the IFRS financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the IFRS financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CeGeREAL SA

Registered office: 21-25 rue Balzac, 75008 Paris

Share capital: EUR 160,470k

Statutory Auditors' report on the IFRS financial statements

Year ended December 31, 2009

To the Shareholders,

In our capacity as Statutory Auditors of CeGeREAL S.A., and in compliance with the assignment entrusted to us, we hereby report to you, for the year ended December 31, 2009, on the audit of the accompanying financial statements of CeGeREAL S.A. prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

These IFRS financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 Opinion on the IFRS financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2009 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 Justification of our assessments

The accounting estimates used in the preparation of the financial statements for the year ended December 31, 2009 were made against a backdrop of a lack of liquidity in the real estate market and significant difficulty in assessing the economic outlook. It is in this context that we bring to your attention our own assessments.

Notes 2.3 and 2.4 to the IFRS financial statements describe the accounting method used to measure investment property. Investment property is measured at market value, which is estimated by an external real estate valuer at December 31 each year.

Our work consisted in obtaining the external valuer's reports, assessing the data and assumptions on which the estimates were based, and ensuring that the notes to the IFRS financial statements contain the appropriate disclosures.

These assessments were made as part of our audit of the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

The Statutory Auditors

Paris La Défense and Paris, March 15, 2010

KPMG Audit *Department of KPMG S.A.*	Charles Leguide
Régis Chemouny *Partner*	*Partner*

3.3. ANNUAL FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP

Balance sheet at December 31, 2009 – French GAAP

(in euros)

ASSETS	Notes	Gross amount	Depr., Amort. & Prov.	Dec. 31, 2009	Dec. 31, 2008
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, 2008
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 for the year ended December 31, 2009 – French GAAP

(in euros)

	France	Exports	Notes	2009 Total	2008 Total
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	2009	2008
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**

Notes to the financial statements prepared in accordance with French GAAP for the year ended December 31, 2009

BACKGROUND

Note 1.1 Stock market listing

The Company's shares have been quoted on the Eurolist market (compartment B) of Euronext Paris SA, under the reference no. FR0010309096, since March 29, 2006.

The Company was first listed in March 2006. The listing involved 3,837,326 shares stemming from a Retail Public Offering (81,412 shares allocated between March 21 and March 27, 2006) and an Underwriting Agreement (3,755,914 shares allocated between March 21 and March 28, 2006).

Note 1.2 Financial periods

The fiscal year covers a period of 12 months, from January 1, 2009 to December 31, 2009.

Note 1.3 Presentation of comparative financial information

The information presented in the annual financial statements includes comparative data in relation to the year ended December 31, 2008.

Note 1.4 Financial statements

The Company does not have any subsidiaries and does not therefore prepare consolidated financial statements but it does also present financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

Note 1.5 Key events

Compliance with SIIC 4

In order to facilitate and diversify access to the capital of SIICs (listed real estate investment companies), SIIC regulations, as modified by the Amending French Finance Act for 2006 – "SIIC 4" – stipulate that any shareholder or group of shareholders, acting alone or in concert, must hold less than 60% of the SIIC's capital. If a company does not comply with this 60% threshold condition at January 1, 2010, the preferential tax treatment it enjoys as an SIIC will be temporarily suspended in 2010; in such a case, the company will be subject to corporate income tax at the standard rate. If the company still does not comply with the threshold at January 1, 2011, it will be deemed to have definitively lost SIIC status and will have to reimburse some of the tax savings accrued on the properties' unrealized capital gains.

Since its listing on the stock market in March 2006 and until December 31, 2009, CeGeREAL's majority shareholder - the German open-ended fund hausInvest europa, managed by the Commerz Real group – held 67% of the capital. In order to comply with the new SIIC regulation, on December 7, 2009 Commerz Real privately sold a block of shares representing 7% of the Company's capital and voting rights to an individual foreign investor. Commerz Real also sold an additional 30,000 shares on the open market. These sales reduced Commerz Real's holding in the Company to beneath the 60% threshold. As a consequence, CeGeREAL will maintain its SIIC status for 2010, and for the years to come, for as long as it complies with this threshold.

Carpe Diem

Within the scope of the construction by AVIVA/Hines of the Carpe Diem tower in the vicinity of the Europlaza building, CeGeREAL granted easements in favor of the Carpe Diem tower for a total consideration of EUR 7m, including EUR 150k received in 2008 in order to compensate the fees incurred by CeGeREAL for the transaction and EUR 6,850k in 2009 when the easement was granted.

The easement which, was granted for financial consideration, is analyzed as the transfer of real rights linked to the land. The cost price of this easement is considered as zero because the valuation of the building before and after the easement is the same.

The transaction was booked in an amount of EUR 6,850k under capital gains in the Company's financial statements for the year ended December 31, 2009. This capital gain is exempt from corporate income tax under the SIIC regime, provided that the Company respects its dividend payment obligations.

Under the credit agreement of March 2, 2006 with Eurohypo bank, CeGeREAL must reimburse Tranche A and B of the loan in the amount of EUR 3,500k.

ACCOUNTING RULES, PRINCIPLES AND METHODS

The Company's financial statements for the year ended December 31, 2009 were prepared in accordance with the 1999 French general chart of accounts (*Plan Comptable Général*) and all supplementary and amending regulations issued by the CRC (*Comité de la réglementation Comptable*), and with the accounting principles generally accepted in France.

Accounting policies were applied in accordance with the principle of prudence, and the following basic assumptions:

- going concern basis,
- consistency principle,
- accrual basis principle.

The basic method used for valuing items recorded in the accounts is the historical cost method.

The main accounting principles applied for the financial statements for the year ended December 31, 2009 are described below.

Note 2.1 Property, plant and equipment

Items of property, plant and equipment acquired prior to April 1, 2006 are stated in the balance sheet at their remeasured value as of that date. Items of property, plant and equipment acquired after that date are stated at cost. Changes in gross values and accumulated depreciation are shown in Notes 5.1 and 5.2.

Upkeep and repair costs are expensed as incurred unless they correspond to the definition of an asset under CRC Regulation No. 2004-06 of December 24, 2004.

Component-based approach

When one or several components of a fixed asset have different useful lives, each component is recognized separately and depreciated over its useful life.

The Company has carried out a technical survey of its various buildings and divided fixed asset components into four main categories: shell, façades, fixtures and fittings, and machinery and equipment.

The components of the second category (major upkeep work) may give rise to the recognition of a provision for losses in accordance with the multi-annual building plan.

Depreciable amount

The depreciable amount consists of the asset's gross value less its residual value.

Residual value corresponds to the amount that the Company could obtain for an asset at the end of its useful life, at current market prices and after deducting the expected costs of disposal. However, residual value is only taken into account if it is material and can be measured.

The residual value of an asset may only be measured if it is possible to reliably determine the market resale value of the asset at the end of its useful life.

The Company does not take residual value into account to calculate the depreciable amount of its buildings as it intends to use all of them until the end of their theoretical useful lives.

Depreciation periods

Depreciation is calculated on a straight-line basis over the residual useful life of the different components and is recorded in income under "On fixed assets: depreciation, amortization".

The depreciation periods for real estate assets held at December 31, 2009 are as follows:

Category of component	Residual useful life in years
Shell	40 - 55
Façades	20 - 25
Fixtures and fittings	9 - 10
Machinery and equipment	14 - 15

Note 2.2 Impairment

Impairment is calculated by the Company at each balance sheet date using impairment tests, once there is objective evidence that the asset may have suffered a decline in value.

Impairment must not be recognized unless the present value of the fixed asset is materially less than its carrying amount.

Present value is measured based on the higher of fair value and value in use. Fair value is the amount for which an asset could be exchanged at the balance sheet date in an arm's length transaction, net of disposal costs. Value in use represents the value of future economic benefits expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Note 2.3 Treasury shares

Treasury shares held within the scope of the liquidity agreement are stated at cost in assets under "Other long-term investments".

Cash amounts allocated to the liquidity agreement are stated in "Other long-term investments" as they are no longer available for the immediate needs of the Company.

Movements in the treasury share portfolio are recorded on a first in, first out basis.

A provision for impairment is set aside when the acquisition value of the shares is more than the average stock market price in the month preceding the balance sheet date.

Gains and losses realized on the sale of treasury shares and interest on the cash amounts allocated to the liquidity agreement are recognized in "Non-recurring income".

Note 2.4 Receivables

Receivables are measured at nominal value. A provision for impairment is set aside when the realizable value falls below the carrying amount.

Rent is usually billed in advance. As a result, trade accounts receivable consist of rent billed or paid in respect of the subsequent period.

This timing difference between the billing date and the balance sheet date is eliminated by recognizing rent billed for future periods under "Prepaid revenue".

Note 2.5 Revenue recognition

Rental income is recognized over the lease term.

Therefore, in order to reflect the economic benefits of the lease, material rent-free periods are recognized over the shorter of the lease term or the period up to the date at which the lessee may terminate the lease without suffering any material financial consequences (usually after six years).

Eviction indemnities paid to lessees in compensation for termination of the lease by the lessor are recognized in operating expenses. Termination indemnities received from former lessees are recognized in operating revenue.

Note 2.6 Rental expenses and rebilling of expenses to lessees

Rental expenses incurred by the lessor on behalf of lessees and expenses chargeable to the lessees under the terms of the lease are recorded in the income statement under "Other purchases and external charges" or "Taxes, duties and other levies".

The rebilling of rental expenses to lessees and expenses chargeable to the lessees under the terms of the lease are recorded in the income statement in income under "Sales of services".

The portion of rental expenses concerning vacant premises is recorded in operating expenses.

Note 2.7 Financial expenses

Charges relating to the arrangement of bank loans are expensed in the year in which the loan agreement was entered into.

Note 2.8 Property restoration costs

The costs of restoring property vacated by former lessees are usually expensed since they serve to maintain the normal condition of rental properties and do not generate an additional future economic benefit.

Similarly, indemnities received from lessees for restoring property to its previous condition are recognized in income.

MANAGEMENT OF FINANCIAL RISKS

Note 3.1 Risk related to the valuation of real estate assets

The Company's real estate portfolio is measured by an external real estate valuer. The value of this portfolio depends on the ratio of supply to demand in the property market, a great number of substantially varying factors, and changes in the economic environment.

All the Company's real estate assets are office buildings with a large surface area located in the inner suburbs of Paris. A fall in demand for this type of building could adversely affect the Company's results, business activities and financial position.

The current crisis has given rise to sharp volatility in real estate prices and values. Consequently, the price obtained if the assets are disposed of in the short term may not be in line with the valuation.

Note 3.2 Risk related to changes in market rent levels for office premises

Market rent levels for office premises and the value of office buildings are strongly influenced by the ratio of supply to demand in the property market. A situation where supply outweighs demand is likely to adversely affect the Company's results, business activities, assets and liabilities, and financial position.

Note 3.3 Risk related to the regulatory framework applicable to leases

Certain legal provisions applicable to commercial leases, such as public policy regulations governing lease terms and the indexing of rent, can restrict the capacity of property owners to increase rents. In the event of a change in the regulatory framework or the index used, the Company may be exposed to such risks.

Note 3.4 Counterparty risk

Company procedures ensure that lease agreements are only entered into with lessees of suitable credit standing. The Company has developed policies that limit the exposure to credit risk in relation to financial institutions.

The Company is currently dependent on a small number of lessees, three of which account for approximately 63% of all rental income generated over the year ended December 31, 2009, and more than 10% of total rental income on an individual basis. Although the Company's real estate assets could be, and are leased to many different lessees, financial difficulties experienced by one of these lessees, a request for more favorable lease terms upon renewal or a decision to terminate their lease, could adversely impact the Company's financial position, results and future performance.

Note 3.5 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and the ability to unwind market positions.

The Company currently receives financing from a single bank.

Note 5.15 contains a description of the different credit facilities and the early repayment clauses contained in the loan agreements.

Note 3.6 Foreign exchange risk

As the Company only carries out business in the eurozone, it is not exposed to any foreign exchange risk.

Note 3.7 Interest rate risk

The Company refinances its debt as at December 31, 2009:

- for EUR 379,900k using a fixed-rate loan maturing in March 2013. Pursuant to the loan agreement, the Company is not exposed to any future increases in interest rates.

- for EUR 22,491k using a variable-rate (3-month Euribor) loan maturing in March 2013. In the event that 3-month Euribor exceeds 4%, the Company has undertaken to enter into a hedging agreement.

CHANGE IN ACCOUNTING METHODS

There was no change in accounting methods from those used to prepare the financial statements for the year ended December 31, 2008.

Note 5.1 Statement of fixed assets

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, the Company updated the value of the real estate assets measured in May 2009 by external real estate valuer Atis Real Expertise, a member of BNP Paribas group. Each property was measured on the basis of various methods. One of these methods is the Hardcore Capitalization method, which essentially consists of capitalizing current market rents and factoring in the differential between actual rents and market rents. All amounts are measured net of taxes (see Note 2.1).

According to the valuation firm's calculations, the value of each building exceeds its carrying amount. As a result, no impairment was recognized on real estate assets at December 31, 2009.

Security given on property, plant and equipment is analyzed in Note 5.15.

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

Note 5.2 Statement of depreciation

Changes in accumulated depreciation can be broken down as follows:

(in euros)

Caption	Accumulated depreciation at Jan. 1, 2009	Charges for the period	Reversals in the period	Accumulated depreciation at Dec. 31, 2009
Property, plant and equipment				
Buildings	176,902,883	25,929,372	-	202,832,256
Europlaza	83,496,935	11,646,078		95,143,013
Arcs de Seine	67,255,974	9,448,434		76,704,408
Rives de Bercy	26,149,974	4,834,860		30,984,834
Technical plant, industrial machinery and other property, plant and equipment	768,216	116,312	-	884,528
Europlaza	191,060	13,143		204,203
Rives de Bercy	577,156	103,169		680,325
Total accumulated depreciation	**177,671,099**	**26,045,684**	**-**	**203,716,784**

Note 5.3 Statement of provisions and impairment allowances

Changes in this item were as follows:

(in euros)

Caption	Carrying amount at Jan. 1, 2009	Additions	Reversals	Carrying amount at Dec. 31, 2009
Provisions				
Contingency provision	37,500		37,500	
Impairment				
On treasury shares	130,478		130,478	
On trade accounts receivable	21,800			21,800
Total impairment	**189,778**	**-**	**167,978**	**21,800**

Note 5.4 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

(in euros)

Cash and cash equivalents	Dec. 31, 2009	Dec. 31, 2008
Bank accounts	9,199,756	6,481,964
Time deposits	7,000,000	3,300,000
Accrued interest receivable	69	4,558
Total	**16,199,824**	**9,786,522**

Time deposits have an average term of less than three months. The interest rate on time deposits in effect at December 31, 2009 was approximately 0.62%.

Note 5.5 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2009 can be analyzed as follows by maturity:

(in euros)

Receivables	Gross value	Due in less than one year	Due in more than one year
Receivables related to current assets			
Trade accounts receivable (a)	14,709,388	14,709,388	
Other receivables (b)	15,699,301	3,572,679	12,126,622
Total receivables	**30,408,690**	**18,282,068**	**12,126,622**

(a) Trade accounts receivable mostly comprise rents for the first quarter of 2010 and are offset by an entry to “Prepaid revenue” (net of VAT) (see Note 5.8).

(b) “Other receivables” due in more than one year represent mainly rent-free periods deferred for over one year. The sharp increase in rent-free periods is mainly due to the renegotiation of 72% of the leases in 2008.

(in euros)

Payables	Gross value	Due in ? 1 year	Maturity	
			1 to 5 years	> 5 years
Bank borrowings (c) (d) (e) (f)	402,391,840		402,391,840	
Miscellaneous borrowings and financial debt (g)	1,608,094	40,950		1,567,144
Trade accounts payable	2,810,173	2,810,173		
Tax and social liabilities	3,135,253	3,135,253		
Amounts due to fixed asset suppliers				
Other liabilities	1,048,748	1,048,748		
Total payables	**410,994,108**	**7,035,124**	**402,391,840**	**1,567,144**

(c) No new loans were taken out and no loans were paid off during the period.

(d) Repayment schedules for "Bank borrowings" are subject to compliance with covenants or contractual clauses set out in Note 5.15. The Interest Coverage Ratio (ICR) and the Loan-to-Value ratio (LTV) described in Note 5.15 have been determined at December 31, 2009 and do not affect the above repayment schedule.

(e) Collateral provided on borrowings at December 31, 2009 is analyzed in Note 5.15.

(f) The third tranche, relating to the financing of the exit tax liability, was initially set at EUR 45m and reduced to EUR 22,491,840 in line with the last exit tax installment due on December 15, 2009. At December 31, 2009, this tranche had been drawn down.

(g) Security deposits paid by lessees are recorded in "Miscellaneous borrowings and financial debt" for an amount of EUR 1,567,144. They are deemed to be long-term debt (maturing in over five years) on the assumption that lessees will seek to renew their leases.

Note 5.6 Accrued income and expenses

At December 31, 2009 accrued income and expenses can be analyzed as follows:

Accrued income	Dec. 31, 2009	Dec. 31, 2008
Other receivables		
- Deferred rent-free periods	14,586,691	8,844,159
Cash and cash equivalents	69	4,558
Total	**14,586,760**	**8,848,717**

Accrued expenses	Dec. 31, 2009	Dec. 31, 2008
Trade accounts payable	2,380,538	4,623,146
Tax and social liabilities	95,275	146,040
Total	**2,475,812**	**4,769,186**

Note 5.7 Transactions with related parties

As indicated in Note 1.5, the fund *hausInvest europa*, CeGeREAL's majority shareholder, is managed by the Commerz Real group. Consequently, the following transactions with Commerz Real have been identified as related-party agreements:

(in euros)

	Dec. 31, 2009	Dec. 31, 2008
Impact on operating income		
Other purchases and external charges: Asset management fees	2,896,250	3,284,436
Total income statement impact	**2,896,250**	**3,284,436**
Impact on balance sheet liabilities		
Dividends		
Miscellaneous borrowings and financial debt	40,950	40,950
Trade accounts payable	565,537	604,640
Total balance sheet impact	**606,487**	**645,590**

Note 5.8 Prepaid expenses and revenue

At December 31, 2009 prepaid expenses and revenue can be analyzed as follows:

(in euros)

	Expense	Revenue
Operating revenue/expenses	55,571	17,082,756
Financial income/expenses	2,014,525	
Non-recurring income/expenses		
Total income statement impact	**2,070,096**	**17,082,756**

Prepaid revenue consists mainly of rents and provisions for rebillable expenses in respect of the first quarter of 2010 billed in advance.

Prepaid expenses consist mainly of loan interest paid in the fourth quarter of 2009 and relating to a subsequent period.

Note 5.9 Composition of share capital

The share capital is fixed at EUR 160,470,000, divided into 13,372,500 fully paid-up shares of EUR 12 each.

Note 5.10 Statement of changes in shareholders' equity

Changes in shareholders' equity over the period were as follows:

(in euros)

Statement of changes in shareholders' equity	Capital	Merger premium	Reserves (including revaluation reserve)	Net income for the period	Shareholders' equity before appropriation of net income
At January 1, 2009	**160,470,000**	**39,745,105**	**191,732,847**	**10,874,924**	**402,822,876**
Dividends paid		(4,453,329)	(10,704,931)	(10,874,924)	
Net income for the period				15,540,619	
At December 31, 2009	**160,470,000**	**35,291,776**	**181,027,917**	**15,540,619**	**392,330,312**

The Board of Directors has been authorized by the General Shareholders' Meeting of May 29, 2009 to:

- repurchase, on one or several occasions and at the times it deems fit, shares of the Company representing up to 10% of the share capital – adjusted if necessary to take into account any capital increases or reductions that may take place during the share buy-back program – pursuant to an eighteen-month authorization expiring on November 29, 2010;
- increase the capital by capitalizing reserves, profits or additional paid-in capital, by up to EUR 300m, pursuant to a twenty-six-month authorization expiring on July 29, 2011;
- increase the capital by issuing ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares or the allocation of debt securities, with pre-emptive rights for existing shareholders, by up to EUR 300m, pursuant to a twenty-six-month authorization expiring on July 29, 2011;
- increase the capital by issuing ordinary shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares or the allocation of debt securities, without pre-emptive rights for existing shareholders, by up to EUR 300m, pursuant to a twenty-six-month authorization expiring on July 29, 2011;
- issue new shares representing up to 10% of the capital for allocation in consideration of contributions to the Company of shares or securities, pursuant to a twenty-six-month authorization expiring on July 29, 2011.

Note 5.11 Revaluation reserve

At December 31, 2009, the revaluation reserve can be analyzed as follows:

(in euros)

Caption	Increase in gross value	Allocation of exit tax liability	Reversal of the provision for taxes	Portion transferred to distributable reserves	Revaluation reserve	*o/w portion transferable to distributable reserves*
- Land	128,684,798	(45,370,883)			83,313,916	
- Buildings	117,530,055	(44,562,227)	25,459,816	(16,978,502)	81,449,142	*6,159,773*
- Technical plant, industrial machinery and other property, plant and equipment	208,917	(34,250)			174,667	
Total	**246,423,770**	**(89,967,360)**	**25,459,816**	**(16,978,502)**	**164,937,725**	

The additional depreciation related to the remeasurement of real estate assets amounts to EUR 6,159,773 for the year ended December 31, 2009, which brings the cumulative amount of additional depreciation since April 1, 2006 to EUR 23,138,275.

In accordance with the decision of the General Shareholders' Meeting of May 29, 2009, the portion of the revaluation reserve corresponding to the additional depreciation in respect of 2008, i.e. EUR 6,175,500, was transferred to distributable reserves.

Note 5.12 Breakdown of net revenue

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”.

Other revenue corresponds to the rebilling of costs incurred for the extension of the shared employee cafeteria at Europlaza, which were attributable to Arpège.

Note 5.13 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.

Note 5.14 Tax treatment: Election for tax treatment as an SIIC

In accordance with Article 208 C of the French Tax Code (*Code général des impôts*) applicable to listed real estate investment companies (*Sociétés d'Investissement Immobilières Côtées* - SIICs), the Company has elected for the preferential tax treatment granted to listed companies whose main business activity is the ownership and management of real estate assets. This election took effect on April 1, 2006.

Terms and conditions and impact of tax treatment as an SIIC

a) When a company opts for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

Unrealized capital gains are subject to corporate income tax at a rate of 16.5% and this tax, generally referred to as "exit tax", must be paid in four installments: on December 15 of the year in which the option takes effect and then on December 15 of the three following years. With the payment of the last installment on December 15, 2009, the Company has now paid all of the exit tax due, totaling EUR 89,967,360.

b) SIICs that have opted for preferential treatment are exempted from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 85% of this income is distributed before the end of the financial period following the period in which the income is generated;

- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having opted for preferential tax treatment, provided that 50% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;

- dividends received from subsidiaries having opted for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

In the event that the Company opts out of the SIIC regime in the ten years following election, it will be subject to corporate income tax at the standard rate on the revaluation gains determined upon election for the SIIC regime, less exit tax already paid at the reduced 16.5% rate.

c) The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code (*Code de commerce*).

In accordance with the French Finance Act for 2009, the Company had until December 31, 2009 to comply with the 60% threshold. If the Company had not met this condition at January 1, 2010, the preferential tax treatment it enjoys as an SIIC would have been temporarily suspended. In addition, if the Company had not complied with this condition by December 31, 2010, it would have been deemed to have definitively lost SIIC status with retroactive effect from January 1, 2010, leading to serious financial consequences.

On December 7, 2009, CRI, CeGeREAL's majority shareholder which held 67% of its capital, sold a block of shares representing 7% of the Company's capital and voting rights to a private foreign investor as well as 30,000 shares to other shareholders.

These sales reduced CRI's holding in the Company to less than the 60% threshold thereby bringing CeGeREAL into compliance with the Amending French Finance Act for 2006. As a result, CeGeREAL maintains its SIIC status.

d) The Amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not payable in the event that the beneficiary is a company that has an obligation to distribute all dividends it receives.

These provisions apply to all dividends distributed since July 1, 2007.

<u>Dividend distributions to CRI</u>

As CRI holds the CeGeREAL shares in the name and on behalf of the unit holders of the hausInvest europa property fund, the French tax authorities have decided to treat CRI as a tax-transparent entity and to consider that the unit holders of the hausInvest europa property fund hold a direct interest in CeGeREAL.

Based on this approach, the tax authorities considered that:

(i) dividends paid to unit holders of the fund do not fall within the scope of the 20% withholding tax if the unit holders are natural persons;

(ii) dividends paid to unit holders of the fund are not subject to the withholding tax if the unit holders are legal entities, provided that they do not meet the criteria set forth in Article 208 C-II, *ter* of the French Tax Code (which provides that the withholding tax is payable if the dividends are paid to an entity holding over 10% of the voting rights of the SIIC and the entity is not liable for corporate income tax or another equivalent tax on the amounts received).

Considering the status of the current unit holders of the fund, the Company is not liable for the 20% withholding tax on the dividends it distributes.

<u>Dividend distributions to other shareholders</u>

CeGeREAL will not be subject to the 20% withholding tax if it is established that no dividends are paid to shareholders other than natural persons meeting both of the following conditions:

(i) the shareholder holds, directly or indirectly, at least 10% of the dividend entitlements in the SIIC at the time the dividends are paid;

(ii) the shareholders' dividend is not subject to corporate income tax or another equivalent tax.

Considering CeGeREAL's ownership structure at December 31, 2009, the 20% withholding tax was not levied on any of the dividends it distributed.

Note 5.15 Off-balance sheet commitments and security provided

Loan guarantees

The main guarantees provided in relation to bank borrowings are as follows:

- registration of contractual mortgages on all of the Company's existing real estate assets;
- delegation of insurance pursuant to Articles L.121-13 of the French Insurance Code (*Code des assurances*) relating to the Company's existing real estate assets;
- assignment of rent receivables under the Dailly Law mechanism on all of the Company's existing real estate assets.

Loan agreement covenants

Under the terms of the loan agreement, the Company has undertaken:

- to use each tranche of the loan only for its stated purpose;
- to pledge its assets as collateral only to Eurohypo AG, unless otherwise agreed with the latter;
- to maintain its assets in a good working condition;
- to communicate to Eurohypo AG certain documents and information with varying frequency, including copies of the audited financial statements, quarterly rental statements, a breakdown of capital expenditure relating to the Company's real estate assets, an annual budget, etc.;
- to ensure that the interest coverage ratio (ICR) (projected annual net rental income/annual interest expense and charges) is at least equal to 150%;
- to ensure that the loan-to-value ratio (LTV) (outstanding bank borrowings/market value of real estate assets net of taxes) remains below 70%;
- not to significantly amend the terms and conditions of leases generating over 5% of projected net rental income without the prior consent of Eurohypo AG;
- not to enter into leases without the prior consent of Eurohypo AG unless the Company provides the lender with a copy of such leases accompanied by a statement confirming that they have been entered into as part of a prudent management policy. In the event that CRI's interest in the Company decreases to the extent that it no longer owns the majority of voting rights at the Extraordinary Shareholders' Meeting, the Company agrees not to enter into any leases with a value of more than 5% of the buildings' projected net rental income without the prior consent of Eurohypo AG;
- not to incur any debt other than bank loans, intra-group loans, loans or credit terms granted by a supplier of goods or services in the ordinary course of business and under arm's length conditions; not to provide any off-balance sheet commitments and securities;
- to incur capital expenditure only in relation to its real estate assets. Such expenditure must be financed using equity and/or surplus cash, after payment of VAT, exit tax, operating expenses related to the real estate assets and the operation of the Company as well as all amounts payable under the loan agreement ("surplus cash");
- in the event of default (as defined below), not to distribute dividends for an amount greater than that stipulated in Article 208 C-II of the French Tax Code;
- in the event that the Company no longer benefits from the SIIC regime, (i) to pay dividends or repay intra-group loans only out of surplus cash and (ii) in the event of default, not to pay dividends or repay intra-group loans;
- to adhere to the legislation applicable to its business and assets.

Loan and remediation facility agreement

On July 31, 2006, in addition to the third tranche of the bank loan (see Note 5.5), the Company entered into a soft underwriting loan and remediation facility agreement, whose exclusive purpose was to finance payment of the exit tax in an amount of EUR 45m. This loan facility could no longer be used at December 31, 2008, due to the three installments of exit tax already made.

Commitments to a corporate officer in the event of removal from office

At December 31, 2008 the Company was bound by a commitment to grant Raphaël Tréguier a termination benefit of EUR 150k if he was removed from office before the expiration of the 12-month waiting period following his first contribution to a private unemployment insurance fund, subject to certain conditions and exceptions. On February 16, 2010, the date on which the financial statements were approved by the Board of Directors, Raphaël Tréguier was still in office and this commitment was not therefore enforced.

Derivatives

The Company did not possess any derivative financial instruments at December 31, 2009.

Commitments relating to the operating leases offered by the Company

Security deposits received from lessees amounted to EUR 39,983,842 at December 31, 2009.

Description of the main provisions and resulting commitments of the Company's operating leases

All of CeGeREAL's business assets are located in France and are subject to the provisions of French law. The Company's business activities are governed by Articles L.145-1 to L.145-60 of the French Commercial Code. The lease term may not be less than nine years and only the lessee has the option of terminating the lease at the end of each three-year period following inception of the lease, subject to six months' notice. However, the parties may agree to contractually waive the option to terminate the lease at the end of each three-year period.

Rents are generally payable quarterly in advance and are indexed to changes in the INSEE (*Institut National de la Statistique et des Études Économiques*) building costs index. The lease may provide for a step-up arrangement or for constant rental payments, and it may include rent-free periods or temporary rent freezes, but in any event, the terms and conditions are fixed at the inception of the lease for the entire lease term. Charges, including real property tax and tax on office premises, are generally borne by the lessee unless otherwise stipulated in the lease.

Minimum guaranteed rental income from current operating leases

At December 31, 2009, the minimum annual rental income (excluding VAT and rebilling of taxes and expenses) due to the Company through to the earliest possible termination dates of the different operating leases were as follows (in thousands of euros):

Year/period	Minimum annual rental income	Minimum annual rental income
	At December 31, 2009	At December 31, 2008
2009		48,803
2010	67,122	52,878
2011	41,174	25,150
2012	40,585	19,764
2013	40,344	20,200
2014	34,077	19,973
2015	17,836	6,137
2016	8,776	4,922
2017	5,970	3,250

These rents represent amounts to be invoiced, excluding the impact of the staggering of rent-free periods granted with respect to earlier periods.

Note 5.16 Executive compensation

In accordance with a decision by the Board of Directors on January 19, 2006, compensation for the Chairman of the Board of Directors is set at EUR 25k for the first half of 2009.

At the General Shareholders' Meeting of May 29, 2009, the shareholders set the maximum total annual attendance fees for all directors at EUR 45k. Attendance fees of EUR 15k were paid for the year ended December 31, 2009.

Note 5.17 Average headcount

The Company had three employees at December 31, 2009.

Note 5.18 Statutory Auditors

The Statutory Auditors are:

Charles Leguide

21, rue Clément Marot

75008 Paris

First appointed at the Ordinary Shareholders' Meeting held in September 1999 and reappointed at the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005.

KPMG Audit

1 Cours Valmy

F-92923 Paris La Défense Cedex

First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005.

The fees paid to the Statutory Auditors for the years ended December 31, 2009 and 2008 were as follows:

(in euros)

	2009	2008
Statutory audit of the financial statements	313,148	296,150
Advisory services and services directly related to the statutory audit engagement	17,000	17,000
Total	**330,148**	**313,150**

Statement of sources and uses of funds

(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 financial debt (bank borrowings)	22 491 840	
Increase in other financial debt (security deposits received from lessees)	-	
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		
Change in operating assets				
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)
Change in operating liabilities			-	-
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				
Change in other receivables				
Due to partners				
Change in other payables				
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**

3.4. *STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS*

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CeGeREAL SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470k

Statutory Auditors' report on the annual financial statements

Year ended December 31, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying financial statements of CeGeREAL S.A;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

The accounting estimates used in the presentation of the financial statements for the year ended December 31, 2009 were made against a backdrop of a lack of liquidity in the real estate market and significant difficulty in assessing the economic outlook. It is in this context and in accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de Commerce*), that we bring to your attention our own assessments.

Notes 2.1, 2.2 and 3.1 to the annual financial statements describe the accounting method, based on the cost model, used to measure investment property and its impairment. Our work consisted in verifying that the abovementioned accounting methods were appropriate and ensuring their correct application, validating the recoverable value of the property, in particular on the basis of the external real estate valuer's reports and ensuring that the notes to the annual financial statements contain the appropriate disclosures.

These assessments were made as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders has been properly disclosed in the management report.

Paris La Défense and Paris, March 15, 2010

KPMG Audit
Department of KPMG S.A.

Régis Chemouny
Partner

Charles Leguide
Partner

3.5. *STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS*

This is a free translation into English of the Statutory Auditors' special report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CeGeREAL SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470k

Statutory Auditors' special report on related-party agreements and commitments

Year ended December 31, 2009

To the Shareholders,

In our capacity as Statutory Auditors of CeGeREAL S.A., we hereby report to you on related-party agreements and commitments.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

No notification of agreements and commitments

We were not notified of any agreements or commitments governed by Article L.225-38 of the French Commercial Code that were entered into during the year.

Agreements and commitments authorized in prior years and that remained in force during the year

In accordance with the French Commercial Code, we were informed that the following agreements and commitments, authorized in prior years, remained in force during the year.

- **Commitment towards Raphaël Tréguier, in the event of the discontinuance of his duties**

  The Board of Directors' meeting of April 14, 2008 authorized that Mr Tréguier be granted a termination benefit in the event that he is removed from his position as Deputy Managing Director before the expiration of the 12-month waiting period following his first contribution to a private unemployment insurance fund.

  No expense was recognized by CeGeREAL in 2009 with respect to this commitment. Raphaël Tréguier was still in office on December 31, 2009 and the commitment therefore ended on that date.

- **Asset Management Agreement with C.G.I.**

  CeGeREAL and C.G.I. entered into an Asset Management Agreement early in 2006 with a term of six years. Pursuant to the agreement, C.G.I. provides the Company with investment consulting services in relation to the Company's real estate assets.

  The consideration provided for in the agreement is assessed on the fair value (including taxes) of the real estate assets and the purchase or sale price of the buildings in the case of a purchase, sale or construction of buildings by the Company.

  Asset management fees paid by CeGeREAL in 2009 amounted to EUR 2,896,650.

- **Signing of the Credit Facility Agreement letter**

  In connection with the refinancing of the loans taken out with Eurohypo AG bank to finance the Europlaza, Arcs de Seine and Rives de Bercy buildings, a Credit Facility Agreement letter was signed between CeGeREAL, Eurohypo AG and C.G.I. on January 19, 2006. This letter governs the terms and conditions of the refinancing loan.

  The agreement did not produce any effects during the year.

- **Commercial lease**

  A commercial lease was signed between CeGeREAL and C.G.I. with effect from March 1, 2007 for the occupation of the premises located at 21-25 rue Balzac in Paris.

  Rent and charges paid by CeGeREAL during the year pursuant to the lease amounted to EUR 64,479 and EUR 43,977 respectively.

- **Memorandum of Understanding to ensure C.G.I.'s compliance with the German Investment Act**

  An agreement was signed on December 31, 2005 to ensure that C.G.I. complies with the laws and regulations applicable in Germany in relation to its status as management company, and in particular the provisions that require a custodian bank to control actions by the management company.

  This agreement did not produce any effects during the year.

- **Subordination Agreement dated July 31, 2006**

  A Subordination Agreement was signed with C.G.I. on July 31, 2006. The purpose of the agreement is to establish an order of priority for the repayment of CeGeREAL's loans.

  This agreement did not produce any effects during the year.

We have performed the procedures deemed necessary with regard to professional standards applicable in France to such assignments. Those procedures consisted in verifying that the information provided to us was consistent with the underlying documents.

Paris La Défense, March 15, 2010	Paris, March 15, 2010
KPMG Audit *Department of KPMG S.A.*	Charles Leguide
Régis Chemouny *Partner*	*Partner*

3.6. VERIFICATION OF THE HISTORICAL ANNUAL INFORMATION

Verified historical annual information

The Company declares that the historical financial information was verified and described in the Statutory Auditors' general and special reports.

Other information verified by the Statutory Auditors

None

Financial information not taken from the Company's financial statements

None

3.7. DATES OF THE FINANCIAL INFORMATION

The most recent, audited Company financial statements are those that were prepared in accordance with French GAAP for the year ended December 31, 2009.

3.8. LEGAL AND ARBITRATION PROCEEDINGS

Within the scope of its normal business activities, CeGeREAL is involved in various legal or administrative proceedings and is subject to administrative audits. The Company sets aside a provision each time a determined risk presents a significant probability of materialization before the end of the fiscal year and each time that an estimate of the financial impact related to this risk is possible.

The Company is not aware of any other government, legal or arbitration proceedings, including any proceedings that have been suspended or that are imminent, which could have – or, in the last 12 months have had – significant impacts on its financial position or its profitability.

No provision for a significant amount corresponding to lawsuits has been booked (see section III.3.3 "Annual Financial Statements prepared in accordance with French GAAP", note 5.3).

3.9. SIGNIFICANT CHANGE IN FINANCIAL OR COMMERCIAL POSITION

To the Company's knowledge, there has been no significant change in CeGeREAL's financial or commercial position since December 31, 2009.

4. STATUTORY AUDITORS

4.1. PRINCIPAL STATUTORY AUDITORS

Charles Leguide, member of the Paris Institute of Auditors (*Compagnie des commissaires aux comptes*), 21, rue Clément Marot, 75008 Paris

Appointed by decision of the sole shareholder of CGF Eurl on September 28, 1999, appointment renewed by decision of the sole shareholder on June 30, 2005 and confirmed by the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2010.

KPMG Audit

Member of the Versailles Institute of Auditors, 1 Cours Valmy F-92923 Paris La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2010.

4.2. DEPUTY STATUTORY AUDITORS

Patrice Pelissier, member of the Paris Institute of Auditors, 3, avenue Mozart, 75116 Paris

Appointed by decision of the sole shareholder of CGF Eurl on September 28, 1999, appointment renewed by decision of the sole shareholder on June 30, 2005 and confirmed by the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2010.

SCP Jean-Paul André et Autres

Member of the Paris Institute of Auditors, 2bis, rue de Villiers, 92300 Levallois-Perret

Appointed by a decision of the Ordinary and Extraordinary Shareholders' Meeting of December 31, 2005, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2010.

Since their appointments, the Statutory Auditors and their deputies have not been removed from office and have not resigned.

5. DOCUMENTS PRESENTED OR SUBMITTED TO THE JUNE 29, 2010 GENERAL SHAREHOLDERS' MEETING

5.1. PRESENTATION OF THE BOARD OF DIRECTORS' REPORT TO THE ORDINARY SHAREHOLDERS' MEETING

The Board of Directors has convened an Ordinary Shareholders' Meeting of June 29, 2010 to report on the Company's activity in the course of the year that began on January 1, 2009, and ended on December 31, 2009, and submit to the shareholders, for approval, that year's financial statements. The shareholders have also been convened in particular to decide on the items of the agenda indicated in section 5.2.

Information in the Board of Directors' report included in the Registration Document

The following table by theme makes it possible to identify and situate, in this Registration Document, the mandatory information to be contained in the Board of Directors' report to the General Shareholders' Meeting.

Erreur ! Liaison incorrecte.

Board of Directors' report on the agenda of the June 29, 2010 General Shareholders' Meeting

In particular, the purpose of CeGeREAL's General Shareholders' Meeting will be to approve the resolutions of which the purpose is specified and commented upon below.

The full texts of the proposed resolutions to be submitted to CeGeREAL's General Shareholders' Meeting is included in section 6.2.

Approval of the financial statements

The first resolution submits the previous year's annual financial statements, which state net income of EUR 15,540,619, to the shareholders for approval.

Discharge to the directors

The second resolution concerns the discharge to be given to the directors for their management.

Transfer to a reserve account

The third resolution refers to the transfer of a portion of the sums recorded in the "revaluation reserve" account to a reserve account, i.e., EUR 6,159,733. The "Other Reserves" account would then have a net allocation of EUR 6,159,773.

Allocation of income and setting of the dividend

The fourth resolution proposes allocating the previous year's profit to the payment of a dividend of EUR 1.16 per share.

If that proposal is adopted, the dividends will be paid on July 21, 2010.

Distribution of reserves

The fifth resolution proposes distributing an additional dividend taken from the "Other reserves" account for an amount of EUR 0.46 per share.

If that proposal is adopted, the additional dividend will be paid on July 21, 2010.

Exceptional distribution

The sixth resolution proposes an exceptional distribution of a share premium amounting to EUR 0.08 per share.

If that proposal is adopted, the dividends will be paid on July 21, 2010.

As a result of allocation of income, the distribution of reserves and the exceptional distribution, the dividend payment amounts to a total of EUR 22,733,250, i.e., EUR 1.7 per share.

Related party agreements

The seventh resolution refers to related party agreements disclosed that were entered into in the previous year and in the Statutory Auditors' special report.

Directors' fees

The eighth resolution relates to directors' fees. The shareholders are being asked to set the amount of such fees at EUR 45,000 for the 2010 fiscal year.

Share buy-back program

The ninth resolution allows the Company to repurchase its own shares within the limits set by the shareholders in compliance with the law. It allows such repurchases to be made within the limit of 10% of the share capital and for a maximum price of EUR 50 per share.

The tenth resolution allows the Company to cancel the shares repurchased for this purpose within the scope of the share buy-back program, within the limit 10% of the share capital over a 24-month period.

Authority for increases in share capital

In its eleventh resolution, the General Shareholders' Meeting of May 29, 2009 delegated to the Board of Directors full powers to carry out an increase in capital by the issuance of shares and/or securities granting access to the Company's capital, with the cancellation of preferential subscription rights via a public offering or private placement, it being specified that this delegation was the subject of a sole resolution.

In this regard, we draw your attention to the fact that under the terms of a recommendation dated July 6, 2009, the AMF recommended that issuers draw up a separate resolution regarding delegations of authority for increases in share capital via public offering or private placement, which the Company should take into account in the future.

We propose, in connection with the above-mentioned delegation of authority (public offering or private placement), to give the Board of Directors the possibility, within the limit of 10% of the capital per year, to set the issue price according to the conditions determined by the General Shareholders' Meeting in light of a Board of Directors' report and a Statutory Auditors' special report (eleventh resolution).

Furthermore, we propose that the issue price be fixed on the basis of the following: the price will be equal to the average of the trading prices weighted by volumes for the last five stock market trading sessions prior to the date on which the issue price is set, which could be reduced by a discount of up to 30%.

Including the above resolution on the agenda requires submitting a resolution to the General Shareholders' Meeting that would increase the share capital in favor of the members of a company savings plan (twelfth resolution). The resolution allows the Board of Directors to increase the share capital by up to 1% of the share capital at the time of the Board of Directors' decision to carry out this capital increase in favor of the members of a company savings plan.

Obviously, the completion of such a reserved capital increase remains subject to a company savings plan having been set up by the Company.

Consequently, owing to the Company's particular situation and its limited workforce, the Board requests that shareholders purely and simply reject this resolution and, by voting, rule out the proposed increase in share capital that will be put to vote only to satisfy legal provisions.

5.2. AGENDA AND TEXTS OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

Agenda

Ordinary resolutions:

- Management report of the Board of Directors on the year ended December 31, 2009, report of the Chairman of the Board of Directors,

- Statutory Auditors' report on the annual financial statements for the year ended December 31, 2009,

- Approval of the annual financial statements for the year ended December 31, 2009,

- Discharge to the directors,

- Transfer to a reserve account,

- Allocation of income and setting of dividends,

- Distribution of reserves,

- Exceptional distribution of a share premium,

- Statutory Auditors' special report on related party agreements and commitments and approval of such agreements,

- Setting of the directors' fees to be allocated to the Board of Directors,

- Authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided therefor in Article L.225-209 of the French Commercial Code.

Extraordinary resolutions:

- Authorization to be granted to the Board of Directors for the purpose of cancelling the shares repurchased by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code,

- Determining of the terms and conditions for setting of the subscription price by the Board of Directors in the event of the issuance of securities with cancellation of preferential subscription rights within the limit of 10% of the capital per year

- Authority to be granted to the Board of Directors to increase share capital by issuing shares reserved for the members of a company savings plan pursuant to Articles L.3332-18 *et seq.* of the French Labor Code (*Code du Travail*),

- Powers of attorney for formalities.

TEXTS OF THE RESOLUTIONS

Ordinary resolutions:

First Resolution (Ordinary) - Approval of the financial statements

The General Shareholders' Meeting, after familiarizing itself with the Board of Directors', the Chairman's and the Statutory Auditors' reports on the year ended December 31, 2009, approves the financial statements for said year as they were presented, i.e., showing a net income of EUR 15,540,619.

It also approves the operations indicated in said financial statements and summarized in said reports.

The General Shareholders' Meeting specially acknowledges that no expenses and charges referred to in Article 39 (4) of the French Tax Code, were incurred with respect to the last fiscal year.

Second Resolution (Ordinary) - Discharge to the directors

The General Shareholders' Meeting, after reviewing the Board of Directors', the Chairman's and the Statutory Auditors' reports on the year ended December 31, 2009, gives the directors full and unconditional discharge for performance of their terms of office for that fiscal year.

Third Resolution (Ordinary) - Transfer to a reserve account

The General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to transfer a portion (i.e., EUR 6,159,773) of the sums recorded in the "revaluation reserve" account at December 31, 2009, to the "other reserves" account which will then have a net allocation of EUR 6,159,773.

Fourth Resolution (Ordinary) - Allocation of income and setting of dividends

The General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, on the proposal of the Board of Directors, decides to allocate income for the year ended December 31, 2009 as follows:

Source:

- Net income for the year: EUR 15,540,619

- Retained earnings: EUR 43,192

Allocation:

- Dividend: EUR 15,512,100
- Retained earnings: EUR 28,519; the amount of the "Retained earnings" account is thus increased to EUR 71,711.

The General Shareholders' Meeting records that the total gross dividend attributable to each share is set at EUR 1.16, the total amount thus distributed is eligible for the 40% tax rebate referred to in Article 158-3-2 of the French Tax Code.

It is stipulated that, in the event that the Company holds certain of its own shares when the dividends are ready to be paid, the sums corresponding to the dividends not paid because of such shares, will be allocated to the retained earnings account.

The ex-dividend date will be July 16, 2010.

The dividend payment date will be July 21, 2010.

In compliance with the provisions of Article 243bis of the French Tax Code, the General Shareholders' Meeting acknowledges that it has been reminded that, in the last three fiscal years, the following dividends were distributed:

	Income eligible for tax rebate		Income ineligible for tax rebate
Fiscal year	Dividends	Other income distributed	
March 31, 2006			
December 31, 2006	€24,605,400		
December 31, 2007	€26,076,375		
December 31, 2008	€21,623,046		€4,453,329
December 31, 2009			

Fifth Resolution (Ordinary) - Approval of a distribution of reserves

The General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, decides, in accordance with the provisions of Article L.232-11 (2) of the French Commercial Code, to distribute an additional dividend amounting to EUR 6,151,350, taken from the "Other reserves" account, i.e., a dividend of EUR 0.46 per share.

The "Other reserves" account is thereby reduced to a net amount of EUR 8,423.

The entire amount distributed in this respect is eligible for the 40% tax rebate referred to in Article 158-3-2° of the French Tax Code.

The General Shareholders' Meeting decides to delegate full powers of attorney to the Company's Board of Directors for the purposes of paying out the dividend, which will take place by July 21, 2010 at the latest.

Sixth Resolution (Ordinary) – Approval of an exceptional distribution of a share premium

The General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to make an exceptional distribution of a share premium for an amount of EUR 1,069,800, deducted from the "Share premium" account, namely an amount of EUR 0.08 per share.

The "Share premium" account is thereby reduced from EUR 35,291,776 to EUR 34,221,976.

The amount distributed in this respect will be comparable, from a tax standpoint, to reimbursement of a contribution that is not liable for personal income tax for individuals and will not be eligible for this 40% tax rebate.

Seventh Resolution (Ordinary) - Agreements referred to in Articles L.225-38 *et seq.* of the French Commercial Code

The General Shareholders' Meeting, after reviewing the Statutory Auditors' special report mentioning the absence of agreements of the type referred to in Articles L.225-38 *et seq.* of the French Commercial Code, simply places this on record.

Eighth Resolution (Ordinary) - Setting of the directors' fees

The General Shareholders' Meeting, at the Board of Directors' proposal, sets the maximum sum allocated to the Board of Directors as directors' fees for 2010 at EUR 45,000.

Ninth Resolution (Ordinary) - Share repurchase program: Authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided therefor in Article L.225-209 of the French Commercial Code

The General Shareholders' Meeting, after familiarizing itself with the Board of Directors' report, authorizes the Board, for a period of eighteen months, in compliance with Articles L.225-209 *et seq.* of the French Commercial Code, to purchase, all at one time or on several occasions and at dates that it will determine, company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the repurchase program.

That authorization terminates the authorization that the Ordinary Shareholders' Meeting granted the Board of Directors at the May 29, 2009 meeting.

The purchases could be carried out with a view to:

- stabilizing the secondary market or ensuring the liquidity of the CeGeREAL share via the intermediary of an investment service provider through a liquidity agreement that complies with the AMAFI ethics charter, which is accepted by the AMF,
- keeping the shares purchased or, at a later date, tendering them up for exchange or as a payment in the framework of any external growth operations; it must be specified that the shares purchased to said end may not exceed 5% of the Company's share capital in accordance with Article L.225-209 (6),
- ensuring the coverage of the stock purchase option plans and other forms of allocations of shares to the Group's employees and/or corporate officers in the conditions of and pursuant to the procedure provided for by law, in particular with respect to (i) the

Company's results, (ii) a company savings plan or (iii) grants of free shares,

- ensuring the coverage of securities granting entitlement to the allocation of Company shares in the framework of current stock market regulations;

- cancelling, where applicable, any shares repurchased, subject to the authorization to be granted by this General Shareholders' Meeting in its tenth resolution, in an extraordinary capacity.

Such purchases of shares may be carried out by any means, including by purchases of blocks of shares and at the times of the Board of Directors' choice.

In particular, such purchases may, in compliance with the regulations in force, be made in periods of public offering for the Company's shares.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 50 per share. In the event of an operation on the share capital, in particular, a share split or reverse share split or grants of free shares, the aforementioned amount will be adjusted in the same proportions (multiplication coefficient equal to the ratio between the number of shares composing the share capital before the operation and the number of shares after the operation).

The maximum amount of the program is thus set at EUR 66,862,500.

The General Shareholders' Meeting grants full powers to the Board of Directors to carry out such operations, select the terms and conditions, conclude all agreements and perform any and all formalities.

Extraordinary resolutions:

Tenth Resolution (Extraordinary) – Authorization to be granted to the Board of Directors for the purpose of cancelling the shares repurchased by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code

The General Shareholders' Meeting, after familiarizing itself with the Board of Directors' report and the Statutory Auditors' special report :

1) Authorizes the Board of Directors to cancel, on its sole decision, all at one time or on several occasions, within the limit of 10% of the share capital calculated on the date of the cancellation decision, after deduction of any shares cancelled during the previous 24 months, the shares that the Company holds or may hold following the repurchases made under Article L.225-209 of the French Commercial Code and to reduce the share capital for such amount in accordance with the legal and regulatory provisions in force.

2) Sets at twenty-four months as from this General Shareholders' Meeting, i.e., until May 19, 2012, the duration of validity of this authorization.

3) Gives full powers to the Board of Directors to carry out the operations required for such cancellations and the corresponding reductions of the share capital and amend the Company's bylaws accordingly and carry out all the required formalities.

Eleventh Resolution (Extraordinary) – Determining of the terms and conditions for setting of the subscription price by the Board of Directors in the event of the issuance of securities with cancellation of preferential subscription rights within the limit of 10% of the capital per year

The General Shareholders' Meeting, after familiarizing itself with the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of Article L.225-136-1° (2) of the French Commercial Code, authorizes the Board of Directors, which decides on the issuance of securities pursuant to the eleventh resolution, approved by the Extraordinary Shareholders' Meeting of May 29, 2009, (*public offering, private placement*), to set the share price within the limit of 10% of the share capital per year in accordance with the following terms and conditions: the price must be equal to the average of the share prices weighted by the volumes for the last five stock market trading sessions prior to the date of setting of the share price, reduced where applicable by a discount of up to 30%.

Twelfth Resolution (Extraordinary) – Authority to be granted to the Board of Directors to increase share capital by issuing shares reserved for the members of a company savings plan pursuant to Articles L.3332-18 *et seq.* of the French Labor Code

The General Shareholders' Meeting, after familiarizing itself with the Board of Directors' report and the Statutory Auditors' special report, deciding pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-18 of the French Labor Code:

1) Authorizes the Board of Directors, if it deems it appropriate and on its sole decision, to increase the share capital all on one or several occasions by issuing ordinary cash shares and, where applicable, by granting free ordinary shares or other securities granting access to the share capital, reserved for the employees and managers of the Company who are members of a company savings plan.

2) Cancels, in favor of the above persons, the shareholders' preferential subscription right to the shares that could be issued pursuant to this authorization.

3) Sets the period of validity hereof at twenty-six months from the date of this General Shareholders' Meeting.

4) Limits the maximum nominal amount of the increase(s) in share capital that could be carried out by means of this authorization to 1% of the amount of the share capital attained when the Board of Directors made the decision to carry out the increase; that amount is independent from any other ceilings provided for in the delegation of authority for increases in the share capital.

5) Decides that the price of the shares to be issued, pursuant to paragraph 1) of this authorization, may not wherever the vesting period provided for pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more, be more than 20%, or 30% lower than the average of the first quotations of the shares during the 20 trading sessions prior to

that of the day on which the Board of Directors decides to increase the share capital and issue the corresponding shares; nor may it be higher than said average.

6) Grants full powers to the Board of Directors to implement this authorization, take any and all measures and perform all the required formalities.

Thirteenth Resolution (Ordinary) - Formalities

The General Shareholders' Meeting grants full powers of attorney to the bearer of a copy, a photocopy or an excerpt of these minutes for the purposes of performing all the filing and public-notice formalities required by law.

5.3. FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

The financial statements for the year ended December 31, 2009 are set out in section III.3.3 of this Registration Document.

5.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Statutory Auditors' report on the annual financial statements is set out in section III.3.4 of this Registration Document.

5.5. STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

The Statutory Auditors' report on related-party agreements is set out in section III.3.5 of this Registration Document.

5.6. FIVE-YEAR FINANCIAL SUMMARY

	Year ended March 31, 2006	Year ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2009
Capital at year end					
Share capital	160,470,000	160,470,000	160,470,000	160,470,000	160,470,000
of which paid up	160,470,000	160,470,000	160,470,000	160,470,000	160,470,000
Number of ordinary shares	13,372,500	13,372,500	13,372,500	13,372,500	13,372,500
Operations and income for the year					
Net revenue	14,344,429	43,408,057	61,095,462	70,618,236	67,043,926
Income before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	1,370,403	24,263,505	36,098,810	37,010,767	34,568,920
Earnings per share					
Income after tax, employee profit sharing, but before depreciation, amortization and provisions for impairment	0.10	3.88	2.70	2.77	2.59
Income after tax, employee profit sharing, and depreciation, amortization and provisions for impairment	(0.27)	2.42	0.75	0.81	1.16
Personnel					
Average headcount during the year	1	1	1	2	2
Average payroll costs	1,566	68,534	101,065	265,459	221,188
Social security charges	627	12,917	58,748	106,213	92,952

5.7. STATUTORY AUDITORS' REPORT ON THE EXTRAORDINARY RESOLUTIONS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CeGeREAL S.A.

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470k

Statutory Auditors' report on the share capital operations specified in the tenth, eleventh and twelfth resolutions tabled at the Extraordinary Shareholders' Meeting of June 29, 2010.

Extraordinary Shareholders' Meeting of June 29, 2010

To the Shareholders,

In our capacity as Statutory Auditors of CeGeREAL S.A. and in compliance with the provisions of the French Commercial Code (*Code de commerce*), we hereby report to you on the operations submitted for your approval.

1. Capital reduction by cancelling shares (tenth resolution)

In compliance with the provisions of Article L.225-209 (7) of the French Commercial Code applicable in the event of a capital reduction by cancelling shares purchased, we prepared this report to inform you of our opinion on the reasons for and conditions of the planned capital reduction. We have conducted our work in accordance with professional standards applicable in France to such assignments. Those standards require that we ensure that the reasons for and conditions of the capital reduction comply with the applicable legal provisions.

This operation is related to the Company's purchase of up to 10% of its own share capital, in accordance with Article L.225-209 of the French Commercial Code. This share purchase authorization is subject to the approval of the General Shareholders' Meeting and would be granted for a period of eighteen months.

The Board is asking shareholders to grant it full powers, for a period of twenty-four months, in the context of the authorization of the purchase by the Company of its own shares, to cancel said shares within the limit of 10% of the Company's capital, per twenty-four-month period.

We have no matters to report on the reasons for and conditions of the planned capital reduction, it being recalled that this may only occur in the event that the General Shareholders' Meeting gives its prior approval of the purchase by the Company of its own shares.

2. Issue of ordinary shares and/or securities granting access to the Company's capital, with cancellation of preferential subscription rights (eleventh resolution)

In compliance with the provisions of Articles L.225-135 *et seq*. of the French Commercial Code, we hereby report to you on the delegation of authority to be granted to the Board of Directors to increase the capital, on one or several occasions, by issuing ordinary shares and securities granting access to ordinary Company shares and/or debt securities, with cancellation of preferential subscription rights, which is submitted for your approval.

The General Shareholders' Meeting of May 29, 2009, in its eleventh resolution, authorized the Board of Directors, for a period of twenty-six months, to increase the capital, on one or several occasions, by issuing ordinary shares and securities granting access to ordinary Company shares and/or debt securities, with cancellation of preferential subscription rights. These securities may be issued to remunerate securities that could be contributed to the Company in the framework of a public exchange offering satisfying the conditions set forth in Article L.225-148 of the French Commercial Code.

Within the framework of the previously approved delegation and based on its report, the Board proposes to set the issue price of securities to be issued, which may not represent more than 10% of the Company's capital per year, in accordance with the following terms and conditions:

- the price will be equal to the average of the trading prices weighted by volumes for the last five stock market trading sessions prior to the date on which the issue price is set, which could be reduced by a discount of up to 30%.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to give our opinion as to the fair presentation of the calculations made on the basis of the financial statements, on the proposed cancellation of preferential subscription rights and on certain information concerning these operations, given in the report.

We performed the procedures we considered necessary in accordance with professional standards applicable in France to such assignments. Those standards require that we examine the content of the Board of Directors' report concerning these operations and the terms and conditions for determining the issue price of the new shares.

Subject to a subsequent examination of the issuance conditions once they have been decided, we have no matters to report as regards the methods used to set the issue price given in the Board of Directors' report regarding the eleventh resolution of the Extraordinary Shareholders' Meeting of June 29, 2010.

Since the amount of the issue price has not been set, we do not express an opinion on the final terms and conditions of the share issues, or consequently on the proposed cancellation of preferential subscription rights as mentioned in the eleventh resolution.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, in the event that this authorization is used by the Board of Directors.

3. Issue of shares reserved for employees and senior executives who are members of a company savings plan in accordance with the provisions of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code (*Code du travail*) (twelfth resolution)

In compliance with the provisions of Articles L.225-135 *et seq*. of the French Commercial Code, we hereby report to you on the proposal to authorize the Board of Directors to increase share capital, on one or several occasions, by issuing securities granting access to the share capital with cancellation of preferential subscription rights, representing up to 1% of the share capital at the time of the Board's decision to carry out this capital increase, and reserved for employees and senior executives who are members of a company savings plan, which is submitted for your approval.

These capital increases are subject to the shareholders' approval in accordance with the provisions of Articles L.225-129-6 of the French Commercial Code and L.3332-18 of the French Labor Code.

On the basis of its report, the Board of Directors proposes that the shareholders authorize the Board, for twenty-six months, to increase capital, on one or several occasions, and waive their preferential subscription rights to the securities to be issued. In such an event, it would be the Board's responsibility to determine the issuance conditions for these operations.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to give our opinion as to the fair presentation of the calculations made on the basis of the financial statements, on the proposed cancellation of preferential subscription rights and on certain information concerning the issuance, given in the report.

We performed the procedures we considered necessary in accordance with professional standards applicable in France to such assignments. Those standards require that we examine the content of the Board of Directors' report concerning this operation and the terms and conditions for determining the issue price.

Subject to a subsequent examination of the conditions of capital increases once they have been decided, we have no matters to report on the final terms and conditions determining the issue price given in the Board of Directors' report.

Since the amount of the issue price has not been set, we do not express an opinion on the final terms and conditions of the share capital increase, or consequently on the proposed cancellation of preferential subscription rights which is submitted for your approval.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, in the event that this authorization is used by the Board of Directors.

The Statutory Auditors

Paris La Défense, March 15, 2010	Paris, March 15, 2010
KPMG Audit *A department of KPMG S.A.*	Charles Leguide
Régis Chemouny *Partner*	*Partner*

5.8. ADDITIONAL REPORTS

Chairman's report relating to corporate governance and internal control

"Dear Shareholders,

The law obliges the Chairman of Board of Directors of any French *société anonyme* (corporation) whose securities are admitted to trading on a regulated stock market to give an account, in a report attached to the Board's report, of:

- the Board of Directors' composition, how its work is prepared and organized, any limitations provided for the Managing Director's powers, the references made to a corporate governance code and the special conditions for shareholders' participating in General Shareholders' Meetings;

- the internal control and risk management procedures that have been implemented in the Company.

As our Company's shares are traded on a regulated market, that report also specifies the principles and rules agreed upon to determine the compensation and benefits of any kind that are granted to the corporate officers and the information that could have an impact in the event of a public offering for the Company's shares.

This report, which was prepared on the basis of the information provided by the Managing Director and the Deputy Managing Director, was submitted to the Board of Directors for approval on February 17, 2010 and transmitted to the Statutory Auditors.

Beyond the legal and bylaw provisions in force, the conditions of the Board of Directors' organization and functioning were validated by its Internal Rules and Regulations, adopted in December 2005 and subsequently amended. Said Internal Rules and Regulations also determine how the three special committees function. A Directors' Charter (*charte de l'administrateur*) adopted at the same time as the Internal Rules and Regulations reiterates the directors' rights and obligations in the exercise of their duties.

1. Corporate governance

In corporate governance matters, our Company refers to the Reference Code, to the extent that it is compatible with the Company's organization and size.

The following provisions of the Code have, however, not been applied:

With respect to the lengths of Board members' terms:

For historical reasons, Board members' terms of office are, in the bylaws, set for the legal maximum period, i.e., six years, and not four, which is recommended in the Reference Code. It was not deemed useful to propose that a General Shareholders' Meeting amend the bylaws in said respect.

With respect to the appraisal of the Board's work:

As many of its directors have been appointed only recently, the Board has not yet begun the process of appraising its work. In addition, the composition of the Board and the relations that its members have do not make it necessary to set up a formal appraisal procedure for its operations. In effect, the members of the Board of Directors discuss all the proposals relating to the holding of meetings with the Chairman with no restrictions.

1.1 Board of Directors

1.1.1 Composition of the Board of Directors

Pursuant to the Company's bylaws, the directors are appointed for six-year terms.

At today's date, the Board is composed in the following manner:

	First appointed	Term expires
Richard Wrigley	Dec. 31, 2005	*General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010*
Klaus Waldherr	Feb. 5, 2008	*General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010*
Gerry Dietel	Jan. 30, 2009	*General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010*
Commerz Real Investmentgesellschaft mbH	Dec. 31, 2005	*General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010*
Hans-Joachim Kühl	Jan. 30, 2009	*General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010*
Jean-Pierre Bonnefond	Feb. 20, 2006	*General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2011*

Two of the Board members, Richard Wrigley and Jean-Pierre Bonnefond, are considered to be independent in accordance with the definition provided in the Reference Code. In effect, according to said Code, the criteria used to qualify Board members as independent are the following:

- not being a Company employee or corporate officer, an employee or director of a company that is consolidated with it and not having been so within the previous five years,

- not being a corporate officer of a company in which the Company directly or indirectly holds a legal representation or in which an employee designated as such or a corporate officer of the Company (currently or formerly within the previous five years) occupies a director's office,

- not being a significant customer, supplier, investment banker or corporate banker of the Company or for which the Company represents a significant part of its business,

- not being closely related to a corporate officer,

- not having been a statutory or contractual auditor of the Company in the previous five years,

- not having been a Board member for more than twelve years from the date on which his/her current term of office was entrusted to him/her.

Jean-Pierre Bonnefond, an independent director, is a personal asset strategy consultant and the Chairman of JPB & A.

No directors are elected by the employees pursuant to Article L.225-27 of the French Commercial Code.

Article 19 of the bylaws provides for the ability to appoint non-voting directors to sit on the Board with the directors but, at the date of the closing of the fiscal year, no non-voting directors had been appointed.

1.1.2 Role and functioning of the Board of Directors:

Pursuant to the law, the Board determines the orientations of the Company's activity and ensures the implementation thereof. Subject to the powers expressly granted to General Shareholders' Meetings and within the limits of the purpose provided for in the bylaws, it sees to any issues affecting the Company's proper functioning and settles, by its deliberations, the Company's business.

The Board of Directors can also carry out all controls and verifications that it considers appropriate. Even if the operational management is entrusted to the Managing Director, the Board of Directors may address any issues relating to the Company's operation.

Given the Board's structure, it has Internal Rules and Regulations whose purpose is to stipulate the organization of Board meetings and the Managing Director's responsibilities and powers vis-à-vis the Board. The Internal Rules and Regulations also set forth the rules of corporate governance and stipulate the operational responsibilities and *modus operandi* of the Audit Committee, the Investment Committee and the Appointments and Compensation Committee.

Furthermore, in general, to the Company's knowledge, there is no conflict of interest between the duties of each of the Board members with regard to the Company and their private interests or other duties on the date of preparation of this report.

The directors are convened to Board meetings by any means and, at that time, they are provided with all the information required to perform their assignments.

In compliance with the bylaws and legal provisions, certain of the Board of Directors' meetings may be held by videoconference. Board meetings are generally held at the registered office or in any other place, in particular in Wiesbaden, Germany, and are convened by the Chairman of the Board.

During the previous year, the Board met nine times, with all six directors present at each meeting, i.e., on January 30, 2009, on February 12, 2009, on March 31, 2009, on May 7, 2009, on May 29, 2009, on July 10, 2009, on July 27, 2009, on November 5, 2009 and on November 18, 2009.

There was a very high attendance rate and no absences were noted.

The Chairman was present at each meeting. However, the July 10, 2009, May 29, 2009, May 7, 2009, March 31, 2009 and February 12, 2009 meetings were held without the presence of the Managing Director.

No meetings were called at the initiative of either the directors or the Managing Director.

To allow the Board members to prepare the Board meetings well, the Chairman endeavors to provide them, with all the information and documents required in advance.

Thus, the proposed financial statements were transmitted to the directors 15 days before the Board meeting convened to rule thereupon.

Each time that a member of the Board so requests, the Chairman provides him/her, insofar as possible, with the additional information and documents that he/she wishes to receive.

The Statutory Auditors are convened to the Board of Directors' meeting that decides on the annual and the interim financial statements and the projected management accounts.

They participated in the February 12, 2009 Board of Directors' meeting that reviewed and finalized the financial statements for the year ended December 31, 2008, and in the July 29, 2009 Board of Directors' meeting that reviewed and finalized the interim financial statements at June 30, 2009.

They also participate in Audit Committee meetings whenever the Committee Chairman convenes them thereto.

To guarantee the coordination between Executive Management and the Board of Directors, the Chairman and the Managing Director meet periodically. As indicated above, the Managing Director does not participate in all the Board of Directors' meetings.

The main themes addressed in those meetings were the following:

- review and validation of the financial statements for the year ended December 31, 2008;

- review and validation of the interim financial statements and the interim financial report for the period from January 1 to June 30, 2009;

- review and validation of the sales for the third quarter and the quarterly financial information;

- review and validation of the sales for the first and fourth quarters;

- preparation and filing with the AMF of a Registration Document;

- distribution of reserves;

- exceptional distribution of a share premium;

- implementation of a share repurchase program;

- authorization to carry out early partial repayment of the loan agreement entered into between Eurohypo and CeGeREAL on March 2, 2006;

- adherence to the AFEP-MEDEF recommendations of October 6, 2008 relating to the remuneration of corporate officers;

- amendment of the Board of Directors' Internal Rules and Regulations and the Directors' Charter;

- resignations of directors and co-optations of new directors to replace them;

- renewal of the members of the Audit Committee, the Appointments and Compensation Committee and the Investment Committee;

- the authorization granted to BNP PARIBAS;

- the decision to no longer pay any compensation to Richard Wrigley, Chairman of the Company;

- modification of the corporate purpose;

- authorization to pledge the balance of the Company's bank accounts in favor of Eurohypo;

- corporate strategy, in particular, signature, renewal and termination of leases.

1.2 The Committees

An Audit Committee, an Appointments and Compensation Committee and an Investment Committee have been set up by the Board of Directors. Their composition was adopted by the Board of Directors at its January 30, 2009 meeting. Their responsibilities and *modus operandi* are specified in the Internal Rules and Regulations.

1.2.1 The Audit Committee

The Audit Committee is currently composed of Richard Wrigley, Jean-Pierre Bonnefond and Gerry Dietel. They were appointed for renewable three-year terms, i.e., until the annual Board meeting convened to decide on the financial statements for the year ending December 31, 2011, at the Board of Directors' January 30, 2009 meeting.

Richard Wrigley was appointed Chairman of the Audit Committee.

The Audit Committee met three times on January 30, 2009, July 29, 2009 and January 29, 2010 and performed the following work:

- work on the accounts of the year ended December 31, 2008, with respect to the internal control procedures and, more generally, the audit, accounting and management procedures in force in the Company;

- work on the interim financial statements for the period from January 1 to June 30, 2009.

The Committee's attendance rate is 100%.

The Committee members had ample time to review the financial and accounting documents and were able to meet with the Statutory Auditors.

The Committee reported to the Board on its work; the Board took note of that and followed all the Committee's recommendations.

1.2.2 The Appointments and Compensation Committee

The Appointments and Compensation Committee is currently composed of Jean-Pierre Bonnefond, Graham Spensley and Henk J. Jacobs. They were appointed for renewable three-year terms, i.e., until the annual Board meeting convened to decide on the financial statements for the year ending December 31, 2011, at the Board of Directors' January 30, 2009 meeting.

Jean-Pierre Bonnefond was appointed Chairman of the Appointments and Compensation Committee.

The Appointments and Compensation Committee met on January 30, 2009, and performed the following work:

- review of Hans-Joachim Kühl's and Gerry Dietel's candidacies for the offices of director.

The Committee's attendance rate is 100%.

The Committee reported to the Board on its work; the Board took note of that and followed all the Committee's recommendations.

1.2.3 The Investment Committee

The Investment Committee is currently composed of Richard Wrigley, Graham Spensley and Henk J. Jacobs. They were appointed for renewable three-year terms, i.e., until the annual Board meeting convened to decide on the financial statements for the year ending December 31, 2011, at the Board of Directors' January 30, 2009 meeting.

Richard Wrigley was appointed Chairman of the Investment Committee.

The Investment Committee met during the year ended December 31, 2009, on June 25, 2009 and issued an opinion as to whether it was appropriate to acquire the "Le Flavia" building.

The Committee reported to the Board on its work; the Board took note of that and followed all the Committee's recommendations.

2. The Company's internal control procedures

In addition to the description of the Board's work methods, the law requires that the Company's internal control procedures be described. In said respect, it is useful to stipulate what the purposes of such procedures are.

2.1 Objectives of the Company's internal control procedures

Among the various objectives that can be assigned to internal controls, one is to prevent and control risks resulting from the Company's activity, in particular any risks of accounting or financial errors or fraud. For all that, as with any control system, there is no absolute guarantee that all risks will be fully eliminated.

At the same time, the purpose of an internal control is to ensure that management acts, the performance procedures in respect of the various operations that the Company undertakes and the personnel's activity, are duly in line with the orientations that management has given to the Company's activities.

Lastly, the purpose of an internal control is to verify that the accounting, financial and management information communicated to the Company's management bodies fairly reflects the Company's activity and situation.

2.2. Internal control procedures set up by the Company

The various procedures that exist in the Company are described below:

2.2.1 General organization of the control in the Company

a) Persons or structures in charge of the control

As has been indicated above, the Audit Committee, the Appointments and Compensation Committee and the Investment Committee were set up for said purpose.

b) Roles of the various players or structures exercising control activities with respect to internal control procedures

(i) The Audit Committee's assignment is to:

- monitor the process of preparing financial information;

- assist the Board in the tasks relating to reviewing and closing the annual and interim financial statements;

- review the Company's annual and interim financial statements and the reports relating thereto before they are submitted to the Board of Directors;

- hear the Statutory Auditors and be provided with their analysis work and their conclusions;

- review and formulate an opinion on the candidacies for the duties of the Company's Statutory Auditors at the time of any appointment;

- monitor the Statutory Auditors' audit of the accounts: to do so, the Committee receives the information provided for in Article L.823-16 of the French Commercial Code that is made available to the Board of Directors;

- ensure the independence of the Statutory Auditors with which it has regular contact, examine, in said respect, all the relations that they have with the Company and formulate an opinion on the fees requested: to do so, the Statutory Auditors provide the Committee every year with a statement of independence and an update of the information, provided for in Article L.820-3 of the French Commercial Code, that details the services supplied by the networks of which they are members;

- periodically review the internal control procedures and, more generally, the audit, accounting or management procedures in force in the Company with the Managing Director, the internal audit department, as well as with the Statutory Auditors;

- address every operation or fact or event that could have a significant impact on the Company's situation in terms of commitments and/or risks; and

- verify that the Company has the resources (audit, accounting and legal) adapted to preventing management risks and irregularities in the Company's business.

(ii) The Appointments and Compensation Committee's assignment is to:

- prepare the determination of the Managing Director's compensation, as well that of any Deputy Managing Directors, and propose, wherever necessary, the qualitative and quantitative criteria used to determine the variable part of such compensation;

- assess all the other benefits or indemnities from which the Managing Director and/or the Deputy Managing Directors benefit, where applicable;

- review the proposed stock subscription and stock purchase option plans and plans for grants of free shares in favor of the employees and managers so as to allow the Board to set the overall and/or individual number of options or shares to be granted, as well as the terms and conditions of such grants;

- review the composition of the Board of Directors;

- review the candidacies for the position of director in the light of the candidates' experience in business life, their skills and their economic, social and cultural representativeness;

- review the candidacies for the position of Managing Director and Deputy Managing Director;

- obtain the submission of any useful information relating to the recruitment procedures, compensation and status of the Company's executive officers;

- formulate any proposals and opinions with respect to directors' fees or other compensation and benefits in favor of directors and non-voting directors;

- assess the situation of each of the directors with respect to the relations, where applicable, that he maintains with the Company that could impair his freedom of judgment or entail potential conflicts of interest with the Company; and

- implement regular evaluations of the Board of Directors.

(iii) The Investment Committee's assignment is to:

- assist the Board of Directors in (i) its assignment relating to the Company's investments, in particular in cases of sales, acquisitions or developments of real estate assets, (ii) the event of any significant renovations of the Company's real estate assets and (iii) determining the Company's rental strategy (hereinafter referred to as the "Investments");

- study and formulate opinions on the investment projects and prepare any reports relating thereto, which will be submitted to the Board of Directors; in said respect, the Board or the Managing Director regularly informs the Investment Committee of any investment projects;

- review the strategy of the investment operations already carried out, as well as their implementation, and prepare, wherever applicable, any reports relating thereto, which will be submitted to the Board of Directors;

- examine and formulate an opinion on the annual investment budget;

- be provided with the analysis work carried out, where applicable, by the Statutory Auditors with respect to the Investments;

- review the Company's internal functioning so as to regularly provide to the Board of Directors information of a nature to evaluate its performance in the perspective of the Investments made and to be made; and

- address any operation or fact or event that could have a significant effect on the Investments.

c) Internal or external aids used to prepare control procedures

The Company implements a policy of transparency and public disclosure to best satisfy the shareholders' and potential investors' interests. The Deputy Managing Director is in charge of the Company's financial communication.

The Company decided, in its Internal Rules and Regulations, to set up similar provisions inspired by the Reference Code. These Internal Rules and Regulations are available on the Company's website: http://www.cegereal.com.

In addition, the Internal Rules and Regulations establish a Directors' Charter, which offers an ethical framework to the directors' exercise of their duties.

In particular, the Directors' Charter provides that:

- each director, however he/she is appointed, represents all the shareholders;

- each director sees to it that he/she continually improves his/her knowledge of the Company and its business sector;

- each director sees to it that he/she maintains his/her independence of analysis, judgment, decision and action in all circumstances;

- each director undertakes not to seek or accept any benefits that could impair his/her independence;

- each director, before accepting his/her duties, must familiarize himself/herself with the general or special obligations attached to his/her position and, in particular, the applicable legal or regulatory texts, bylaws, Internal Rules and Regulations and this charter, as well as any addition that the Board of Directors deems necessary to provide to him/her;

- each director refrains from carrying out transactions on corporate securities in which (and insofar as) he/she has, owing to his/her position, information that has not yet been publicly disclosed;

- each director must inform the Board of Directors of any conflict of interests, including of a potential nature, in which he/she could be involved directly or indirectly. He/she refrains from participating in any debates and decision-making relating to the subjects in question.

The Directors' Charter also reiterates, wherever necessary, the stock market regulations that are applicable in cases of insider trading, failure to inform and price manipulations.

2.2.2 Summary description of the internal control procedures set up by the Company:

a) Procedures for processing financial and accounting information

The procedures for processing accounting and financial information are currently organized as follows:

(i) Building operation cycle

The assignment of the asset manager, Commerz Real, is, in particular, to supervise the property manager.

The billing and receipts of rental charges are issued by the property manager, which also collects payments. The property manager's accounting department records the bills on the ERP SAP specially developed by the asset manager. The asset manager checks the billing.

The budget of the charges relating to the building is prepared by the property manager and validated by the asset manager. The property manager receives and records the expenses linked to the life of the building on SAP. The asset manager makes the payments (except for direct debits) and validates the invoices received.

(ii) Corporate accounting

The books are kept by a firm of certified public accountants. The Company's tax lawyers are consulted depending on the nature of the operations carried out by the Company.

In particular, the information necessary for keeping the books is obtained from the property manager, the asset manager and banks.

The asset manager and the Company's Executive Management validate the invoices and make the payments.

The Executive Management's assignment is to supervise the accounting department and any outside service providers providing accounting assistance.

(iii) Periodical financial information

Each month, an interim statement of account is prepared by the certified public accountant, which is sent it to the asset manager's financial department to be checked and validated.

(iv) Preparation of financial statements

Financial statements are prepared by the certified public accountant in conjunction with the asset manager and its advisors.

The Audit Committee reviews the relevance of the main assumptions and principles adopted therein.

The financial statements are submitted to the Statutory Auditors to be audited.

b) Information and reporting procedures

With a view to ensuring efficient processing of the financial information, the Company has set up an obligation to disclose and report pursuant to which, in particular, the Managing Director must, within thirty days from the end of the first half-year, submit, to the Board of Directors for control, a balance sheet that has not been audited (prepared at the date of the last day of the half-year in question), an income statement and a statement of cash flows (for the half-year), a comparison of the balance sheet, income statement and the budget, as well as a comparison between such statements and the budget and the revised income forecasts for the year in progress.

c) Nature of the other procedures

The Company calls upon various external parties to ensure the management of the Company and its assets. Thus, the asset manager's assignment is entrusted to CRI, the property management duties are performed by the historical business partner, YXIME, and the certified public accounting activity is ensured by PricewaterhouseCoopers Entreprises. The Executive Management carries out regular oversight of all the various external parties by means of daily exchanges and contacts with each external assistance provider. Meetings are also organized whenever necessary.

The above mechanisms provide a reasonable assurance that the internal control objectives for the previous year were reached. Given the Company's size and current activity, it will endeavor to maintain its internal controls with the permanent objective of reducing the risks with the perspective of protecting its assets.

Lastly, the Company will endeavor to set up the procedures required to combat money laundering.

3. Limits to the Managing Director's powers

The Managing Director shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws. He/she therefore exercises the following powers subject to the limits indicated below:

- he/she assumes, under his/her responsibility, the Company's executive management;

- he/she represents the Company in its relations with third parties;

- he/she is vested with the broadest powers to act in the Company's name in all circumstances as long as the acts carried out fulfill the following conditions: (i) they fall within the corporate purpose and (ii) they are not be expressly reserved for General Shareholders' Meetings.

As an internal measure, the Managing Director may not commit the Company without having the joint signature of the Deputy Managing Director, and vice versa.

With respect to the Board and to limit the powers, the Managing Director or the Deputy Managing Directors may not, in the name and on behalf of the Company, perform the following acts or operations or carry out any contractual steps leading to such acts or operations without having requested and received the Board of Directors' prior authorization to do so:

1. conclusion of sales agreements, purchase agreements or grants of sureties or guarantees, except for liens and/or mortgages, assignments of receivables (*cessions Daily*) and/or delegations of insurance and/or assignments of rent (and any other sums related thereto) relating to the building(s) that it holds;

2. conclusion of any loan agreements wherever the Company is the borrower; it must be reiterated that the Company may not take part in a loan agreement as a lender;

3. conclusion, substantial amendment or termination of any lease agreements or rental agreements for annual amounts of over EUR 2m;

4. conclusion, substantial amendment or termination of any property management agreements;

5. conclusion of any agreements of any nature whatsoever concerning an annual amount of over EUR 250k;

6. issuance of any writs in which a major interest of the Company could be at stake or in which the amount concerned exceeds or could exceed the sum of EUR 50k;

7. acceptance of any court, administrative or arbitration decisions issued either fully or in part against the Company or any other amicable settlement involving the Company concerning an amount of over EUR 50k per decision or settlement agreement;

8. hiring of any company employees outside the annual budget limits adopted by the Board of Directors and/or an executive manager;

9. set-ups, transfers or closedowns of any branches, agencies, offices, both in France and abroad, creations or purchases of or subscriptions to the capital of any subsidiary or any purchases of shares in the capital or, generally, any purchases of stakes in any company or entity of any nature whatsoever, increases or decreases in any already existing shareholdings; and

10. more generally, any act or operation that does not fall within the Company's responsible management.

The June 18, 2008 General Shareholders' Meeting approved the amendment to section 17.4 of Article 17 of the bylaws relating to the limitation of the powers of the Managing Director and the Deputy Managing Directors. That amendment was authorized under the following conditions precedent:

(i) the amendment to the hausInvest Europa fund's Internal Rules and Regulations;

(ii) the approval of the creditors as stated in the credit agreement entered into by the Company and the Eurohypo AG bank on March 2, 2006.

The amendment of the hausInvest Europa fund's Internal Rules and Regulations was made on August 16, 2008. On the other hand, the creditors' agreement has still not been obtained at the date hereof.

Section 17.4 of Article 17 of the bylaws will be amended and completed as follows:

"ARTICLE 17. EXECUTIVE MANAGEMENT

(...)

17.4 Limitations upon the Managing Director's and Deputy Managing Directors' powers

(…)

The Managing Director and/or the Deputy Managing Directors may not, in the name and on behalf of the Company, conclude any loan agreement, grant any securities, pledges, mortgages of any kind, or, more generally, enter into agreements or contracts, the direct or indirect purpose and/or effect of which would result in concluding any loan agreement, granting any securities, pledges or mortgages of any kind, without having received the Board of Directors' approval thereto beforehand issued in compliance with the German regulations applicable to property investment funds and management companies.

The Managing Director and the Deputy Managing Directors may not carry out, in the name and on behalf of the Company, purchases, exchanges and sales of real property, real estate assets and real estate rights or perform any contractual steps that could lead, directly or indirectly, to such operations without having received the Board of Directors' approval thereto beforehand issued in compliance with the German regulations applicable to property investment funds and management companies."

4. Principles and rules for determining corporate officers' compensation

4.1 Board members' compensation (directors' fees)

It is proposed that, for 2010, the General Shareholders' Meeting set the overall amount of directors' fees at EUR 45k.

The Board distributes the directors' fees among its members in equal parts. In the event that one or several directors cease their duties, the directors' fees distributed are prorated to the period during which each director performed his/her duties.

In respect of the year ended December 31, 2009 only Richard Wrigley and Jean-Pierre Bonnefond received directors' fees for an amount of EUR 7,500 each.

4.2 Corporate officers' compensation

The Board validates, at the compensation committee's proposal, the corporate officers' compensation policy and the compensation for each of them, outside the presence of each interested party.

The Reference Code is also referred to.

That policy relates, in an exhaustive manner, to the fixed, variable and exceptional compensation to which the benefits of any kind that the Company grants (e.g., pension benefits, severance indemnities) are added.

It is determined not only according to the work performed, the results obtained, the responsibilities assumed, but also with respect to the practices observed in comparable companies and the compensation of the Company's other corporate officers.

In this regard, the Chairman of the Board of Directors has asked for payment of his pension entitlements from the French general social security pension scheme and from the mandatory supplementary pension schemes AGIRC and ARRCO while continuing to hold the office of Chairman of the Board. In this regard, and in the light of the legislation in force with regard to combining entitlement to a pension and employment, it is necessary for the person asking for payment of his/her pension to cease to receive any compensation. Thus, at the Chairman's request, the Board of Directors decided, on July 10, 2009 to no longer pay the annual compensation of EUR 50k voted in favor of Richard Wrigley at the Board of Directors' meeting on January 9, 2006 effective as from July 1, 2009, with him retaining the compensation previously received, i.e., EUR 25k.

Raphaël Tréguier, the Deputy Managing Director, receives the following compensation: (i) EUR 115k gross annual compensation, paid in twelve monthly installments, (ii) an exceptional guaranteed bonus of EUR 35k, gross, (an all-inclusive sum negotiated when he was appointed), 11/12ths of which was paid on December 31, 2008, and 1/12th on February 15, 2009. For the future fiscal years, Raphaël Tréguier will be able to receive variable compensation and exceptional bonuses, as to which the amounts and the criteria will be determined mutually by the Company and Raphaël Tréguier.

The April 14, 2008 Company Board of Directors' meeting noted the suspension of the employment contract linking Raphaël Tréguier to the Company and decided to organize the suspension of that contract.

The Company complies with the Reference Code's recommendations relating to severance indemnities referred to in § 20.2.4 of said Code.

No other corporate officer benefits from any such severance indemnity.

No undertakings with respect to pension benefits have been made for the corporate officers.

No benefits-in-kind have been granted to the corporate officers.

5. Shareholders' participation in General Shareholders' Meetings

A General Shareholders' Meeting is composed of all the shareholders irrespective of the number of shares that they hold.

The right to participate in General Shareholders' Meetings is substantiated by the shares being registered in the shareholder's or the intermediary's name either in (i) the registered share accounts kept by the Company or (ii) the bearer share accounts kept by the authorized intermediary prior to midnight, Paris time, of the third business day before the holding of the meeting.

The registration or recording of bearer shares is acknowledged by a share ownership certificate issued by the authorized intermediary.

If a shareholder cannot attend the General Shareholders' Meeting personally, he/she may choose from among the following three formulas: (i) issuing a proxy to his/her spouse or another shareholder, (ii) sending a proxy to the Company indicating no name or (iii) voting by correspondence.

Shareholders' requests for including proposed resolutions on the agenda must be sent to the registered office by registered letter with return receipt requested twenty-five days before the meeting is held at the latest.

6. Information likely to have an impact in the event of a public offering for the Company's shares

This information is set out in section IV.4.8 of this Registration Document.

I hope that this report will allow you to have a better idea of the work procedures and methods that are used in the Company, as well as of the breakdown of the powers among the various corporate bodies that make Company management decisions.

I also hope that it will give you a better view of the internal control procedures that have been set up to protect the Company's capital and preserve the Company's assets.

The Chairman of the Board of Directors"

Statutory Auditors' report on the Chairman's report on internal control and risk management procedures

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CeGeREAL S.A.

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470k

Statutory Auditors' report prepared in accordance with Article L.225-235 of the French Commercial Code, on
the report prepared by the Chairman of the Board of Directors of CeGeREAL S.A.

Year ended December 31, 2009

To the Shareholders,

In our capacity as Statutory Auditors' of CeGeREAL S.A. , and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2009.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and

- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;

- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;

- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

The Statutory Auditors

Paris, March 15, 2010	Paris, March 15, 2010
KPMG Audit	Charles Leguide
Régis Chemouny *Partner*	*Partner*

Special report on the grants of free shares

Article L.225-197-4 of the French Commercial Code (*Code de Commerce*)

Free shares granted

None

Grants to the Company's corporate officers in the course of 2009

None

Employees who where granted free shares in the course of 2009

None

Special report on stock options

Stock options granted (Art. 225-184 (1))

None

Options granted to corporate officers in the course of 2009 (Art. 225-184 (2)

None

Options exercised by corporate officers in the course of 2009 (Art. 225-184 (2)

None

Employees who were granted options in the course of 2009 (Art. 225-184 (3)

None

Employees who exercised options in the course of 2009 (Art. 225-184 (3)

None

IV. LEGAL INFORMATION

1. SIIC STATUS

1.1. Tax treatment applicable to the Company

In accordance with Article 208 C of the French Tax Code (*Code général des impôts*), the Company has elected for the preferential tax treatment granted to listed real estate investment companies (*Sociétés d'Investissement Immobilières Côtées* - SIICs).

SIICs that have opted for preferential treatment are exempted from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 85% of this income is distributed before the end of the financial period following the period in which the income is generated;

- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having opted for preferential tax treatment, provided that 50% of these capital gains are distributed by the end of the second financial year following the year in which they were generated;

- dividends received from subsidiaries having opted for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the financial year following the year in which they were received.

The Company's eligibility for SIIC tax treatment, subject to compliance with the conditions laid down by the law regarding its corporate purpose, the composition of its assets, the amount of its share capital and its listing on a French regulated market, was confirmed by the tax legislation department on January 3, 2006.

1.2. Risk linked to the obligations that result from the tax treatment applicable to listed real estate investment companies ("SIIC"), to a possible change in the conditions governing this status or to the loss of this status

1.2.1 Obligation to distribute income

The Company has opted for SIIC status pursuant to Article 208 C of the French Tax Code and is therefore exempt from corporate income tax on its rental income and on any capital gains it generates on the disposal of its real estate assets.

The preferential tax treatment is conditional upon the obligation to distribute a large portion of net income. CeGeREAL's exemption from corporate income tax could be fully or partially contested if it fails to meet this condition.

1.2.2 Loss of SIIC status

The loss of SIIC status could adversely affect the Company's results, business activities and financial position for the following reasons:

a) When a company opts for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

Unrealized capital gains are subject to corporate income tax at a rate of 16.5% (this rate was raised to 19% for companies opting for SIIC status with effect from 1 January 2009) and this tax, generally referred to as "exit tax", must be paid in four installments: on December 15 of the year in which the option takes effect and then on December 15 of the three following years. The Company has paid all of the exit tax due, totaling EUR 89,967,360.

In the event that the Company opts out of the SIIC regime in the ten years following election, it will be subject to corporate income tax at the standard rate on the revaluation gains determined upon election for the SIIC regime, less exit tax already paid at the reduced 16.5% rate.

b) CeGeREAL would be subject to corporate income tax at the standard rate for the year during which it opts out of the SIIC regime and subsequent years.

CeGeREAL would also be subject to corporate income tax on the amount of its distributable profits at the end of the year in which it opts out of the regime, which were previously exempt under the SIIC regime.

c) CeGeREAL would also be subject to an additional 25% tax on the portion of unrealized capital gains generated on the sale of real estate assets that were exempt since the Company's option for SIIC status, reduced by one-tenth for each calendar year of exemption.

1.2.3 Compliance with the 60% threshold

The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code (*Code de commerce*).

In accordance with the French Finance Act for 2009, the Company had until December 31, 2009 to comply with the 60% threshold. If the Company had not met this condition at January 1, 2009, the preferential tax treatment it enjoys as an SIIC would have been temporarily suspended. In addition, if the Company had not complied with this condition by December 31, 2010, it would have been deemed to have definitively lost SIIC status with retroactive effect from January 1, 2010, leading to serious financial consequences.

In light of the above, CRI reduced its holding in the Company to less than 60% (of both the voting and monetary rights) to enable CeGeREAL to continue to benefit from SIIC status (see section II.1.1. "Declaration relating to the control of the Company by the majority shareholder").

Consequently, the Company's financial statements for the year ended December 31, 2009 were prepared in accordance with the tax principles applicable to SIICs.

1.2.4 20% WITHHOLDING TAX

The Amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not payable in the event that the beneficiary is a company that has an obligation to distribute all dividends it receives.

The above provisions apply to all dividends distributed since July 1, 2007.

Dividend distributions to CRI :

As CRI holds the CeGeREAL shares in the name and on behalf of the unit holders of the hausInvest europa property fund, the French tax authorities have decided to treat CRI as a tax-transparent entity and to consider that the unit holders of the hausInvest europa property fund hold a direct interest in CeGeREAL.

Based on this approach, the tax authorities considered that:

(i) dividends paid to unit holders of the fund do not fall within the scope of the 20% withholding tax if the unit holders are natural persons;

(ii) dividends paid to unit holders of the fund are not subject to the withholding tax if the unit holders are legal entities, provided that they do not meet the criteria set forth in Article 208 C-II, ter of the French Tax Code (which provides that the withholding tax is payable if the dividends are paid to an entity holding over 10% of the voting rights of the SIIC and the entity is not liable for corporate income tax or another equivalent tax on the amounts received).

Considering the status of the current unit holders of the fund, the Company is not liable for the 20% withholding tax on the dividends it distributes.

Dividend distributions to other shareholders :

CeGeREAL will not be subject to the 20% withholding tax if it is established that no dividends are paid to shareholders other than natural persons meeting both of the following conditions:

(i) the shareholder holds, directly or indirectly, at least 10% of the dividend entitlements in the SIIC at the time the dividends are paid;

(ii) the shareholder's dividend is not subject to corporate income tax or another equivalent tax.

Considering CeGeREAL's ownership structure in 2009, the 20% withholding tax was not levied on any of the dividends it distributed.

2. IMPACTS OF GERMAN LEGISLATION ON THE COMPANY'S ACTIVITY AND STRUCTURE

2.1. GERMAN LEGAL FRAMEWORK APPLICABLE TO OPEN-ENDED INVESTMENT FUNDS AND THEIR MANAGERS

CRI is an asset management company that is subject to German law. It invests on behalf of open-ended real estate funds that do not have legal status. The investment funds managed by CRI are, in particular, aimed at private investors, individuals and businesses.

Investors' rights in these funds are represented by units which are issued by the management company. Units of open-ended real estate funds only confer on their holders monetary rights that correspond to the investment in the funds. They do not confer any voting rights or any power to influence the management of those funds.

CRI holds a majority interest in the Company's capital on behalf of the hausInvest europa investment fund, which was set up in 1972 (the "Fund").

The relationship between the investors in the Fund and CRI is governed by a management authorization contained in the documentation made available to the Fund's unit holders that describes, in particular, the strategy and investment rules followed.

General presentation of the legislative and regulatory framework

The German regulations applicable to investment funds and management companies are mainly drawn from the German law on investments (*Gesetz über Kapitalanlagegesellschaften*, the "KAGG"). Its provisions on real estate investment funds were slightly amended by the German "investment law" (*Investmentgesetz*, the "InvG") that entered into effect on January 1, 2004, which has been applicable to the Fund since April 1, 2006 and which was itself amended on December 28, 2007 (the KAGG or the InvG, where applicable, are hereinafter referred to as the "German Investment Act").

The German Investment Act aims to provide security to fund unit holders through controls implemented, in particular, by the German Federal Financial Services Authority and by the fact that the management company is assisted by a custodian bank.

The *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin) (the German federal financial services authority) exercises general control over investment funds and their management companies under the German Investment Act. In this regard, any company that wishes to engage in the management of financial instruments (the activity performed by CRI) is required to obtain accreditation as a financial asset management company from the BaFin. Once this accreditation has been obtained, management companies that have the status of financial asset management company are subject to the control of the BaFin. This control includes, in particular, the audit of the financial statements of the fund and the management company.

The portfolio of real estate assets held directly or indirectly by the management company on behalf of the fund is valued by a committee of independent experts. The criterion used by the experts for this valuation is the market value. The identity of the experts and their credentials, as required under the German Investment Act, must be provided to the BaFin. The BaFin does not directly control the asset valuation however.

The custodian bank is responsible for permanent control of all fund assets (in particular the portfolio of real estate assets, participating interests in property companies and bank deposits). In general, the custodian bank must ensure that in its day-to-day management, the management company complies with all the provisions of the German Investment Act, in particular those relating to (i) the issue and redemption of units, (ii) unit valuation (iii) the way in which the income from the fund is used and (iv) the amount of the debts incurred on behalf of the fund.

Commerzbank AG is the custodian bank for the Fund assets. CRI must obtain the agreement of Commerzbank AG prior to certain decisions relating to all of the Fund's real estate investments. Such decisions include the disposal of any real estate assets, encumbering a real estate asset with a security interest and the disposal of CRI's stake in the Company.

This approval does not, however, confer discretionary powers on the custodian bank, whose control role is strictly defined. Commerzbank AG is actually required to give its agreement provided the conditions determined by law in order to give this agreement are fulfilled.

The main obligations of a fund manager include a duty of independence vis-à-vis the custodian bank, which must not interfere in its management. The custodian bank is therefore required to respect the decisions of the management company, provided that they comply with the regulations in force. The role of the custodian bank is therefore limited to ensuring that investors' rights are respected. CRI is also required to act independently of the custodian bank and, therefore, to manage the Fund assets exclusively on behalf of the Fund and in the strict interest of unit holders.

Contractual relations between investors and CRI

The monies invested in the Fund are entrusted to CRI on the basis of a management authorization concluded between CRI and the investors. The management authorization, which specifies the applicable provisions of the German Investment Act, sets up a fiduciary relationship between CRI and the Fund investors (the *Verwaltungstreuhand*).

Protection of the Fund's real estate assets

In accordance with German regulations, the real estate assets held by CRI, as a management company, on behalf of the Fund, must be managed with due care and attention.

More specifically, these assets benefit from the following protective measures:

- all monies invested by unit holders and all investments made by CRI on behalf of the Fund must be separated from CRI's other assets (assets from other funds and CRI's own assets);

- all new assets acquired through income from the sale of a real estate asset previously held on behalf of the Fund are automatically deemed to be Fund assets;

- the assets held on behalf of the Fund cannot guarantee the undertakings assumed by CRI on behalf of other funds;

- CRI cannot offset its own debts against a receivable it holds on behalf of the Fund; and

- if CRI is liquidated, due to a generally applicable rule, the assets held on behalf of the Fund will not be treated as CRI's assets or be listed on the consolidated balance sheet of the custodian bank (Commerzbank AG).

Prudential regulations relating to the Fund

For information, the net value of the Fund was EUR 10,354,084,689.43 and the gross value of the Fund was EUR 12,818,056,975.32 at December 31, 2009.

Liquidity ratio

Holders of Fund units have the option of requesting the redemption of all or part of their investment at any time, on the basis of the Fund value, which is determined daily by CRI in its capacity as fund manager. In this regard, CRI is required to maintain a daily liquidity reserve equal to at least 5% of the gross value of the Fund, in order to be able to fill redemption orders placed by investors. This reserve, however, must not exceed 49% of the gross value of the Fund assets. As an indication, the Fund liquidities were EUR 2,803,194,659.07 at December 31, 2009, i.e. 22% of the gross value of the Fund.

Investment ratios

The German Investment Act requires management companies to comply with various applicable thresholds, depending on the category in which the assets held by the Fund are placed.

- *Direct real estate investments*. Pursuant to the Fund's internal rules that are specific to direct real estate investments, CRI is authorized, on behalf of the Fund, to acquire and directly hold full title to real estate assets that are located on the territory of the European Union.

- *Indirect real estate investments.* CRI may also hold investments in property companies on behalf of the Fund. In any event, the gross value of the real estate assets held by all these property companies cannot exceed 49% of the total value of the Fund. 100% stakes in the capital and voting rights of property companies are not included in this 49% threshold.

Moreover, the gross value of a real estate asset held by a property company, considered separately, cannot exceed 15% of the gross value of the fund. Compliance with this threshold is assessed on the date of acquisition of these assets and in proportion to the participating interest held on behalf of the fund in the property company.

The gross value of all the real estate assets held by property companies (in which the management company does not hold a majority of the capital and voting rights that would enable it to amend the bylaws of said property companies) must not exceed 30% of the gross value of the fund.

Liquid investments. In addition to these direct and indirect real estate investments, the management company can invest up to 49% of the total value of the Fund in liquid assets such as:

(i) bank deposits;

(ii) money market instruments;

(iii) units in funds acquired pursuant to the principle of risk diversification, that are issued by a private equity company or a foreign investment fund that is subject to the control of a public authority;

(iv) certain financial instruments authorized by the European Central Bank and the Deutsche Bundesbank; and

(v) within the limit of 5% of the value of the fund assets, shares or debt securities issued by German or foreign companies whose securities are admitted to trading on a stock market in a Member State of the European Union or the European Economic Area; "shareholdings in companies whose securities are admitted to trading on a European stock market" must be limited to 10% of the issuer's capital and voting rights and 10% of this issuer's non-voting shares;

(vi) up to 5% of the gross value of the fund can be invested in REIT or comparable securities in foreign companies admitted to trading on a regulated and/or organized market in or outside the European Union: shareholdings in such REIT stock corporations or comparable foreign entities must be limited to 10% of the issuer's capital and voting rights and 10% of this issuer's non-voting shares.

CRI's investment in the Company is currently classified as a "shareholding in a property company". If the investment is reclassified as a "shareholding in companies whose securities are admitted to trading on a European stock market", CRI would have to comply with all the thresholds detailed in (v) above.

Loans

A management company can take out loans on behalf of an open-ended real estate investment fund, within the scope of its day-to-day management and subject to the prior control of the custodian bank. The total amount of these loans must not exceed 50% of the total value of the fund's real estate assets.

To guarantee these loans, the management company can grant security interests on all the real estate assets it directly or indirectly holds on behalf of the fund, provided that the total amount of these security interests does not exceed 50% of the value of the fund assets.

At December 31, 2009, the total amount of the security interests granted by CRI on all the real estate assets held on behalf of the Fund totaled EUR 1,060,766,444.09, i.e. as an indication around 8.28% of the gross value of the Fund (EUR 12,818,056,975.32).

A management company can also grant loans to the property companies in which it holds a participating interest, provided that the management company complies with certain conditions. In particular, the amount of these loans cannot exceed (i) 25% of the value of the fund assets and (ii) the total amount of the loans taken out by the property company cannot exceed 50% of the value of its assets; the loans must be granted under market conditions and provide for repayment within six months of the withdrawal of the management company from the borrower's capital.

Valuation

Management companies are required to set up a valuation committee comprised of at least three independent experts, whose assignment, prior to any acquisition, is to value the real estate assets that CRI, in its capacity as management company, is planning to acquire directly or indirectly (i.e. participating interests in property companies).

In addition, an independent expert who meets the criteria laid down by the German Investment Act and who is not a member of the valuation committee must value all real estate assets prior to their acquisition.

This committee's assignment is also to value the real estate assets held by CRI on behalf of the Fund, once a year. A property can only be acquired if its purchase price is not significantly higher than the valuation determined by the valuation committee. Conversely, a property cannot be sold if the sale price is less than the valuation determined by the valuation committee.

The BaFin controls the conditions under which these experts are appointed to value the portfolio of real estate assets and can request a replacement if these experts do not fulfill the conditions required by the German Investment Act.

2.2. IMPACTS OF GERMAN LEGISLATION ON THE COMPANY'S ACTIVITY AND STRUCTURE

Restrictions on the Company's activity

The German legal framework that is applicable to CRI has direct and indirect effects on the Company's structure and activity, *inter alia* pursuant to the principle whereby a property company in which a management company holds a participating interest, even if it is a minority interest, cannot have a scope of activity that is wider than that of the management company itself.

The German Investment Act requires property companies to enter into a memorandum of understanding with the management company, which provides for certain restrictions on the property company's activity. The purpose of this memorandum of understanding is to guarantee that the custodian bank's prerogatives as stated above will be upheld. The memorandum provides for the need to obtain the custodian bank's agreement if real estate investment decisions are made (including decisions relating to the financing of investments), real estate assets are sold, security interests are placed on a real estate asset or the bylaws of the property company in which the management company holds a stake are amended.

Commerzbank AG, however, only has a control role and does not intervene in the Company's management.

Restrictions on the holding of assets

Management companies can hold, on behalf of the fund, participating interests in companies that hold real estate assets, either directly or indirectly, through a subsidiary in which they hold 100% of the capital and voting rights.

Accordingly, the Company's corporate purpose must comply with the obligations to which CRI is subject with respect to holding and managing assets on behalf of the Fund.

In particular, until recently and insofar as CRI's stake in the capital of the Company is classified as a "shareholding in a property company", CeGeREAL could not hold more than three real estate assets. German legislation has just lifted this restriction.

Consequently, CeGEREAL may now purchase additional real estate assets, provided it signs an amendment to the loan facility agreement entered into between the Company and the bank Eurohypo AG on March 2, 2006.

These real estate assets may be located in the country where its registered office is located or on the territory of a Member State of the European Union or the European Economic Area, to the extent authorized by the Fund rules.

Supplementary restrictions and obligations

The Company can grant security interests or other guarantees, provided that the custodian bank approves these security interests and that they are granted under arm's length conditions. The total value of these security interests and of those that encumber real estate assets directly held by the Fund cannot exceed 50% of the market value of the Fund's real estate assets (which includes the real estate assets held indirectly by the Fund via the intermediary of property companies in which the Fund has participating interests).

All of the amounts paid (in particular dividends and liquidating dividends) by the Company to CRI in respect of its capacity as shareholder will be paid as soon as possible, into a blocked account held at Commerzbank AG.

The Company is required to issue a monthly report on the status of its assets. This report must be provided to both the management company and the custodian bank. These reports are audited annually.

Moreover, the Company's shares must be paid up in full.

CRI's information disclosure obligations

The management companies must provide unit holders with information that allows them to assess the value of their investment. They must also provide both the custodian bank and the BaFin with various pieces of information that allow these two organizations to carry out their controls.

Pursuant to the German Investment Act, CRI will therefore be obliged to provide information on the Company.

In order to define the resources to be used in order to ensure compliance with the German Investment Act, in particular, CRI, Commerzbank AG and the Company signed a memorandum of understanding, the provisions of which are detailed in section II.6.1 "Memorandum of Understanding with CRI".

3. GENERAL INFORMATION REGARDING THE ISSUER

3.1. CORPORATE NAME

The Company's corporate name is CeGeREAL.

3.2. TRADE AND COMPANIES REGISTRY

The Company is registered with the Paris Trade and Companies Registry under number 422 800 029. Its business identification (SIRET) number is 422 800 029 00023 and its business activity code is 702C (leasing of other real estate assets).

3.3. COMPANY INCORPORATION AND TERM OF EXISTENCE

The Company was incorporated on April 22, 1999 for a term of ninety-nine years in the form of a limited liability company. It was converted into a French *société anonyme* (corporation) on December 31, 2005.

3.4. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at: Étoile-Saint-Honoré, 21-25, rue Balzac, 75008 Paris, France.

The Company is a French *société anonyme* with a Board of Directors that is governed, in particular, by the provisions of the French Commercial Code (*Code de commerce*).

The telephone number for the registered office is: +33 (0)1.42.25.76.36.

3.5. COMPANY'S BACKGROUND AND MERGER OPERATIONS

The Company's main shareholder – background

As of the date of this Registration Document, the majority of the Company's capital is held by CRI, a subsidiary of Commerz Real AG that was incorporated in 1992.

94.9% of CRI is held by Commerz Real AG (itself wholly-owned by Commerzbank AG) and 5.1% is held by Commerz Grundbesitz Beteiligungsgesellschaft mbH & Co.KG (see section II.5 "Company's position in the Commerz Real group").

CRI is a German company that manages German investment funds and is specialized in the real estate sector. CRI has acted on behalf of the hausInvest europa investment fund since 1993 and the hausInvest Global investment fund since 2004. It only manages open-ended funds that are intended to regroup investments by individuals and businesses.

CRI has been doing business in France since 1998. At December 31, 2009, it held 18 real estate complexes in France on behalf of the hausInvest europa fund. The total value of these real estate complexes, three of which were held through CeGeREAL, was estimated by an independent valuer at approximately EUR 2bn. The majority of these assets are located in Paris and in the Paris region, and they consist almost exclusively of office buildings.

The investment fund HausInvest europa was set up on April 7, 1972. CRI has investments in the major European cities, placing Europe at the heart of the fund's investment strategy. The hausInvest Europa fund's management strategy is based on an active policy of asset hedging. The net value of the hausInvest Europa fund has risen considerably, from EUR 780m in 1992 (representing 15,600 investors) to EUR 10.35bn (representing more than 400,000 investors) at December 31, 2009.

Acquisition of assets: background

CRI previously held the entire capital of CGF Eurl, CG Arcs de Seine Eurl and CGF II Eurl, each of which held a real estate asset located in the Île-de-France region.

In order to optimize the management of its activities and simplify its structure in France, CRI decided to group these three real estate complexes into a single company, CGF Eurl.

In this regard, CG Arcs de Seine Eurl and CGF II Eurl were merged into CGF Eurl pursuant to a merger agreement entered into between these three companies on November 30, 2005.

Under the merger agreement, the managers of the merged companies made a representation in the name of these companies relating to the payment of their taxes, social security contributions and extra-budgetary taxes, as well as all other obligations vis-à-vis the tax, social security and other authorities.

In the event of an inaccuracy in this representation, CRI granted the Company a warranty pursuant to which CRI undertook to indemnify the Company for all tax liabilities, the origin or cause of which is in an event, fact or operation prior to the merger and that was not recognized or set aside as a provision in the financial statements at December 31, 2004 for CG Arcs de Seine Eurl and at September 30, 2005 for CGF II Eurl, or the fraction of such a liability that exceeds the amount recognized or set aside as a provision in the financial statements of the merged companies.

This indemnification clause does not, however, apply:

- to the loss caused by a tax adjustment that merely results in a deferral of taxation from one tax year to the next, with the exception of any surcharges, penalties and/or default interest charged to the surviving company;

- if the loss claimed by the Company results from an omission or gross negligence on its part.

This warranty can be activated until the end of a three-month period following the expiration of the statute of limitations that is effectively applicable.

These merger operations were approved by the sole shareholder of the merged companies and by CGF's sole shareholder (it was a single-shareholder limited liability company at the time) on December 31, 2005.

As no creditors objected to the merger operations, the mergers became definitive on December 31, 2005.

Pursuant to a decision dated December 31, 2005, the Company changed corporate form with a view to having its shares admitted to trading on Euronext Paris by NYSE Euronext. Since this decision, the Company has become a French *société anonyme*. At the time of this decision, the Company's corporate name was changed to Sopreal. It was then changed by the Ordinary and Extraordinary Shareholders' Meeting of February 20, 2006 to CeGeREAL.

3.6. ARTICLES OF INCORPORATION AND BYLAWS

The following paragraphs present the main provisions of the bylaws of CeGeREAL and the internal rules and regulations for its Board of Directors on the date of this Registration Document.

Corporate purpose

Article 2 of the bylaws

The Company's purpose is, directly or indirectly:

- the sale, acquisition, construction or refurbishment, directly or indirectly, the leasing and management in France of three real estate properties located at (i) 20 avenue André Prothin, 92400 Courbevoie, known under the name "Europlaza", (ii) Quai du Point-du-Jour, 92100 Boulogne Billancourt, known under the name "Arcs de Seine", (iii) 4, quai de Bercy, 94220 Charenton-le-Pont, known under the name "Rives de Bercy",

- the acquisition and management of all other movable or real property assets and rights in connection with these buildings and that are required for the proper management thereof,

- and, in general, all financial, commercial or industrial transactions, whether in real or movable property, that can be directly linked to the purposes specified above or any related or complementary purpose.

The Extraordinary Shareholders' Meeting held on December 23, 2009 changed the Company's purpose by lifting the prohibition to grant security interests or other guarantees, except for liens and/or mortgages, transfers (*cessions Dailly*) and/or delegations of insurance and/or rent (and any other sums related thereto) relating to the building(s) that it holds.

The Shareholders' Meeting also acknowledged that the hausInvest europa fund's internal rules and regulations were amended on August 16, 2008 and consequently, the change to the Company's purpose, as adopted by the Extraordinary Shareholders' Meeting of June 18, 2008 under the fourteenth resolution, which allowed the Company to hold more than three real estate assets, would only be effective subject to the agreement of the existing creditors under the loan agreement entered into by the Company and the Eurohypo AG bank on March 2, 2006 (see also section III.2 "Debt").

Bylaw provisions relating to the management and executive structures – Board of Directors' Internal Rules and Regulations

Board of Directors

Composition of the Board of Directors (excerpt from Article 15 of the bylaws)

The Company shall be managed by a Board of Directors composed of at least three members and a maximum of eighteen members, subject to the derogation provided for by law in the event of a merger.

Term of office – Removal from office (excerpt from Article 15 of the bylaws)

The term of office for directors is six years.

Directors can be removed from office at any time by the Ordinary Shareholders' Meeting.

<u>Organization, meetings and decisions of the Board of Directors</u>

Chairman (Article 16 of the bylaws)

The Board of Directors shall elect a Chairman from among its members, who must be an individual, whose compensation shall be determined by the Board where applicable. The Chairman of the Board of Directors shall be appointed for a term that cannot exceed that of his/her term of office as director. The Chairman can be re-elected. The Board of Directors can remove the Chairman from office at any time; all provisions to the contrary shall be deemed inexistent.

The Chairman of the Board shall have and exercise powers under the conditions laid down by Article L.225-51 of the French Commercial Code.

If the Chairman of the Board of Directors is not the Managing Director, the Managing Director and/or the Deputy Managing Director(s) shall assist the Chairman in order to obtain information that is useful for the performance of his/her duties.

Reports prepared by the Chairman (Article 8 of the Internal Rules and Regulations*)*

In accordance with the provisions of Article L.225-37 of the French Commercial Code, the Chairman is required to prepare reports for the shareholders on the conditions under which Board's work is prepared and organized, as well as the internal control procedures implemented by the Company.

These reports shall be based on the best practices in the field, in particular the Reference Code.

Said reports shall first be provided to the Board of Directors, before being made available to all the shareholders.

Non-voting directors (Article 19 of the bylaws)

The Ordinary Shareholders' Meeting may appoint one or more persons, who may or may not be chosen from among the shareholders, to act as non-voting directors. The assignment of the non-voting directors is to issue opinions and suggestions to Company's committees and to assist the Board of Directors in determining corporate strategy.

The non-voting directors may be chosen from among the committee members.

The non-voting directors shall be appointed for a term of three years. Their term of office shall expire at the close of the Ordinary Shareholders' Meeting convened to vote on the financial statements for the third financial year that follows the financial year during which they were appointed.

Non-voting directors can be reelected. Each non-voting director can be removed from office at any time by the Ordinary Shareholders' Meeting.

If a non-voting director ceases or is unable to perform his/her duties, the Board of Directors can provisionally appoint a replacement. This appointment shall be ratified by the next Ordinary Shareholders' Meeting.

The Ordinary Shareholders' Meeting may decide to grant compensation to each non-voting director. The non-voting directors shall have access to the same information as that made available to the members of the Board of Directors. The non-voting directors may be invited to attend any meeting of the Board of Directors. They are not allowed to vote at Board meetings, however.

<u>Decisions by the Board of Directors (excerpt from Article 15 of the bylaws)</u>

Board meetings shall be convened by all means, including orally, by the Chairman of the Board.

When the Board has not met for more than two months, at least one-third of the Board members can ask the Chairman of the Board of Directors to convene the Board to meet on a specific agenda. If the Managing Director does not perform the duties of Chairman of the Board, he/she can also ask the Chairman of the Board to convene the Board to meet on a specific agenda. The Chairman of the Board shall be bound by requests made to him/her in this way. If the request remains without effect, its authors can themselves convene the Board and indicate the agenda for the meeting.

Board meetings shall be held at the registered office or at any other place specified in the convening notice.

When the Managing Director is not a director, he/she shall attend meetings of the Board of Directors by right.

These meetings may be held through videoconference means or by any means of telecommunication that allows for the identification of the directors, guarantees their effective participation in the meeting of the Board and allows for continual broadcasting of the discussions and decisions, within the scope of the applicable provisions of the law and regulations, it being specified that discussions relating to the adoption of the decisions referred to in Paragraph 3 of Article L.225-37 of the French Commercial Code cannot be held by videoconference.

Decisions shall be made under the quorum and majority conditions provided for by law.

<u>Powers of the Board of Directors (excerpt from Article 15 of the bylaws)</u>

The Board of Directors shall have the powers and perform its assignment under the conditions laid down by Article L.225-35 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

<u>Directors' fees (Article 6 of the Internal Rules and Regulations)</u>

Each Board member shall receive directors' fees according to the allocation defined by the Board of Directors of the overall amount set by the Ordinary Shareholders' Meeting.

Each Board member may also receive exceptional compensation in respect of his/her involvement in a committee or a specific assignment.

Method of general management

The general management of the Company shall be placed under the responsibility of either the Chairman of the Board of

Directors, or another individual appointed by the Board of Directors who shall have the title of Managing Director.

The choice between these two methods of exercising general management shall be made by the Board of Directors, which must inform the shareholders and third parties thereof under the regulatory conditions.

The Board's decision as to how the general management will be exercised shall be taken by the majority of the directors who are present or represented. The Board shall determine the duration of the option; in any event, the Board's decision on this point shall remain valid until a decision to the contrary is taken.

Managing Director (excerpt from Article 17 of the bylaws)

When the Chairman of the Board of Directors performs the general management of the Company, the following provisions (except those relating to his/her indemnification in the event of removal from office) shall be applicable.

When the Board of Directors chooses to separate the duties of the Chairman of the Board of Directors from those of the Managing Director, it shall appoint the Managing Director, who need not be a director, set his/her term of office, determine his/her compensation and, where applicable, the limits on his/her powers.

The Managing Director shall have the powers and perform his/her assignment under the conditions laid down by Article L. 225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

The Board of Directors can remove the Managing Director from office at any time. If the removal from office is decided without due grounds, it may give rise to damages, unless the Managing Director is also Chairman of the Board of Directors.

Deputy Managing Director (excerpt from Article 17 of the bylaws)

Following a proposal by the Managing Director, the Board of Directors can appoint one or more individuals who are responsible for assisting the Managing Director and who shall have the title of Deputy Managing Director.

The Board of Directors shall determine the compensation of the Deputy Managing Director(s) and, in agreement with the Managing Director, the scope and duration of the powers of the Deputy Managing Director(s).

With regard to third parties, the Deputy Managing Director(s) shall have the same powers and be subject to the same obligations as the Managing Director.

When the Managing Director ceases or is unable to perform his/her duties, the Deputy Managing Director(s), unless decided otherwise by the Board of Directors, shall continue to exercise their duties and responsibilities until a new Managing Director is appointed.

The Board of Directors, following a proposal by the Managing Director, can remove the Deputy Managing Director(s) from office at any time. If the removal from office is decided without due grounds, it can give rise to the payment of damages.

Internal Rules and Regulations of the Board of Directors

The Company's Board of Directors adopted Internal Rules and Regulations which supplement and clarify the terms and conditions of its operation, as provided by law and the Company's bylaws.

These Internal Rules and Regulations specify, in particular, how the Board is organized and operates, as well as its powers and responsibilities and those of its committees and the limitations to the powers of general management.

A Directors' Charter, which is attached to these Internal Rules and Regulations, specifies the conditions under which all Company directors are required to perform their duties. In particular, the Charter describes the role of the directors and each director's rights and obligations, which include loyalty, good faith and transparency as regards transactions in the Company's securities. The Charter also draws the directors' attention to the risk of conflicts of interest and the possession of privileged information. Lastly, the charter specifies the criteria used for assessing directors' independence.

Control and assessment of the operation of the Board of Directors

Article 12 of the Directors' Charter

Directors must be mindful of the allocation and exercise of the respective powers and responsibilities of the Company's governing bodies.

Directors must ensure that no one can exercise uncontrolled discretionary power over the Company and that the technical committees set up by the Board of Directors operate correctly.

The Board of Directors shall organize a meeting to discuss its method of operation once a year. The Board of Directors shall also assess its own method of operation on a regular basis, at the initiative of the Chairman of the Appointments and Compensation Committee.

Rights, privileges and restrictions attached to shares

Bylaw provisions relating to the allocation of profits, the payment of dividends and interim dividends

Article 27 of the bylaws

The profit for the financial year, less prior losses carried forward and amounts allocated to the legal reserve, plus prior profits carried forward, constitutes the distributable profit. In addition to the distributable profit, under the conditions defined by law, the Ordinary Shareholders' Meeting can decide to distribute amounts drawn from the reserves to which the shareholders are entitled.

After approval of the annual financial statements and verification of the existence of distributable amounts, the Ordinary Shareholders' Meeting decides the portion allocated to shareholders in the form of dividends.

Insofar as the Company opted for the tax treatment referred to in Article 208 C of the French Tax Code, the amount of the distributable profit shall be determined in accordance with the provisions of the second, third and fourth paragraphs of

Article 208 C II of said Code, in order to allow the Company to benefit from the provisions of Article 208 C II.

The General Shareholders' Meeting has the option of offering shareholders the choice between payment in cash or in shares, for all or part of the securities that grant the right to the payment of dividends, within the scope of the relevant provisions of the law and regulations.

Interim dividends can also be distributed before the approval of the financial statements for the financial year, under the conditions laid down by law.

For all or part of the interim dividends paid, shareholders can be offered the option of payment in cash or in shares.

Lastly, all shareholders, other than individuals:

(i) that directly or indirectly hold at least 10% of the Company's dividend rights, at the time of any payment of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, and

(ii) whose specific situation or that of its partners who directly or indirectly hold 10% or more of the Company's dividend rights, in respect of all payments of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, render the Company liable to the 20% withholding referred to in Article 208 C II-3 of the French Tax Code (the "Withholding Tax") (such shareholders are referred to as "Shareholders Subject to Withholding Tax"),

shall owe the Company, when any dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code are paid, an amount that shall be set in such a way as to neutralize completely the Withholding Tax owed by the Company in respect of said payment.

If there is more than one Shareholder Subject to Withholding Tax, each of them shall owe the Company the portion of the Withholding Tax triggered by its direct or indirect shareholding. The status of Shareholder Subject to Withholding Tax shall be assessed on the date the payment is distributed.

Subject to the information provided in accordance with Article 10 of the bylaws, all shareholders, other than individuals, that directly or indirectly hold at least 10% of the Company's dividend rights shall be presumed to be Shareholders Subject to Withholding Tax.

The amount of any debt owed by a Shareholder Subject to Withholding Tax shall be calculated in such a way that, after the debt is paid and in light of any tax treatment applicable to it, the Company is placed in the same position as though the Withholding Tax had not been triggered.

The payment of any distribution to a Shareholder Subject to Withholding Tax shall be made by an entry in said shareholder's individual current account (which shall not bear interest). The current account balance shall be repaid within five business days as from said entry, after offsetting against the monies owed by the Shareholder Subject to Withholding Tax pursuant to the provisions set out above.

The General Shareholders' Meeting can grant each shareholder, for all or part of the dividend or interim dividend payment, an option between payment in cash or in shares. If a Shareholder Subject to Withholding Tax opts for the payment of its dividend in shares, said shareholder shall receive part of the payment in shares (without creating fractional shares), and the other part in cash (this portion shall take the form of an individual current account entry), so that the offsetting mechanism described above can apply to the portion of the dividend payment made by an entry in the individual current account.

In the event of a distribution at the time of a public exchange offer, the Company shall only deliver the shares owed to the Shareholder Subject to Withholding Tax in respect of its involvement in the exchange after full payment in cash of the monies owed by the Shareholder Subject to Withholding Tax to the Company pursuant to the provisions set out above.

In the event that:

(i) subsequent to a payment by the Company of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, a shareholder is found to be a Shareholder Subject to Withholding Tax on the date of payment of said monies, and

(ii) the Company should have paid the Withholding Tax in respect of the monies thus paid to said shareholder, without said monies having been reduced as required, said Shareholder Subject to Withholding Tax shall be required to pay the Company not only the amount it owed to the Company pursuant to the provisions of this article, but also an amount equal to the penalties and default interest, where applicable, owed by the Company as a result of the late payment of the Withholding Tax.

Where applicable, the Company may set off its receivable in this regard *pro tanto* against all monies that may subsequently be owed to said Shareholder Subject to Withholding Tax.

Pledges of Company shares

None of the shares that make up the Company's capital have been pledged.

Changes to the capital and the rights attached to shares

Increases in capital

The share capital can be increased by any method and in any way authorized by law. The Extraordinary Shareholders' Meeting has the sole power to decide on any immediate or deferred increases in capital, following consultation of the report by the Board of Directors that contains the information required by law. The meeting can delegate this power to the Board of Directors under the conditions laid down by law.

Decreases in capital

The Extraordinary Shareholders' Meeting can also, under the terms and conditions laid down by law, authorize a capital reduction or decide to reduce the capital for any reason and in any way whatsoever. However, capital reductions cannot undermine shareholder equality in any way.

The Company can buy back its own shares, without reducing its capital, under the conditions and within the limits laid down by law.

General Shareholders' Meetings

Form of General Shareholders' Meetings

Ordinary Shareholders' Meetings

The Ordinary Shareholders' Meeting shall have the power to vote on agreements governed by Article L.225-38 of the French Commercial Code. It shall appoint the directors, ratify or reject provisional appointments made by the Board, remove directors from office for reasons determined at its sole discretion, decide to award directors' fees and set the amount thereof. The Ordinary Shareholders' Meeting shall appoint the Statutory Auditors. The Ordinary Shareholders' Meeting shall ratify any decision by the Board of Directors to transfer the registered office within the same *département* or to a neighboring *département*.

An Ordinary Shareholders' Meeting shall be held once a year (Annual General Meeting) to approve, correct or reject the annual financial statements, and determine the allocation of the profit in compliance with the Company's bylaws. Said meeting may also decide, under statutory conditions, to grant each shareholder, for all or part of the dividend or the interim dividend paid, an option between payment of the dividend in cash or in shares.

As a general rule, the Ordinary Shareholders' Meeting shall decide on all issues that do not require a decision of the Extraordinary Shareholders' Meeting.

Extraordinary Shareholders' Meetings

Extraordinary Shareholders' Meetings can make all amendments to the bylaws that are authorized by law.

Convening notices and proxies

Excerpt from Article 23 of the bylaws

General Shareholders' Meetings shall be convened and deliberate under the quorum and majority conditions laid down by law.

They shall be held at the registered office or in any other place specified in the convening notice.

All shareholders are entitled to attend General Shareholders' Meetings and to take part in the vote in person or via proxy, upon presentation of proof of their identity and title to their securities, provided that:

- for holders of registered shares, the securities are recorded in the accounts of registered shares kept by the Company, in the name of the shareholder;

- for holders of bearer shares, the securities are recorded in the accounts of bearer shares kept by the accredited financial intermediary, and evidenced by a share ownership certificate.

These formalities must be carried out at the latest on the third business day prior to the meeting at midnight, Paris time.

The Board of Directors may reduce this timeframe via a general measure that benefits all the shareholders.

All shareholders can vote prior to the meeting by post or electronically, in accordance with legal and regulatory terms and conditions.

The shareholders can, under the conditions laid down by the laws and regulations, send their proxy form or postal vote form for any General Shareholders' Meeting on paper or electronically pursuant to a decision by the Board of Directors stated in the convening notice, in accordance with the regulations in force.

Shareholders shall be deemed to be present for the calculation of the quorum and majority if they attend the meeting by videoconference or by telecommunication means that make it possible to identify them, in accordance with legal and regulatory conditions.

Holding of General Shareholders' Meetings

Excerpt from Article 23 of the bylaws

General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors, or in his/her absence, by the director who has been on the Board the longest.

An attendance sheet shall be drawn up under the conditions laid down by law.

Copies of or excerpts from meeting minutes shall be validly certified by the Chairman of the Board of Directors, or by the Managing Director if he/she is a director, or by the meeting's secretary.

Voting rights

The voting right attached to ordinary shares is proportional to the portion of the capital the shares represent and each share grants the right to one vote.

Decisions at General Shareholders' Meetings shall be taken under the quorum and majority conditions laid down by law.

Preferred shares

Article 12 of the bylaws

During the existence of the Company, preferred shares may be created, with or without voting rights, accompanied by specific rights of any kind, on a temporary or permanent basis, under the conditions and according to the terms provided for by law.

Other securities

Article 13 of the bylaws

During the existence of the Company, all types of securities can be created that grant access to the capital or the issuing of debt securities, under the conditions and according to the terms provided for by law.

Bonds

Article 14 of the bylaws

The Company can issue any form of bonds pursuant to a decision or authorization from the Board of Directors, under the conditions specified in Article L.228-40 of the French Commercial Code.

Bonds can be in registered or bearer form, at the bondholder's discretion.

Limits on voting rights

None

Form of shares and identification of shareholders

Article 9 of the bylaws

Fully paid-up shares can be in registered or bearer form, at the shareholder's discretion.

The Company is authorized to use all lawful means with a view to identifying shareholders and shares giving immediate or deferred access to the Company's capital and that confer voting rights in the Company, in accordance with Articles L.228-1 and L.228-2 of the French Commercial Code.

Bylaw restrictions to share transfers

None

Conditions for share transfers

Excerpt from Article 10 of the bylaws

The Company's shares may be traded without restrictions unless otherwise provided by legislative or regulatory provisions.

Shareholders' agreements

None

Crossing of thresholds set in the bylaws

Excerpt from Article 10 of the bylaws

In addition to the thresholds provided for by the applicable laws and regulations, any individual or legal entity, whether acting alone or in concert, that acquires or disposes of, directly or indirectly through one or more companies over which it has majority control, 3% or more of the share capital and/or voting rights, shall be required to inform the Company of each additional fraction of 2% of the capital and/or voting rights held, up to 33%, within five trading days from the crossing of said threshold(s), by registered letter with return receipt sent to the Company's registered office, specifying the total number of shares or securities that grant access to the capital, as well as the number of voting rights it holds, alone, indirectly or together with other shareholders, on the basis of the most recent number of voting rights published by the Company.

In the event of failure to comply with this disclosure obligation, one or more shareholders that hold at least 5% of the capital or voting rights can request that the shares exceeding the fraction that should have been disclosed be stripped of voting rights for all Shareholders' Meetings that are held, until the expiration of a two-year period following the date on which the disclosure obligation is complied with. The request shall be recorded in the minutes of the General Shareholders' Meeting. Under the same conditions, the voting rights attached to these shares and that were not duly disclosed cannot be delegated by the defaulting shareholder.

The disclosure obligation described above must be complied with in addition to legal disclosure threshold obligations, in particular those referred to in Article L.233-7 of the French Commercial Code.

Lastly, all shareholders, other than individuals, that hold and/or acquire 10% of the Company's dividend rights, directly or through entities they control, within the meaning of Article L. 233-3 of the French Commercial Code, must state in their disclosure threshold notice or subsequent thereto, whether or not the entity is a Shareholder Subject to Withholding Tax as defined in Article 27 of the bylaws. If the shareholder declares that it is not a Shareholder Subject to Withholding Tax, it must comply with any request by the Company to provide proof thereof and/or a legal opinion issued by an internationally renowned tax firm at the latest ten (10) business days before payment of the distributions.

All shareholders, other than individuals, that report that they have exceeded the threshold of 10% of the dividend rights, directly or indirectly, must notify the Company in a timely manner, and in any event at the latest ten (10) business days before the distributions are made, of any change in their tax status that would cause them to acquire or lose the status of Shareholder Subject to Withholding Tax.

If they are not declared under the conditions provided for in the previous paragraph of this article, the shares that exceed the disclosure threshold shall be stripped of voting rights in Shareholders' Meetings if, during a meeting, the failure to declare is recorded and if one or more shareholders that together hold at least 2% of the capital make a request to this effect during such meeting. The removal of voting rights shall also apply to all Shareholders' Meetings that are held until the expiration of a two-year period following the date on which the disclosure obligation is complied with.

The shares of all Shareholders Subject to Withholding Tax shall be issuer-registered.

Changes to the share capital

The provisions of the bylaws that govern changes in the Company's share capital are no stricter that those imposed by law. These provisions are presented above under "Changes to the capital and the rights attached to shares".

Agreements between the Company and a director, the Managing Director, a Deputy Managing Director or a shareholder

Article 21 of the bylaws

All agreements that are entered into directly, indirectly or via an intermediary between the Company and the Managing Director, a Deputy Managing Director or director of the Company, or a shareholder of the Company that holds over 10% of the voting rights, or if it is a corporate shareholder, the company controlling that shareholder within the meaning of Article L.233-3 of the French Commercial Code, must first be submitted to the Board of Directors for authorization.

The same applies to agreements in which one of the persons referred to above has an indirect interest.

Agreements between the Company any other company are also subject to prior authorization, if the Managing Director, a Deputy Managing Director or a director of the Company is also an owner, partner with unlimited liability, manager, director, member of the Supervisory Board or, in general, officer of that company.

The same applies to commitments made by the Company itself or by any company controlled by or that controls the Company, within the meaning of sections II and III of Article L.233-16 of the French Commercial Code, for the benefit of their chairmen, managing directors or deputy managing directors, which correspond to items of compensation, indemnities or benefits owed or liable to be owed to them as a result of the termination of or a change in their duties or subsequent thereto.

The same also applies in the event of the appointment to the position of chairman, managing director or deputy managing director of a person having an employment contract with the Company or any company controlled by or that controls the Company, within the meaning of sections II and III of Article L.233-16 of the French Commercial Code, where the provisions of said employment contract correspond to items of compensation, indemnities or benefits owed or liable to be owed to them as a result of the termination of or a change in their duties or subsequent thereto.

These agreements are authorized under the conditions provided for by law and, where applicable, the Internal Rules and Regulations adopted by the Board of Directors.

These agreements shall be disclosed under the conditions provided for by law and, where applicable, the Internal Rules and Regulations adopted by the Board of Directors.

3.7. INTELLECTUAL PROPERTY

The names "Arcs de Seine" and "Rives de Bercy" were registered as French trademarks in Classes 35, 36 and 37 on December 1, 1998 and March 2, 2001 respectively. The "Arcs de Seine" trademark was initially registered in the name of the company PDJ. The "Rives de Bercy" trademark was initially registered in the name of Rives de Bercy SARL. Following various mergers, these trademarks were transferred to CG Arcs de Seine Eurl and CGF II Eurl, to which CeGeREAL is the successor in interest. However, an amended registration was not filed with the French Intellectual Property Institute (INPI) for these transfers.

The name Europlaza has not been registered as trademark.

In 2008, the name “CeGeREAL” was registered as a trademark with the INPI.

The Company is not dependent on trademarks, patents or licenses for its business activity or for its profitability.

3.8. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

None

4. GENERAL INFORMATION RELATING TO THE CAPITAL

4.1. AMOUNT OF THE CAPITAL (ARTICLE 7 OF THE BYLAWS)

On the filing date of this Registration Document, the share capital is set at EUR 160,470,000.

It is divided into 13,372,500 ordinary shares with a par value of EUR 12 per share.

The Company’s shares have all been subscribed and fully paid up and are all of the same class.

4.2. SECURITIES THAT DO NOT REPRESENT CAPITAL

None

4.3. ALLOCATION OF CAPITAL AND VOTING RIGHTS

There are no shares with double voting rights. However, the number of voting rights must be adjusted to take into account treasury shares, which do not carry voting rights. Moreover, the Company has only issued one class of share. The table below shows the allocation of capital and voting rights at December 31, 2009, to the best of the Company’s knowledge.

Shareholding structure at December 31, 2009	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.85%
Covéa	1,848,555	13.82%	1,848,555	13.84%
Rolland-Yves Mauvernay	936,075	7.00%	936,075	7.01%
Free float	2,576,924	19.27%	2,576,924	19.30%
Treasury shares	17,451	0.13%	0	0.00%
Total	**13,372,500**	**100%**	**13,355,049**	**100%**

Shareholding structure at December 31, 2009	Shareholders		Shares	
	Number	%	Number	%
Residents	1,494	93.61%	4,221,080	31.57%
Non-residents	102	6.39%	9,151,420	68.43%
Total	**1,596**	**100%**	**13,372,500**	**100%**

Shareholding structure at December 31, 2009	Shareholders		Shares	
	Number	%	Number	%
Individual shareholders	1,455	91.17%	377,228	2.82%
Institutional shareholders	141	8.83%	12,995,272	97.18%
Total	**1,596**	**100%**	**13,372,500**	**100%**

At December 31, 2009, the mutual insurance group company Covéa (7, place des Cinq-Martyrs-du-Lycée-Buffon, 75015 Paris) held 1,848,555 CeGeREAL shares, which represented as many voting rights, i.e., 13.84% of the Company’s capital and voting rights, broken down as follows:

	Shares and voting rights	% of capital and voting rights
GMF Vie (1)	931,061	6.96%
MAAF Assurances SA (1)	539,533	4.03%
MAAF Vie (1)	286,080	2.14%
MAAF Santé	59,821	0.45%
GMF Assurances (1)	27,060	0.20%
La Cité Européenne	3,000	0.02%
Fidélia	2,000	0.01%
Total Covéa	**1,848,555**	**13.82%**

(1) Companies controlled by the mutual insurance group company Covéa.

Threshold disclosures (Article L.233-7 of the French Commercial Code)

By letter received on December 8, 2009, Rolland-Yves Mauvernay notified the Company that on December 7, 2009, he had increased his interest to over 5% of the Company's capital and voting rights and that he held 936,075 CeGeREAL shares and as many voting rights, representing 7.00% of the capital and 7.01% of the voting rights. The 5% threshold was crossed following the purchase by Mr Mauvernay of 936,075 CeGeREAL shares from CRI by private agreement.

By letter received on December 8, 2009, CRI, controlled by Commerzbank AG and acting on behalf of the hausInvest europa fund, notified the Company that on December 7, 2009, its interest had fallen below 2/3 of the Company's capital and voting rights and that it held 8,023,489 CeGeREAL shares and as many voting rights on behalf of the Fund, representing 59.99% of the capital and voting rights. The threshold was crossed following a private sale of shares.

To the Company’s knowledge, no other shareholder owns more than 5% of the capital or voting rights. There are no shareholders’ agreements.

The percentages of the capital and voting rights held by all the members of the management and executive bodies are respectively 59.78% and 59.85%.

At December 31, 2009, there was no employee share ownership as governed by Article L.225-102 of the French Commercial Code.

To the Company’s knowledge, there are no significant pledges of issuer-registered CeGeREAL shares.

The Company has not pledged its treasury shares.

The Company does not control any other companies (L.233-13; R.233-19).

4.4. OTHER SECURITIES THAT GRANT ACCESS TO CAPITAL

The Company has not issued any securities granting access to the capital.

4.5. SHARE CAPITAL AUTHORIZED, BUT NOT ISSUED

The Ordinary and Extraordinary Shareholders' Meeting of May 29, 2009 authorized the Board of Directors to issue, at any time, ordinary shares or securities granting access to the share capital or debt securities, with or without preemptive subscription rights for shareholders, according to the Company’s needs and given the characteristics of the markets at the time under consideration.

The Board has not used these authorizations.

Summary table of valid authorizations to increase the capital

	Date of the ESM	Expiration of authorization	Authorized amount	Amounts used in previous years[1]	Amount used in 2009 and until...	Balance at
Authorization to increase the capital by incorporating reserves, profits or premiums	05/29/2009	07/29/2011	EUR 300,000,000	None	None	
Authorization to increase the capital with preferential subscription rights for shareholders	05/29/2009	07/29/2011	EUR 300,000,000	None	None	
Authorization to increase the capital by public offering without preferential subscription rights for shareholders	05/29/2009	07/29/2011	EUR 300,000,000	None	None	
Authorization to increase the capital by private placement without preferential subscription rights for shareholders	05/29/2009	07/29/2011	20% of capital per year	None	None	
Authorization to increase the capital by up to 10% per year without preferential subscription rights for shareholders, with terms and conditions for determining the subscription price defined						
Authorization to increase the capital in favor of company savings plan (PEE) members, without preferential subscription rights for shareholders						
Authorization to increase the capital in favor of (category of staff or names of beneficiaries), without preferential subscription rights for shareholders						
Authorization to increase the capital in consideration for securities	05/29/2009	07/29/2011	10% of the share capital		None	
Authorization to issue share subscription options						
Authorization to grant free shares						
Authorization to grant founders warrants						

4.6. INFORMATION ON THE CAPITAL OF ANY GROUP MEMBER THAT IS THE SUBJECT OF AN OPTION

None

4.7. CHANGES IN THE COMPANY'S CAPITAL OVER THE LAST THREE FINANCIAL YEARS

Table showing changes in the Company's capital over the last three financial years

Shareholding structure at December 31, 2007	Shares		Voting rights	
	Number	%	Number	%
CRI	8,959,567	67.00%	8,959,567	67.05%
GMF VIE	904,000	6.76%	904,000	6.76%
Free float	3,499,540	26.17%	3,499,540	26.19%
Treasury shares	9,393	0.07%	0	0.00%
Total	**13,372,500**	**100%**	**13,363,107**	**100%**

Shareholding structure at December 31, 2008	Shares		Voting rights	
	Number	%	Number	%
CRI	8,959,567	67.00%	8,959,567	67.14%
Covéa	1,848,555	13.82%	1,848,555	13.85%
Free float	2,536,291	18.97%	2,536,291	19.01%
Treasury shares	28,087	0.21%		0.00%
Total	**13,372,500**	**100%**	**13,344,413**	**100%**

Shareholding structure at December 31, 2009	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.85%
Covéa	1,848,555	13.82%	1,848,555	13.84%
Rolland-Yves Mauvernay	936,075	7.00%	936,075	7.01%
Free float	2,576,924	19.27%	2,576,924	19.30%
Treasury shares	17,451	0.13%	0	0.00%
Total	**13,372,500**	**100%**	**13,355,049**	**100%**

4.8. FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

Pursuant to Article L.225-100-3 of the French Commercial Code, we specify the following points that could have an impact in the event of a public offering:

- The capital structure as well as any known direct or indirect shareholdings in the Company's capital and all related information are described in section IV.4.3 above.

- There are no bylaw restrictions to the exercise of voting rights, subject to those relating to disclosure thresholds set out in section IV.3.6 above.

- To the Company's knowledge, there are no signed agreements or other undertakings between shareholders.

- There are no securities conferring special control rights.

- There are no control mechanisms provided for in an employee share ownership system where the control rights are not exercised by said employees.

- The appointment and removal of members of the Board of Directors are governed by legal provisions and the provisions of Article 15 of the bylaws. The Board's Internal Rules and Regulations contain no special provisions in this respect. Therefore, directors are appointed and replaced in compliance with the law. They may be removed at any time by a decision of the Ordinary Shareholders' Meeting. The Chairman is appointed by the Board of Directors and may be removed by the Board at any time.

- With respect to the Board of Directors' powers, current authorizations are described in section IV.4.5 hereof. In addition, the Board of Directors has the powers and exercises its duties under the conditions set forth in Article L.225-35 of the French Commercial Code and in the Company's bylaws.

- The Company's bylaws are amended in accordance with legal and regulatory provisions. Only an Extraordinary Shareholders' Meeting is empowered to amend the provisions of the bylaws, being specified, however, that a unanimous decision is required to increase shareholders' undertakings.

- Those agreements entered into by the Company that are amended or terminated in the event of a change in control are the following (commercial and financial agreements, etc.):

  Asset management agreement between CeGeREAL and *Commerz Real*

  Property management agreements relating to the Europlaza, Arcs de Seine and Rives de Bercy buildings and with YXIME

  Agreement entered into with Publicis

  Liquidity agreement between CeGeREAL and Exane

  Agreement for Account Opening and Services

  Chubb insurance policy

- There are no agreements specifically providing for indemnification in the event of termination of a Board member's term of office.

4.9. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of May 29, 2009 granted the Board of Directors an eighteen-month authorization to purchase, on one or more occasions at the times it deems fit, up to 10% of the Company's shares (5% in the event of share buybacks in view of external growth transactions), at any time; adjusted where applicable to take account of any share capital increases or decreases during the term of the share buy-back program.

Within the scope of this share buy-back program, the Company carried out the following sale and purchase transactions involving its own shares between the opening and closing dates of the last financial year:

- Number of shares purchased: 29,663

  Average purchase price: EUR 22.24 (gross)

- Number of shares sold: 41,385

  Average sale price: EUR 22.89 (gross)

- Total amount of negotiating fees: EUR 90,669 (excluding taxes)

- Reasons for the acquisitions: market stimulation (100%)

At December 31, 2009, the Company held 17,451 treasury shares with a market value of EUR 431,912.25 (closing value).

The reason for the acquisitions was solely market stimulation.

4.10. STOCK MARKET

CeGeREAL shares are listed on Euronext Paris under ISIN Code FR 0010309096.

5. OTHER INFORMATION ON THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

5.1. COMPOSITION AND OPERATION OF THE MANAGEMENT AND SUPERVISORY BODIES

The Company is a French *société anonyme* (corporation) with a Board of Directors.

Board of Directors and senior executives

The table below shows the composition of the Board of Directors and the directorships and other positions held by Board members and senior executives over the last five years.

Name of corporate officer and main position held	Appointed on	Term of office expires	Other current directorships and positions held (1)	Terms of office and positions held in the last 5 years (expired) (1)
Richard Wrigley (2) Director and Chairman of the Board of Directors	12/31/2005	OESM* 2011	*Legal manager* CPI SARL CPI MASSY SCI GALOPINVEST SCI LE BARRAGISTE PRINCETON FRANCE SNC FONCIERE MEUDON STAMFORD HOLDINGS SCI HUME	
CRI Director Permanent representative: Erich Seeger	12/31/2005	OESM 2011		*Joint legal manager* Forum Algarve – Gestão de Centro Comercial, Sociedade Unipessoal, Lda. II & Comandita Forum Almada – Gestão de Centro Comercial, Sociedade Unipessoal, Lda. II & Comandita
Jean-Pierre Bonnefond (2) Director	02/20/2006	OESM 2012	*Chairman* JPB & A *Chairman of the Supervisory Board* SCPI HOCHE PLACEMENT PIERRE	*Chairman* Baratte et A
Klaus Waldherr Director	02/05/2008	OESM 2011	*Corporate officer* COMMERZ GRUNDBESITZ-GESTAO DE CENTROS COMERCIAIS, SOCIEDADE UNIPESSOAL LDA FORUM ALMADA – GESTAO DE CENTRO COMERCIAL, SOCIEDADE UNIPESSOAL LDA FORUM ALGARVE – GESTAO DE CENTRO COMERCIAL, SOCIEDADE UNIPESSOAL LDA CGI METROPOLE S.r.o. CGI VICTORIA SQUARE Ltd CGI VICTORIA SQUARE NOMINEES Ltd CGG CANADA GRUNDBESITZ GmbH MANMALL SUCCESSOR LLC 4239440 CANADA Inc 4239474 CANADA Inc 4239466 CANADA Inc 4239431 CANADA Inc IVANHOE STE-FOY Inc IVANHOE RIVE NORD Inc CG-78 SHENTON WAY SINGAPORE PRIVATE Ltd CR-71 ROBINSON ROAD SINGAPORE PRIVATE Ltd CG CHOONGMURO BUILDING SPECIALITY LLC CG JAPAN GmbH CHARLES SQUARE CENTER S.r.o. LACERTA IMMOBILIARE S.r.l ALFA S.r.l Espacio León Propco, S.L.U. Brafero Sociedade Imobiliaria S.A. Theresien Center Dienstleistungsgesellschaft mbH CR-Station General Partner CR Montijo Retail Park SA CRI Erste Beteiligungsgesellschaft mbH Tulipan House 1 Sp. zo.o	*Corporate officer* HOUSTON MAIN GP LLC Manmall LLC

Name of corporate officer and main position held	Appointed on	Term of office expires	Other current directorships and positions held (1)	Directorships and other positions held in the last 5 years (expired) (1)
Martin Weinbrenner Managing Director (3)	12/31/2005	OESM 2011	Corporate officer CGI VICTORIA SQUARE Ltd CGI VICTORIA SQUARE NOMINEES Ltd MANMALL SUCCESSOR LLC CGG BENELUX GMBH CG-78 SHANTON WAY SINGAPORE PRIVATE Ltd CR-71 ROBINSON ROAD SINGAPORE PRIVATE Ltd. CG JAPAN GmbH CHARLES SQUARE CENTER S.R.O. LE PRESIDENT A SA LE PRÉSIDENT B SA LE PRÉSIDENT C SA Regensburg Arcaden Verwaltungs GmbH Immobilière des Croisades CGI Stadtgalerie Schweinfurt Verwaltungs GmbH Commerz Real Spezialfondsgesellschaft mbH Brafero Sociedade Imobiliaria S.A. Espacio Léon Propco. S.L.U. CGG Canada Grundbesitz GmbH City Garden Brüssel Commerz Real Cap Sud SAS Metropole Prag S.r.o. Theresien Center Dienstleistungsgesellschaft mbH CR Station General Partner CRI Zweite Beteiligungsgesellschaft mbH Tulipan House 1 Sp. zo.o. CRI Swing Holding Oy *Managing Director* COMMERZ REAL FRANCE GmbH *Member of the Supervisory Board* HK IMMOBILIEN AG	Corporate officer HOUSTON MAIN GP LLC Manmall LLC
Raphaël Tréguier Deputy Managing Director	04/29/2008	OESM 2011	*Legal manager* SCI Pianissimmo	
Mario Schüttauf (4) Director	10/30/2007	OESM 2011	*Legal manager* FORUM ALMADA Lda FORUM ALGARVE Lda BRAFERO SOCIEDADE IMOBILIARA S.A. FORUM MONTIJO Lda *Corporate officer* Commerz Real Cap Sud SAS Theresien Center Dienstleistungsgesellschaft mbH CRI Erste Beteiligungsgesellschaft mbH	
Thomas Lämmerhirt (4) Director	02/05/2008	OESM 2011	*Legal manager* CG NEW VENTURE 2 VERWALTUNGS-GESELLSCHAFT mbH SCHLOß BENSBERG MANAGEMENT GmbH EUREGIO SERVICE MANAGEMENT GmbH VISENIO GmbH *Chairman* GO GERMAN OFFICE AG	
Hans-Joachim Kühl Director	01/30/2009	OESM 2011	*Board member* Commerz Real Spezialfondsgesellschaft mbH *Legal manager* Commerz Real AG Commerz Real Investmentgesellschaft mbH	
Gerry Dietel Director	01/30/2009	OESM 2011		
Bardo Magel Managing Director (5)	02/17/2010	OESM 2011		

*Annual General Meeting
(1) Whatever the Company's legal form and country of incorporation
(2) Independent director
(3) Term of office expired on February 17, 2010
(4) Resigned as director on January 30, 2009
(5) Appointed on February 17, 2010

5.2. COMPENSATION AND BENEFITS

Compensation and benefits of members of the Board of Directors and senior executives

Directors' fees

The method for allocating directors' fees was set by the February 5, 2008 Board of Directors' meeting according to the following terms and conditions:

From February 5, 2008, and until otherwise decided, directors' fees will be allocated equally among Board members. In the event that one or several directors cease their duties, directors' fees will be allocated in proportion to the length of each director's term of office.

In compliance with the May 29, 2009 Ordinary and Extraordinary Shareholders' Meeting, a total maximum amount of EUR 45,000 in directors' fees for all the directors was recognized in the Company's financial statements.

During the year ended December 31, 2009, the following director's fees were paid:

- EUR 7,500 to Richard Wrigley
- EUR 7,500 to Jean-Pierre Bonnefond

A proposal will be submitted to the next General Shareholders' Meeting to set the total maximum amount of directors' fees for 2010 at EUR 45,000.

Summary table of directors' fees and other compensation paid to non-executive corporate officers		
Non-executive corporate officers	Amounts paid during year Y-1	Amounts paid during year Y
Jean-Pierre Bonnefond		
Directors' fees	€7,500	€7,500
Other compensation	€0	€0
CRI		
Directors' fees	€0	€0
Other compensation	€0	€0
Klaus Waldherr		
Directors' fees	€0	€0
Other compensation	€0	€0
Mario Schüttauf		
Directors' fees	€0	€0
Other compensation	€0	€0
Thomas Lämmerhirt		
Directors' fees	€0	€0
Other compensation	€0	€0
Other compensation	€0	€0
Hans-Joachim Kühl		
Directors' fees	€0	€0
Other compensation	€0	€0
Gerry Dietel		
Directors' fees	€0	€0
Other compensation	€0	€0
Total	**€7,500**	**€7,500**

Other compensation and benefits

Table 1

This table only relates to executive corporate officers within the meaning of Article L.225-185 of the French Commercial Code (Chairman of the Board of Directors, Managing Director and Deputy Managing Director(s)). It summarizes the compensation and benefits granted to executive corporate officers that are detailed in the following tables. These tables present the compensation and benefits of all kinds payable to executive corporate officers in relation to their terms of office by i) the Company, ii) companies controlled - within the meaning of Article L.233-16 of the French Commercial Code - by the Company in which the term of office is held, iii) companies controlled - within the meaning of said Article - by the company or companies that control the company in which the term of office is held, and (iv) the company or companies that control - within the meaning of said Article - the company in which the term of office is held. When the listed company is a member of a group, information on the executive corporate officers' compensation relates to the amounts payable, in connection with the term of office in the listed company, by all the companies in the control chain.

Where the term of office began or ended during the year, the reference period used to calculate the compensation is specified, where necessary.

Summary table of compensation, options and shares granted to each executive corporate officer		
	Previous year	Current year
Richard Wrigley **Chairman of the Board of Directors**		
Compensation payable for the year (1) (broken down in Table 2 below)	€57,500.00	€32,500.00
Value of options granted during the year	€0.00	€0.00
Value of performance shares granted during the year	€0.00	€0.00
Total	€57,500.00	€32,500.00

	Previous year	Current year
Martin Weinbrenner **General Manager**		
Compensation payable for the year (broken down in Table 2 below)	€0.00	€0.00
Value of options granted during the year	€0.00	€0.00
Value of performance shares granted during the year	€0.00	€0.00
Total	€0.00	€0.00

	Previous year	Current year
Raphaël Tréguier **Deputy Managing Director**		
Compensation payable for the year (2) (broken down in Table 2 below)	€159,430.00	€152,900.00
Value of options granted during the year	€0.00	€0.00
Value of performance shares granted during the year	€0.00	€0.00
Total	€159,430.00	€152,900.00

(1) It was decided that the Chairman would not receive any compensation with effect from July 1, 2009, but would keep all compensation paid prior to said date.

(2) Reference period from April 14, 2008 to December 31, 2008 for year Y-1, and from January 1, 2009 to December 31, 2009 for year Y.

Table 2

Summary table of compensation granted to each executive corporate officer				
Richard Wrigley **Chairman of the Board of Directors**	Previous year		Current year	
	Amounts payable (3)	Amounts paid (4)	Amounts payable (3)	Amounts paid (4)
Fixed compensation (1)	€50,000	€50,000	€25,000	€25,000
Variable compensation	€0	€0	€0	€0
Exceptional compensation	€0	€0	€0	€0
Directors' fees	€0	€7,500	€0	€7,500
Benefits in kind	€0	€0	€0	€0
Total	€50,000	€57,500	€25,000	€32,500

Martin Weinbrenner **General Manager**	Previous year		Current year	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	€0	€0	€0	€0
Variable compensation	€0	€0	€0	€0
Exceptional compensation	€0	€0	€0	€0
Directors' fees	€0	€0	€0	€0
Benefits in kind	€0	€0	€0	€0
Total	€0	€0	€0	€0

Raphaël Tréguier **Deputy Managing Director**	Previous year		Current year	
	Amounts payable (3)	Amounts paid (4)	Amounts payable (3)	Amounts paid (4)
Fixed compensation (1)	€104,830	€104,830	€115,000	€115,000
Variable compensation	€0	€0	€0	€0
Exceptional compensation (2)	€54,600	€54,600	€37,900	€2,900
Directors' fees	€0	€0	€0	€0
Benefits in kind	€0	€0	€0	€0
Total	€159,430	€159,430	€152,900	€117,900

(1) Items of the compensation are expressed as a gross, pretax amount
(2) This exceptional compensation is composed of (i) the grant of an exceptional, guaranteed bonus of a gross amount of EUR 35,000 (all-inclusive amount negotiated upon appointment) of which 11/12ths (i.e., EUR 32,100) is payable at December 31, 2008, and 1/12th (i.e., EUR 2,900) is payable at February 15, 2009, and (ii) the payment of a single, exceptional "welcome bonus" of EUR 22,500. The EUR 35,000 bonus is exceptional to the extent that it is additional compensation whose payment was deferred and it is not guaranteed after the 2008 fiscal year. The Board of Directors as of April 9, 2010 decided to grant an exceptional compensation of EUR 35,000 gross before tax. The EUR 35,000 bonus is not guaranteed after the 2009 fiscal year. Mr Tréquier received the EUR 35,000 bonus in 2010.

(3) Compensation granted to the executive corporate officer for his duties during the fiscal year, irrespective of the date of payment

(4) Total compensation paid to the executive corporate officer for his duties during the fiscal year

This table only relates to the executive corporate officers referred to in the introduction to Table 1 above.

No performance shares were granted to the corporate officers.

No stock subscription or stock purchase options were granted to the corporate officers.

The corporate officers and their kin did not, in the previous fiscal year, carry out any of the share transactions referred to in Article L.621-18-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and Article 223-6 of the AMF's General Regulations.

On January 30, 2009, the Company published a statement relating to the AFEP-MEDEF recommendations of October 6, 2008, which is reproduced word-for-word below:

"At its January 30, 2009 meeting, the Board of Directors took note of the AFEP-MEDEF's October 6, 2008 recommendations relating to the compensation of executive corporate officers of companies whose shares are admitted for trading on a regulated market. The Board expressed its intention to follow these recommendations.

"It confirmed that the AFEP-MEDEF code thus amended would continue to be CeGeREAL's reference code for the preparation of the Chairman's report on internal control and corporate governance, in compliance with Article L.225-37 of the French Commercial Code."

Total amounts set aside as provisions to pay annuities, pensions, or other benefits

The Company's senior executives do not benefit from any pensions, top-up pensions or other benefits of any kind. Therefore, the Company has not set aside any provisions in this respect.

Executive corporate officers	Employment contract		Complementary pension scheme		Indemnities or benefits payable or likely to be payable with respect to the termination of or a change of duties		Indemnities pursuant to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Richard Wrigley Chairman 12/31/2005 OESM 2011		X		X		X		X
Martin Weinbrenner Managing Director 12/31/2005 OESM 2011		X		X		X		X
Raphaël Tréguier Deputy Managing Director 04/29/2008 Managing Director's term of office	X			X	X			X

5.3. MANDATORY AND OPTIONAL PROFIT-SHARING AND STOCK OPTION PLANS

Employee share ownership and stock options

At December 31, 2009, there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

The Company's employees and corporate officers have not been granted any stock subscription or purchase options.

Mandatory and optional employee profit-sharing

None

6. RISK FACTORS

Readers are requested to carefully review all the information contained in this Registration Document.

As of the filing date of this Registration Document, the risks detailed are those for which materialization is liable to have a material negative impact on the Company, its activity, its financial position or its results. However, readers are informed that the list of risks presented is not exhaustive and that other risks may exist, which are either unknown, or for which materialization, on the Registration Document filing date is not deemed likely to have a negative impact on the Company, its activity, its financial position, its results or its prospects.

6.1. RISKS LINKED TO THE COMPANY'S ACTIVITY

Risks linked to the real estate market and to the economic environment

Risk linked to the economic environment

The economic crisis is liable to slow the demand for new office space. It may also have a long-term impact on the occupancy rate, on lessees' ability to pay their rent and their rental expenses, and on the liquidity of the real estate assets in the event of forced sale.

The Company's capacity to increase the level of its rents when renewing leases — or even to maintain rents at existing levels — depends on supply and demand trends, and on the market. These three factors are influenced by the general economic situation. Incidentally, the occupancy rate depends on the extent to which supply matches demand. A future drop in demand for office real estate in the Paris region could affect the Company's activity and results.

Downward shifts in the INSEE national building costs index (ICC) to which the lease rental payments are indexed directly affect the Company's rental income. The ICC index has risen by more than 25% over the last ten years, more than the increase in the consumer price index. Nevertheless, the Company is not able to foresee the various factors that could have an impact on the ICC index.

The level of the Company's rental income and its results could therefore be adversely affected by these factors.

Risk linked to the competitive environment

When its leases near expiration, the Company may face competition from players that operate in the office real estate sector and that have real estate assets that meet the requirements of the Company's lessees at rental conditions that are more attractive than those that the Company is in a position to offer them.

Within the scope of its acquisition and asset hedging strategy, the Company may find itself in competition with institutional owners and real estate companies (managers of real estate funds, property companies, developers, etc.). The Company may not be in a position to implement its asset hedging or development strategy, which could have an unfavorable effect on its growth, its activity and its future results. Moreover, if the economic situation were to deteriorate, the Company may not be able to dispose rapidly of part of its real estate assets under satisfactory conditions if such action were to prove necessary (see section I.3.2 "Office real estate market").

Risks linked to operations

Risk linked to changes in market rents for office real estate

Rent levels and the value of office buildings are influenced by supply and demand for real estate floor space. An unfavorable trend in the demand to supply ratio would be likely to adversely affect the results, activity and financial position of the Company. Moreover, the Company's business activity, in particular its development, partially depends on the availability of real estate assets that offer the characteristics and minimum standards sought by lessees.

Risk of dependence on certain lessees

Policies have been devised to ensure that:

- lease agreements are entered into with clients that have a good record of creditworthiness,

- the lessees' financial position is stable.

The five most significant lessees (Bouygues Telecom, Crédit Foncier de France, Cap Gemini and GE Capital) represent 75% of total rental income for the year ended December 31, 2009. The Company is currently dependent on a small number of lessees, three of which account for approximately 63% of all rental income generated over the year ended December 31, 2009, and more than 10% of total . Although the Company's real estate assets could be, and are leased to many different lessees, financial difficulties experienced by one of the afore-mentioned lessees, a request for more favorable lease terms upon renewal or a decision to terminate their lease, could adversely impact the Company's financial position, results and future performance.

As previously mentioned, a significant number of the Group's leases will expire in early 2011, with Bouygues Telecom vacating 80% of the Arcs de Seine building. Marketing to relet this space started in 2008 (see section I.2.2 "Reletting of Tour Europlaza" and section I.4.1 "Buildings").

Risk linked to non-payment of rent

All the Company revenues are generated by leasing its real estate assets to third parties. Therefore, non-payment of rent could affect the Company's results.

Given the relative importance of the Company's four principal lessees, non-payment by one or more of these lessees could have a material negative impact on the Company's financial position, results and prospects (see section I.4 "Assets").

Concentration risk

Risk linked to the concentration of the portfolio in the same geographic region

The performance of the real estate sector is cyclical and reflects the underlying economic growth trends in a geographical region.

The Company's three real estate assets are located in the Paris region, in particular in the inner suburbs. A fall in rental values in this region and the presence of a quality offering in the adjacent areas could encourage lessees to seize upon better value opportunities elsewhere.

A downturn in the Paris region rental market could affect the results, activity or financial position of the Company.

Risks linked to the concentration of the portfolio in the same rental sector

The Company has not adopted a segmented allocation strategy that would allow it to spread its real estate portfolio between the office, trade, residential or logistics sectors. A downturn in the market for office real estate, in which the Company's portfolio is concentrated, could have negative effects on the Company's financial position, results, activity and development prospects.

Risks linked to assets

Risk linked to the valuation of the real estate assets

A detailed report on the value of the Company's portfolio is prepared each year, with quarterly updates. The most recent portfolio valuation at December 31, 2009, was performed by BNP Paribas Real Estate Valuation France, an external real estate valuation firm. The value of the asset portfolio depends on the ratio of supply to demand on the market and numerous other factors that can vary substantially, as well as on changes in the economic environment.

The following table illustrates the sensitivity of the fair value of investment property to changes in its capitalization rate.

The capitalization rates of the assets in the portfolio are 6.47% for Europlaza, 6.57% for Arcs de Seine and 6.49% for Rives de Bercy. The average, weighted capitalization rate is 6.51%.

The capitalization rate used in the following table is the ratio of the building's market rental value and its fair value including registration taxes.

in millions of euros

			Changes in market capitalization rate									
Building	Market rental value	Market capitalization rate	0.5%	0.375%	0.250%	0.125%	0.000%	-0.125%	-0.250%	-0.375%	-0.5%	Market capitalization rate in 2008
Europlaza	24.8	6.47%	334.6	340.7	347.1	353.7	360.5	367.6	375.0	382.7	390.7	5.71%
Rives de Bercy	10.8	6.49%	144.8	147.5	150.2	153.1	156.0	159.1	162.3	165.6	169.0	5.82%
Arcs de Seine	21.7	6.57%	289.0	294.2	299.6	305.2	311.0	317.0	323.3	329.8	336.6	5.78%
Total	57.2	6.51%	768.5	782.4	796.9	811.9	827.5	843.7	860.5	878.1	896.3	5.76%
Impact on the portfolio valuation:			-7.13%	-5.45%	-3.70%	-1.88%	0.00%	1.96%	3.99%	6.11%	8.32%	

Source: BNPP Real Estate

Under IFRS, the Company's income could therefore vary considerably in the event of a significant rise or fall in the capitalization rates for the real estate sector.

Between two half-yearly valuations, the carrying amount of the buildings will not be adjusted if the market price varies, and could therefore fail to reflect the effective market value of the assets.

Therefore, the valuation of the Company's assets may not match their market value in the event of a sale.

6.2. MANAGING MARKET RISKS

Liquidity risk

On March 2, 2006, Eurohypo AG and the Company entered into a financing agreement that is mainly intended to refinance the Company's debt following the merger operations described in section IV.3.5, "Company's background and merger operations". This agreement contains the usual early repayment clauses (total or partial) for outstanding amounts in different cases and under certain contractually defined conditions. These are listed in section III.2.2 "March 2, 2006 Credit Agreement".

If one of these events occurs, and is not remedied within the required timeframe, the lender has the option of cancelling its commitments under the financing agreement, of declaring all outstanding amounts, accrued interest and charges thereupon to be immediately payable, and of enforcing all or part of the collateral and guarantees granted. In this situation, the Company could find itself in a position where it cannot obtain refinancing for an amount, or under financial conditions that are equivalent to those from which it currently benefits. Such a decision could have a negative effect on the Company's financial position and activity.

The Company has conducted a specific review of its liquidity risk and considers that it is in a position to meet its upcoming commitments.

Based on the Company's financial situation at December 31, 2009, it complied with all of the various ratios and limits that could trigger the early payment clauses provided for in the financing agreement referred to above.

Based on the agreement signed between Eurohypo AG and the Company on March 2, 2006, the Company must maintain an interest coverage ratio (ICR) of at least 150%.

The agreement stipulates that the Company's "projected annual net rental income" must be used to calculate the ratio. In the event that the Company has not signed new leases by November 15, 2010, to partially or totally replace Bouygues Telecom and TF1 as tenants in the Arcs de Seine building, the Company's ICR may no longer comply with the required minimum of 150% and it may be in default with regard to the terms of the financing agreement (see section III.2 "Debt").

The Company considers that it is not exposed to liquidity risk and that it has no difficulties in obtaining financing.

Foreign exchange risk

As the Company generates all of its revenue in the euro zone, it is not exposed to any foreign exchange risk.

Risk on equities and other financial instruments

As of the date of this document, the Company does not hold any direct investments in listed companies, or any indirect investments in such companies via units in equity funds, and therefore is not exposed to any equity risk.

Interest rate risk

In recent years, the real estate sector has benefited from a favorable interest rate environment characterized by falling long-term interest rates. The yield on ten-year French fungible Treasury bonds (TEC 10 index) fell from 3.98% at December 31, 2006, to 3.59% at December 31, 2009 (Source: Agence France Trésor). The Company is not able to foresee the various factors that could have an impact on changes in interest rates.

A concerted, significant increase in interest rates would have an impact on the valuation of the Company's assets insofar as the rates of return applied by real estate experts to office building rents are in part determined according to interest rates. Consequently, a significant increase could entail a decrease in the estimated value of the Company's assets (see also section IV.6.1 "Risk linked to the valuation of the real estate assets").

Interest rate risk is also discussed in Note 4.7 to the IFRS financial statements for the year ended December 31, 2009 (section III.3.2).

6.3. RISKS LINKED TO THE MAJORITY SHAREHOLDER

Risks linked to the investment held by the hausInvest europa investment fund

Risk linked to the lack of liquidity of other fund assets

As hausInvest europa ("the Fund") is an open-ended fund, unit holders may request the redemption of their units at any time.

These redemption requests may be influenced by numerous factors that are specific to the Fund, in particular its performance, as well as by external factors such as the difficulties encountered by other similar funds, or unfavorable reports or ratings published by independent agencies. The Fund has a "cash bucket" to meet such requests, up to a certain limit. If the cash bucket is insufficient to meet redemption requests, CRI could be forced to dispose of assets, including treasury shares, or, as majority shareholder, the Fund could propose that the Company dispose of certain assets and distribute the income from these disposals, which would constitute a change in the Company's strategy. If CRI disposes of treasury shares, this could have a negative impact on the Company's share price.

Risk linked to fluctuation in the value of the Fund

Under German legislation, funds that invest in property companies are subject to certain limits. In particular, the gross value of the assets and related rights of the property companies in which CRI invests on behalf of the hausInvest europa fund is limited to 49% of the total gross value of the Fund. 100% stakes in the capital and voting rights of property companies are not taken into account in the 49% threshold.

The gross value of the real estate assets and the related rights of each property company in which the Company invests on behalf of the hausInvest europa fund is also limited to 15%; this threshold is calculated when the asset in question is acquired in proportion to the participating interest held in the property company on behalf of the Fund. Fluctuation in the Fund's value could impact CRI's investment policy and indirectly impact the Company's strategy and its activity.

Risk linked to the Majority Shareholder

Since the Company was floated on the stock market, CRI has been the majority shareholder in the Company's capital and voting rights. Consequently, CRI retains a significant influence over the Company and the running of its business. CRI is therefore in a position to make significant decisions affecting not only the composition of the Company's Board of Directors, the approval of its financial statements and the payment of dividends, but also its capital, without minority shareholders being able to oppose these decisions in general meetings.

Moreover, CRI manages other real estate assets in France on behalf of the hausInvest europa fund. Although the Company's shareholders and the Fund's unit holders have a shared interest in maximizing the value of the Company's assets, CRI may find that it has a conflict of interests with regard to certain transactions (e.g. lease negotiations or disposal of a building), which could have an unfavorable effect on the Company's assets, financial position, results or strategy.

Failure to comply with German regulations on investment funds could oblige CRI to reclassify its real estate investment in the Company, which is currently classified as a "shareholding in property companies", as a financial investment, i.e. "Investment in a Real Estate Investment Trust (REIT) – securities traded on a European stock market". Moreover, CRI is free to reclassify its real estate investment in the Company as a financial investment. In both cases, the correlative disposal of a significant number of Company shares by CRI would be likely to have a negative effect on the Company's listed share price (see section IV.2 " Impacts of German legislation on the company's activity and structure).

6.4. RISK LINKED TO GERMAN REGULATIONS APPLICABLE TO THE MAJORITY SHAREHOLDER

CeGeREAL is a property company held by CRI, its majority shareholder, on behalf of the hausInvest europa investment fund. CeGeREAL, as a subsidiary of CRI, is indirectly subject to certain provisions of German legislation that are applicable to CRI and that concern investments and German investment funds.

Until recently, as CRI had not reclassified its investment in the Company from "shareholding in a property company" to "Investment in a Real Estate Investment Trust (REIT) – securities traded on a European stock market" as defined by German regulations, the number of assets that the Company could hold was limited to three.

In accordance with the law on real estate investment funds (*Investmentgesetz InvG*), amended on December 28, 2007, the German legislator has now lifted this restriction. The removal of this restriction will allow CeGeREAL to increase its real estate portfolio through the acquisition, either directly or through a wholly-owned subsidiary, of full title to all types of office buildings.

Consequently, the Company's June 18, 2008 Extraordinary Shareholders' Meeting decided to amend Articles 2 and 17, section 17.4, of the bylaws entitled "Corporate purpose" and "Limitations on the powers of the Managing Director and Deputy Managing Directors", respectively, in order to bring them into line with the German legislative reform of investments and German investment funds, subject to the two following conditions precedent:

(i) amendment of the hausInvest europa fund Internal Rules and Regulations;

(ii) approval of the creditors as per the Senior Credit Agreement signed between the Company and Eurohypo AG bank on March 2, 2006.

HausInvest europa fund's Internal Rules and Regulations were duly amended on August 16, 2008, however the required creditor approval had not been obtained by the filing date of this Registration Document.

Moreover, CRI must comply with various ratios or thresholds in the management of hausInvest europa fund assets, in particular as regards the volume of available liquidity, the ratio of direct to indirect real estate investments, the ratio of liquid investments, or the maximum value of each asset in proportion to the total value of the hausInvest europa fund.

For example, the Company's acquisition possibilities could be limited by the fact that it can only acquire a real estate asset if said asset's gross value, considered in relation to hausInvest europa fund's stake in the Company (i.e. 59.77% of the asset's gross value), does not exceed 15% of the gross value of the hausInvest europa fund (for information, approximately EUR 3bn at December 31, 2009).

These regulatory obligations, which are specific to the Majority Shareholder, have a direct impact on the Company's investment or disinvestment policy and its overall strategy.

If the Majority Shareholder were to decide to change the classification of its investment in the Company from "shareholding in a property company" to "Investment in a Real Estate Investment Trust (REIT) – securities traded on a European stock market", it would then have to significantly reduce its stake in the Company. This could lead the Majority Shareholder to sell shares to one or more buyers on the market (structured placements, block sales, etc.) or to partners as part of strategic operations (OTC sales, asset-for-share exchange, etc.).

Such operations could, in some cases, trigger the application of legal provisions concerning public takeover bids or guaranteed share prices if they lead to a change in control of the Company.

Moreover, the Company is not in a position to foresee changes that may take place and which, if they were to indirectly affect it, could have an unfavorable impact on its strategy, assets, activity and financial position.

Commerzbank AG, in its capacity as custodian bank, also tracks compliance by CRI with all the provisions of German regulations. Although the custodian bank does not have discretionary powers and must give its agreement (when required), provided German regulations have been complied with, the Company is not in a position to ensure that this control will not block or hinder the implementation of its strategy or have unfavorable consequences for its assets, activity or financial position.

6.5. RISKS LINKED TO SERVICE PROVIDERS

Risk linked to replacement of the Property Manager

Since 1999, the Company has entrusted the administration and rental management for all its real estate assets to YXIME, ("YXIME" or the "Property Manager"). YXIME is responsible for the day-to-day rental management of the real estate assets (invoicing and rent collection, verification of compliance with contractual undertakings, handling lessees' requests and any problems).

Pursuant to the agreements concluded, under certain conditions, the Company and YXIME can terminate the contracts that bind them by giving standard notice of six months. Given YXIME's longstanding knowledge of the Company's assets and its lessees, a change in property manager would require a period of adaptation to the replacement service provider due to the specific nature of the real estate assets placed under management. Such a change could lead to a temporary decrease in the efficiency of rent collection and the quality of the services provided, the satisfaction of the Company's various lessees during this transition period, and to additional costs linked to the change of service provider, in particular due to the economies of scale achieved because of the size of the CRI portfolio managed by YXIME.

Risk linked to the quality of service providers and sub-contractors

The attractiveness of the real estate portfolio, the rental income it generates and its valuation can be affected by the perception potential lessees have of the buildings, i.e. the risk that these potential lessees deem the quality, cleanliness and/or security of the buildings to be insufficient, or by the need to carry out restructuring, refurbishment or repair work.

The Company's rental activity depends on certain sub-contractors and service providers, in particular maintenance and caretaking companies. If these sub-contractors or service providers were to go out of business or become insolvent, or if the quality of their services or products were to decline, this could affect the Company, for example through a drop in the quality of day-to-day management services or the replacement of absent service providers with more expensive service providers, or possible late penalties being incurred by the Company. The Company cannot guarantee that the services or products provided by sub-contractors or service providers give complete satisfaction to its lessees, in particular because the Property Manager responsible for managing the buildings that comprise the Company's asset portfolio only exercises limited control over the sub-contractors' and/or service providers' personnel.

6.6. RISKS LINKED TO THE REGULATORY ENVIRONMENT

Risk linked to current or future regulations

When conducting its business and managing its office buildings, in addition to complying with the tax rules that are intrinsic to its SIIC status, the Company must comply with numerous specific or general regulations that govern, *inter alia*, public health, the environment, safety and commercial leases. Any substantive change to these regulations is liable to have an impact on the Company's operating results or its development and growth prospects.

Moreover, as is usually the case for owners of real estate assets, the Company cannot guarantee that all its lessees will strictly comply with all of the regulations applicable to them, in particular those relating to the environment, health and public safety. However, although the terms of the leases obligate the lessees to comply with the regulations applicable to the leased premises when using said premises, and the Company could take legal action against a lessee that is responsible for a breach of said regulations, the consequences of any non-compliance are liable to trigger the application of penalties against the Company in its capacity as building owner, which could affect its results and its financial position.

Risk linked to the regulations applicable to leases

In France, the legislation on commercial leases is very strict with regard to the lessor. Certain provisions of the law on commercial leases, and in particular those that govern the term, termination and renewal of leases or the indexing of rent for these leases, are a matter of public policy and may limit the owners' ability to increase rents in line with market rents in order to optimize their rental income.

Moreover, when leases expire and at the end of each three-year period, unless agreed otherwise, the lessee has the option of vacating the premises. If the lessor refuses to renew the lease upon expiration, the lessee is entitled to an eviction indemnity.

Environmental risk linked to health (asbestos, legionnaire's disease and classified facilities)

The Company's business activity is subject to laws and regulations on the environment and public health. These laws and regulations concern, in particular, the ownership or use of facilities that are liable to present a risk for public health, safety or the protection of the environment and are listed in the specifications for classified facilities. Operating a classified facility requires an authorization or declaration, depending on the extent of the risk it presents, and the administrative authority may require specific measures to be implemented and inform the operator of the rules applicable to the facility. The Company is also subject to the regulations relating to the use of toxic substances or materials in buildings and building facilities. If these laws and regulations should become more strict, this could result in additional expenses for the Company.

Moreover, the Company's buildings may be affected by public health and safety related-problems, in particular if the presence of Legionella or asbestos is detected in said buildings. The Europlaza and Arcs de Seine buildings underwent asbestos removal work in 1999 and 2000. The Rives de Bercy complex did not require such work since it was built after the regulations that prohibit the use, import and sale of materials that contain asbestos came into effect.

All of the leases provide for payment by lessees of work to bring the premises into compliance with all new regulations on health, safety and working conditions.

Moreover, any change in safety regulations, in particular for skyscrapers (such as the Europlaza building), could lead to additional operating and maintenance expenses for the Company.

6.7. RISK LINKED TO THE COSTS AND AVAILABILITY OF APPROPRIATE INSURANCE COVER

The Company benefits from insurance cover taken out both at national level and by its Majority Shareholder, which is provided by leading insurance companies and guarantees the damage that may be caused to its portfolio assets, as well as the resulting loss of rental income for a period of 36 months.

Nonetheless, given the size of the assets to insure and the desired level of insurance, if the Company were to leave the Commerz Real group's scope of consolidation, or if it no longer benefited from the negotiating power of the Commerz Real group, it may no longer be in a position to obtain the same level of cover, under the same financial conditions. The Company would then be exposed to higher risks or have to pay higher premiums, which would have an impact on its financial position, results and strategy.

7. OTHER ASPECTS OF THE REGULATORY ENVIRONMENT, RELATED RISKS AND INSURANCE

7.1. OTHER ASPECTS OF THE REGULATORY ENVIRONMENT

When managing its real estate assets, the Company is required to comply not only with tax rules that are inherent to its SIIC status, but also with standard rules on the granting of building permits and numerous other specific or general regulations that govern, *inter alia*, public health, the environment, safety and commercial leases. The German legislation applicable to the Company's Majority Shareholder also has an influence on the Company's structure and activities.

System of ownership applicable to real estate assets

Ownership of part of the car park at the Arcs de Seine building is based on the concept of volume division. This relates to the 240 parking spaces that make up building P240 in the Z.A.C. Point du Jour (located in (Boulogne Billancourt) and accessed through a building located within said Z.A.C., at 34-37, quai du Point du Jour.

These parking spaces comprise plot 111 in the descriptive schedule of volume division filed with Maître Jusot on January 6, 1989 (division into two plots numbered 111 and 112 of the real property registered under cadastral reference BQ number 169 in the land register) and plot 101 in the descriptive schedule of volume division filed with Maître Mortel on the same day (division into two plots numbered 101 and 102 of the real property registered under cadastral reference BQ number 153 in the land register).

The concept of volume division is a practical invention that originates from the need to organize complex real estate developments where public structures (roads, railway lines and subway lines) and private structures of various types (offices, homes and malls) are generally superposed.

Volume division is based on an abandonment of the classic concept of the unity of property ownership and is based on the dissociation of the land, space and subsoil, which results in the creation of three-dimensional volumes. Real estate volume can be schematically defined as a right of title that is detached from the land and covers a uniform three-dimensional section of space and subsoil, corresponding to an existing or future building, which may or may not be in geometric form, but that is determined using its elevation numbers and with reference to leveling plans. This additional detail in the delineation of plots is found in the descriptive schedule of division, which itself contains a very precise definition of the volumes and their components. The use of elevation numbers makes it possible *inter alia* to separate components that are traditionally communal (such as the structure, piping or the land on which the property is built) and allocate a portion of the ownership of these components to one or more specific volumes with, where applicable, easements for the benefit of the other volumes. If no details are provided in the descriptive schedule of division on the allocation of these components, all the volumes will be deemed to share them. The volume division system can be distinguished from the co-ownership system by the absence of communal areas that are the undivided property of several volume owners and of which a portion is allocated to each volume.

As there are no communal areas between the various volumes, access to each volume is contingent on setting up rights of way or access easements. Some volumes, given their location, will benefit from these easements and others will be encumbered by them.

When there is volume division, the relations between owners of real estate volumes, easements, town planning restrictions and operating rules for volume division are laid down in a document entitled "descriptive schedule of division". A joint owners' association or *Association Foncière Urbaine Libre* (Unregulated Urban Property Association or "***AFUL***"), specially incorporated between the owners of volumes who are members of the association, oversees the real estate complex and compliance with the rules laid down in the descriptive schedule of division. Unlike co-ownership, the rules for making decisions within the *AFUL* are freely decided between the owners when drafting the bylaws for the *AFUL*.

No *AFUL*-type association has been set up at the Arcs de Seine site as the upkeep costs are lower than the costs of managing the division into volumes by an *AFUL*.

The Europlaza and Rives de Bercy complexes have been placed under the co-ownership system but they are no longer subject to this system since the Company became the sole owner.

Public health law

The Company is required to search for the presence of asbestos and, where applicable, undertake asbestos removal work in accordance with Articles R.1334-14 to R.1334-29 of the French Public Health Code. Depending on the condition of any asbestos that is detected, the owner must carry out a periodic control of the condition of any such materials, monitor the dust level in the atmosphere or perform work to confine or remove the asbestos. Asbestos removal work was performed in the Europlaza and Arcs de Seine buildings.

Environment law

If the sites owned by the Company are classified by an administrative regulation as being in a zone covered by a technological risk prevention plan or a foreseeable natural risk prevention plan or in an earthquake zone, the Company is required, under Articles L.125-5 and R.125-23 of the French Environment Code to inform the lessees. Some facilities may also be subject to the regulations that govern Facilities Classified for the Protection of the Environment ("*ICPE*"). Under the French Act of July 19, 1976, a classified facility is a facility that may present dangers or inconveniences for neighbors, health, safety, public hygiene or the environment. The operator of a classified facility is required to inform the *Préfet* of any significant changes it plans to make to said classified facility and to provide the *Préfet* with a report on the operation of said facility every ten years. The content of this report is specified by a French decree of July 17, 2000. Moreover, when the classified facility is definitively decommissioned, the operator must inform the *Préfet* of this at least one month beforehand, and leave the site in a condition that does not present any of the dangers or inconveniences referred to in Article L.511-1 of the French Environment Code (*Code de l'environnement*).

The Company is required to comply with the regulations on water use and wastewater, in particular the obligation to treat wastewater in accordance with the provisions of the French Public Health Code and the French Regional Government Code, as well as the qualitative and quantitative management of rainwater (French Water Act No. 92-3 of January 3, 1992).

In accordance with Article L.225-100 of the French Commercial Code, the Company is required to provide various environmental and social data in its Management Report.

The Company has delegated the operation of the classified facilities comprising the Europlaza and Arcs de Seine buildings to YXIME, while the lessee CFF operates Rives de Bercy on behalf of the Company. The Company has obtained all authorizations and made all declarations to the appropriate authority in accordance with the regulations on classified facilities, in particular those concerning the cooling facilities in the Rives de Bercy building, and generators and car parks in all three buildings.

The Rives de Bercy building is located on an old quarry and like Arcs de Seine, it is in a floodable zone. The technical constraints that result from this location were taken into account when constructing these buildings and flood risk prevention plans have been prepared in both cases.

Compliance with safety standards

The Europlaza building is subject to the regulations applicable to skyscrapers that contain specific provisions on their protection against the risks of fire and panic. In accordance with these regulations, the Europlaza building is subject to periodic checks and inspections by the local safety commission (*CDS*). The most recent inspection was carried out on November 15, 2005 and resulted in a favorable opinion and continued operations. An inspection has been scheduled for 2010 after refurbishment of the intercompany catering facilities.

The Arcs de Seine building was last inspected by the local safety commission on October 24, 2006, after the auditorium had been converted into a public access building (*PAB*). Said inspection resulted in a favorable opinion and continued operations.

The buildings are also subject to the safety rules applicable to interior and exterior lifts and are therefore checked periodically.

Law on commercial leases

The Company is also subject to the regulations on commercial leases within the scope of its activity. Commercial leases are governed by Articles L.145-1 *et seq.* of the French Commercial Code, which provide that their term cannot be for less than 9 years. However, the lessee has the option of terminating the lease at the end of each three-year period, provided that notice is given by process at least six months before the end of the period in question. This option of termination at three year intervals can be waived by agreement between the parties pursuant to the lease. On the other hand, the lessor can only terminate the lease at the end of each three-year period if the lessor intends, in particular, to build, rebuild or raise the existing building and can only request a court-ordered termination of the lease if the lessee does not fulfill its contractual obligations.

When entering into the contract, the parties freely determine the initial rent amount. If there is no annual indexation clause provided for in the lease, the rent can only be adjusted every three years in line with the rental value, and cannot, save for exceptions, exceed the change in the quarterly cost of construction index since the last time the rent was set.

Leases most frequently contain an annual indexation clause. The rent is indexed to changes in the National Cost of Construction index published quarterly by the INSEE, generally on January 1 of each year. Indexation is most often calculated by applying the difference between the comparison index that was previously used to index the rent and the index for the 2nd quarter of the year prior to that in which the indexation will take effect, to the rent for the previous year. In principle, indexing can never result in the rent being reduced to less than the amount of rent agreed when the lease was signed.

At the end of the lease, the Company may refuse to renew the lease or give notice to the lessee along with an offer of renewal under new financial conditions. For its part, the lessee can request the renewal of its lease under the same conditions. In the absence of notice given by either party, the lease is renewed by tacit agreement under the conditions applicable at the end of the lease.

If the Company refuses to renew the lease, it must pay an eviction indemnity to the lessee in order to compensate the evicted lessee for all loss suffered, unless the Company justifies the non-payment of this indemnity by the existence of serious and legitimate grounds. If the eviction indemnity is owed, the Company benefits from a right to retract i.e. go back on its decision and propose the renewal of the lease in question. This retraction right may be exercised provided that the lessee has not already made arrangements to leave the premises, and until the expiration of a period of fifteen days as from the date on which the decision concerning the eviction indemnity acquires *res judicata* effect. Exercising this retraction right is irrevocable and triggers the renewal of the lease as from the date of notification of the implementation of this right to the lessee by a process server (French *huissier*).

Following notice to terminate with an offer of renewal issued by the Company, or a request for renewal made by the lessee, the rent can be set by mutual agreement between the parties or by the courts, if the parties cannot reach an agreement. In this second case, the first party to take action must make an application to the local conciliation commission (*CDC*), before filing any proceedings with the District Court (*TGI*), to request an opinion regarding the amount of the rent and to mediate between the parties. If there is no agreement, the grievance must be brought before the District Court within two years of the date of renewal.

The rent under the renewed lease must comply with two principles: it must correspond to the rental value of the premises and must comply with the "capping" rule stipulated in Article L.145-34 of the French Commercial Code. Unless there is a substantive change in certain factors that determine the rental value of the leased premises ("local marketing factors") that trigger a change of more than 10% in the rental value, rents for leases not exceeding 9 years are capped and cannot increase by more than the change in the ICC index.

This "capping" rule does not apply to offices, "single use" premises (premises intended, as a result of their specific lay-out, to be used for a single business purpose) or leases with an initial term of 9 years and which, as a result of tacit renewal, have had a total effective term of more than 12 years. In this case, the rent may be freely negotiated with lessees upon expiration of the contractual term for office leases or single-use leases, and upon expiration of the lease, based on current market conditions for leases with a term of more than 12 years.

For leases with a term of more than 9 years, rents are also exempt from the "capping" rule and they can be freely renegotiated under market conditions during the lease renewal process.

7.2. INSURANCE AND RISK PROTECTION

Risk coverage

Generally, the Company considers that its insurance policies cover all the significant risks to which it may be exposed and for which it has not set up any provisions.

General presentation of insurance strategy

The Company's insurance strategy aims, in particular, to protect its assets and cover any potential liability. The Company benefits from the negotiating power of the Commerz Real group, which enables it to obtain advantageous insurance conditions.

The Company's insurance strategy is based around the following imperatives:

- identifying and quantifying major risks in terms of exposure and capital insured and analysis of unforeseeable risks;

- taking out insurance cover that is adapted to the claims that can reasonably be anticipated for the amounts evaluated either by appraisers approved by insurers, or based on risk assessment calculated in liaison with internal departments, the Company's broker and insurers' engineering services;

- searching for an optimal balance between the transfer of financial risks to insurers and self insurance;

- systematically checking the solvency of insurers and/or underwriters.

Factors used to assess the various types of cover obtained

In light of the principles for taking out cover referred to above, the guarantees described below are indicative of a situation at a given time only, as changes in guaranteed risks and guaranteed amounts may have to be made at any time due to the constraints of the insurance market and/or the Company's asset hedging strategy.

Subject to the aforementioned objectives and the constraints linked to the insurance markets, the chosen level of insurance cover aims to provide significant claims coverage based on reasonable estimates of amounts and probabilities.

As of the date of this report, there is no significant outstanding claim that would be liable to change future cover conditions or the total amounts of insurance and/or self-insurance premiums.

Insurance cover

The Company has taken out insurance cover with leading insurance companies: AIG Europe for damage to property and loss of rent, and Chubb Insurance Company of Europe SA and Ace European Group Limited for civil liability cover.

The insurance program that covers damage to property and loss of rent has been taken out at the level of the Company's Majority

Shareholder. Similar cover has also been taken out at local level by the Company.

Civil liability and environmental damage cover has been taken out at the level of the Company's Majority Shareholder and covers the Company's property rental activities. All of these contracts expire on April 1, 2010, however the renewal process is in progress.

The Company's assets are all insured at reinstatement value, applicable under certain conditions to assets with an ageing coefficient of 25% or less. Specialized firms regularly appraise the assets. The financial consequences of the owner's civil liability to third parties being called upon are also insured against. All the premiums for insurance against damage to property and loss of rent are cross-charged to lessees in building operating charges.

In general, the Company considers its insurance cover is adequate in light of the value of the assets and the level of risk insured.

The main risks covered are as follows:

Damage to property and loss of rental income (local cover)

CeGeREAL has taken out insurance covering damage to all of its assets, and especially the following risks: fire, explosion, electrical damage, collision with vehicles, smoke, sprinkler system leaks, storms, hail, vandalism, riots, civil unrest, unnamed risks, subsidence and landslides, loss of rental income (for up to 36 months) and guaranteeing the restatement value of assets as of the claim date, as explained previously.

Civil liability

The Company benefits from first-ranking, second-ranking, third-ranking and fourth-ranking cover. The first- and second-ranking cover is provided by Chubb Insurance SA and the third- and fourth-ranking cover is provided by Ace Insurance Company Limited.

The first-ranking civil liability insurance covers claims relating to operating liability (bodily injury and/or damage to property) and environmental damage of up to EUR 4m.

The second-ranking civil liability insurance covers claims for the amount exceeding the contractual limits stipulated by the first-ranking insurance, less the applicable deductibles specified in the first-ranking insurance policy. The cover provided under this insurance is EUR 21m per claim.

8. INFORMATION PROVIDED BY THIRD PARTIES, EXPERT APPRAISAL REPORTS

In accordance with the recommendations of the CESR (Committee of European Securities Regulators) in February 2005, the Company appointed the real estate valuation firm BNP Paribas Real Estate Valuation France to carry out an independent valuation of its three investment properties.

These valuations comply with professional valuation standards applied in France (*Charte de l'expertise en evaluation immobilière*) and the report of the working group chaired by Georges Barthes de Ruyter on the valuation of the real estate assets of listed companies (Official Gazette of the French stock-exchange regulator - *Bulletin COB* - February 2000). They also comply with the European Tegova professional standards and the rules listed in the Appraisal on Valuation Manual published by The Royal Institution of Chartered Surveyors (RICS).

What follows are summaries of the real estate valuation reports prepared by BNP Paribas Real Estate Valuation France and reproduced in full with the agreement of the Appraiser.

To the knowledge of the Company, the information relating to these valuations has been accurately reproduced and no fact has been omitted that would make any substantive aspect of the information inaccurate or misleading.

Valuation methods

All of the Company's real estate assets were measured at market value at December 31, 2009, based on an update to the June 2009 valuation, by external real estate valuer, BNP Paribas Real Estate Valuation France, a member of the RICS.

The valuation principle used is based on the application of three methods: the DCF method, the return on investment method (taking account of the difference between actual rents and going market rents) and the comparison method. The market value is estimated by the real estate valuer based on values obtained using the three methods and the results are tested against the initial rate of return and the market value per m².

The economic crisis has generated a significant decrease in the number of representative transactions enabling comparisons. Most of the transactions currently taking place involve sellers that are in financial difficulty and buyers seeking bargains, which leads to greater price volatility. Real estate valuers have dealt with this increased uncertainty by closely examining the few transactions that have taken place – including those that have not been completed – and by placing increased emphasis on the DCF method and the return on investment method.

All real estate assets are measured and stated net of taxes. Taxes are determined based on the tax position of each property at the appraisal date. Transfer duties were calculated at the rate of 6.20%.

EUROPLAZA - EXECUTIVE SUMMARY

Location:

The real estate complex is located right in the heart of La Défense, Europe's foremost business district, in *Secteur 2* between the *boulevard circulaire* and *Esplanade de La Défense*.

Europlaza is surrounded by first and second generation office towers, including several prime developments such as Cœur Défense, Exaltis and CBX.

It enjoys high visibility from the Esplanade.

Access to La Défense has been rendered easy by first-rate transport links to all strategic points in the Greater Paris Area.

Description:

The appraised real estate complex comprises two separate buildings: a skyscraper known as Building A, perpendicular to Building B. Building A has 30 floors and 6 underground levels and Building B has 4 floors. Europlaza was built in 1972 and fully renovated in 1998.

The building is well-appointed and includes a lobby with a mezzanine floor, raised floors, suspended ceilings, reversible air conditioning and various amenities such as meeting rooms, a staff cafeteria, snack bar, private dining rooms, an auditorium and a gymnasium.

The real estate complex has a total surface area of 52,078 m² and also has an underground car park with 722 parking spaces.

Ownership system:

The asset is owned based on the volume division system.

Rental situation:

Europlaza is partially leased to 15 lessees under commercial leases renewable at three-year intervals, or commercial leases renewable after six and nine years or nine-year fixed-term commercial leases. Rents are either subject to an annual indexation clause or a fixed annual increase based on a pre-determined scale. All taxes and charges are borne by lessees with the exception of major repairs as defined by Article 606 of the French Civil Code (*Code civil*). Lessees renting service rooms or cable trays (e.g., Colt, MCI Worldcom, Dynapost, Cegetel) bear all of the related taxes and charges themselves.

Current annual rental income: EUR 22,557,463, excluding taxes and rental charges

Current annual market rent: EUR 24,766,838, excluding taxes and rental charges

Market value (excluding taxes): EUR 360,500,000

(Three hundred and sixty million five hundred thousand euros) at December 31, 2009

Return on investment:

Initial rate of return: 6.74%

Return on investment market value: 6.47%

Key factors:

The real estate complex has a prime location in Europe's foremost business district with excellent transport links. It has all of the top-range appointments associated with a recent building.

Europlaza is leased to 15 lessees that may be considered to be in good financial standing, under commercial leases renewable at three-year intervals, or six or nine-year fixed-term commercial leases.

We consider that a real demand exists requiring a marketing lead time of six to nine months for the vacant premises.

I - VALUATION

For the purposes of this valuation, we shall consider the real estate complex as being:

- held in full and unrestricted ownership based on the volume division system;

- used as business offices;

- in its current state of upkeep and repair;

- unencumbered by any easement likely to affect its value as assessed hereinafter;

- partially leased under the terms of the rental statement provided.

Only the currently existing buildings were included for valuation purposes.

If an analysis of the city planning regulations applicable to the assets valued here was to indicate a possibility of raising the building or adding new surface areas, this should be taken into account in the valuation under residual construction rights.

RENTAL VALUE

We estimate the total rental value *(rounded)* to be: **€25,242,000 excl. taxes and charges** per year, on the basis of:

Current main utilizations	Surface areas analyzed (m²)	Parking lots (number)	RENTAL VALUE	
			per m² or per unit	Total
Offices	47,565	-	500	€23,782,500
Storage areas	1,755	-	200	€351,000
Warehouses	38	-	677	€25,726
Underground parking lots	-	722 u.	1,500	€1,083,000
Total	**49,358**	**722 u.**	**511**	**€25,242,226**

NB: service rooms are a specific type of premises and there is no rental market *per se* for such assets. We have used the rent currently charged to lessees in our calculations.

MARKET VALUE

We shall calculate the "occupied" market value of these assets, using the following methods:

- Revenue method

In order to apply this approach we have divided lessees into three groups:

• Vacant premises: 6,799 m² and 81 parking spaces

Total annual estimated rental value: EUR 3,305,000, excluding taxes and rental charges

Estimated rate of return: 7.00% applied to the rental value

• Lessees whose rent corresponds to the going market rent

(Cegetel, Colt, Dynapost, MCI, Worldcom, ASG, Cap Gemini France, Cap Gemini Telecom, Credit Agricole, Gartner, GE Capital and SPSS)

Current annual rent: EUR 19,119,351, excluding taxes and rental charges

Estimated rate of return: 7.00% applied to the rental value

• Lessees whose rent exceeds the going market rent

(FM Insurance, Galderma and Level 3)

Current annual rent: EUR 3,517,500, excluding taxes and rental charges

Estimated rate of return: 7.00% applied to the rental value

- Deduction of unrealized capital losses: rent differential discounted at 7%: (EUR 1,971,805)

- Deduction of the vacancy rate discounted at 7%: (EUR 3,542,702)

- Deduction of rent-free periods and renovation work discounted at 7%: (EUR 4,360,593)

- Deduction of capital expenditure discounted at 7%: (EUR 591,810)

i.e., this approach results in a market value (rounded), after deduction of registration duties and selling expenses (approximately 6.2%) in the order of:

EUR 343m (excluding taxes)

- Comparable method (in m² developed, including land)

For each of the different types of premises, we consider it reasonable to use the following bases for estimation purposes:

Current main utilizations	Surface areas analyzed (m²)	Parking lots (number)	MARKET VALUE in euros	
			per m² or per unit	Total
Offices	47,565	-	7,200	€342,468,000
Storage areas	1,755	-	2,800	€4,914,000
General service rooms	38	-	1,500	€57,000
Underground parking lots	-	722 u.	22,000	€15,884,000
Total	**49,358**	**722 u.**	**7,361**	**€363,323,000**

- Deduction of capital expenditure discounted at 7%: (EUR 591,810)

i.e., this approach results in a market value (rounded) in the order of:

EUR 363m (excluding taxes)

- Discounted Cash Flow method (excluding any income tax or borrowing costs)

Assumptions and key data used by BNP Paribas Real Estate Valuation France:

• Period of analysis: 10 years

• Rent indexation: average of +2.00% per annum over previous period.

• Compliance with lessee contractual agreements.

• Occupancy projections:

- Cap Gemini will renew its lease at the going market rent and the lessor will grant it a 9-month rent-free period.

- ASG will renew its lease at the going market rent and the lessor will grant it a 6-month rent-free period.

- Cap Gemini Telecom will renew its lease at the going market rent and the lessor will grant it a 9-month rent-free period.

- Crédit Agricole will renew its lease at the going market rent and the lessor will grant it a 6-month rent-free period.

- Gartner will renew its lease at the going market rent and the lessor will grant it a 6-month rent-free period.

- GE Money Bank will renew its lease at the going market rent and the lessor will grant it a 9-month rent-free period.

- NTT will renew its lease at the going market rent and the lessor will grant it a 6-month rent-free period.

- Software will renew its lease at the going market rent and the lessor will grant it a 6-month rent-free period.

- Cegetel, Colt, Dynapost and MCI Worldcom will renew their leases at the same rent as they currently pay.

- FM Insurance will quit the premises upon expiration of their current lease. The premises will be leased back out at the going market rent following a 6-month vacancy period. The lessor will grant the new lessee a 9-month rent-free period and undertake to carry out renovation work for an amount of EUR100/m².

- Galderma will quit the premises upon expiration of their current lease. The premises will be leased back out at the going market rent following a 6-month vacancy period. The lessor will grant the new lessee a 9-month rent-free period and undertake to carry out renovation work for an amount of EUR100/m².

- Level 3 (parking lot): the current lessee will quit the premises upon expiration of their current lease. The premises will be leased back out at the going market rent following a 12-month vacancy period. The lessor will grant the new lessee a 1-month rent-free period.

- The 13th Floor will be leased back out at the going market rent following a 3-month vacancy period. The lessor will grant the new lessee a 9-month rent-free period.

- The 14th Floor will be leased back out at the going market rent following a 5-month vacancy period. The lessor will grant the new lessee a 9-month rent-free period.

- The 15th Floor will be leased back out at the going market rent following a 5-month vacancy period. The lessor will grant the new lessee a 9-month rent-free period.

- The 4th Floor will be leased back out at the going market rent following a 6-month vacancy period. The lessor will grant the new lessee a 9-month rent-free period.

Market rental value: EUR 500/m²/year for office space, excluding taxes and rental charges (including share of cost of the staff cafeteria); EUR 200/m²/year for the archives, excluding taxes and rental charges; EUR 1,500 per parking space/year, excluding taxes and rental charges.

• Rate of return used to determine the future market value: 7.25%.

• Registration tax (exit rate): 6.2%.

• Projected maintenance and upkeep work not rebillable to lessees: 1.5% of annual rental income from 2013 on.

• Restoration work for vacant premises estimated at an average of EUR 200/m², excluding taxes.

• Reletting fees: 15% of estimated rental value.

• Discount rate: 7.00% *(1).*

(1) We consider that the discount rate used is based on a decision of the parties involved and it directly impacts the results obtained. For the purposes of the valuation we have chosen a rate close to the current yield on French fungible Treasury bonds (around 3.55% at September 15, 2009) plus premiums to reflect both volatility and liquidity.

i.e., this approach results in a market value (rounded) in the order of:

EUR 367m (excluding taxes)

In conclusion, based on a comparison of the results obtained using the three different methods, we obtain a market value in the order of:

EUR 360,500,000 (excluding taxes)

Average market value per m², excluding taxes: (including any parking spaces and service areas): EUR 7,253 per m², excluding taxes.

Immediate rate of return (income from leased and vacant premises/ market value, including taxes): 7%

Return on market rental value: 6.64%

ARCS DE SEINE - EXECUTIVE SUMMARY

Location:

Arcs de Seine is located at Boulogne-Billancourt in the Hauts de Seine *département,* which is part of the Greater Paris Region.

It is about 1.5km from the center of Boulogne-Billancourt which is bordered by the 16th *arrondissement* of Paris to the North, and by the town of Issy les Moulineaux on the opposite side of the Seine River to the South.

The real estate complex is part of the well-established Point du Jour business district which dates from the late 1990s.

It has excellent transport links both by road via the nearby Paris beltway and the quays along the River Seine, and by public transport.

The immediate environment consists essentially of office premises.

Description:

The real estate complex consists of three new or restructured buildings (A, B and C) dating from 2000 and 2001. Building A consists of two buildings linked by a suspended walkway, and an adjacent staff cafeteria.

The structure is built from reinforced concrete over a metal frame and the facades consist of curtain walling.

The building is well-appointed in line with current market demands.

Arcs de Seine comprises a total surface area of 47,222 m².

There is an underground car park with almost 1,000 parking spaces.

Ownership system:

The Company owns the complex in fee simple, with the exception of part of the site which is managed by an *AFUL*-type association (Unregulated Urban Property Association).

Rental situation:

The complex is leased out to two lessees (Bouygues Telecom and Boursorama) under a commercial lease renewable after six and nine years and a ten-year fixed-term commercial lease, beginning in 2000-2001 and 2010, respectively.

TF1 has already quit the premises as its lease expired on January 14, 2010.

The current rents are indexed to the INSEE cost of construction index. The cost of all work, charges and taxes are generally borne by the lessee with the exception of major repairs as defined by Article 606 of the French Civil Code.

We have been informed that the main lessee Bouygues Telecom intends to quit the premises on January 1, 2011. Boursorama has renewed its lease for the period beginning January 1, 2010 and has been granted a rent-free period.

- Current annual rent: EUR 26,918,035

- Annual market rental value: EUR 21,705,000

- Market value, excluding taxes:

EUR 311m

(Three hundred and eleven million euros) at December 31, 2009.

- Initial rate of return: 8.27%

- Return on investment market value: 6.57%

Key factors:

The real estate complex comprises modern office space in a well-established business district.

Arcs de Seine is leased to two lessees that may be considered to be in good financial standing.

Boursorama has renewed its lease; TF1 has quit the premises.

Bouygues Telecom, the main lessee will vacate the premises in January 2011.

RIVES DE BERCY - EXECUTIVE SUMMARY

Location:

The real estate complex is located in Charenton-le-Pont on the right bank of the Seine River, just before it enters Paris, in the Val-de-Marne *département*.

It is situated in the southern district of the town along Quai de Bercy with excellent all-round visibility.

The area immediately around Rives de Bercy is mainly residential although there are office buildings along the Quai de Bercy and around the "Liberté" subway station.

Although road transport links are good, the site is not very close to public transport.

Description:

The appraised real estate complex consists of business offices built in the form of the number 6. It dates from 2003 and has a total surface area of 30,679.20 m^2, comprising 8 floors and one underground level. The structure is built from reinforced concrete with curtain walls and a roof terrace. The complex includes 657 parking spaces.

The Rives de Bercy building is well-appointed and includes raised floors, suspended ceilings, air conditioning, office suites with a maximum surface area of 4,400 m^2, a central lobby that opens on to six floors, and numerous amenities that include a staff cafeteria, an auditorium and interior patio-gardens.

Ownership system:
We consider that the Company owns the complex in fee simple.

Rental situation:
Rives de Bercy is leased to a sole lessee, Crédit Foncier, under a nine-year commercial lease that includes a fixed-term of six years and runs from February 3, 2009, to February 2, 2018. The rent is not indexed, however the lease includes a payment schedule providing for an annual increase. All charges are cross-charged to the lessee except for major repairs within the meaning of Article 606 of the French Civil Code which are paid for by the lessor.

- Current annual rent: EUR 11,676,909, excluding taxes and rental charges

- Annual market rental value: EUR10,751,290

- Market value, excluding taxes:

EUR 156m

(One hundred and fifty-six million euros) at December 31, 2009.

- Initial rate of return: 7.05%

- Return on investment market value: 6.49%

Key factors:
Rives de Bercy is situated in a mixed business/residential neighborhood. The complex offers good transport links and has the top-range appointments we associate with a recent building.

It is leased entirely to Crédit Foncier, a lessee that may be considered to be in excellent financial standing, under a nine-year commercial lease that includes a fixed-term of six years.

9. DOCUMENTS ON DISPLAY

Copies of this Registration Document are available free of charge from CeGeREAL, 21-25, rue Balzac, 75008 Paris, as well as on the CeGeREAL (http://www.cegereal.com) and Autorité des marchés financiers (http://www.amf-france.org) websites.

The regulatory information provided for in Article 221-3 of the AMF's General Regulations is available on the CeGeREAL website (http://www.cegereal.com).

The bylaws, the minutes of General Shareholders' Meetings and other Company documents, as well as the historical financial information and any valuation or declaration by an expert at the request of the Company that should be made available to the public in accordance with the applicable legislation can be consulted at the Company's registered office.

Person responsible for the information: Raphaël Tréguier.

10. PERSONS RESPONSIBLE

10.1. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Bardo Magel, Managing Director, and Raphaël Tréguier, Deputy Managing Director of the Company.

10.2. ATTESTATION BY THE PERSONS RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

"We hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document, to our knowledge, corresponds to reality and does not contain any omissions that are liable to alter the purport thereof.

We certify that, to our knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the Company's assets, financial situation and results, and that the information relating to the Management Report in Chapters I and IV.6 above gives a true and fair view of the Company's business, results and financial situation, as well a description of the main risks and uncertainties to which it is exposed.

We have obtained an engagement completion letter from the Statutory Auditors stating that they have reviewed the information concerning the financial situation and the financial statements provided in this document and that they have reviewed the entire Registration Document.

The historical financial information presented in this Registration Document has been the subject of reports by the Statutory Auditors, shown on pages 51 and 72.

Paris, April 29, 2010

Raphaël Tréguier	Bardo Magel
Deputy Managing Director	Managing Director

11. OTHER DOCUMENTS

The following documents are included in the Registration Document in order to be exempted from the requirement to insert separate public notices provided for in the general regulations of the *Autorité des Marchés Financiers*, i.e., the French stock markets' regulatory authority (*AMF*).

11.1. DESCRIPTION OF THE SHARE BUY-BACK PROGRAM

In compliance with the provisions of Article 241-2 of the AMF's general regulations and European Regulation no. 2273/2003 of December 22, 2003, the aim of this description is to state the purposes, terms and conditions of the Company's share buyback program. This program is subject to the authorization of the General Shareholders' Meeting to be held on June 29, 2010.

Breakdown, by objective, of the treasury shares held at December 31, 2009

- Number of treasury shares directly or indirectly held: 17,451 shares, representing 0.13% of the Company's share capital.
- Number of treasury shares broken down by objective:
    - Stabilizing the share price through an AMAFI liquidity agreement: 100%
    - External growth operations: 0
    - Hedging of stock options or other employee share-based payment schemes: 0
    - Hedging of securities giving entitlement to share grants: 0
    - Cancelations: 0

New share buy-back program

Authorization of the program: General Shareholders' Meeting of June 29, 2010.

Shares affected: ordinary shares

Maximum percentage of the capital that can be repurchased: 10% of capital (equivalent to 1,337,250 shares at the present time). This limit is calculated at the buyback date in order to take account of any capital increases or decreases during the repurchase program. The number of shares included in the calculation of this limit corresponds to the number of shares purchased, less the number resold within the scope of the liquidity agreement, over the term of the program.

Maximum purchase price: EUR 50

Maximum amount of the program: EUR 66,862,500

Repurchase conditions: purchases, sales and transfers may be carried out by any means, either on the market or over the counter, including via transactions of blocks of shares. The resolution to be put to the shareholders for a vote does not limit the portion of the program that can be carried out by blocks of shares.

Such operations may, in particular, be carried out in periods of a public offering in compliance with the regulations in force.

Objectives (in decreasing order of priority):

- Stabilizing the secondary market or the liquidity of the CeGeREAL share through a liquidity agreement with an investment service provider that complies with the AMAFI's ethics charter, approved by the AMF;
- Holding onto the shares purchased and using them at a later date as payment within the scope of external growth operations. Shares purchased for this purpose may not exceed 5% of the share capital;
- Hedging of stock-option plans and other forms of share-based payment for the Group's employees and/or corporate officers according to the terms and conditions provided for by law, in particular with respect to profit sharing plans, Company savings plans or share grants;
- Hedging of securities giving entitlement to grants of Company shares within the framework of current stock market regulations;
- Cancelling shares purchased in accordance with the authorization granted by the Extraordinary Shareholders' Meeting held on May 29, 2009.

Term of the program: 18 months from the General Shareholders' Meeting to be held on June 29, 2010, i.e., until December 31, 2011, subject to authorization granted by the forthcoming General Shareholders' Meeting in its eleventh resolution (Extraordinary).

This Registration Document is available on the Company's Internet site (www.cegereal.com).

11.2. INFORMATION PUBLISHED OR MADE PUBLIC IN THE LAST TWELVE MONTHS

Pursuant to Article L. 451-1-1 of the *Code Monétaire et Financier*, i.e., the French monetary and financial code, and Article 222-7 of the AMF's General Regulations, all of the information that the Company has published or made public in the last twelve months is disclosed in the following table.

Date	Media	Title
01/08/2009	Issuer's site Wire Les Echos	Semiannual assessment of CeGeREAL's liquidity agreement with Exane BNP Paribas
01/30/2009	Issuer's site	Statement relating to the AFEP-MEDEF's October 6, 2008 recommendations
02/18/2009	Issuer's site	2008 Annual Results
02/18/2009	Issuer's site	Presentation of the results for the year ended December 31, 2008
04/24/2009	BALO Issuer's site	Notice convening the Ordinary and Extraordinary Shareholders' Meeting
04/29/2009	AMF Issuer's site	2008 Registration Document
04/30/2009	Issuer's site Wire Les Echos	Release announcing the availability of the 2008 Registration Document
May 2009	Issuer's site	2008 Annual Financial Report
05/07/2009	Issuer's site Wire Les Echos	Financial information - First quarter 2009
05/12/2009	Issuer's site	Availability of information relating to the May 29, 2009 Ordinary and Extraordinary Shareholders' Meeting
05/13/2009	BALO Issuer's site	Notice convening the Ordinary and Extraordinary Shareholders' Meeting
05/12/2009	Issuer's site	Presentation of the Company's results and financial position
05/29/2009	Issuer's site	May 29, 2009 Ordinary and Extraordinary Shareholders' Meeting
05/29/2009	Issuer's site Wire Les Echos	Results of the votes of the May 29, 2009 Ordinary and Extraordinary Shareholders' Meeting
05/29/2009	Issuer's site	Bylaws at May 29, 2009
05/29/2009	Issuer's site Wire Les Echos	Minutes of the May 29, 2009 Ordinary and Extraordinary Shareholders' Meeting
06/15/2009	Issuer's site	Announcement of treasury share transactions from June 4, 2009 to June 10, 2009
06/22/2009	Issuer's site	Announcement of treasury share transactions from June 11, 2009 to June 17, 2009
06/29/2009	Issuer's site	Announcement of treasury share transactions from June 18, 2009 to June 24, 2009
07/06/2009	Issuer's site	Announcement of treasury share transactions from June 25, 2009 to July 1, 2009
07/10/2009	BALO	Release of the annual financial statements and the Statutory Auditors' report
07/12/2009	Issuer's site	Announcement of treasury share transactions from July 2, 2009 to July 8, 2009
07/16/2009	Issuer's site Wire Les Echos	Financial information - second quarter 2009
07/18/2009	Issuer's site	Announcement of treasury share transactions from July 9, 2009 to July 15, 2009
07/19/2009	Issuer's site	Semiannual assessment of CeGeREAL's liquidity agreement with Exane BNP Paribas
07/26/2009	Issuer's site	Announcement of treasury share transactions from July 16, 2009 to July 22, 2009
07/27/2009	Issuer's site Wire Les Echos	Half-yearly activity report at June 30, 2009
07/30/2009	Issuer's site Wire Les Echos	First half results as of June 30, 2009
11/05/2009	Issuer's site Wire Les Echos	2009 Third Quarter Revenues
11/18/2009	BALO	Notice convening the December 23, 2009 Extraordinary Shareholders' Meeting
12/07/2009	BALO	Notice convening the December 23, 2009 Extraordinary Shareholders' Meeting
12/07/2009	Issuer's site Wire Les Echos	Financial information relating to compliance with the SIIC regime
12/07/2009	Issuer's site Wire Les Echos	Availability of information relating to the December 23, 2009 Extraordinary Shareholders' Meeting
12/07/2009	Issuer's site Wire Les Echos	Texts of the resolutions proposed at the December 23, 2009 Extraordinary Shareholders' Meeting
12/09/2009	AMF	Disclosure threshold notice
12/09/2009	AMF	Disclosure threshold notice
12/23/2009	Issuer's site	December 23, 2009 Extraordinary Shareholders' Meeting
01/14/2010	Issuer's site Wire Les Echos	Minutes of the December 23, 2009 Extraordinary Shareholders' Meeting
01/14/2010	Issuer's site	Results of the votes of the December 23, 2009 Extraordinary Shareholders' Meeting
01/15/2009	Issuer's site	Announcement of treasury share transactions from January 11, 2010 to January 15, 2010
01/27/2010	Issuer's site Wire Les Echos	Semiannual assessment of CeGeREAL's liquidity agreement with Exane BNP Paribas

11.3. *ANNUAL FINANCIAL REPORT*

Annual financial statements

The annual financial statements for the year ended December 31, 2009 are disclosed in section III.3.3 of this Registration Document.

"Management report" in accordance with Article 222-3-3° of the AMF's General Regulations

Objective and exhaustive analysis of the Company's business, results and financial situation, as well as those of its consolidating parent company, including a description of the main risks and uncertainties to which it is exposed.

This information is disclosed in section I.7 on page 13 and section IV.6 "Risk factors" on page 117 of this Registration Document.

Table of the delegations of power to increase share capital

This information is disclosed in section IV.4.5 of this Registration Document, "Share capital authorized, but not issued", on page 110.

Information likely to have an impact in the event of a public offering

This information is disclosed in section IV.4.8 of this Registration Document, "Factors that could have an impact in the event of a public offering (Article L.225-100-3)", on page 112.

Information regarding the share buy-back program during the financial year

This information is disclosed in section IV.4.9 of this Registration Document, "Transactions in the Company's own shares", on page 112.

Declaration of the persons who are responsible for the annual financial report

This information is disclosed in section IV.10.2 of this Registration Document, "Attestation by the persons responsible for the annual financial report", on page 131.

Statutory Auditors' reports on the annual financial statements

This information is disclosed in section III.3.4 of this Registration Document on page 72.

11.4. AMOUNT OF THE FEES PAID TO EACH OF THE STATUTORY AUDITORS AND THE MEMBERS OF THEIR NETWORKS

	Statutory Auditor (KPMG)				Statutory Auditor (Charles Leguide)			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%	
	Y-1	Y	Y-1	Y	Y-1	Y	Y-1	Y
Audit								
- Statutory audit, attest and review of individual and consolidated financial statements - Issuer - Fully consolidated subsidiaries	157,000	224,148	94%	96%	107,000	106,000	93%	94%
- Other audit-related services - Issuer - Fully consolidated subsidiaries	10,200	10,000	6%	4%	8,200	7,000	7%	6%
Sub-total	167,200	234,148	100%	100%	115,200	113,000	100%	100%
Other services provided by the Auditors' networks to the fully consolidated subsidiaries - Legal, tax, employment - Others (to be specified where > 10% of total audit fees)								
Sub-total								
Total	**167,200**	**234,148**	**100%**	**100%**	**115,200**	**113,000**	**100%**	**100%**

APPENDIX 1: Concordance table

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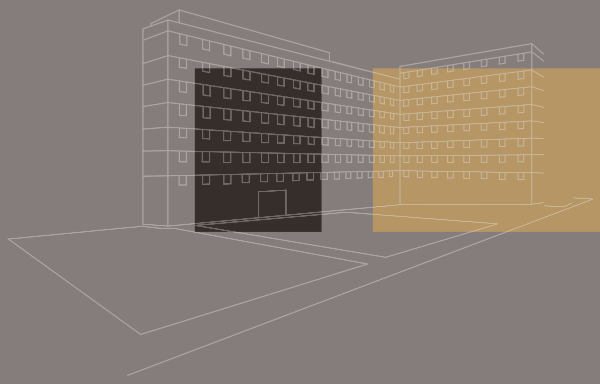

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