



A review of 2010

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44 ANNUAL REPORT

Rives de Bercy

Europlaza



Arcs de Seine

CEGEREAL,

the office property in THE OUTSKIRTS OF PARIS

Cegereal is a property company listed on the Paris stock exchange which concentrates its investments in office property assets in the Paris Region that offer high value-added services.

Ever since its inception, Cegereal's principal objectives have been to preserve its high quality property assets and to maintain high levels of dividend yield over the long term.

To this end, **Cegereal** subscribes to a sustainable approach which lets its tenants develop their business under optimum working conditions and in compliance with strict environmental practices.

The individual is the focus of our attentions, and of our organisation. For example, the ability to satisfy our customers and the users of our offices is one of Cegereal's greatest strengths. Our transparent communication and relationships with our shareholders also attest to this focus on individuals.

€54.7 M

of rental income
collected in 2010

€860.7 M

of property owned

€7.3 M

of net income

6.2%

yield from the properties

110,000 m²

on the outskirts of Paris

INDEPENDENCE

SERVING YOUR BEST INTERESTS

Cegereal's Board of Directors, which I have the honour to chair, considers corporate governance to be fundamentally important, which is why it has appointed independent directors with a long experience in the property business.

All strategic decisions are taken in the best interests of all shareholders, along with representatives from Commerz Real and Covéa.

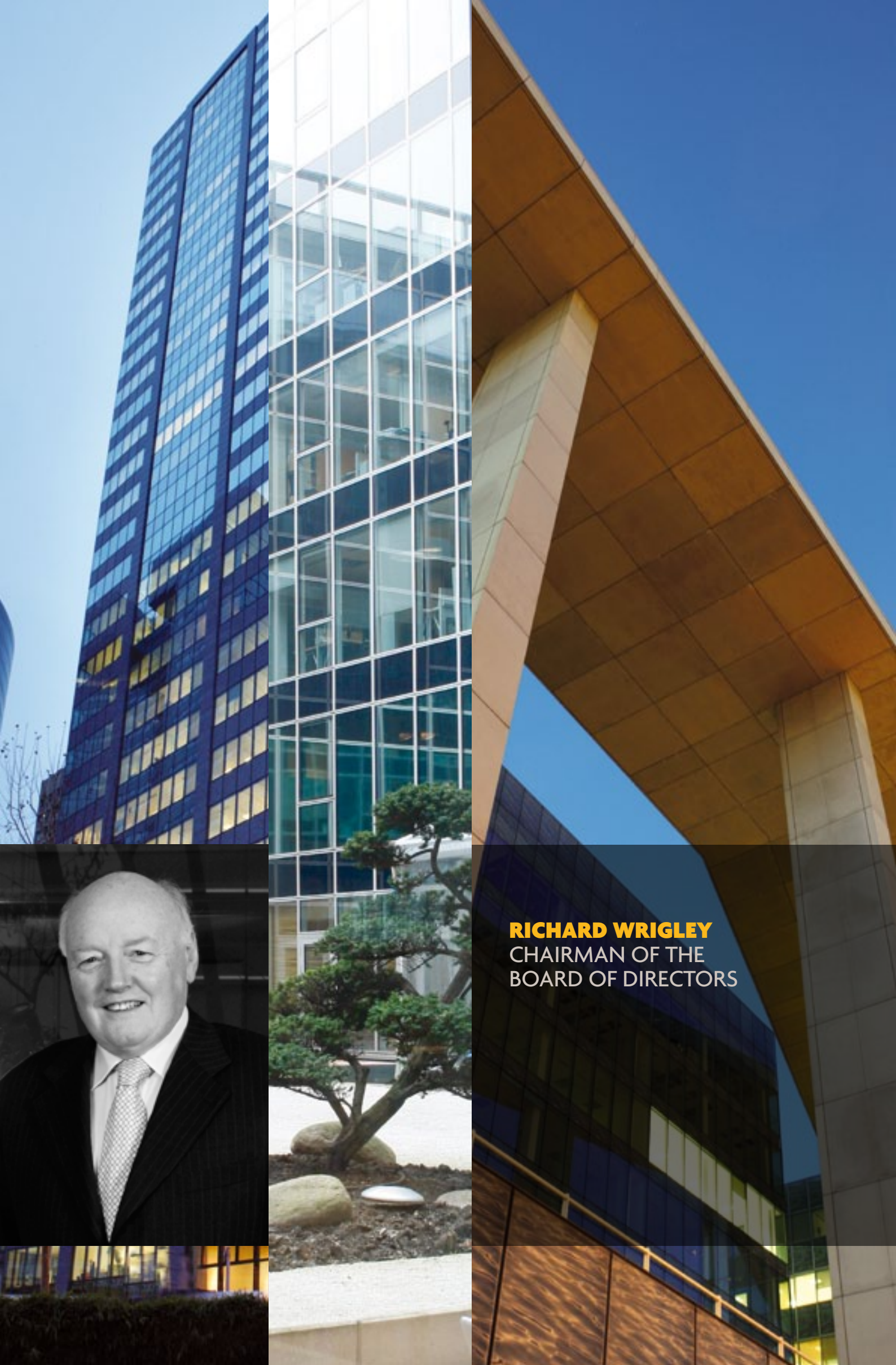
Transparency and independence are two key aspects of Cegereal's approach. Consequently only independent directors sit on the appointments and remuneration and investment committees.

Delivering an impressive yield over the long term remains the Board's primary objective. The company has studied some rare opportunities for growth; rare since they must satisfy its various requirements relating to quality, location and price. The Cegereal shareholder, who has invested in a "pure player" in Parisian office property offering high value-added services, should not be sidetracked by acquisitions made too quickly purely to serve the quest for growth at any price, since ultimately this would have a penalising effect on yields.

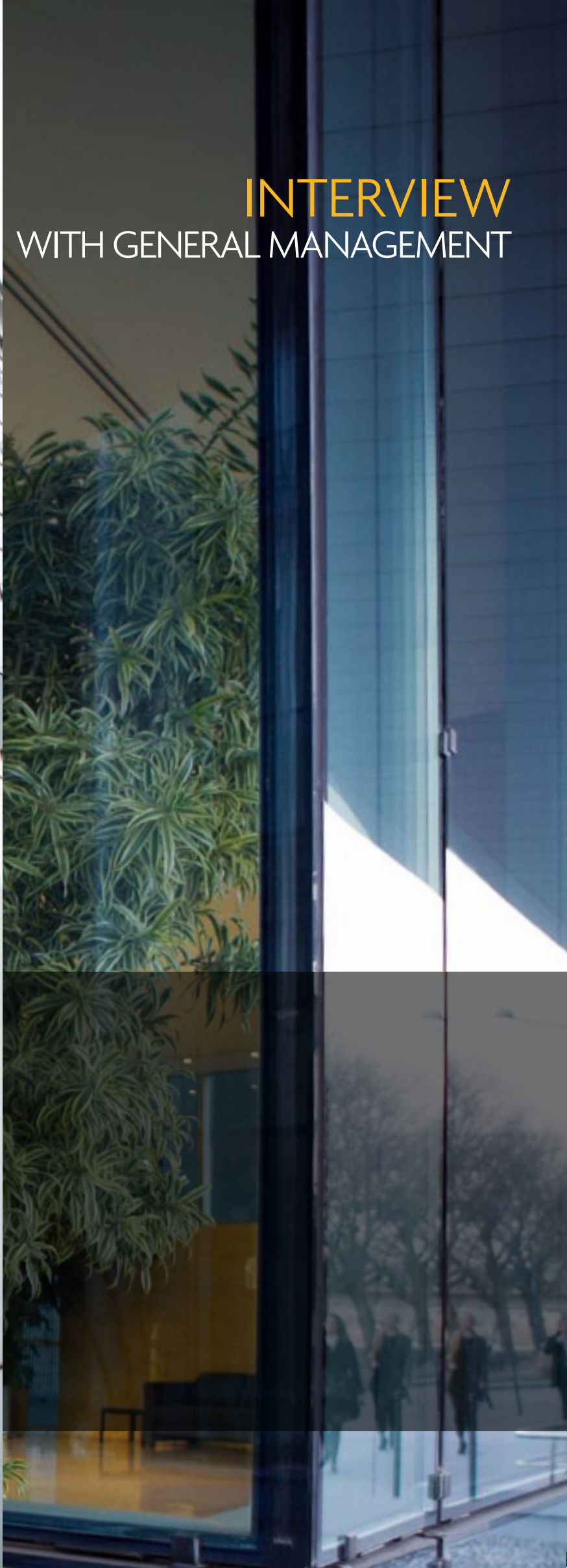
“

2010 was therefore a year of consolidation for Cegereal with the opportunity to upgrade its property assets via programmes of refurbishment and environmental optimisation. In 2011 our watchword is “vigilance”, with the marketing of Arcs de Seine and controlled growth.

”



RICHARD WRIGLEY
CHAIRMAN OF THE
BOARD OF DIRECTORS



INTERVIEW

WITH GENERAL MANAGEMENT



**RAPHAËL TRÉGUIER
AND BARDO MAGEL**

WHAT'S YOUR ASSESSMENT OF CURRENT TRENDS IN COMMERCIAL REAL ESTATE?

Raphaël Tréguier : Our sector confirmed its credentials as a safe investment, founded on the indispensable role it plays in the French economy. Offices in particular have enjoyed sustained levels of rental activity in the Paris Region, which opens up opportunities to improve the existing portfolio of properties and to conduct “responsible” renegotiations of the lease between landlord and tenant. This new momentum in value creation and the accompanying resumption in rental activity are positive indicators for investors, and for their banks, as we face the challenges of the coming years, such as the refinancing of the large waves of acquisitions made during the period 2006 to 2008.

HOW DID CEGEREAL PERFORM IN 2010?

Bardo Magel : After a very active first half of 2010 in terms of rental activity, the large offices sector experienced a fairly sluggish second half. It was against this atypical backdrop that Bouygues Telecom, our main tenant at Arcs

de Seine for the last 10 years, confirmed that it was leaving. Naturally, Cegereal seized this opportunity to commence renovation work on this exceptional site, in anticipation of finding one or more new users of the 36,000 m² that have been vacated. Thanks to the excellent quality of its tenants – 96% receive the top ratings from Dun & Bradstreet – and to its low debt ratio of 46%, the company's fundamentals are sound.

WHAT IS THE OCCUPANCY RATE FOR YOUR PROPERTIES?

BM : Our occupancy rate was 93% on 31 December and 64% at the start of January 2011 as a result of the departure of Bouygues Telecom. The marketing of the Europlaza tower is continuing successfully. A new tenant, Experian, moved onto the site in November, which reduced the tower's vacancy rate to 9%.

WHAT IS CEGEREAL'S POSITION WITH REGARDS TO ENVIRONMENTAL STANDARDS?

RT : In the context of its approach to CSR, the company is taking comprehensive action to improve the environmental quality of its properties. Investors who concentrate on high quality assets can no longer afford to ignore current environmental regulations; no easy task since they are constantly being tightened. The first steps towards “HQE Exploitation” certification (BREEAM equivalent for existing buildings) have already been taken at Arcs de Seine. We shall pursue the same course of action for all our buildings.

WHAT ARE THE STRENGTHS OF CEGEREAL'S “VALUE- ADDED” PROPERTIES?

BM : Quality and services. Cegereal's properties offer a pleasant environment in which to live and work. Their design ensures optimal service delivery to all users. From the cafeteria and the meeting rooms, and from the gym to the offices, everything is in place to create an appealing working environment. When a

company chooses a Cegereal property, it gives its employees the opportunity to work in a building that is easy to access, not far from Paris, in a safe district, and that provides optimal working conditions. Many companies place the individual at the centre of their strategy; this is certainly the case for Cegereal.

YOU ANNOUNCED THAT THERE WOULD SOON BE AN ACQUISITION, IS THIS STILL GOING AHEAD?

RT : Of course. However, acquiring at any price is not in our shareholders' interests. Examination of a number of properties revealed that they did not meet all Cegereal's criteria. Typical failings were an absence of services, insufficient modularity of the premises or an asking price that was too high. The objective is to acquire assets that offer long-term value to our shareholders.

ARE YOU CONCERNED ABOUT A PROPERTY BUBBLE OVER- INFLATING THE PRICE OF OFFICE BUILDINGS?

BM : The current economic situation is not conducive to a property bubble for office property. The French market has kept an even keel since the number of new properties coming onto the market over the next 3 years is limited. This situation should make it possible to let existing vacant office space and to sustain rent levels.

WHAT RISKS ARE TAKEN BY A CEGEREAL SHAREHOLDER?

RT : Just like any other listed company, and in any cyclical sector, there are of course risks associated with investing in Cegereal; however, these are mitigated by the experience of its shareholders, the quality of its governance and its management team who takes a long-term view for all decisions. Cegereal is one of the few listed yield stocks that specialises in office property in the Paris Region, backed by a strong shareholder base capable of accompanying the company as it grows.

Investment in the French market recovered strongly in 2010 with the total investment figure of 12.6 billion euros matching the levels reached between 2000 and 2004. The French share of the European market was slightly more than 11%; a figure that has barely changed over the last 10 years. Investor enthusiasm increased with each passing quarter, culminating in 4.8 billion euros invested in the 4th quarter.

The office space fraction varied little at almost 70% of the total. Despite the reduction in yields, averaging more than 50 basis points, real estate still benefits from a 200 basis point risk premium compared to the 10-year Treasury Bond (OAT), a level considered to be comfortable for premium quality property.

In this context, the slow but real return of bank financing capabilities, combined with the massive inflow of available capital for the property sector, should be two elements that will sustain investment volumes in 2011.



Rives de Bercy

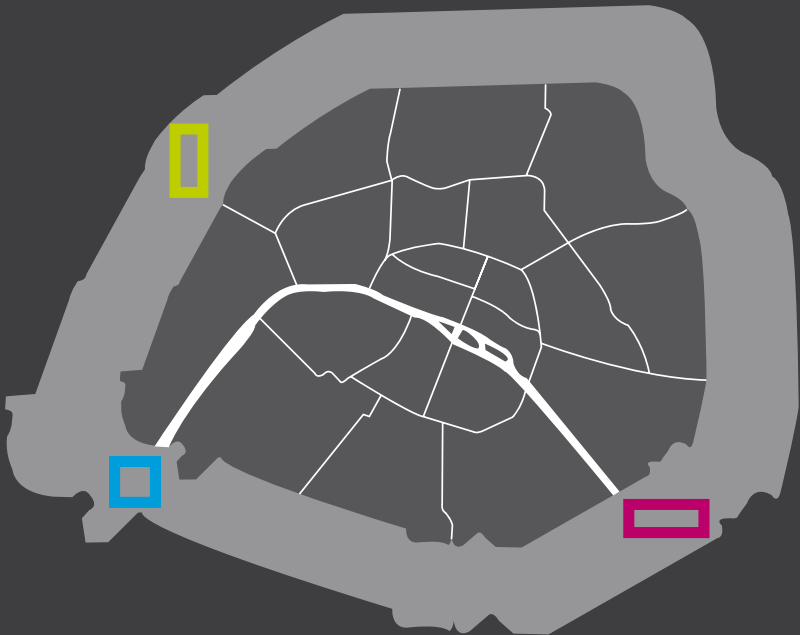
The office market in the Paris Region

The Paris Region offers more office space than anywhere else in Europe, more than 50 million m². Its 12 million inhabitants give it considerable economic muscle with a GDP of 543 billion euros, compared with 340 billion for Greater London. Despite the persistent nature of the impacts of the financial crisis, 2.16 million square metres have been leased in the Paris Region, compared with 1.75 million in 2009, an increase of 16% according to Immostat-IPD (a grouping of the four consultancy firms specialising in this field: DTZ, Jones Lang LaSalle, BNP Paribas Real Estate and CBRE). The reason for this is the broad diversity of economic activity in the Paris Region. Exposure to financial sectors was limited to 16% in 2010, a long way behind manufacturing (26%) and services (24%).

As a consequence of the softening in rents in the capital's business districts, the market has been characterised by a significant recovery in leasing transactions in Paris intra-muros. Although supply has stabilised at around 4.8 million m², tenants have shown a clear preference for newly-built offices which has resulted in an increase in the available volume of second-hand assets.

The volumes invested in office buildings in the Paris Region rose significantly in 2010 to 6.7 billion euros (up 49% on 2009), which accounts for more than two thirds of the amounts invested in commercial property in France.

Europlaza



Arcs de Seine

€ 12.6 Bn
total investment figure

2.16 million m²
of offices rented
in the Greater Paris Region



70%
PERCENTAGE OF OFFICE
TRANSACTIONS IN
CORPORATE REAL ESTATE

HIGH-QUALITY ASSETS IN A DIFFICULT CONTEXT

Cegereal delivers its vision of the large-scale office buildings market, which the company has positioned at the core of its strategy.

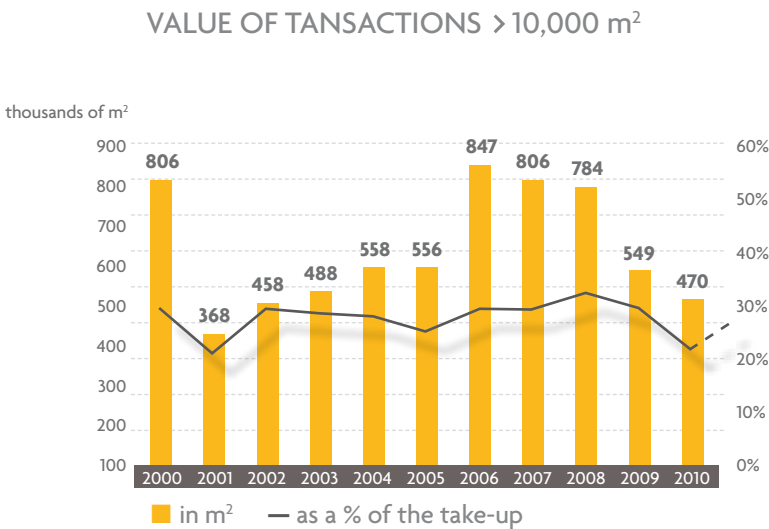
Investments concentrated on high-quality assets


Large floor-area properties have benefited from a rebound in the volumes invested in office property in the Paris Region: the number of transactions worth over 50 million euros totaled 38, more than doubling last year's figure.

In 2010, institutional and private investors continued to prefer assets which offered secure income. They notably favoured newly-built office buildings, well located in the established office districts, and generally occupied by large companies through long-term leases. This flow of capital into the "core" properties has compressed the investment yields, in some cases by up to 10%, due to a reduction in the risk premium demanded by investors for this type of asset.

CBRE expectation of large leasing transactions to recover in 2011-12

Although in overall terms take-up levels have returned to volumes similar to those of 2004-2005, the proportion of transactions for property with floor area of more than 10,000 m² was 20%, below the average for the decade. One possible explanation for this phenomenon is the deferral of the property-related decisions taken by the large companies in 2010. This is why CBRE anticipates a recovery in this type of transaction in 2011 and 2012, coinciding with a time when there will probably be much fewer high-quality properties on offer.





ANALYSIS OF **MAURICE GAUCHOT,** CHAIRMAN OF CBRE FRANCE



WHAT IS THE OUTLOOK FOR THE LARGE-SCALE BUILDINGS MARKET IN 2011?

Since the end of the 1990's, the need for companies to group their activities in buildings offering large floor areas has increased constantly.

This trend reflects, no more so for the Parisian market than elsewhere, the growth in the size of companies, their need for streamlining and changes in the use of office space.

In 2009 and 2010, the large-scale building market disappointed slightly due to the postponement of a number of decisions, and due to the abandonment by several large companies of their plans to move premises. 2011 starts on a much more positive note, with the prospect of a few more transactions. The resumption of merger and acquisition activity should feed new demand into the market this year, and over the coming years. Moreover, many large companies decided that 2010 was a good year in which to restructure and reorganise with a view to initiating a new business plan this year. At CBRE, we believe that this should also generate new demand.

With the deferral in 2011 of decisions expected in 2010, the expected increase in volume of large transactions should become apparent in niche property markets in the latter part of 2011.

HOW DO YOU THINK THE MARKETING OF THE ARCS DE SEINE COMPLEX WILL GO?

Arcs de Seine is an emblematic property complex due to its visibility and its powerful and remarkable architecture. It had to face very strong competition in 2010, which although still present this year should diminish.

According to the CBRE teams, its "urban campus" feel gives it a particular advantage over rival properties that do not offer private outdoor spaces. On this site, a key selling point is the services available to tenants, services that only a property complex of this size can offer.

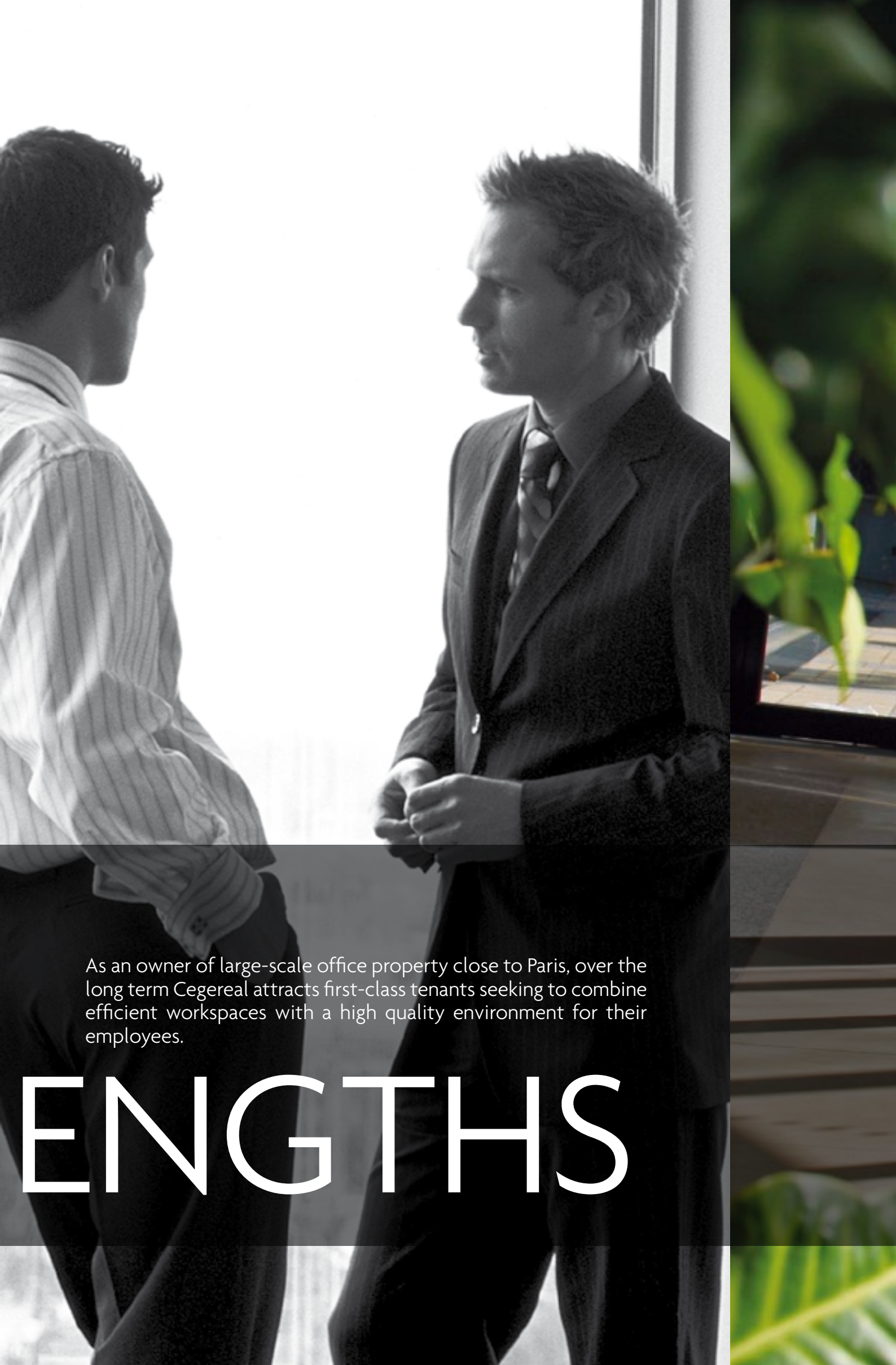
The combination of campus and services offered by Arcs de Seine is more commonly seen in districts further away from the centre, rather than in plain view of the inner Paris ring road.

Finally, the Arcs de Seine property complex has a very definite image, generated particularly by the identity of the previous tenant. The market knows what it is and where it is.

The aim of the marketing approach and of the leasing strategy adopted at the start of 2011 is to emphasise these strengths so as to encourage companies to lease this suite of offices and services.



Our strategic
STR

A black and white photograph of two men in business attire standing by a large window. The man on the left is seen from the side, wearing a light-colored striped shirt. The man on the right is facing him, wearing a dark suit and tie, with his hands clasped. They are looking out at a city skyline. A vertical strip on the right side of the image shows a blurred view of green foliage and a building exterior.

As an owner of large-scale office property close to Paris, over the long term Cegereal attracts first-class tenants seeking to combine efficient workspaces with a high quality environment for their employees.

ENGTHS

SOME OF THE BEST PROPERTIES ON THE MARKET:

a rental policy targeted at generating long-term income

In order to secure its income, Cegereal has defined an extremely selective leasing management policy with a focus on long-term objectives. Its aim is to target first-class tenants and to meet their expectations efficiently so that they want to remain with Cegereal for many years.

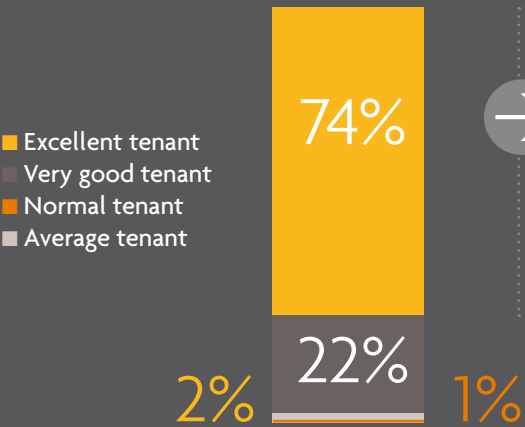
Major economic players...

Cegereal tenants are national and international players who are market leaders in their respective sectors of activity. Prestigious companies such as Cap Gemini France, Crédit Foncier, Boursorama and GE Capital are first-choice tenants for any property company, since they offer a sound and proven capital base, long-term future and credibility. It is no surprise that 96% of our tenants have received the two best Dun & Bradstreet ratings for financial performance.

... committed to long-term commercial leases

Cegereal prefers, wherever possible, to sign commercial leases for periods of six or nine years since this strategy is very much in line with the company's leasing managing policy for its property. Moreover, these leases transfer the building's operating and maintenance costs, as well as most repair costs, to the tenant. Similarly, the taxes generated by the property assets are charged to the tenants.

ANALYSIS OF LEASING RISK



96%

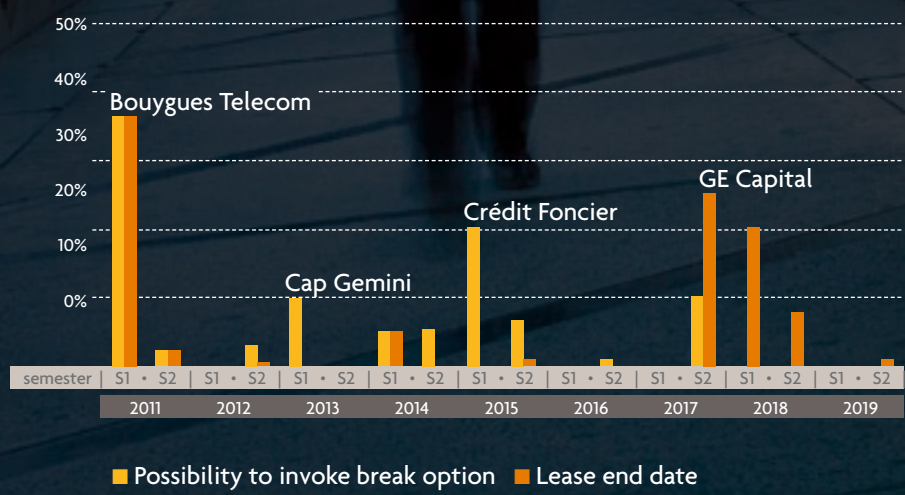
OF FIRST RANK TENANTS

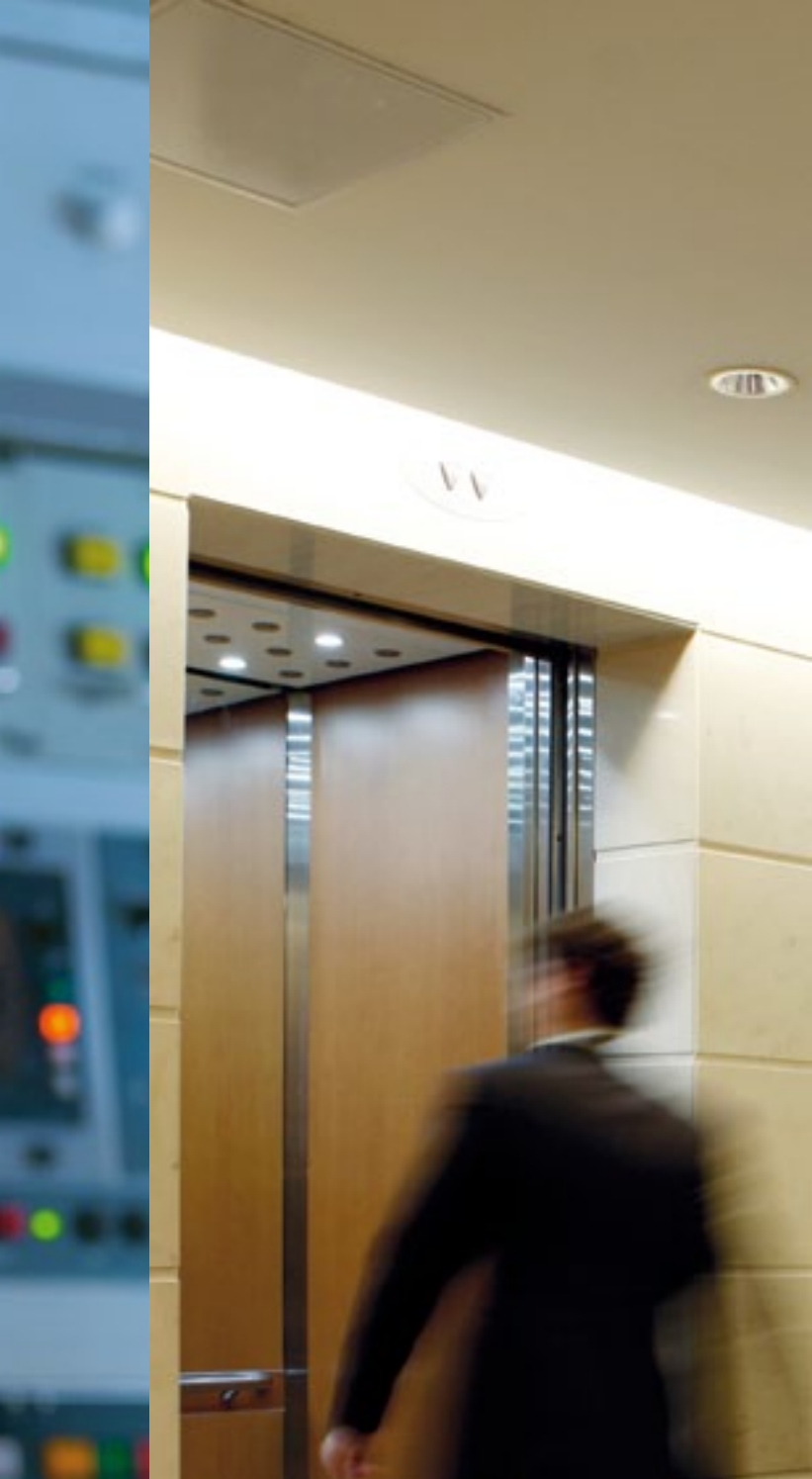
**Leasing revenue paid
by companies with a ranking
of 1 and 2 from Dun & Bradstreet**

Source : Dun & Bradstreet



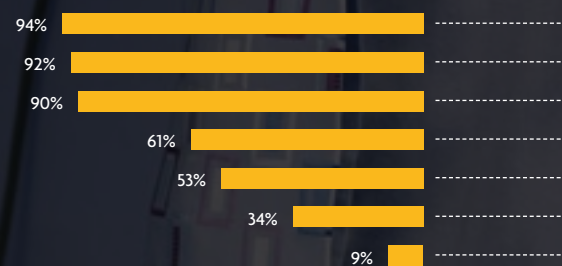
SCHEDULE





TENANT EXPECTATIONS

Services considered crucial by the 119 key accounts polled by BNP Paribas Real Estate in its second user survey.



HIGH VALUE-ADDED SERVICES

Focused on the individual

The services that we provide for our tenants have a single objective: to make the men and women employed by the companies that rent our offices the focus of our attention. Cegereal’s properties offer a pleasant environment in which to live and work.

High value-added services...

For the second consecutive year, BNP Paribas Real Estate has conducted a survey throughout France of 119 large tenants in order to identify their service-related expectations. The three Cegereal buildings offer all the services considered as essential by the tenants who took part (parking, air conditioning, security, shared restaurant and cafeteria) in addition to “luxury” services such as auditoriums and sports facilities.

... and a close working relationship with each of our tenants...

Cegereal is keen to ensure optimal occupancy rates for its properties, which is why the quality of its relationships with its customers lies at the core of its leasing policy. Its watchwords are proximity and transparency.

The teams responsible for the day-to-day management of the buildings are always ready to respond to tenants’ expectations and complaints by implementing, with input from the tenants, all the services which they require (security, maintenance, etc.). A representative from management meets with each tenant regularly to review the tenant’s requirements and projects.

... let us anticipate their requirements so that we can meet them more effectively

In addition to improving tenant retention, this policy lets Cegereal build relationships of trust with them. In return, our tenants give us very early notice of their property intentions. This gives Cegereal the opportunity to anticipate their requirements and projects, and to offer them solutions. This approach means that Cegereal can invest regularly in optimising the quality of its properties, and thus preserve their appeal.

EUROPLAZA, ARCS DE SEINE, RIVES DE BERCY,
benefit from all of these services

PARKING	✓
AIR CONDITIONING	✓
SECURITY	✓
STAFF RESTAURANT	✓
CAFETERIA	✓
MEETING ROOMS	✓
SPORTS HALL	✓

Source: BNP Paribas Real Estate user survey

DEMANDING ENVIRONMENTAL PRACTICES

Since its inception, Cegereal has always paid particular attention to environmental issues, and is very keen to find ways in which occupiers can reduce their bills. The close working relationships between the Cegereal teams and the tenants simplifies the compliance with these good practices.

Following the departure of Bouygues Telecom, Cegereal has undertaken, since October 2010, a refurbishment of the 3 buildings which form the Arcs de Seine complex at Boulogne-Billancourt. Particularly, it is committed to achieving “NF Bâtiments tertiaires en Exploitation – Démarche HQE” certification. This certification, the French equivalent to BREEAM, identifies those buildings whose intrinsic construction quality, combined with monitoring and maintenance methods and compliance with environmental requirements, ensures high levels of environmental performance are reached. Delivery of this certification is contingent upon the successful auditing of the facility management system, of the environmental quality of the building and of the practices followed.

The aim is for the complex to be certified by the French certification body, Certivéa, before the end of 2011. Consequently, in addition to the normal refurbishment work (painting, new carpets and renovation of the two entrance halls), the fitting of low-energy light bulbs and of natural daylight detectors and movement sensors will allow the complex's future tenants to make substantial energy savings.

Cegereal has also partnered Crédit Foncier in the environmental initiatives that this mortgage specialist undertook at its head office at Charenton. As a result, Cegereal has assumed a large part of the cost of the work that is intended to reduce the consumption of water and energy at the Rives de Bercy building.

The company's environmental policy, the applicable legal framework, and risk factors related to the environmental aspects of the company's holding of these assets are presented below, in sections IV.6.6, “Risks linked to the regulatory environment”, and IV.7.1, “Other aspects of the regulatory environment” respectively.





In recognition of the fact that respect for the environment has become a key criterion for large companies when they search for new premises, Cegereal continuously endeavours to raise the standards of its buildings so that can meet the new expectations of its occupants.



Our high qua

AT OUTSKIRTS OF PARIS

The three property complexes **Europlaza**, **Arcs de Seine** and **Rives de Bercy** are located on the outskirts of Paris city centre in attractive districts: La Défense, the principal European business hub; Le Point du Jour, a historic centre of service sector activity at Boulogne-Billancourt; and Charenton-le-Pont, one of the fastest growing business districts to the east of Paris.



LA DÉFENSE

Europlaza

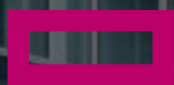


BOULOGNE

Arcs de Seine

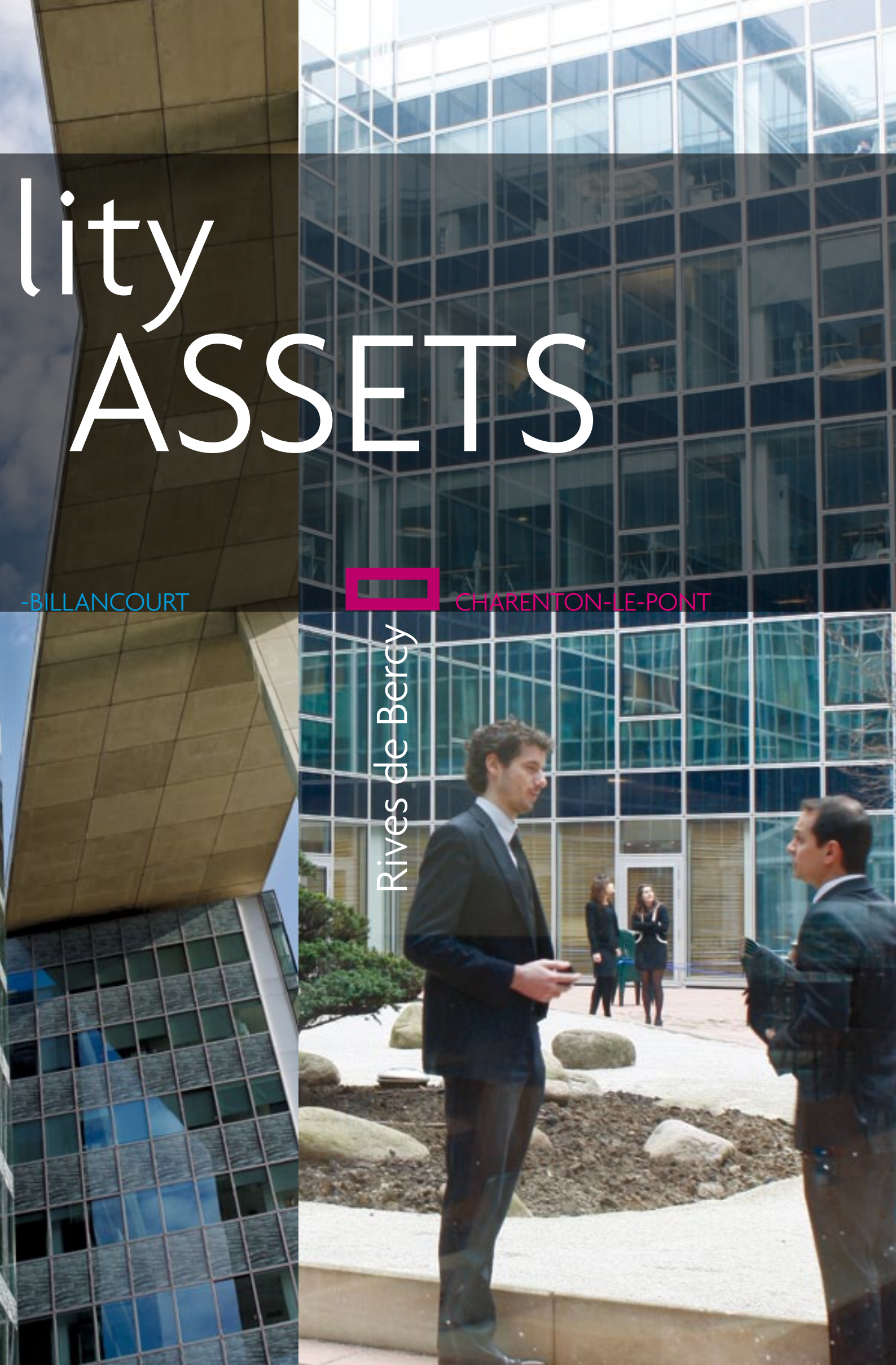
lity ASSETS

-BILLANCOURT



CHARENTON-LE-PONT

Rives de Bercy



Overview of our Property Assets



Europlaza

VALUE EXCLUDING DUTIES

€384 M

The value is understood
to be net of stamp duty

TOTAL SURFACE AREA

49,321 M²

Letting areas excluding
car parks

MAIN TENANTS

Cap Gemini

GE Money Bank

Galderma



Arcs de Seine

VALUE EXCLUDING DUTIES

€309 M

The value is understood
to be net of stamp duty

TOTAL SURFACE AREA

45,267 M²

Letting areas excluding car parks

MAIN TENANTS

Boursorama

Eurolplaza

20, avenue André-Prothin
La Défense 4

Arcs de Seine

34, quai du Point-du-Jour
Boulogne-Billancourt

Rives de Bercy

4, quai de Bercy
Charenton-le-Pont

% Holding ►	100%	100%	100%
Value ►	€ 384 M	€309 M	€168 M
Value / m ² ►	€7,770 /m ²	€6,839 /m ²	€5,698 /m ²
Annual change ►	6%	-1%	8%
Capitalisation rate (market rent/asset value) ►	6.3%	6.1%	6.3%
Rents in 2010 ►	€20.3 M	€24.0 M	€10.4 M
Immediate return ►	5.7%	7.8%	6.8%
Reversion rate ►	0%	-14%	-11%
Total surface area ►	52,478 m ²	47,308 m ²	31,942 m ²
of which Offices	47,566 m ²	41,738 m ²	29,136 m ²
Activity	-	2,500 m ²	-
Staff restaurant	3,157 m ²	2,041 m ²	2,424 m ²
Archives	1,755 m ²	1,029 m ²	382 m ²
Parking spaces ►	722	942	657
Year of acquisition ►	1999	2000	2003
Year of construction ►	1972	2000	2003
Year of refurbishment ►	1998-99	-	-
Occupancy rate ►	91%	12%	100%
Average residual duration of leases ►	5.9	0.9	7.1
Type of leases ►	Investor	Investor	Triple Net
MAIN TENANTS ►	Cap Gemini GE Capital Galderma	Boursorama	Crédit Foncier de France



Rives de Bercy

VALUE EXCLUDING DUTIES

€168 M

The value is understood to be net of stamp duty

TOTAL SURFACE AREA

31,942 m²

Letting areas excluding car parks

MAIN TENANTS

Crédit Foncier de France

Office area
47,500 m²

Occupancy rate
91%

Rents collected in 2010
€20.3 M



□ Europlaza

€383.5 M

VALUATION ON 31/12/2010

"The Europlaza Tower is constantly attracting new tenants who like its functionality, accessibility and wide range of services, particularly the auditorium, restaurant services, fitness area and private underground car park with space for over 700 vehicles, highly sought at La Défense."

FRIEDERIKE HOBERG
Key Account Manager
Commerz Real

Formerly known as the Tour Septentrion, this complex consists of two buildings, 31 and 4 storeys high. Its restructuring in 1996-1999 remains one of the largest operations of this type ever undertaken on a first-generation tower at La Défense. The complex's new design, the work of the architect Alberto Pinto, is timeless and accommodates top level modern services.





Europlaza

At the heart of the leading business hub in Europe

Located on the outskirts of Paris, La Défense is home to 3 million m² of offices, 2,500 companies and 1,500 head offices. Fifteen of the 50 largest companies in the world are based here. Europlaza lies at the heart of this prestigious district, near to the Total, Société Générale, EDF and GDF Suez towers. The building is well served by public transport infrastructures (regional express train network, subways, trams, buses and national rail network) and also has direct access to the La Défense ring road.

Tenants

On 31 December 2010, 91% of the building was leased to 15 tenants, including several market-leading companies such as Cap Gemini, GE Money Bank, a subsidiary of the American multinational GE Capital, and the Galderma laboratories, founded in 1981 by Nestlé and L'Oréal.

Well designed, comfortable areas

Each storey has a surface area of 1,300 m² and can be arranged as an open plan space or, as some tenants have chosen, with a central corridor giving access to a variety of individual offices.



THE TOWER OFFERS ALL THE SERVICES REQUIRED BY LARGE USERS

- Private parking for 722 cars, a particularly desirable feature at La Défense
- An auditorium that can hold up to 160 people
- A shared restaurant designed by Alberto Pinto
- A cafeteria bathed in light which pours through its new glazing, finished in 2009
- Luxury, modular rooms for private lunches
- A large sports hall, with sauna and sports instructor
- A facility manager and two technicians respond to tenants' everyday comments and problems





Arcs de

"The visibility and the striking architecture of Arcs de Seine make this complex an emblematic site in the Point du Jour district of Boulogne-Billancourt."

JACQUES BAGGE
Director of the French
Agency Department,
Jones Lang LaSalle,
agent commissioned
to market the Arcs de
Seine site



€309 M

VALUATION ON 31/12/2010

This stunning architectural construction, built in 2001 and 2002, consists of three separate buildings, five, seven and eight storeys high, arranged around a garden and each with its own private entrance hall. The complex provides exceptional visibility, and the monumental arch which links the various buildings makes it unmistakable.



Seine

Office area

45,000 m²

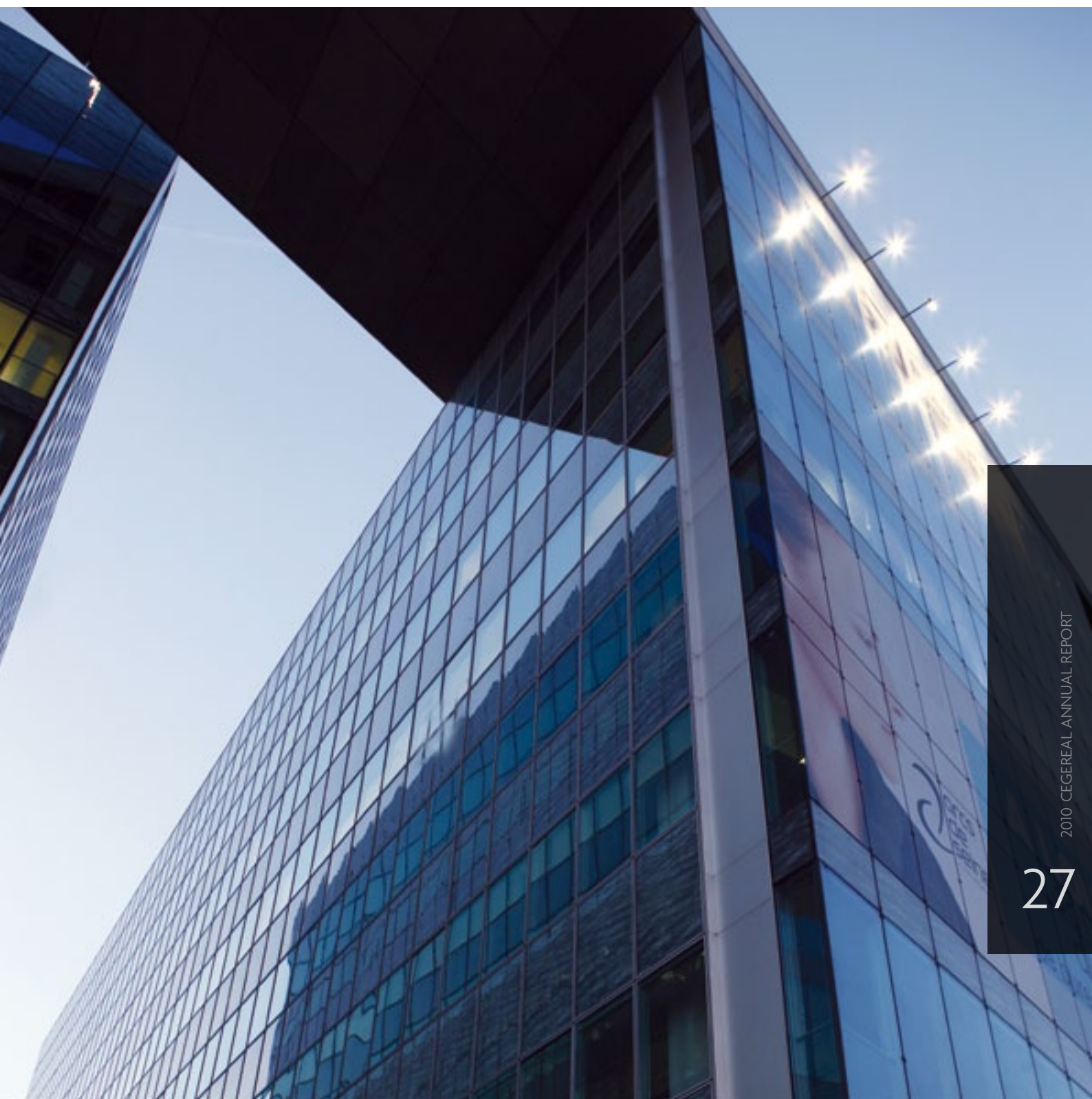
Occupancy rate

12%

at 31/12/2010

Rents collected in 2010

€ 24.0 M







Arcs de Seine

45,000 m² on the doorstep of Paris

Adjacent to Paris, Boulogne-Billancourt is the largest business centre in the Paris Region after the capital itself. Renowned for its advertising, audiovisual and telecommunications activities, Boulogne-Billancourt is historically a centre for service-sector companies, although it has also attracted large manufacturers such as Michelin and Roche.

The Arcs de Seine complex is located in one of Boulogne's main business hubs: Le Point du Jour, which is home to a number of major service sector companies, such as TF1, Canal + and Neuf Telecom. Accessible via the subway, bus and tram, this district is bordered by the inner ring road and the Seine river, which provide fast access to the centre of Paris via the embankment.

A new look for Arcs de Seine

Partially occupied by Boursorama (12%), the site is currently being refurbished after 10 years of occupancy. Cegereal is using this opportunity to upgrade the complex's environmental performance, with a view to obtaining the French equivalent of BREEAM certification before the end of 2011.

A unique offering at Boulogne-Billancourt: a campus offering a variety of services, divisible and eco-friendly

The Arcs de Seine complex consists of three separate buildings, offering 1,200 to 2,800 m² of office space per floor. The layout gives users tremendous scope to structure this workspace, and the building boasts impressive technical features and levels of performance.

THESE BUILDINGS SHARE COMMON AND UNIQUE SUITE OF SERVICES AT BOULOGNE-BILLANCOURT

- Parking for 942 cars
- A shared, 2,100-capacity restaurant
- A cafeteria with views over the Seine
- An auditorium with a capacity of 298 places
- Large meeting rooms, club lounges and "salle de sport" currently being redeveloped

Office area

31,900 m²

Occupancy rate

100%

Rents collected in 2010

€10.4 M



"The exceptional technical features provided at Rives de Bercy combined with the various services available to the tenant create a first-class working environment."

THIERRY DORISON,
Managing director of Yxime,
the site's property manager.



Rives de Bercy

Built by HRO in 2003, Rives de Bercy was designed to meet the expectations of the most demanding companies. Its appeal was too great for Crédit Foncier, which left its historic head office to set up in this new complex.

A large proportion of the subsidiaries of the Caisse d'Épargne group followed this move, thus contributing towards the development of the inner suburb to the east of Paris.

Easily accessed via the quays running along the Seine and the A4 freeway, the building is also served by the subway and several bus routes.

€168.2 M

VALUATION ON 31/12/2010





Rives de Bercy

Tenants

Rives de Bercy is occupied in its entirety by Crédit Foncier which renewed its 6-year firm lease in 2009. However, each storey in the building can be a separate unit to accommodate several tenants.

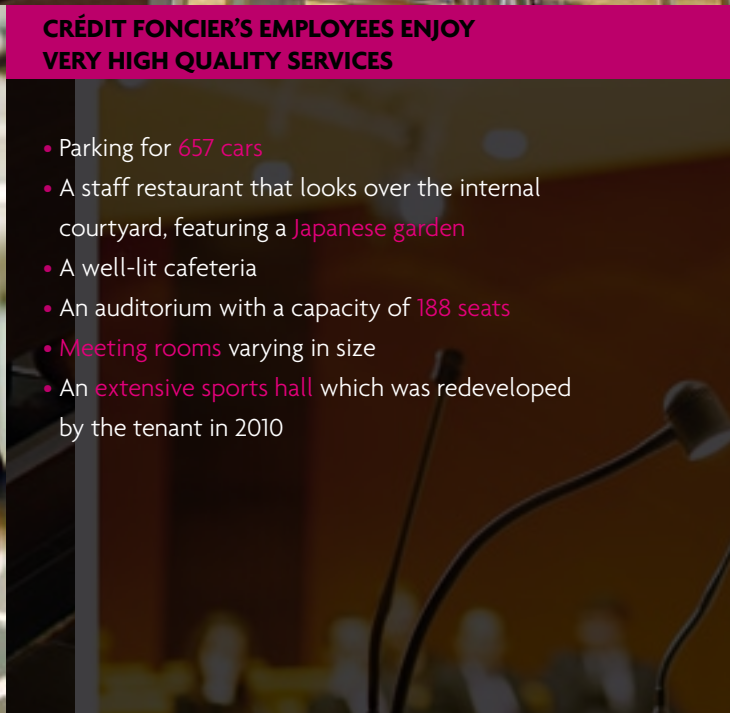
Modern spaces

The six-shaped building has a number of wings linked by suspended walkways and a superb reception hall that looks out over the quai de Bercy.



CRÉDIT FONCIER'S EMPLOYEES ENJOY VERY HIGH QUALITY SERVICES

- Parking for **657 cars**
- A staff restaurant that looks over the internal courtyard, featuring a **Japanese garden**
- A well-lit cafeteria
- An auditorium with a capacity of **188 seats**
- **Meeting rooms** varying in size
- An **extensive sports hall** which was redeveloped by the tenant in 2010





Our income MODEL



Our objective is to offer the security of a high yield over the long term achieved by managing a high quality asset in compliance with our commitments to transparency and through employing the best expertise in the marketplace.

INDEPENDENT AND TRANSPARENT GOVERNANCE

Since its inception, Cegereal has attributed particular importance to the independence of its governance. In compliance with the AFEF MEDEF corporate governance code for listed companies of December 2008, updated in April 2010, Cegereal's governance is provided at three levels by the Board of Directors, whose chairman is an independent director, by the team of directors (Bardo Magel and Raphaël Tréguier) and by the three committees appointed by the Board.

3

independent committees

The audit committee, the appointments and remuneration committee and the investment committee. Each committee has three members: Cegereal ensures that at least two of the three members who sit on each committee are independent directors.



INVESTMENT COMMITTEE

Composition

- > **ALEC EMMOTT**
(Chairman), Independent
- > **RICHARD WRIGLEY**
Independent
- > **GRAHAM SPENSLEY**
Independent

Its primary functions are to assist the Board in investing, especially in cases of sale, acquisition, development or substantial refurbishment of property assets; advise on projects and the annual investment budget; review the strategy of finalised investment transactions; consider all matters that could significantly impact investments.

Executive management

Cegereal’s management changed in 2010 with Bardo Magel replacing Martin Weinbrenner as CEO of the company. His experience in managing property assets, allied with that of Raphaël Tréguier in property and corporate finance, make these two directors the perfect combination to lead a company such as Cegereal.

BARDO MAGEL
CEO

Aged 43, Bardo Magel previously served as a financial consultant with the German property company Hessische Wohnungsbau Frankfurt before joining Commerz Real in 1999 where he heads the Real Estate Markets Western and Northern Europe. Within Cegereal, he is specifically in charge of property issues.

RAPHAËL TRÉGUIER
DEPUTY CEO

Aged 36, Raphaël Tréguier has 12 years of experience in property and corporate finance. Involved in the management of the acquisition of listed and unlisted companies and major portfolios, he notably spent seven years with the investment management team of GE Real Estate France. He is responsible for the operational management and development of Cegereal, as well as financial matters and communication.

A strengthened Board of Directors

Cegereal’s board of directors was strengthened in 2010 by the combined experience of three additional directors, bringing the total number of directors to nine. While it continues to be led by an independent director, Richard Wrigley, the Board appointed a third independent director to preserve its independence.

RICHARD WRIGLEY
Age 63, non-executive chairman and independent director
Former chairman of CB Richard Ellis Property Management in France.

ALEC EMMOTT
Age 63, independent director
Former managing director of Société Foncière lyonnaise.

JEAN-PIERRE BONNEFOND
Age 65, independent director. Former chairman of the Foncier Français consortium, a subsidiary of Caisse des Dépôts Group.

OLIVIER LE BORGNE
Age 43, representative of GMF Vie
Director of financial strategy at GMF.

ERICH SEEGER
Age 47, legal representative of CRI. Member of the Board of Directors of Commerz Real in charge of Portfolio Management, Marketing and Sales.

ANDREAS MUSCHTER
Age 38, director
Member of the Board of Directors and Chief Financial Officer at Commerz Real.

CARL CHRISTIAN SIEGEL
Age 41, director
Head of Real Estate Markets Southern, Central and Eastern Europe at Commerz Real.

GERRY DIETEL
Age 33, director. Head of Portfolio Management at Commerz Real.

KLAUS WALDHERR
Age 46, director. Legal council at Commerz Real.

**AUDIT
COMMITTEE**

Composition

- > **RICHARD WRIGLEY**
(Chairman), Independent
- > **JEAN-PIERRE BONNEFOND**
Independent
- > **GERRY DIETEL**
Fund Manager Commerz Real

Its primary functions are to assist the Board in the review and approval of the financial statements (half year and annual); ensure the independence of Cegereal’s auditors; review the internal control, auditing, accounting and management procedures; ensure that the management of the company has the necessary resources to prevent risks and anomalies.

**APPOINTMENTS
AND REMUNERATION COMMITTEE**

Composition

- > **JEAN-PIERRE BONNEFOND**
(Chairman), Independent
- > **GRAHAM SPENSLEY**
Independent
- > **ALEC EMMOTT**
Independent

Its primary functions are to calculate the amount of remuneration of each member of General Management; assess all the other benefits or allowances they receive; consider appointments for CEO, Deputy CEO and Director; assess the situation of each director at its discretion and regularly evaluate the board.

CREATING VALUE

A CORE ELEMENT OF THE COMPANY'S STRATEGY

Since its inception, Cegereal has developed a strategy based on two fundamental themes: optimizing the value of its assets and distributing regular and high dividends to its shareholders.

A carefully-selected portfolio to ensure better quality assets

Cegereal now owns three high value-added assets which secure the long term future of the yield from the company's property assets. The strengths of its buildings are their features which evoke a "campus" feel: proximity (located in the inner ring around the capital, well served by public transport), broad range of services available to users and modernity (functional and modular spaces).

Its active and selective leasing policy, combined with adherence to stringent environmental practices, ensures that Cegereal's long-term future is high levels of occupancy for its assets, and gives it the resources it needs to achieve its yield objectives.

Creating real estate value and financial gain, in order to deliver regular and high yields to shareholders.

Cegereal's ambition has always been to offer a high level of distribution to its shareholders. To achieve this goal, the company has maintained a reasonable debt ratio: the loan-to-value (LTV) ratio was 46.4% on 31 December 2010. The company shall submit to the AGM on 29 June 2011 its proposal to distribute a dividend worth €1.10 per share, which corresponds to a yield of 5% based on the end-of-year share price.

STOCK MARKET PROFILE

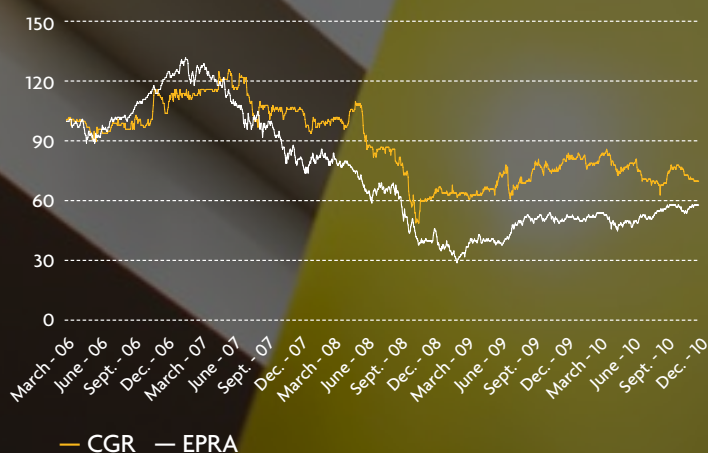
Name	Cegereal SA
NYSE	Euronext Paris
ISIN	FR0010309096
Mnemo	CGR
IFC	ESVUFB
Type	REIT
Size	Eurolist Compartiment B
Indexes	CAC Mid Small 190 IEIF SIIC France
Securities service	BNPP Securities Services

SHAREHOLDER AGENDA

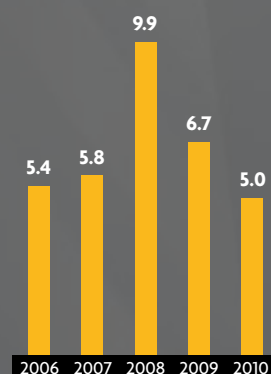
06/05/2011	Results for 1st quarter of 2011
29/06/2011	AGM
22/07/2011	Half year results
14/11/2011	3 rd quarter 2011 results

In euros	2010 12 months	2009 12 months	2008 12 months	2007 12 months	2006 9 months
Total number of shares	13,372,500	13,372,500	13,372,500	13,372,500	13,372,500
Average share price (closing)	24.3	22.0	27.8	35.7	31.9
Share price as at 31/12	22.2	25.5	19.6	33.7	33.8
Capitalisation as at 31/12	296,869,500	340,998,750	262,101,000	450,653,250	451,990,500
PERFORMANCE					
Net cash flow per share	2.6	3.1	2.8	2.7	
Net income per share	0.5	1.2	0.8	0.8	
Distribution percentage	42%	55%	70%	72%	
Dividend per share	1.10	1.70	1.95	1.95	1.84
Induced rate of return	5.0%	6.7%	9.9%	5.8%	5.4%
Total Shareholder Return	-7.1%	40.1%	-36.1%	5.1%	6.3%
ADJUSTED BOOK VALUE					
Adjusted book value per share	34.7	31.6	40.0	47.5	40.9
Premium/Discount	-36%	-19%	-51%	-29%	-17%

CEGEREAL'S SHARE PRICE VS. EPRA
SINCE ITS IPO IN MARCH 2006



DIVIDEND YIELD
BASED ON END-OF-YEAR
SHARE PRICE (IN %)



CLOSE COMMUNICATION BETWEEN MANAGEMENT AND ALL SHAREHOLDERS

Cegereal's management considers it a priority to communicate clearly with all shareholders, both institutional and individual.

To achieve this, the company meets regularly with shareholders and provides them with the resources they need to access all the information relevant to their investment.

Transparent communication

In order to be as transparent as possible, Cegereal communicates via different media to pass on information effectively to all its shareholders.

The website

Cegereal's website lets you find out about the company's activities by browsing through the various detailed sections. From governance to financial information, with even a virtual tour of the company's properties, the website meets the needs of its various users for detailed information.

Press releases

Various studies have shown that the media are valued by shareholders as a source of information. In view of this, Cegereal provides journalists with details of its periodic results or passes on any news likely to interest them.

Financial advertising

Because different shareholders have different ways of finding out their information, Cegereal publishes a financial notification ahead of every announcement of results in the leading specialist magazines.

The annual report

Distributed during meetings between Cegereal and its shareholders, or available on request, the annual report (a reference document that also serves as the annual financial report) is the principal information-giving document that the company provides for its shareholders. It can also be downloaded via the Internet, as can the semi-annual report. Cegereal's annual report seeks to be relevant, clear and transparent.

Management in touch with its shareholders

For the last three years, Cegereal has participated in the Actionaria fair, run specifically for individual shareholders. For two days, shareholders can meet the company's management and discuss various subjects related to Cegereal's activity. During the fair, Raphaël Tréguier takes part in a questions and answers session for CEOs, during which he answers questions from a journalist in front of a live audience.



2010 Annual report

Website
www.cegereal.com/fr



A TEAM OF EXPERTS

To achieve the best results and enjoy the best services, Cegereal chooses to work with recognised professionals who are experts in their fields

ASSET MANAGEMENT
BARDO MAGEL
CEO of Cegereal

CORPORATE & DEVELOPMENT
RAPHAËL TRÉGUIER
Deputy CEO of Cegereal

ASSET MANAGEMENT

Tenancy and Property Management
Friederike Hoberg /
Key Account Manager – Commerz Real France
Hélène de Clisson /
Asset Manager – Commerz Real France

Technical projects
Anja Kleinke /
Technical director – Commerz Real

Property Management
Thierry Dorison /
Managing Director - Yxime

CORPORATE & DEVELOPMENT

Real Estate acquisitions
Raphaël Colomby /
Head of Real Estate Markets France – Commerz Real France

Finance
Barkha Mehmedagic /
Financial director – Commerz Real

Marketing
Markus Esser /
Communications director – Commerz Real
Jérôme Goaër /
Head of the financial communication department –
Publicis Consultants

Company life and tax affairs
Klaus Waldherr /
Head of the law department – Commerz Real
Andreas Griesbach /
Tax director – Commerz Real
Marc Cretté /
Partner – Fidal
Raphaël Teyssot /
Partner – Fidal
Florence Riquier-Tahier /
Partner – Fidal

Accounts and treasury
Daniela Lammert /
Chief accountant – Commerz Real
Florence Hauducœur /
Partner – PricewaterhouseCoopers entreprises
Ludovic Dodon /
Senior Manager – PricewaterhouseCoopers entreprises

ANNUAL CASH FLOW

In thousands of euros	31/12/2010	31/12/2009
Rents according to IFRS	54.7	57.5
Net charges re-invoiced	(1.9)	(1.0)
Operating expenses	(5.8)	(5.6)
Other operating income	4.1	0.0
Net financial result	(16.3)	(16.3)
Extraordinary result	0.0	6.9
TOTAL CASH FLOW GENERATED	34.8	41.5

IFRS BALANCE SHEET

In thousands of euros	31/12/2010 IFRS Accounts	31/12/2009 IFRS Accounts
Investment property	860.7	827.5
Other non-current assets	11.6	12.1
NON-CURRENT ASSETS	872.3	839.6
Accounts receivable	6.1	14.5
Other operating receivables	6.7	6.1
Cash and cash equivalents	25.5	16.2
CURRENT ASSETS	38.4	36.8
TOTAL ASSETS	910.7	876.4

Equity and liabilities in thousands of euros	31/12/2010 IFRS Accounts	31/12/2009 IFRS Accounts
Capital	160.5	160.5
Merger premium and retained earnings	267.0	360.9
Net income for the period	63.3	(70.9)
SHAREHOLDERS' EQUITY	490.8	450.5
Non-current liabilities	399.5	402.1
Current liabilities	20.4	23.8
NON-CURRENT AND CURRENT LIABILITIES	419.9	425.9
TOTAL EQUITY AND LIABILITIES	910.7	876.4

Pro forma income statement in thousands of euros	31/12/2010 12 months	31/12/2009 12 months
Operating income	80.2	(53.3)
Including: net rental income	49.8	53.6
Including: increase in the fair value of investment property	33.2	(111.1)
Net financial expense	(16.9)	(17.7)
Corporate income tax	-	0.2
NET INCOME	63.3	(70.9)

ANNUAL FINANCIAL STATEMENTS

Assets in thousands of euros	31/12/2010	31/12/2009
Investment property	747.5	770.9
Other financial fixed assets	1.0	0.9
FIXED ASSETS	748.5	771.8
Accounts receivable	6.3	14.7
Other receivables	15.9	15.7
Cash and cash equivalent	25.5	16.2
Prepaid expenses	2.1	2.1
CURRENT ASSETS	49.8	48.7
TOTAL ASSETS	798.3	820.4

Equity and liabilities in thousands of euros	31/12/2010	31/12/2009
Share capital	160.5	160.5
Merger premium, reserve and retained earnings	50.4	51.4
Revaluation reserve	158.8	164.9
Net income for the period	7.3	15.5
SHAREHOLDERS' EQUITY	377.0	392.3
Provisions for liabilities and charges	-	0.0
OWNER'S EQUITY	-	0.0
Non-current borrowings	400.8	404.0
Accounts payable and other current liabilities	20.5	24.1
LIABILITIES	421.3	428.1
TOTAL EQUITY AND LIABILITY	798.3	820.4

Income statement in thousands of euros	31/12/2010 12 months	31/12/2009 12 months
Operating income	20.9	24.8
<i>Including rental revenue</i>	64.0	67.0
Net financial expense	(16.3)	(16.1)
Net non-recurring income	2.7	6.9
Corporate income tax	-	-
NET INCOME	7.3	15.5



2010 ANNUAL REPORT



Pursuant to the General Regulations of the French financial markets authority (*Autorité des Marchés Financiers – AMF*), in particular Article 212-13, the French version of this Registration Document was filed with the AMF on April 29, 2011 under number R.11-022. 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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1. OVERVIEW OF BUSINESS ACTIVITIES

1.1. 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;
- 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 in France, provided it signs an amendment to the credit agreement entered into between the Company and the Eurohypo AG bank 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.

1.2. OFFICE REAL ESTATE MARKET

With an office portfolio of over 51 million sq. m, Paris and the greater Paris region form the leading tertiary hub in Europe. Paris' main competitor is London, with more than 23 million sq. m of office space, followed by Munich (almost 20 million sq. m), Berlin (17 million sq. m), Hamburg (almost 14 million sq. m), Brussels (almost 14 million sq. m), Frankfurt (12 million sq. m), and Madrid (11 million sq. m) (Source: CBRE/Office Market Report 2010 – January 2011).

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 6.8% at January 1, 2011. Of this 6.8%, 27% is in the new/renovated market (Source: CBRE/Office Market Report 2010 – January 2011).

The market for large surface areas (of more than 10,000 sq. m), which has been characterized by business combinations and streamlining operations, was slightly down in 2010 and totaled nearly 470,000 sq. m.

Investment

According to CBRE, the volumes traded on the Paris region market for general corporate real estate (EUR 11bn in 2010) grew by 42% in one year. The recovery is noteworthy, even though these volumes remain considerably below the levels reported before the financial crisis.

Cegereal's competitive environment was more active thanks to the influx of liquidities in the core building segment, which offers secure revenues with a restored risk premium. The large office building market was characterized by the completion in 2010 of 38 transactions involving office buildings worth more than EUR 50m compared to 18 such transactions in 2009.

1.3. RENTAL ACTIVITY

Rental income

In 2010, the Company recorded EUR 54.69m in rental income (IFRS), versus EUR 57.04m (IFRS) in 2009.

Building	Year of construction or renovation	Gross leasable area at Dec. 31, 2010		Annual rent (net of taxes)	
		(sq.m)	(%)	(in thousands of euros)	(%)
Europlaza	1999	49,322	39	20,288	37
Arcs de Seine	2000	45,151	36	24,011	44
Rives de Bercy	2003	31,942	25	10,387	19
Total		126,415	100	54,687	100

The change in rental income is broken down in accordance with the recommendations of the European Public Real Estate Association (EPRA):

In millions of euros

2009 Rental income	Impact on 2010 rental income				2010 Rental income
	Indexing	Vacant premises	Renegotiated leases	Other	
57.04	(0.02)	(1.79)	(0.47)	(0.08)	54.69

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

Occupancy rates

The physical occupancy rate corresponds to the percentage of premises for which the Company receives rent within the framework of a lease agreement at December 31, 2010.

The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at December 31, 2010.

The table below presents the financial and physical occupancy rates for the portfolio for the three last years.

Cegereal portfolio	31/12/10	31/12/09	31/12/08
Physical occupancy rate	93%	95%	93%
Financial occupancy rate	93%	95%	100%

The portfolio's occupancy rate dropped to 93% at December 31, 2010. However, as the Bouygues Telecom lease expired on January 1, 2011, the year began with a vacancy rate of 36%.

The table below presents the financial and physical occupancy rates for each of the buildings and the average lease maturity at December 31, 2010.

31/12/10	Europlaza	Arcs de Seine	Rives de Bercy	Total
Physical occupancy rate	90%	92%	100%	93%
Financial occupancy rate	90%	92%	100%	93%
Average lease maturity	5.9	0.9	7.1	3.9

Agreements with Bouygues Telecom with respect to the Arcs de Seine building

Bouygues Telecom confirmed its decision to vacate the leased premises on January 1, 2011.

The parties came to an agreement on the cost of restoring the leased premises and decided that Bouygues Telecom would pay the Company EUR 5,000,000 excluding tax, i.e., EUR 5,980,000 including VAT at the current rate for said costs..

Table of the breakdown of expiration dates

Half-year	Earliest exit date				Lease expiration date			
	Number of leases	Rental income at 31/12/2010	% number of leases	% of total rental income	Number of leases	Rental income at 31/12/2010	% number of leases	% of total rental income
H1-2011	1	21,811,000	7	36	1	21,811,000	7	36
H2-2011	1	1,439,390	7	2	1	1,439,390	7	2
H1-2012	0	0			0	0		
H2-2012	3	1,907,000	20	3	1	455,500	7	1
H1-2013	1	5,850,176	7	10	0	0		
H2-2013	0	0			0	0		
H1-2014	1	2,969,763	7	5	1	2,969,763	7	5
H2-2014	2	3,088,000	13	5	0	0		
H1-2015	1	12,085,601	7	20	0	0		
H2-2015	3	3,976,913	20	7	1	752,000	7	1
H1-2016	0	0			0	0		
H2-2016	1	668,120	7	1	0	0		
H1-2017	0	0			0	0		
H2-2017	1	6,027,000	7	10	4	14,965,176	27	25
H1-2018	0	0			1	12,085,601	7	20
H2-2018	0	0			4	4,676,413	27	8
H1-2019	0	0			0	0		
H2-2019	0	0			1	668,120	7	1
Total	15	59,822,963	100	100	15	59,822,963	100	100

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.

Benefits granted to lessees

In accordance with customary business practices in the office rental market, the Company may offer certain inducements to its tenants. It may grant them rent-free periods when entering into or renewing a lease or pay the cost of work specifically benefiting the lessees. The benefits granted by the Company amounted to EUR 2,302k in 2010.

2. PERFORMANCE MEASURES

Three performance measures corresponding to EPRA terminology are presented below:

- EPRA Earnings;
- EPRA Net Asset Value (NAV);
- EPRA Triple Net Asset Value (NNNAV).

Breakdown of changes in rental income

The table below shows the breakdown of the leases at December 31, 2010, according to their expiration date and the earliest possible termination date on which they could be terminated before term. Apart from the expiration of Bouygues Telecom’s lease in January 2011, the Company’s lease expiration dates are staggered uniformly over time.

2.1. EPRA EARNINGS

As a property company, a key measure of the Company’s performance and its ability to distribute dividends is EPRA Earnings which presents the level of recurring income from its operating activities.

In thousands of euros

	31/12/10	31/12/09
Net income under IFRS	63,313	(70,886)
Restatement of the change in fair value of investment property	(33,200)	111,091
EPRA Earnings	30,113	40,205

2.2. NET ASSET VALUE (NAV)

2.2.1. 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, 2010 by external real estate valuer BNP Paribas Real Estate Expertise, a member of the Royal Institute of Chartered Surveyors (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 market rates) and the comparable method. The fair value is estimated by the real estate valuer on the basis of the values obtained using the three methods. The results obtained are confirmed against the initial rate of return and the fair value per sq. m.

The economic crisis has generated a significant decrease in the number of representative transactions enabling comparisons.

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 (net of taxes) increased from EUR 827.5m at December 31, 2009 to EUR 860.7m at December 31, 2010, mainly owing to the decrease in the yield rates selected by the external real estate valuer, which averaged 6.2% per portfolio compared to 6.8% in 2009:

In millions of euros

Building	31/12/10		31/12/09	31/12/08
Europlaza (1999*)	384	45%	361	425
Arcs de Seine (2000*)	309	36%	311	350
Rives de Bercy (2003*)	168	20%	156	163
Total	861	100%	828	938

* Year of construction or renovation

No real estate assets were acquired or disposed of in 2010.

2.2.2. Changes in net Asset Value

At December 31, 2010, EPRA Triple Net Asset Value per share was estimated at EUR 34.72, up 9.80% compared to December 31, 2009.

In euros

Building	31/12/10	31/12/09	Change 31/12/10 31/12/09	31/12/08
EPRA NAV per share (excl. taxes)	35.75	32.58	10%	40.34
EPRA NNNNAV per share (excl. taxes)	34.72	31.62	10%	40.00
NAV per share (incl. taxes)	39.75	36.42	9%	44.70
NNNAV per share (incl. taxes)	38.72	35.46	9%	44.26

Determination of NAV

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

The value of the real estate assets (net of taxes) taken into account in the calculation of such unrealized gains and losses is that described in 2.2.1.

EPRA Triple Net Asset Value incorporates the market value of the fixed-rate bank loan debt.

Treasury shares held at December 31, 2010 were not taken into account in calculating NAV per share.

In thousands of euros, except per share data

NAV	31/12/10	31/12/09
Shareholders' equity under IFRS	490,805	450,540
Portion of rent-free periods	(13,867)	(15,449)
EPRA NAV	476,938	435,091
Market value of the loan*	(390,163)	(392,673)
Carrying amount of the loan*	376,400	379,900
EPRA NNNNAV	463,175	422,318
Number of shares (excl. treasury shares)	13,339,578	13,355,049
NAV per share	34.72	31.62

* Excluding variable rate loans

In euros per share

NNNAV per share at 31/12/09	31.6
2010 recurring income (IFRS)	2.4
Change in the fair value of real estate assets	2.5
Dividends paid in 2010	(1.7)
Change in the fair value of bank indebtedness/debt	(0.1)
NNNAV per share at 31/12/10	34.7

3. DEBT

3.1. MAIN FINANCIAL RATIOS

The gearing and interest coverage ratios that are presented below are determined on the basis of the annual financial statements prepared in accordance with French GAAP and in accordance with the terms and conditions of the loan agreement:

	31/12/10	31/12/09	31/12/08
GEARING RATIO			
Outstanding bank borrowings/ market value of real estate assets	46.35%	48.59%	40.50%
INTEREST COVERAGE RATIO			
Projected net rental income*/ interest expenses	212%	333%	364%

* According to the loan agreement, projected net rental income designates total projected net rental income for the following 12 months, excluding taxes and operating expenses rebilled to lessees and operating expenses not rebilled to lessees.

Operating expenses refers to:

- all expenses related to maintenance, use and management of the buildings within the annual limit of 2.5% of projected net rental income;
- employee salaries and employer social security contributions;
- committed costs within an annual limit of 2.5% of projected net rental income.

3.2. 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 “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 owed by the Company as a result of SIIC tax treatment (tranche C).

Tranche A is for a principal of EUR 196,400,000, Tranche B is for a principal of EUR 180,000,000 and Tranche C is for a maximum principal of EUR 45,000,000.

The initial tranche C amount of EUR 45,000,000 was reduced to EUR 22,491,840.

EUR 3,500,000 was repaid on February 15, 2010.

Availability

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

Tranche C was used to pay the last installment of the exit tax on December 15, 2009.

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 bears interest 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 on tranches A and B 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.

Furthermore, if the LTV ratio exceeds 70% and/or if the ICR ratio falls below 150%, unless corrected within a maximum of ten days, the entire outstanding amount shall be due and payable upon demand.

Fees for early repayment or cancellation

Since March 2, 2010, no fees will be owed in the event of early repayment or cancellation. However, the Company will have to reimburse Eurohypo for any swap breakage costs borne by the bank, which at December 31, 2010 were estimated at EUR 18.4m.

3.3. SUBORDINATION AGREEMENT DATED JULY 31, 2006

The Company entered into an 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".

3.4. 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.

4. FINANCIAL POSITION OF THE COMPANY

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the annual and IFRS financial statements which are presented in section III.1 "Statutory financial statements".

4.1. COMPARABILITY OF FINANCIAL STATEMENTS

The fiscal years ended December 31, 2009 and 2010 each covered 12-month periods.

There were no changes in accounting methods during the year ended December 31, 2010.

4.2. ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

The annual financial statements for the year ended December 31, 2010, 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 fiscal year covers 12 months, from January 1, 2010 to December 31, 2010.

For information purposes, no material event occurred following the reporting date which could have an impact on the financial statements.

Financial position/Annual financial statements

At December 31, 2010, shareholders' equity stood at EUR 376,957k, compared with opening shareholders' equity of EUR 392,330k.

Cash and cash equivalents totaled EUR 25,544k at December 31, 2010, representing a EUR 9,344k year-on-year increase.

This increase is mainly attributable to the following movements in 2010:

In thousands of euros

SOURCES

Funds from operations	34,776
Net increase in working capital	4,655
Other changes	368
Total sources of funds	39,799

USES

Dividends paid in July 2010	(22,733)
Decrease in bank debt	(3,500)
Increase in fixed assets	(4,222)
Total uses of funds	(30,455)
Net change in cash and cash equivalents	9,344

Net income breaks down as follows by key indicator:

In thousands of euros		
Caption	Amount	Breakdown
Operating revenue	64,926	Net revenue for the year ended December 31, 2010 came in at EUR 63,956k versus EUR 67,044k for 2009, and consisted of rental income (EUR 54,687k) and rental expenses rebilled to lessees (EUR 9,270k). Rental income for 2010 declined by 4.61% compared with 2009, mainly due to the departure of TF1 from the Arcs de Seine building in January 2010. As indicated above, the indemnity for restoration of property recorded under operating revenue amounted to EUR 932k.
Operating expenses	(44,005)	Other purchases and external charges came to EUR 13,463k and mainly consisted of rebillable rental expenses in an amount of EUR 5,338k and fees, including EUR 3,014k for asset management services. Other expenses mainly comprised insurance premiums, building upkeep expenses that were not invoiced to lessees and miscellaneous fees. The increase in external charges is mainly attributable to routine maintenance work carried out on the Arcs de Seine building for an amount of EUR 932k following the departure of Bouygues Telecom. Taxes and duties concern real property tax and levies on office premises rebilled to lessees in the amount of EUR 3,972k. Depreciation and amortization expense for the year came in at EUR 26,048k, of which EUR 6,194k represents additional depreciation recorded with respect to the prior remeasurement of fixed assets.
Net operating income		20,921
Net financial expense	(16,276)	Net financial expense breaks down as EUR 16,389k in financial expenses and EUR 113k in financial income.
Net non-recurring income	2,684	Net non-recurring income breaks down as EUR 4,068k in non-recurring income which can be attributed to the indemnity paid by Bouygues Telecom for the replacement of components, and EUR 1,388k in accelerated depreciation of components due to be replaced as part of maintenance work.
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.
Net income for the year		7,329

The main event during the year was the departure of Bouygues Telecom from the Arcs de Seine building and the EUR 5,000k indemnity received by the Company.

The impact on the annual financial statements is presented below.

The full amount of this indemnity was recorded in income for the year ended December 31, 2010 and distributed between operating income and non-recurring income by first of all allocating the indemnity received to restoration work and allocating the remaining indemnity to non-recurring income.

Work expenditures were either expensed or capitalized depending on whether they represented routine maintenance expenses or expenses relating to the replacement of existing components, in accordance with the criteria for defining and recognizing assets as set out in CRC Regulation No. 2004-06 of the French general chart of accounts (*Plan Comptable Général*). The components to be replaced were fully written off at December 31, 2010.

Impact of the indemnity paid by Bouygues Telecom on the 2010 annual financial statements:

In thousands of euros			
Caption	Assets	Equity and Liabilities	Impact on the balance sheet
Replacement of components	4 068	-	Property, plant and equipment in progress
Accelerated depreciation of components to be replaced	(1 388)	-	Buildings
Net impact on the balance sheet		2 681	

In thousands of euros				
Caption	Expense	Revenue	Net impact	Impact on income statement
Indemnity for routine maintenance work	-	932		Operating expense transfers
Routine maintenance work	932	-		Maintenance and repairs
Impact on operating income	932	932	-	
Indemnity for the replacement of components	-	4,068		Non-recurring expense transfers
Accelerated depreciation and amortization on components to be replaced	1,388	-		Accelerated depreciation and amortization
Impact on non-recurring income	1,388	4,068	2,681	
Impact on net income	2,319	5,000	2,681	

4.3. IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

Financial position/IFRS financial statements

Shareholders' equity at December 31, 2010 stood at EUR 490,805k versus EUR 450,541k at January 1, 2010. The increase is mainly attributable to net income of EUR 63,313k for the year which exceeded the total dividend payment (EUR 22,703k).

Comparison between the IFRS financial statements and French GAAP statutory financial statements for the year ended December 31, 2010

For the year ended December 31, 2010, the Company earned net income of EUR 63,313k under IFRS and EUR 7,329k under French GAAP. The difference can be attributed to the following factors:

- investment property is stated at fair value under IFRS, while it is recognized at acquisition cost net of depreciation in the statutory financial statements;
- under IFRS the charges related to the arrangement of bank loans are amortized over the period of the loans using the effective interest rate method whereas they are expensed as incurred in the French GAAP financial statements.

The table below shows the reconciliation of the financial statements at December 31, 2010 under IFRS and French GAAP:

In thousands of euros

	31/12/10 12 months
Net loss under IFRS	63,313
Decrease in fair value of investment property	(33,200)
Cancellation of subsequent expenditure	4,068
Depreciation, amortization and impairment of fixed assets	(27,437)
Restatement of interest expense for the year	597
Impact of the neutralization of treasury shares	(11)
Net income under French GAAP	7,329

Indemnity received from Bouygues Telecom

The full amount of this indemnity was recorded in operating income for the year ended December 31, 2010 by allocating the amount of the indemnity intended for routine maintenance expenses, i.e., EUR 932k, to "Income from other services" and the remaining EUR 4,068k of the indemnity to "Decrease in fair value of investment property" for expenditures capitalized during the year.

Work was classified either under "Building-related costs" or as subsequent "Investment property" expenditures depending on whether it concerned routine maintenance expenses or expenses relating to the replacement of existing components.

The following table shows that these items do not have an impact on the statement of comprehensive income for the year ended December 31, 2010:

In thousands of euros

Caption	Expense	Revenue	Impact on statement of comprehensive income
Indemnity for routine maintenance work		932	Income from other services
Routine maintenance work	932		Building-related costs
Indemnity for the replacement of components		4,068	Fair value of investment property
Replacement of components	4,068		Fair value of investment property
Total impact on statement of comprehensive income	5,000	5,000	

Remeasurement of investment property at fair value

At December 31, 2010, investment property was stated at fair value under IFRS, with changes in fair value taken to income.

The increase in the fair value of investment property during the year was EUR 33,200k. The corresponding depreciation expense for the year recorded under French GAAP and eliminated in the IFRS financial statements amounted to EUR 27,437k.

The difference in the accounting method used to measure investment property in the French GAAP and IFRS financial statements resulted in a positive EUR 56,569k impact on net income under IFRS compared to the income statement 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 are 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.

In 2010, the application of this accounting method had a negative EUR 597k impact on net income compared with French GAAP.

Restatement of treasury shares

Treasury shares are neutralized under IFRS.

In 2010, the application of this accounting method had a positive EUR 11k impact on net income under IFRS compared with under French GAAP.

4.4. APPROPRIATION OF NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

The General Shareholders' Meeting will be asked to approve a distribution of EUR 1.10 per share, which can be broken down as follows:

Transfer to a reserve account

The General Shareholders' Meeting will be asked to approve the transfer of a portion of the sum recorded in the "Revaluation reserve" at December 31, 2010, i.e., EUR 6,436,088, to "Other reserves", which would then have a net allocation of EUR 6,444.511.

Appropriation of net income – Dividend

The General Shareholders' Meeting will be asked to approve the appropriation of 2010 net income as follows:

From:

- Net income for the year: EUR 7,329,497
- Retained earnings: EUR 102,099

Allocation:

- Dividend: EUR 7,354,875
- Retained earnings: -EUR 25,378, reducing the total amount recorded under "Retained earnings" to EUR 76,721.

Consequently, the gross dividend per share will be EUR 0.55. 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 18, 2011.

The dividend payment date will be July 21, 2011.

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 6,418,800, by deduction from "Other reserves", corresponding to EUR 0.48 per share and bringing the amount recorded under "Other reserves" to EUR 25,711.

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, 2011 at the latest.

Special dividend paid out of the issue premium and merger premium

The General Shareholders' Meeting will also be asked to approve a special payment by deduction from the issue premium and the merger premium in an amount of EUR 936,075, corresponding to EUR 0.07 per share, reducing the total amount recorded under the "Issue premium" and "Merger premium" accounts from EUR 34,221,976 to EUR 33,285,901.

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 above-mentioned 40% rebate.

The dividend payment date will be July 21, 2011 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, the dividends paid over the past four years are listed as follows:

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate
	Dividends	Other income distributed	
31/12/06	24,605,400		
31/12/07	26,076,375		
31/12/08	21,623,046		4,453,329
31/12/09	21,663,450		1,069,800

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, 2010.

4.5. INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS AND CUSTOMERS

Amounts outstanding with respect to suppliers amounted to EUR 3,617k, including EUR 157k which was due at December 31, 2010 and EUR 3,460 in expenses not past due. Trade payables totaled EUR 2,810k at December 31, 2009, including EUR 430k past due.

All such amounts are payable within 60 days.

5. DOCUMENTS PRESENTED OR SUBMITTED TO THE JUNE 29, 2011 GENERAL SHAREHOLDERS' MEETING

5.1. REPORT OF THE BOARD OF DIRECTORS AT THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Board of Directors has convened an Ordinary Shareholders' Meeting on June 29, 2011 to report on the Company's activity in the course of the year that began on January 1, 2010, and ended on December 31, 2010, 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.

Information required in the board's report to the general shareholders' meeting	References to the registration document	
	Section	Pages
CEGEREAL'S ACTIVITIES IN 2010		
Company's situation for the year under review	I.1.3	48
Forseeable developments/Future prospects	AR	5
Results of the Company and the subsidiaries	I.1.3	48
Objective and exhaustive analysis of the business developments, results, financial position of the Company and all the consolidated companies, in particular its indebtedness situation with respect to business volume and complexity including, where applicable, the key performance indicators, whether financial or not, relating to the Company's and the consolidated companies' specific activities, notably in relation to environmental and personnel issues	I.1 and I.3	48
Environmental and employment information	II.7	85
Research and development activities	IV.3.8	130
Progress made/Difficulties encountered	I.1.3	48
Main risks and uncertainties	IV.6	138
Significant events subsequent to year-end	III.1.9	120
Activity per line of business	I	48
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers	II.1	80
Changes in the presentation of the annual financial statements and the valuation methods used	I.4.1	51
Dividends distributed in the previous three years	I.4.4	53
Non tax-deductible expenses	I.4.4	53
Information on supplier payment terms	I.4.5	54
Where applicable, injunctions or financial sanctions imposed by the French competition council (<i>Conseil de la concurrence</i>) for antitrust practices	N/A	N/A
INFORMATION RELATING TO THE COMPANY'S SHARE CAPITAL		
Identity of parties directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of share capital or voting rights Changes in this list during the year	IV.4.3	130
Statement of employee share ownership	IV.5.3	137
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	II.1	80
Controlled companies holding company shares and portion of the capital held	II.1	80
Notice of holding more than 10% of another joint-stock company's shares	II.2	80
Transfer of cross-shareholdings		
Items that could have an impact in the event of a public offering	IV.4.8	132
Number of shares purchased and sold during the year within the framework of Art. L. 225-209 of the French Commercial Code (<i>Code de commerce</i>) indicating the average quotations of such purchases and sales, the amounts of trading charges, the number of shares registered in the Company's name at year-end, their nominal value and the reasons for the purchases and the portion of capital that they represent	IV.4.9	132
Information on the calculation and impact of the adjustment of the exercise basis of stock subscription and purchase options in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	N/A
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	N/A
CEGEREAL'S CORPORATE OFFICERS		
Compensation	IV.5.2	135
List of offices	IV.5.1	133
Senior executive share transactions	N/A	N/A
Choice made between the two types of corporate governance in the event of a change	N/A	N/A
Board of Directors' choice relating to the terms and conditions applicable to corporate officers for holding shares either granted free of charge and/or resulting from the exercise of stock options	I.5.8.3 and I.5.8.4	79
ATTACHED DOCUMENTS		
Chairman's report relating to corporate governance and internal control	I.5.8.1	71
Five-year financial summary	I.5.6	68
Summary table of currently valid authorizations to increase share capital and the use made of such authorizations during the year by Cegereal	IV.4.5	131

AR: Activity Report.

Corporate social responsibility concordance table (information provided in accordance with Articles R225-104 and R225-105 of the French Commercial Code)	References to the registration document	
	Section	Page
CORPORATE INFORMATION		
Total headcount, new hires, potential recruitment difficulties, layoffs and their grounds, overtime, external manpower	II.7	85
Where applicable, information in relation to layoff schemes and safeguarding jobs, efforts to find new placements, reemployment and support measures	N/A	N/A
The organization of working time, the number of working hours for full- and part-time employees, absenteeism and causes	II.7	85
Compensation, changes in compensation, social security charges, the application of the French Labour Code (Code du travail) in relation to mandatory and optional profit-sharing, employee savings plans and gender equality in the workplace	N/A	N/A
Labor relations and summary of collective agreements	N/A	N/A
Health and safety conditions	N/A	N/A
Training	N/A	N/A
Employment and the integration of disabled workers	N/A	N/A
Social initiatives	N/A	N/A
Extent of subcontracting	AR and II.6.2	41 and 84
Recognition of the territorial impact of the Company's activities in terms of employment and regional development	N/A	N/A
Description, where applicable, of the Company's dealings with professional integration associations, educational institutions, environmental protection associations, consumer associations and local residents	N/A	N/A
Extent of subcontracting and the manner in which the Company markets itself to subcontractors and ensures that its subsidiaries respect the provisions of the fundamental International Labour Organization conventions	N/A	N/A
Recognition by the Company's foreign subsidiaries of the impact of their activities on regional development and local communities	N/A	N/A
ENVIRONMENTAL INFORMATION		
The consumption of water resources, raw materials and energy including, where applicable, the measures taken to improve energy efficiency and the use of renewable energy resources, land use conditions, emissions to air, land and water with a serious impact on the environment, a list of which is defined in an order of the ministers responsible for the environment and industry, noise and odor pollution and waste	IV.6.6 and IV.7.1	142 and 143
The measures taken to reduce damage to the biological equilibrium, natural ecosystems, and protected animal and plant species	N/A	N/A
Environmental evaluation and certification measures taken	AR	16
The measures taken, where applicable, to ensure that the Company's activities comply with legislative and regulatory provisions in force relating to environmental protection	IV.6.6 and IV.7.1	142 and 143
Expenditure incurred to prevent the Company's activities from having a negative impact on the environment	AR	16
The existence within the Company of internal departments responsible for environmental management, training and raising staff awareness, the budget dedicated to reducing environmental risk, as well as the system set up to combat pollution incidents having an impact beyond the Company's premises	AR	16
Amount of provisions set aside for environmental risks, except if this information is likely to cause serious prejudice to the Company in the context of ongoing proceedings	N/A	N/A
Amount of compensation paid in 2010 in compliance with a court order relating to environmental issues and actions undertaken to compensate for damage caused to the environment	N/A	N/A

AR: Activity Report.

Board of Directors' report on the agenda of the June 29, 2011 General Shareholders' Meeting

The purpose of Cegereal's General Shareholders' Meeting will be to approve the resolutions whose 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 5.2.

Approval of the financial statements

The first resolution submits the previous year's annual financial statements, which state net income of EUR 7,329,497, 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 6,436,088, and increasing the amount recorded under "Other reserves" to EUR 6,444,511.

Appropriation of income and declaration of the dividend

The fourth resolution proposes allocating the previous year's profit to the payment of a dividend of EUR 0.55 per share.

If this proposal is adopted, the dividends will be paid on July 21, 2011.

If the distribution of reserves and the exceptional distribution proposed in the following resolutions are adopted, the dividend payment will amount to a total of EUR 14,709,750, i.e., EUR 1.10 per share.

Distribution of reserves

The fifth resolution proposes distributing an additional dividend taken from the "Other reserves" account for an amount of EUR 0.48 per share.

If this proposal is adopted, the additional dividend will be paid on July 21, 2011.

Special distribution

The sixth resolution proposes an exceptional distribution of a share premium amounting to EUR 0.07 per share.

If this proposal is adopted, the dividends will be paid on July 21, 2011.

Regulated 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 120,000 for the 2011 fiscal year.

Terms of office: ratification of cooptation

The shareholders are requested to ratify the appointment of the company Europroperty Consulting as director, as proposed by the Company's Board of Directors at its meeting on February 24, 2011, to replace Alec Emmott following his resignation, for the remainder of the term of the resigning director, i.e., until the General Shareholders' Meeting called to approved the financial statements for the year ending December 31, 2015.

Europroperty is a limited liability company (*société à responsabilité limitée*) with capital of EUR 10,000, with its head office located at 4 Place Félicien David, Le Pecq, France and registered with the Versailles Trade and Companies Registry under number 499 053 981. Europroperty's permanent representative will be Alec Emmott, born on December 16, 1947 in Dorking, Surrey, United Kingdom, a British national, residing at 4 Place Félicien David, 78230 Le Pecq, France. He holds an M.A. from Trinity College,

Cambridge, obtained in 1969, and became an MRICS (Royal Institution of Chartered Surveyors) in 1971. From 1997 to 2007, he was Managing Director of *Société Foncière Lyonnaise*. He has held an executive position at Europroperty Consulting since 2007. He does not own any shares.

The Board of Directors, following a proposal by the Appointments and Compensation Committee, issued the following conclusions concerning the independence of the candidate for the office of director: Europroperty Consulting, represented by Alec Emmott, meets the qualification criteria for independent directors defined in section 8.4 of the AFEP/MEDEF Corporate Governance Code published in April 2010.

The list of offices held by Alec Emmott is available in section IV 5.1 of this Registration Document.

Terms of office of the members of the Board of Directors

Resolutions ten to fourteen cover the renewal of the terms of the members of the Board of Directors. The shareholders are being asked to renew the term of office of Richard Wrigley, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel and the company Commerz Real Investmentgesellschaft mbH. These new terms of office will be six years.

A biography of the candidates is presented above in section I.6:

- Richard Wrigley,
- Klaus Waldherr,
- Gerry Dietel,
- Carl-Christian Siegel,
- Commerz Real Investmentgesellschaft mbH, represented by Erich Seeger.

Terms of office of the Statutory Auditors

1) The fifteenth resolution covers the renewal of the terms of office of the principal statutory auditors..

The terms of office of the principal statutory auditors, KPMG Audit and Charles Leguide, are due to expire.

At the end of the term of office of KPMG Audit, Régis Chemouny, the signatory representing the firm KPMG Audit as a principal statutory auditor, will have signed the certification of the statutory financial statements for three consecutive financial years.

We suggest the appointment of KPMG Audit FS I, with Régis Chemouny as signatory, to replace KPMG Audit SA in its duties as principal statutory auditor for a six-year term, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

However, we are not proposing the renewal of the term of office of Charles Leguide as principal statutory auditor as the Company is not required to appoint two statutory auditors (it has no obligation to publish consolidated financial statements).

2) The sixteenth resolution covers the renewal of the terms of office of the deputy statutory auditors.

The terms of office of the deputy statutory auditors, Patrice Pellissier and SCP Jean-Paul André et Autres, are due to expire.

We suggest the appointment of KPMG AUDIT FS II, with Malcolm McLarty as signatory, to replace SCP Jean-Paul André et Autres as deputy statutory auditor for a six-year term, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

However, we are not proposing the renewal of the term of office of Patrice Pellissier as deputy statutory auditor as the Company is not required to appoint two statutory auditors (it has no obligation to publish consolidated financial statements).

We would like to inform the shareholders that, in the past two years, the candidates have audited no asset-for-share exchanges or mergers within the company that it controls, within the meaning of Article L. 233-16 of the French Commercial Code (*Code de Commerce*).

Share buy-back program

The seventeenth 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 40 per share.

The authorization granted to the Board of Directors for the purpose of repurchasing the Company's own shares, pursuant to the mechanism provided for under Article L. 225-209 of the French Commercial Code, is due to expire on December 29, 2011. The shareholders are being asked to renew this authorization.

We propose the renewal of this authorization and therefore, in compliance with Article L. 225-209 of the French Commercial Code, to authorize the Board to purchase, on one or several occasions and at such time as it deems appropriate, 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.

This authorization terminates the authorization that the Ordinary Shareholders' Meeting granted the Board of Directors at the June 29, 2010 meeting.

The purchases may be carried out with a view to:

- stabilizing the secondary market or ensuring the liquidity of the Cegereal share through an investment service provider under 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 for this purpose may not exceed 5% of the Company's share capital,
- 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.

The shares may be purchased by any means, including by purchases of blocks of shares, and at such time as the Board of Directors deems appropriate.

These transactions may be carried out during a public offer period, in compliance with Article 232-17 of the General Regulation of the AMF, if the offer is entirely settled in cash and the transactions are carried out under the current share buy-back program and are not likely to frustrate the offer.

These transactions may be carried out during the public offer period in compliance with the regulations in force.

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 40 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 53,490,000.

The eighteenth resolution allows the Company to cancel the shares repurchased for this purpose under the share buyback program, within the limit of 10% of the share capital over a 24-month period.

Authority for increases in share capital

1.1. Authority to increase the Company's capital by capitalizing reserves, profits and/or additional paid-in capital

The nineteenth resolution authorizes the Board of Directors to capitalize all or part of reserves, profits and additional paid-in capital by raising the par value or granting ordinary free shares.

The authority to increase the Company's capital by capitalizing reserves, profits and/or additional paid-in capital expires on July 29, 2011.

Consequently, we propose to renew the authorization and grant the Board of Directors, for 26 months, the authority to increase the capital by capitalizing reserves, profits, additional paid-in capital or other amounts that may be capitalized, by issuing and granting free shares, raising the par value of existing ordinary shares or a combination of these two methods.

The amount of the capital increase resulting from issues carried out under this authorization may not exceed a nominal amount of EUR 300,000,000. This amount does not include the total nominal value of additional ordinary shares that may be issued to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions. This amount is independent from any other limits provided for in the authorizations presented at this General Shareholders' Meeting.

1.2. Authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities

The authorizations to increase the capital through a cash payment with or without pre-emptive subscription rights terminate on July 29, 2011. The Board has not used these authorizations.

Consequently, we propose to renew them under the terms set out below.

Resolutions twenty to twenty-four refer to the authorizations granted to the Board of Directors to issue, at any time, ordinary shares, securities granting access to the share capital and/or debt securities, with or without pre-emptive subscription rights for existing shareholders, according to the Company's needs and given the characteristics of the markets at the time under consideration.

In the event of an operation on the share capital, the Board of Directors favors maintaining the pre-emptive subscription rights for existing shareholders. However, some circumstances or opportunities may require the cancellation of these rights as part of a public offer or private placement for qualified investors or a limited pool of investors. It is in the Company's interest to limit the option of issuing shares as part of a public exchange offer in another company. Similarly, the company must be able to use ordinary shares or securities granting access to ordinary shares as consideration for potential acquisitions.

1.2.1. Twentieth resolution: Authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities with pre-emptive subscription rights

We propose to set the total nominal amount of shares authorized herein for issue at EUR 300,000,000, i.e., 187% of current capital.

That amount is independent from any other limits provided for in the authorizations without pre-emptive subscription rights and does not include the total nominal value of additional ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions.

The nominal amount of Company debt securities authorized herein for issue may not exceed EUR 300,000,000.

Under this authorization, the ordinary shares and/or any securities granting access to the share capital are issued with pre-emptive subscription rights for existing shareholders.

If the issue is undersubscribed, the Board of Directors has the following options:

- to limit the issue to the amount subscribed provided that it equals $\frac{3}{4}$ of the issue authorized,
- to distribute without restrictions all or part of the unsubscribed securities,
- to offer to the public all or part of the unsubscribed securities.

1.2.2. Authority to cancel pre-emptive subscription rights

1.2.2.1 Twenty-first resolution: Authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a public offer

Under this authorization, the issues are offered to the public.

Preemptive subscription rights for existing shareholders to ordinary shares and/or securities granting access to the share capital are cancelled, but the Board of Directors maintains the option of allowing existing shareholders to subscribe prior to public offers.

The total nominal amount of shares authorized for issue may not exceed EUR 300,000,000. This amount is deducted from the maximum nominal amount of shares authorized for issue as a capital increase without pre-emptive subscription rights through a private placement.

The nominal amount of Company debt securities authorized for issue may not exceed EUR 300,000,000. This amount is deducted from the maximum nominal amount of debt securities authorized for issue as a capital increase without pre-emptive subscription rights through a private placement.

The sum paid or owed to the Company for each ordinary share issued, after taking into account the subscription price of any share subscription warrants issued, is determined in accordance with the legal and regulatory provisions and is at least equal to the minimum required in application of Article R. 225-119 of the French Commercial Code when the Board of Directors implements the authorization.

In the event of an issue of securities tendered to remunerate securities contributed in a public exchange offer, the Board of Directors is granted the necessary powers, within the limits set above, to define the list of securities tendered in the exchange, the terms of issue, the exchange ratio, the balance to be settled in cash, where applicable, and the issue procedures.

If the issue of ordinary shares or securities granting access to the share capital is undersubscribed, the Board of Directors has the following options:

- to limit the amount of the issue to the amount subscribed provided that it equals $\frac{3}{4}$ of the issue authorized,
- to distribute without restrictions all or part of the unsubscribed securities.

1.2.2.2 Twenty-second resolution: Authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a private placement

Under this authorization, issues are carried out as an offer defined in Section II of Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*).

Preemptive subscription rights for existing shareholders to ordinary shares and/or securities granting access to the share capital are cancelled.

The total nominal amount of shares authorized for issue may not exceed EUR 300,000,000 and are limited to 20% of the share capital per year. This amount is deducted from the maximum nominal amount of shares authorized for issue as a capital increase without pre-emptive subscription rights through a public offer.

The nominal amount of Company debt securities authorized for issue may not exceed EUR 300,000,000. This amount is deducted from the maximum nominal amount of debt securities authorized for issue as a capital increase without pre-emptive subscription rights through a public offer.

The sum paid or owed to the Company for each ordinary share issued, after taking into account the subscription price of any share subscription warrants issued, is determined in accordance with the legal and regulatory provisions and is at least equal to the minimum required in application of Article R. 225-119 of the French Commercial Code when the Board of Directors implements the authorization.

1.2.2.3. Twenty-third resolution: Determining of the terms and conditions for setting the subscription price in the event of the cancellation of pre-emptive subscription rights within the limit of 10% of the capital per year

In compliance with Article L. 225-136-1°, paragraph 2, of the French Commercial Code, we propose to authorize the Board of Directors, which decides on the issuance of ordinary shares or securities granting access to the share capital without pre-emptive subscription rights through a public offer and/or private placement, to waive the terms for setting the subscription price set out in the above-mentioned terms and conditions, within the limit of 10% of the share capital per year, and to set the issue price of the equity securities to be issued in accordance with the following terms and conditions: the issue price of the equity securities for immediate or deferred issue will be equal to the average of the trading prices for five consecutive stock market trading sessions chosen from the thirty stock market trading sessions prior to the date on which the issue price is set, which may be discounted by up to 40%.

1.2.3 Twenty-fourth resolution: Authorization to increase the amount of shares issued in the event of oversubscription

We propose, under the above-mentioned authorizations with or without pre-emptive subscription rights, to grant the Board of Directors the option of increasing, in accordance with the terms and limits set by the legal and regulatory provisions, the number of securities planned for the initial issue.

1.3 Twenty-fifth resolution: Authority to increase the share capital in consideration of contributions of shares or securities

The share issues in consideration of contributions of shares or securities granting access to capital (Twenty-fifth resolution) may not involve more than 1,337,250 shares, i.e., a maximum of 10% of the share capital on the date of this Meeting.

This authorization to increase the capital in consideration of contributions of shares or securities expires on July 29, 2011.

Consequently, in order to facilitate acquisitions, we propose to renew this authorization and grant the Board of Directors the authorization to increase the share capital by issuing ordinary shares or securities granting access to the share capital in consideration of any contributions to the Company of shares or securities granting access to capital.

This authorization is granted for 26 months.

The total nominal amount of ordinary shares authorized herein for issue may not exceed 10% of the share capital. That amount is independent from any other limits provided for in the authorizations to increase the share capital.

1.4 Twenty-sixth resolution: Authority to use these powers during a public offer period under the reciprocity exception

The shareholders are being asked to authorize the Board of Directors, for a period of 18 months, to use the delegations of authority and/or authorizations to be granted during a public offer period in the event that the Company's securities are concerned by a public offer. This authorization shall only be used under the reciprocity exception in compliance with applicable legislation.

1.5 Twenty-seventh resolution: Authority to issue free share subscription warrants granted to shareholders during a public offer period under the reciprocity exception

The shareholders are being asked to authorize the Board of Directors, in the event that the Company's securities are concerned by a public offer, to issue warrants entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period.

1.6 Twenty-eighth resolution: Authority to increase the share capital for members of a company savings plan (Articles L. 225-129-6, L. 225-138-1 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code (*Code du Travail*))

This resolution has been submitted in order to comply with Article L. 225-129-6 of the French Commercial Code, under the terms of which the Extraordinary Shareholders' Meeting is also asked to vote on a resolution referring to capital increases in application of Articles L. 3332-18 et seq. of the French Labor Code when it grants authority for capital increases in cash.

Under this authorization, the shareholders are asked to authorize the Board of Directors to increase the share capital for members of a company savings plan, in accordance with Articles L. 3332-18 et seq. of the French Labor Code, by issuing ordinary cash shares and, where applicable, by granting free ordinary shares or other securities granting access to the share capital.

In compliance with the law, the General Shareholders' Meeting would cancel the pre-emptive subscription rights.

The maximum nominal amount of the increase(s) in share capital that could be carried out by means of this authorization is 1% of the amount of the share capital reached when the Board of Directors made the decision to carry out the increase.

This authorization is granted for 26 months.

In compliance with Article L. 3332-19 of the French Labor Code, the price of the shares to be issued may not be more than 20%, or 30% if the lock-up period provided for by the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is ten years or more, 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.

The Board of Directors is granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its discretion, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to bring the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

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, 2010, report of the Chairman of the Board of Directors,
- Statutory Auditors' report on the annual financial statements for the year ended December 31, 2010,
- Approval of the annual financial statements for the year ended December 31, 2010,
- 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,
- Ratification of the temporary appointment of the company Europroperty Consulting as director, with Alec Emmott as permanent representative, as of February 24, 2011,

- Renewal of the term of office of director Richard Wrigley,
- Renewal of the term of office of director Klaus Waldherr,
- Renewal of the term of office of director Gerry Dietel,
- Renewal of the term of office of director Carl-Christian Siegel,
- Renewal of the term of office of director Commerz Real Investmentgesellschaft mbH,
- Appointment of KPMG Audit FS I as principal statutory auditor to replace KPMG Audit SA,
- Appointment of KPMG AUDIT FS II as deputy statutory auditor to replace SCP Jean-Paul André & Autres,
- Authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under 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,
- Authority to be granted to the Board of Directors to increase the capital by capitalizing reserves, profits, and/or additional paid-in capital,
- Authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities with pre-emptive subscription rights,
- Authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a public offer,
- Authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a private placement,
- Authorization, in the event of a share issue without pre-emptive subscription rights, to set the issue price, within the limit of 10% of the share capital per year and according to the conditions determined by the General Shareholders' Meeting,
- Authorization to increase the amount of shares issued in the event of oversubscription,
- Authority to be granted to the Board of Directors to increase the capital, within the limit of 10%, in consideration of contributions of shares or securities granting access to capital,
- Uses of authorizations in the event of a public offer,
- Authority to issue free share subscription warrants granted to shareholders in the event of a public offer under the reciprocity exception,
- Authority to be granted to the Board of Directors to increase the 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,
- Powers of attorney for formalities.

Proposed resolutions

Ordinary resolutions:

First resolution (ordinary) - Approval of the financial statements

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2010, the General Shareholders' Meeting approves the financial statements for 2010 as presented, i.e., showing a net income of EUR 7,329,497.

It also approves the transactions represented in those statements and summarized in those reports.

The General Shareholders' Meeting formally notes that no expenses and charges referred to in Article 39 (4) of the French Tax Code (*Code général des impôts*), were incurred with respect to the last fiscal year.

Second resolution (ordinary) - Discharge to the directors

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2010, the General Shareholders' Meeting gives the directors full and unconditional discharge for performance of their terms of office for that period.

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 6,436,088) of the sums recorded in the "Revaluation reserve" account at December 31, 2010, to the "Other reserves" account, increasing the amount recorded to EUR 6,444,511.

Fourth resolution (ordinary) - Allocation of income and setting of dividends

On the recommendation of the Board of Directors, the General Shareholders' Meeting, decides to allocate income for the year ended December 31, 2010 as follows

Source:

- Net income for the year: EUR 7,329,497
- Retained earnings: EUR 102,099

Allocation:

- Dividend: EUR 7,354,875
- Accumulated deficit: EUR 25,378, reducing the total amount recorded under "Retained earnings" to EUR 76,721.

The General Shareholders' Meeting records that the total gross dividend attributable to each share is set at EUR 0.55, 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 is July 18, 2011.

The dividend payment date will be July 21, 2011.

In compliance with the provisions of Article 243 bis of the French Tax Code, the General Shareholders' Meeting acknowledges that it has been reminded that, in the last four fiscal years, the following dividends were distributed:

In euros

Fiscal year ended	Income eligible for tax rebate		Income ineligible for tax rebate
	Dividends	Other income distributed	
31/12/06	24,605,400		
31/12/07	26,076,375		
31/12/08	21,623,046		4,453,329
31/12/09	21,663,450		1,069,800

Fifth resolution (ordinary) - Approval of a distribution of reserves

The General Shareholders' Meeting 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 6,418,800, taken from the "Other reserves" account, i.e., a dividend of EUR 0.48 per share.

The "Other reserves" account is thereby reduced to a net amount of EUR 25,711.

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, 2011 at the latest.

Sixth resolution (ordinary) – Approval of an exceptional distribution of a share premium

The General Shareholders' Meeting decides to make an exceptional distribution of a share premium for an amount of EUR 936,075, deducted from the "Share premium" and "Merger premium" accounts, namely an amount of EUR 0.07 per share, reducing the total amount recorded under the "Issue premium" and "Merger premium" accounts from EUR 34,221,976 to EUR 33,285,901.

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.

Seventh resolution (ordinary) - Agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code

Having reviewed 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, the General Shareholders' Meeting simply places this fact on record.

Eighth resolution (ordinary) - Setting of the directors' fees

On the recommendation of the Board of Directors, the General Shareholders' Meeting sets the maximum sum allocated to the Board of Directors as directors' fees for 2011 at EUR 120,000.

Ninth resolution (ordinary) - Ratification of the temporary appointment of the company Europroperty Consulting as director

The General Shareholders' Meeting ratifies the Board of Directors' temporary appointment, at its February 24, 2011 meeting, of Europroperty Consulting as director, with Alec Emmott as permanent representative, to replace Alec Emmott following his resignation. Europroperty Consulting is a limited liability company with capital of EUR 10,000, with its head office located at 4 Place Félicien David, Le Pecq, France, and registered with the Versailles Trade and Companies Registry under number 499 053 981.

As a result, Europroperty Consulting shall perform its duties for the remainder of its predecessor's term of office, until the close of the General Shareholders' Meeting called in 2016 to approve the financial statements for the year ending December 31, 2015.

Tenth resolution (ordinary) - Renewal of the term of office of director Richard Wrigley

The General Shareholders' Meeting decides to renew the term of office of Richard Wrigley, born on February 21, 1948 in Heswall, United Kingdom, a British national, residing at 105 rue Notre Dame des Champs, 75006 Paris, France, as director, for six years, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

Eleventh resolution (ordinary) - Renewal of the term of office of director Klaus Waldherr

The General Shareholders' Meeting decides to renew the term of office of Klaus Waldherr, born on September 11, 1964 in Mainz, Germany, a German national, residing at Wedekindstrasse 36, Mainz, Germany, as director, for six years, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

Twelfth resolution (ordinary) - Renewal of the term of office of director Gerry Dietel

The General Shareholders' Meeting decides to renew the term of office of Gerry Dietel, born on March 9, 1977 in Pöbneck, Germany, a German national, residing at Ronneburger Strasse 15, Langenbernsdorf, Germany, as director, for six years, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

Thirteenth resolution (ordinary) - Renewal of the term of office of director Carl-Christian Siegel

The General Shareholders' Meeting decides to renew the term of office of Carl-Christian Siegel, born on February 12, 1966 in Suresnes, France, a German national, residing at Dahlmannstrasse 9, Frankfurt, Germany, as director, for six years, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

Fourteenth resolution (ordinary) - Renewal of the term of office of director Commerz Real Investmentgesellschaft mbH

The General Shareholders' Meeting decides to renew the term of office of the German company Commerz Real Investmentgesellschaft mbH, with its head office located at Kreuzberger Ring 56, 65205 Wiesbaden, Germany, represented by Erich Seeger, born on January 25, 1964 in Wertingen/Dilligen, Germany, a German national, residing at Sendelbacher Weg 33, Kelkheim, Germany, as director, for six years, expiring at the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

Fifteenth resolution (ordinary) - Appointment of KPMG Audit FS I as principal statutory auditor to replace KPMG Audit SA

On the proposal of the Board of Directors, the General Shareholders' Meeting appoints the firm KPMG Audit FS I, a French corporation (*société anonyme*) with its registered office located at Immeuble Le Palatin, 3 cours du Triangle, 92939 Paris-La Défense Cedex, France, registered with the Nanterre Trade and Companies Registry under number 512 802 596, with Régis Chemouny as signatory, to replace KPMG Audit SA, whose term is due to expire at the close of this General Shareholders' Meeting, as principal statutory auditor for six years, until the close of the Ordinary Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

KPMG AUDIT FS I, which, in the past two years, has audited no asset-for-share exchanges or mergers within the company or the companies that it controls, within the meaning of Article L. 233-16 of the French Commercial Code, has accepted its duties.

Sixteenth resolution (ordinary) - Appointment of KPMG Audit FS II as deputy statutory auditor to replace SCP Jean-Paul André & Autres

On the proposal of the Board of Directors, the General Shareholders' Meeting appoints the firm KPMG AUDIT FS II, a French *société anonyme* (corporation) with its registered office located at 1 Cours Valmy, 92923 Paris-La Défense Cedex, France, registered with the Nanterre Trade and Companies Registry under number 512 802 539, with Malcolm McLarty as signatory, to replace SCP Jean-Paul André & Autres, whose term is due to expire at the close of this General Shareholders' Meeting, as deputy statutory auditor for six years, until the close of the Ordinary Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

KPMG AUDIT FS II, which, in the past two years, has audited no asset-for-share exchanges or mergers within the company or the companies that it controls, within the meaning of Article L. 233-16 of the French Commercial Code, has accepted its duties.

Seventeenth resolution (ordinary) - Share buy-back 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 for under Article L. 225-209 of the French Commercial Code

Having reviewed the Board of Directors' report, the General Shareholders' Meeting authorizes the Board, for a period of 18 months, in compliance with Articles L. 225-209 et seq. of the French Commercial Code, to purchase, on one or several occasions and at such time as it deems appropriate, 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 duration of the buy-back program.

That authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2010 meeting in its ninth ordinary resolution.

The purchases could be carried out with a view to:

- stabilizing the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed 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 for this purpose 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.

The shares may be purchased by any means, including by purchases of blocks of shares, and at such time as the Board of Directors deems appropriate.

These transactions may be carried out during the public offer period in compliance with the regulations in force.

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 40 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 53,490,000.

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:

Eighteenth 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

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting:

1. Authorizes the Board of Directors to cancel, at its discretion, on one or 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 the period of validity hereof at 24 months from the date of this General Shareholders' Meeting, i.e., until June 29, 2013.
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.

Nineteenth resolution (extraordinary) - Authority to be granted to the Board of Directors to increase the capital by capitalizing reserves, profits, and/or additional paid-in capital

Having reviewed the Board of Directors' report, the General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, and in compliance with Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

1. Grants authority to the Board of Directors to increase the capital, on one or more occasions at such time and under the terms and conditions it deems appropriate, by capitalizing reserves, profits, additional paid-in capital or other amounts that may be capitalized, by issuing and granting free shares, raising the par value of existing ordinary shares or a combination of these two methods.
2. Decides that if the Board of Directors uses this authorization, in compliance with Article L. 225-130 of the French Commercial Code, in the event of a capital increase through free share grants, the rights to fractional shares shall not be negotiable or transferable, and the attached shares shall be sold. The amounts received from the sale of these shares shall be allocated to the holders of said rights within regulatory time frames.
3. Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.
4. Decides that the amount of the capital increase resulting from issues carried out under this resolution may not exceed the nominal amount of EUR 300,000,000. This amount does not include the amount required to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions.

This amount is independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.
5. Grants the Board of Directors full powers to implement this resolution and, more generally, to take any and all measures and perform any formalities required to carry out each capital increase successfully, record the completion of the transaction and amend the bylaws accordingly.
6. Acknowledges that this authorization cancels, as of the date of this General Shareholders' Meeting and in the amount of the unused portion, where applicable, any prior authorization granted to the same effect.

Twentieth resolution (extraordinary) - Authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities with pre-emptive subscription rights

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with the provisions of Article L. 225-129-2 of the French Commercial Code, the General Shareholders' Meeting:

1. Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, in euros, foreign currencies or any other unit of account established based on a currency basket,
 - ordinary shares, and/or
 - securities granting immediate or deferred access, at any time or on a specified date, to ordinary Company shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other means, and/or
 - securities granting access to debt securities.

In compliance with Article L. 228-93 of the French Commercial Code, the securities to be issued can grant access to ordinary shares of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital.

2. Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.
3. Decides to set the limits of issues authorized if the Board of Directors uses this authorization, as follows:

The total nominal amount of Company shares authorized herein for issue may not exceed EUR 300,000,000.

This amount does not include the total nominal value of additional shares that may be issued to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions. That amount is independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.

The nominal amount of Company debt securities authorized herein for issue may not exceed EUR 300,000,000.
4. If the Board of Directors uses this authorization for issues referred to in 1) above:

a – Decides that the issue(s) of ordinary shares or securities granting access to the share capital are reserved preferably for shareholders with subscriptions to which they are entitled by way of right,

b – Decides that if the subscriptions to which the shareholders are entitled by way of right, and, if applicable, applications for excess shares, do not absorb the entire issue referred to in a/ above, the Board of Directors has the following options:

- to limit the amount of the issue to the amount subscribed provided that it equals $\frac{3}{4}$ of the issue authorized,
- to distribute without restrictions all or part of the unsubscribed securities,
- to offer to the public all or part of the unsubscribed securities.

5. Decides that the Board of Directors is granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its discretion, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to bring the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.
6. Acknowledges that the present authorization cancels and replaces any previous authorizations with the same purpose.

Twenty-first resolution (extraordinary) - Authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a public offer

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Article L. 225-136 of the French Commercial Code, the General Shareholders' Meeting:

1. Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, on the French market and/or abroad, in euros, foreign currencies or any other unit of account established based on a currency basket:
 - ordinary shares,
 - and/or securities granting immediate or deferred access, at any time or on a specified date, to ordinary Company shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other means,
 - and/or securities granting access to debt securities.

These securities may be issued to remunerate securities that could be contributed to the Company in the framework of a public exchange offer satisfying the conditions set forth in Article L. 225-148 of the French Commercial Code.

In compliance with Article L. 228-93 of the French Commercial Code, the securities to be issued can grant access to ordinary shares of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital.

2. Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.
3. The total nominal amount of ordinary Company shares authorized herein for issue may not exceed EUR 300,000,000.

This amount is deducted from the capital increase limit set in the twenty-second resolution (relating to the cancellation of pre-emptive subscription rights through a private placement).

The nominal amount of Company debt securities authorized herein for issue may not exceed EUR 300,000,000.

This amount is deducted from the nominal amount limit for debt securities set in the twenty-second resolution (relating to the cancellation of pre-emptive subscription rights through a private placement).

4. Decides to cancel shareholders' pre-emptive subscription rights attached to ordinary shares and securities granting access to the share capital and/or debt securities referred to in this resolution. The Board of Directors shall, however, maintain the option of granting shareholders a pre-emptive right, in accordance with legal provisions.
5. Decides that the sum paid or owed to the Company for each ordinary share issued under this authorization, after taking into account the subscription price of any share subscription warrants issued, is at least equal to the minimum required by the legal and regulatory provisions in force when the Board of Directors implements the authorization.

6. Decides, in the event of an issue of securities tendered to remunerate securities contributed in a public exchange offer, that the Board of Directors is granted, in accordance with the terms set out in Article L. 225-148 of the French Commercial Code and within the limits set above, with the necessary powers to define the list of securities tendered in the exchange, the terms of issue, the exchange ratio, the balance to be settled in cash, where applicable, and the issue procedures.

7. Decides that if the issue of ordinary shares or securities granting access to the share capital is undersubscribed, the Board of Directors (Management Board or manager) has the following options:

- to limit the amount of the issue to the amount subscribed provided that it equals $\frac{3}{4}$ of the issue authorized,
- freely distribute all or part of the unsubscribed securities.

8. Decides that the Board of Directors is granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its discretion, the costs of the capital increase to paid-in capital relating thereto, deducting from this charge the amount required to bring the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

9. Acknowledges that the present authorization cancels and replaces any previous authorizations with the same purpose.

Twenty-second resolution (extraordinary) - Authority to be granted to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a private placement

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with the provisions of Article L. 225-136 of the French Commercial Code, the General Shareholders' Meeting:

1. Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, on the French market and/or abroad, through an offer defined in Section II of Article L. 411-2 of the French Monetary and Financial Code, in euros, foreign currencies or any other unit of account established based on a currency basket:
 - ordinary shares, and/or
 - securities granting immediate or deferred access, at any time or on a specified date, to ordinary Company shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other means, and/or
 - securities granting access to debt securities.

In compliance with Article L. 228-93 of the French Commercial Code, the securities to be issued can grant access to ordinary shares of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital.

2. Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.
3. The total nominal amount of ordinary shares authorized herein for issue may not exceed EUR 300,000,000 and are limited to 20% of the share capital per year.

This amount is deducted from the capital increase limit set in the twenty-first resolution (relating to the cancellation of pre-emptive subscription rights through a public offer).

The nominal amount of Company debt securities authorized herein for issue may not exceed EUR 300,000,000.

This amount is deducted from the nominal amount limit for debt securities set in the twenty-first resolution (relating to the cancellation of pre-emptive subscription rights through a public offer).

4. Decides to cancel shareholders' pre-emptive subscription rights attached to ordinary shares and securities granting access to the share capital and/or debt securities referred to in this resolution.
5. Decides that the sum paid or owed to the Company for each ordinary share issued under this authorization, after taking into account the subscription price of any share subscription warrants issued, is at least equal to the minimum required by the legal and regulatory provisions in force when the Board of Directors implements the authorization.
6. Decides that the Board of Directors is granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its discretion, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to bring the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.
7. Acknowledges that the present authorization cancels and replaces any previous authorizations with the same purpose.

Twenty-third resolution (extraordinary) – Determining of the terms and conditions for setting the subscription price in the event of the cancellation of pre-emptive subscription rights within the limit of 10% of the capital per year

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Article L. 225-136-1°, paragraph 2, of the French Commercial Code, the General Shareholders' Meeting, authorizes the Board of Directors, which decides on the issuance of ordinary shares or securities granting access to the share capital in application of the twenty-first and twenty-second resolutions (relating to the cancellation of pre-emptive subscription rights through a public offer and private placement), to waive the terms for setting the subscription price set out in the above-mentioned resolutions, within the limit of 10% of the share capital per year, and to set the issue price of the equity securities to be issued in accordance with the following terms and conditions:

The issue price of the equity securities for immediate or deferred issue will be equal to the average of the trading prices for five consecutive stock market trading sessions chosen from the thirty stock market trading sessions prior to the date on which the issue price is set, which may be discounted by up to 40%.

Twenty-fourth resolution (extraordinary) – Authorization to increase the amount of shares issued in the event of oversubscriptions

For each issue of ordinary shares or securities granting access to the share capital decided in application of the twentieth and twenty-second resolutions [relating to the maintenance of pre-emptive subscription rights through a public offer or private placement], the number of shares to be issued can be increased under the terms of Article L. 225-135-1 of the French Commercial Code and within the limits set by the General Shareholders' Meeting when the Board of Directors notes a case of oversubscription.

Twenty-fifth resolution (extraordinary) - Authority to be granted to the Board of Directors to increase the capital, within the limit of 10%, in consideration of contributions of shares or securities granting access to capital

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Article L. 225-147 of the French Commercial Code, the General Shareholders' Meeting:

1. Authorizes the Board of Directors to issue, based on the report of the independent appraiser (*commissaire aux apports*), ordinary shares or securities granting access to ordinary shares in consideration of contributions to the Company of shares or securities granting access to capital where the provisions of Article L. 225-148 of the French Commercial Code are not applicable.
2. Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.
3. Decides that the total nominal amount of ordinary shares authorized herein for issue may not exceed 10% of the share capital on the date of this General Shareholders' Meeting. That amount is independent from any other limits provided for in the authorizations to increase the share capital.
4. Grants the Board of Directors full powers, in order to approve the appraisal of contributions, to decide on the resulting capital increase, record the completion of the transaction, charge, where applicable, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to bring the legal reserve to one-tenth of the new share capital following each increase, amend the bylaws accordingly, and carry out any other necessary steps.
5. Acknowledges that the present authorization cancels and replaces any previous authorizations with the same purpose.

Twenty-sixth resolution (extraordinary) - Uses of authorizations in the event of a public offer

Having reviewed the Board of Directors' report, in application of Article L. 233-33 of the French Commercial Code, the General Shareholders' Meeting:

- Authorizes the Board of Directors, should the Company become the object of a public offer, to use the powers to be granted in the terms of resolutions nineteen to twenty-five presented at this General Shareholders' Meeting.
- Decides to set the period of validity hereof at 18 months from the date of this General Shareholders' Meeting.
- Decides that the Board of Directors will be granted full powers to implement this authorization, under the terms laid down by law.

Twenty-seventh resolution (extraordinary) - Authority to issue free share subscription warrants granted to shareholders in the event of a public offer

Having reviewed the Board of Directors' report, and in compliance with Articles L. 233-32-II and L. 233-33 of the French Commercial Code, the General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings:

- Grants the Board of Directors authority to issue warrants entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period.

Decides to set the limit of issues authorized if the Board of Directors uses this authorization, as follows:

- the total nominal amount of shares authorized herein for issue through the exercise of warrants may not exceed EUR [160,470,000]. This amount does not include the total nominal value of additional shares that may be issued to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions;
- the maximum number of share subscription warrants authorized for issue is equal to the number of outstanding shares upon the issue of said warrants.

The implementation of the authorization granted under this resolution shall not be deducted from the total limit provided for in the twentieth, twenty-first and twenty-second resolutions presented at this General Shareholders' Meeting.

Grants the Board of Directors full powers to implement this authorization in order to:

- set the procedures for exercising the subscription warrants taking into account the terms of the offer or any other concurrent offer and the other characteristics of these warrants, namely:
 - the number of warrants,
 - the exercise price or terms and conditions for determining this price,
 - the terms of the issue and the free grant of these warrants, with the option of deferring or refusing them;
- in general, determine all other characteristics and terms and conditions of any other transaction decided by means of this authorization, take any and all measures and perform all the required formalities, record, where applicable, the capital increase and amend the bylaws accordingly.

The share subscription warrants shall automatically become null and void if the offer and any concurrent offer fail, become null and void or are withdrawn.

This authorization is granted for a period expiring at the end of the offer period of any public offer involving the Company and submitted within 18 months of this General Shareholders' Meeting.

It is independent from the authority granted in the twenty-sixth resolution presented at this General Shareholders' Meeting.

Twenty-eighth resolution – Authority to be granted to the Board of Directors to increase the 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

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting, 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 at its discretion, to increase the share capital, 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' preemptive subscription right to the shares that could be issued pursuant to this authorization.
3. Sets the period of validity hereof at 26 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 reached when the Board of Directors made the decision to carry out the increase. This amount is independent from any other limits provided for in the authorizations to increase the share capital.

5. Decides that the price of the shares to be issued, pursuant to paragraph 1) of this authorization, may not be more than 20%, or 30% wherever the lock up period provided for pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labor Code is ten years or more, 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.

Twenty-ninth 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, 2010

The annual financial statements for the year ended December 31, 2010 are disclosed in section III.1 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.1 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.1 of this Registration Document.

5.6. FIVE-YEAR FINANCIAL SUMMARY

In euros

	31/12/06	31/12/07	31/12/08	31/12/09	31/12/10
	9 months	12 months	12 months	12 months	12 months
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	43,408,057	61,095,462	70,618,236	67,043,926	63,956,378
Income before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	24,263,095	36,086,274	37,070,822	41,418,321	34,774,971
Income after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	32,400,844	10,075,564	10,874,924	15,540,619	7,329,497
Income distributed	26,076,375	26,076,375	26,076,375	22,733,250	14,709,750
EARNINGS PER SHARE					
Income before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	1.81	2.70	2.77	3.10	2.60
Income after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	2.42	0.75	0.81	1.16	0.55
Dividend paid per share	1.95	1.95	1.95	1.70	1.10
PERSONNEL					
Average headcount during the year	1	1	2	2	3
Average payroll costs	68,534	101,065	265,459	221,188	336,332
Social security charges	12,917	58,748	106,213	92,952	140,920

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 transactions specified in the 18th and 20th to 28th resolutions tabled at the Extraordinary Shareholders' Meeting of June 29, 2011

Extraordinary Shareholders' Meeting of June 29, 2011

In our capacity as Statutory Auditors of CeGeREAL SA and in compliance with the provisions of the French Commercial Code (*Code de commerce*), we hereby report to you on the transactions submitted for your approval.

1. Capital reduction by cancelling shares purchased (18th resolution)

In compliance with the provisions of Article L.225-209 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.

The Board of Directors is asking shareholders to grant it full powers, for a period of 24 months from the date of this Shareholders' Meeting, to cancel the shares purchased following the implementation of the share buy-back program within the limit of 10% of the Company's capital per 24-month period, in accordance with the aforementioned Article L.225-209.

We performed the procedures we considered necessary 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, which may not undermine shareholder equality in any way, comply with the applicable legal provisions.

We have no matters to report on the reasons for and conditions of the planned capital reduction, it being recalled that this may occur only if the Shareholders' Meeting gives prior approval for the authorization given to the Board of Directors to have the Company purchase its own shares.

2. Issuance of ordinary shares and/or other securities (20th, 21st, 22nd, 23rd, 24th, 25th and 26th resolutions)

In compliance with the provisions of Articles L.225-135, L.225-136 and L.228-92 of the French Commercial Code, we hereby report to you on the proposed authorizations to be granted to the Board of Directors for the issuance of ordinary shares and/or securities, which are submitted for your approval.

On the basis of its report, the Board of Directors proposes that the shareholders:

- authorize the Board of Directors, for a period of 26 months, to decide on the transactions set out below and to set the conditions of the issuance and waive their pre-emptive subscription rights:
 - the issuance of ordinary shares and/or securities granting access to ordinary shares of the Company or of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital in compliance with Article L.228-93 of the French Commercial Code, and/or debt securities with pre-emptive subscription rights (20th resolution);

- the issuance of ordinary shares and/or securities granting access to ordinary shares of the Company or of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital in compliance with Article L. 228-93 of the French Commercial Code, and/or debt securities without pre-emptive subscription rights. These securities may be issued in consideration of securities that are contributed to the Company in the framework of a public exchange offer satisfying the conditions set forth in Article L.225-148 of the French Commercial Code (21st resolution);
- the issuance of ordinary shares and/or securities granting access to ordinary shares of the Company or of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital in compliance with Article L.228-93 of the French Commercial Code, and/or debt securities without pre-emptive subscription rights through a private placement (22nd resolution).

- authorize the Board of Directors in the 23rd resolution and in the context of the authorizations referred to in the 21st and 22nd resolutions, to set the issue price within the limit of 10% of the capital per year.

- authorize the Board of Directors to determine the terms and conditions for the issuance of ordinary shares and/or securities granting access to ordinary shares in consideration of contributions of shares or securities granting access to capital, within the limit of 10% of the capital (25th resolution).

The Board of Directors also proposes in the 26th resolution that the shareholders use these authorizations in the event of a public offer if paragraph 1 of Article L.233-33 of the French Commercial Code applies.

The total nominal amount of the share capital increases to be carried out immediately or in the future may not exceed EUR 300,000,000 under the 20th resolution, and EUR 300,000,000 under the 21st and 22nd resolutions. The total nominal amount of debt securities authorized for issue may not exceed EUR 300,000,000 under the 20th resolution, and EUR 300,000,000 under the 21st and 22nd resolutions.

The number of shares to be issued in the context of the authorizations referred to in the 20th, 21st and 22nd resolutions may be increased under the terms of Article L.225-135-1 of the French Commercial Code if the shareholders adopt the 24th resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 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 pre-emptive subscription rights and on certain information concerning these transactions, 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 transactions and the terms and conditions for determining the issue price of the new shares.

Subject to a subsequent examination of the conditions of share issuances 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 in the 21st and 22nd resolutions.

Moreover, since this report does not provide for the terms and conditions used to set the issue price of the shares to be issued in the context of the implementation of the 20th and 25th resolutions, we cannot give our opinion on the method and basis used to calculate the issue price.

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 pre-emptive subscription rights as mentioned in the 21st and 22nd resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, where appropriate, in the event that the Board of Directors uses these authorizations to issue ordinary shares and/or securities granting access to capital and/or debt securities without pre-emptive subscription rights.

3. Issuance of free share subscription warrants in the event of a public offer (27th resolution)

In compliance with the provisions of Articles L.228-92 of the French Commercial Code, we hereby report to you on the proposed issuance of free subscription warrants in the event of a public offer, which is submitted for your approval.

On the basis of its report, the Board of Directors proposes that pursuant to Article L.233-32 II of the French Commercial Code, the shareholders grant it authority to:

- issue warrants subject to the provisions of Article L.233-32 II of the French Commercial Code entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period;
- set the conditions for exercising the subscription warrants and the characteristics of these warrants.

Le montant nominal maximum des actions qui pourraient être ainsi émises ne pourra dépasser le plafond de 160 470 000 euros et le nombre maximum de bons qui pourraient être émis ne pourra excéder le nombre d'actions composant le capital social lors de l'émission des bons.

The total nominal amount of shares authorized for issue may not exceed EUR160,470,000 and the maximum number of warrants authorized for issue may not exceed the number of outstanding shares upon the issuance of said warrants.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113, R.225-114, R.225-115 and R.225-117 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 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 transaction.

We have no matters to report in connection with the information relating to the proposed issuance of share subscription warrants contained in the Board of Directors' report.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, to be approved by the Shareholders' Meeting pursuant to Article L.233-32 III of the French Commercial Code, in the event that the Board of Directors uses this authorization.

4. Issuance 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) (28th 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 the share capital, on one or several occasions, by issuing securities granting access to the share capital without pre-emptive subscription rights, representing up to 1% of the share capital at the time of the Board's decision to carry out this capital increase. This amount is independent from any other limits provided for in the authorizations to increase the share capital.

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 a period of 26 months, to increase the share capital, on one or several occasions, and waive their pre-emptive subscription rights to the securities to be issued. In such an event, it would be the Board's responsibility to determine the terms and conditions applicable to these transactions.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113, R.225-114 and R.225-117 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 pre-emptive subscription rights and on certain information concerning the issue 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 transaction and the terms and conditions for determining the issue price of the new shares.

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 used to set the issue price given in the Board of Directors' report.

Since the issue price has not been set, we do not express an opinion on the final terms and conditions of the share issuances, or consequently on the proposed cancellation of pre-emptive subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, in the event that the Board of Directors uses this authorization.

The Statutory Auditors

Paris-La Défense and Paris, February 25, 2011

KPMG Audit
Division of KPMG SA

Régis Chemouny
Partner

Charles Leguide
Partner

5.8. ADDITIONAL REPORTS

5.8.1. Chairman’s report relating to corporate governance and internal control

“Dear Shareholders,

The law obliges the Chairman of the 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’ participation 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, the report also sets out 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 January 24, 2011 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 April 2010 update of the December 2008 Afap-Medef Corporate Governance Code of Listed Corporations (the “Reference Code”) available on www.code-afep-medef.com, to the extent that it is compatible with the Company’s organization and size.

The following provisions of the Reference Code have not, however, been applied:

With respect to the length of Board members’ terms of office:

For historical reasons, Board members’ terms of office are set in the bylaws for the legal maximum period, i.e., six years, and not the four-year term recommended in the Reference Code. It was not deemed necessary to propose that a General Shareholders’ Meeting amend the bylaws in this 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 between its members do not make it necessary to set up a formal appraisal procedure for its operations. The members of the Board of Directors freely discuss all proposals relating to the holding of meetings with the Chairman.

1.1. Board of Directors

1.1.1. Composition of the Board of Directors

Pursuant to the Company’s bylaws, directors are appointed for six-year terms.

At December 31, 2010, the composition of the Board was as follows:

	First appointed	Term expires
Richard Wrigley	31/12/05	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2010
Klaus Waldherr	05/02/08	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2010
Gerry Dietel	30/01/09	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2010
Commerz Real Investmentgesellschaft mbH	31/12/05	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2010
Carl-Christian Siegel	12/05/10	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2010
Jean-Pierre Bonnefond	20/02/06	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2011
Alec Emmott	29/06/10	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2015
Andreas Muschter	29/06/10	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2015
GMF VIE	29/06/10	General Shareholders’ Meeting to approve the financial statements for the year ended December 31, 2015

Three of the Board members, Richard Wrigley, Jean-Pierre Bonnefond and Alec Emmott, are considered to be independent in accordance with the definition provided in the Reference Code. According to said Code, the criteria used to qualify Board members as independent are the following:

- not being an employee or corporate officer of the Company, an employee or director of a company that is consolidated by 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 directorship or in which an employee designated as such or a corporate officer of the Company (currently or within the previous five years) holds a directorship,
- 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 director for more than twelve years on the date on which he/she was appointed to his/her current term of office.

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 the Board but, at December 31, 2010, 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 Company's strategic business orientations 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 deals with any issues affecting the smooth operation of the Company and settles, by its deliberations, all matters concerning 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 any 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 are provided with all the information required to perform their assignments at the notice of the meeting.

In compliance with the bylaws and legal provisions, certain Board of Directors' meetings may be held by videoconference. Board meetings are generally held at the registered office but can be held in any other place, in particular in Wiesbaden, Germany. They are convened by the Chairman of the Board.

The Board met six times in 2010, i.e., on February 17 (with all six directors present), April 9 (with five directors out of six present), May 12 (with all six directors present), July 12 (with all nine directors present), July 28 (with all nine directors present) and November 10 (with seven directors present).

There was a very high attendance rate and no significant absences were observed.

The Chairman was present at each meeting. However, the Managing Director did not attend the February 17, 2010, May 12, 2010 and November 10, 2010 meetings.

No meetings were called at the initiative of either the directors or the Managing Director.

To allow the Board members to properly prepare for Board meetings, the Chairman endeavors to provide them with all the information and documents they require in advance.

For example, the draft financial statements were transmitted to the directors 15 days before the relevant Board meeting.

Whenever a Board member 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 invited to attend the Board of Directors' meeting that rules on the annual and the interim financial statements and the projected management accounts.

They attended the February 17, 2010 Board of Directors' meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2009, and the July 28, 2010 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2010.

They also participate in Audit Committee meetings whenever the Committee Chairman invites them to do so.

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 Board of Directors' meetings.

The main themes addressed in those meetings were the following:

- review and adoption of the financial statements for the year ended December 31, 2009;
- review and adoption of the interim financial statements and the interim financial report for the six months ended June 30, 2010;
- review and validation of third-quarter revenues and the quarterly financial information;
- review and validation of first- and fourth-quarter revenues;
- preparation and filing of a Registration Document with the AMF;
- distribution of reserves;
- exceptional distribution of a share premium;
- implementation of a share repurchase program;
- amendment of article 9 of the Board of Directors' Internal Rules and Regulations;
- resignation of a director and co-optations of a new director to replace him;
- proposal for the appointment of new directors;
- discontinuance of Martin Weinbrenner's duties as Managing Director and his replacement;
- continuance of Raphaël Tréguier's duties as Deputy Managing Director;
- setting of the senior executives' compensation (Chairman of the Board of Directors and Deputy Managing Director);
- review and validation of periodical documents;
- postponement of the Ordinary and Extraordinary Shareholders' Meeting;
- authorization to sign an engagement letter appointing PwC particularly for the preparation of the Company's financial statements;
- corporate strategy, in particular, signature, renewal and termination of leases or settlement agreements with lessees;
- appointment of Alec Emmott as a new member of the Investment Committee and Appointments and Compensation Committee;
- resignation of Richard Wrigley from his duties as Chairman of the Investment Committee and appointment of Alec Emmott to replace him.

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 and amended at the May 12, 2010 Board of Directors' meeting. Their responsibilities and *modus operandi* are specified in the Internal Rules and Regulations.

1.2.1. The Audit Committee

For all issues concerning the Audit Committee, the Company refers to the July 22, 2010 report of the working group chaired by Poupard-Lafarge on Audit Committees.

The Audit Committee is currently composed of Richard Wrigley (independent), Jean-Pierre Bonnefond (independent) and Gerry Dietel. They were appointed at the January 30, 2009 Board of Directors' meeting for renewable three-year terms, i.e., until the annual Board meeting convened to approve for issue the financial statements for the year ending December 31, 2011.

The criteria used for assessing the independence of Committee members, in particular those of the Audit Committee, are the same as those used for assessing the Board members' independence, as described above.

Richard Wrigley was appointed Chairman of the Audit Committee. He is considered to be independent and proficient in financial matters. His experience in company management has given him the financial expertise the Board requires.

The other Committee members also have relevant financial or accounting knowledge.

The Audit Committee met three times in 2010, on January 29, July 13 and December 17 and performed the following work:

- work in relation to the financial statements for the year ended December 31, 2009, internal control procedures and, more generally, the audit, accounting and management procedures in force in the Company;
- work in relation to the interim financial statements for the six months ended June 30, 2010.

The attendance rate was 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 and the Board took note of, 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 Alec Emmott. Jean-Pierre Bonnefond and Graham Spensley were appointed at the January 30, 2009 Board of Directors' meeting for renewable three-year terms, i.e., until the annual Board meeting convened to approve for issue the financial statements for the year ending December 31, 2011. Alec Emmott was appointed on May 12, 2010, following the resignation of Henk J. Jacobs, for the remainder of his predecessor's term of office, i.e., until the Board of Directors' meeting convened to approve for issue the financial statements for the year ending December 31, 2011.

Jean-Pierre Bonnefond was appointed Chairman of the Appointments and Compensation Committee.

The Appointments and Compensation Committee met on February 9, 2010 and May 12, 2010, and performed the following work:

- review of Bardo Magel's candidacy for the position of Managing Director and Raphaël Tréguier's candidacy for the position of Deputy Managing Director;
- establishment of a framework for determining Raphaël Tréguier's compensation;
- review of Alec Emmott's and Carl-Christian Siegel's candidacies, as well as the candidacy of GMF Vie represented by Olivier Leborgne, for the offices of director;
- establishment of a framework for setting directors' fees.

The attendance rate was 100%.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

1.2.3. The Investment Committee

The Investment Committee is currently composed of Alec Emmott, Richard Wrigley and Graham Spensley. Richard Wrigley and Graham Spensley were appointed at the January 30, 2009 Board of Directors' meeting for renewable three-year terms, i.e., until the annual Board meeting convened to approve for issue the financial statements for the year ending December 31, 2011. Alec Emmott was appointed on May 12, 2010 for the remainder of his predecessor's term of office, i.e., until the Board of Directors' meeting convened to approve for issue the financial statements for the year ending December 31, 2011.

Alec Emmott was appointed Chairman of the Investment Committee on May 12, 2010.

The Investment Committee did not have the opportunity to meet in 2010.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

2. The Company's internal control procedures

The law requires a description not only of the Board's work methods, but also of the internal control procedures implemented by the Company. First, it is necessary to explain the objectives of such procedures.

2.1. Objectives of the Company's internal control procedures

Among the various objectives assigned to internal control, one is to prevent and control risks resulting from the Company's activity, in particular any risks of accounting or financial errors or fraud. However, 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 system is to ensure that management acts, the way in which the Company undertakes various operations and the personnel's activity, are duly in line with the strategic business orientations defined by management.

Lastly, the purpose of an internal control system 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 implemented by the Company are described below:

2.2.1. General organization of the control in the Company:

a) Persons or structures in charge of internal control:

As indicated above, the Audit Committee, the Appointments and Compensation Committee and the Investment Committee were set up for this purpose.

b) Roles of the various players or structures exercising an oversight role with respect to internal control procedures:

(i) The Audit Committee's assignment is to:

- monitor the process of preparing financial information, in particular press releases at the time of publication of annual and interim financial statements and quarterly financial information;
- ensure that an accounting process is used to prepare financial information and that the information is consistent with information that has already been produced;
- assist the Board in the tasks relating to reviewing and approving the annual and interim financial statements for issue;
- review the Company's annual and interim financial statements and the reports relating thereto before they are submitted to the Board of Directors;

- review accounting and financial information by examining how material events or complex transactions which had an impact on the Company's financial statements (significant acquisitions and sales, reorganizations, hedging transactions, special purpose entities, material provisions, etc.) are reflected in the accounts;
- 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 financial statements in order to understand the main risks and uncertainties by them, their audit approach and any difficulties encountered during their assignment: to this effect, 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 is in regular contact, examine, in this respect, all their relations with the Company and formulate an opinion on the fees requested: to this effect, every year the Statutory Auditors provide the Committee 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;
- be familiar with the Chairman's report on internal control and risk management procedures and, where applicable, make observations;
- 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
- assess the efficiency of the internal control and risk management systems, in particular with regard to the AMF's internal control reference framework; in this respect, verify that the Company has the appropriate resources (audit, accounting and legal) to prevent management risks and irregularities in the Company's business, monitor any weaknesses or dysfunctions identified as well as the actions taken to correct them.

The Board may consider it appropriate:

- for the Committee to verify that financial press releases are consistent with the information presented in the financial statements, if Executive Management is able to provide the Committee with draft versions of such press releases;
- to address the Audit Committee about documents such as projections, trends, profit warnings and other sensitive information, analyst presentations, and registration documents.

(ii) The Appointments and Compensation Committee's assignment is to:

- establish a framework for determining 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 portion 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 draft stock option plans and plans for grants of free shares in favor of 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 candidacies for the position of director in the light of the candidates' business experience, skills and economic, social and cultural representativeness;
- review candidacies for the position of Managing Director and Deputy Managing Director;
- obtain any relevant information relating to the recruitment procedures, compensation and the status of the Company's executive officers;
- formulate 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 director with respect to the relations, where applicable, that he/she maintains with the Company that could impair his/her freedom of judgment or entail potential conflicts of interest with the Company; and
- implement regular appraisals 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");
- examine and formulate opinions on investment projects and prepare any reports pertaining thereto, which will be submitted to the Board of Directors; in this 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 pertaining thereto, which will be submitted to the Board of Directors;
- examine and formulate an opinion on the annual investment budget;
- obtain communication of any 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 Board of Directors with the necessary information to evaluate its performance as regards 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 provides an ethical framework within which the directors exercise their duties.

In particular, the Directors' Charter provides that:

- each director, however he/she is appointed, shall represent all of the shareholders;
- each director shall ensure that he/she continually improves his/her knowledge of the Company and its business sector;
- each director shall ensure 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, shall 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 additional information that the Board of Directors deems necessary to provide to him/her;
- each director shall refrain 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 shall inform the Board of Directors of any conflict of interests, even potential, in which he/she could be directly or indirectly involved. He/she shall refrain from participating in any debates and decision-making relating to the subjects in question.

The Directors' Charter also reiterates, insofar as may be required, 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.

Bills and receipts for 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 bills.

The budget of charges relating to each building is prepared by the property manager and validated by the asset manager. The property manager receives and records day-to-day expenses related to the building on SAP. The asset manager makes payments (except for direct debits) and approves incoming invoices.

(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.

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.

Executive Management supervises the accounting department and any external accounting service providers.

(iii) Periodical financial information

Each month, an interim statement of account is prepared by the certified public accountant and sent to the asset manager's financial department to be checked and approved.

(iv) Preparation of financial statements

Financial statements are prepared by the certified public accountant in conjunction with the asset manager, the Company's Executive Management and its advisors.

The Audit Committee reviews the relevance of the main assumptions and principles adopted therein.

The financial statements are audited by the Statutory Auditors.

b) Disclosure and reporting procedures:

With a view to ensuring the efficient processing of financial information, the Company has set up disclosure and reporting procedures under which the Managing Director must, within thirty days of the end of the first halfyear, submit to the Board of Directors for control, an unaudited balance sheet (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) Other procedures:

The Company calls upon various external parties to ensure the management of the Company and its assets. The duties of asset manager are entrusted to CRI, those of property manager to the historical business partner, Yxime, and those of certified public accountant to PricewaterhouseCoopers Entreprises. Executive Management oversees the duties of these external parties by means of daily exchanges and contacts with each of them. Meetings are also organized whenever necessary.

The above mechanisms provide a reasonable assurance that the internal control objectives for the previous year were met. Given the Company's size and current activity, it will endeavor to maintain its internal controls with the permanent objective of mitigating risks in order to protect 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. Subject to the limits indicated below, the Managing Director shall:

- assume, under his/her responsibility, the Company's executive management;
- represent the Company in its dealings with third parties;
- be 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 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 their powers, the Managing Director and 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. enter into sales agreements, purchase agreements or grants of sureties or guarantees, except for liens and/or mortgages, assignments of receivables (cessions Dailly) 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. enter into any loan agreements wherever the Company is the borrower; it being recalled that the Company may not be party to a loan agreement as a lender;
3. enter into, substantially amend or terminate any lease agreements or rental agreements for annual amounts of over EUR 2m;
4. enter into, substantially amend or terminate any property management agreements;
5. enter into any agreements of any kind whatsoever involving an annual amount of over EUR 250k;
6. issue 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. accept any court, administrative or arbitration decisions issued either fully or in part against the Company or any other out-of-court settlement involving the Company concerning an amount of over EUR 50k per decision or settlement agreement;
8. hire any Company employees beyond the limits of the annual budget adopted by the Board of Directors and/or an executive manager;
9. set up, transfer or close down any branches, agencies, offices, either in France or abroad, create, purchase or subscribe to the capital of any subsidiary or purchase shares in the capital or, generally, purchase a stake in any company or entity of any kind whatsoever, increase or decrease any existing shareholding; and
10. more generally, carry out any act or operation that does not comply with the reasonable prudent management principles.

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. The amendment was authorized under the following conditions precedent:

- (i) amendment of the *hausInvest europa* fund's Internal Rules and Regulations;
- (ii) approval of creditors, pursuant to the credit agreement entered into by the Company and the Eurohypo AG bank on March 2, 2006.

The *hausInvest europa* fund's Internal Rules and Regulations were amended on August 16, 2008. However, the creditors' approval has still not been obtained at the date hereof.

Section 17.4 of Article 17 of the bylaws will be amended and supplemented 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, enter into 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 entering into any loan agreement, granting any securities, pledges or mortgages of any kind, without the Board of Directors' prior approval, 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 result, directly or indirectly, to such operations being carried out without the Board of Directors' prior approval, 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 2011, the General Shareholders' Meeting set the overall amount of directors' fees at EUR 120k.

The Board allocates directors' fees equally among its members. In the event that one or several directors cease their duties, the directors' fees allocated are prorated to the period during which each director performed his/her duties.

For the year ended December 31, 2010, the Board of Directors allocated directors' fees as follows:

- Richard Wrigley received EUR 17,500,
- Jean-Pierre Bonnefond received EUR 7,500,
- Alec Emmott received EUR 15,000.

CRI, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel, GMF VIE, Hans-Joachim Kühl and Andreas Muschter renounced their right to receiving directors' fees in respect of the year ended December 31, 2010.

4.2. Corporate officers' compensation

On the recommendation of the Appointments and Compensation Committee, the Board validates the corporate officers' compensation policy and the compensation for each of them, outside the presence of each interested party.

The Board also refers to the Reference Code.

This policy applies to the entire fixed, variable and exceptional compensation granted by the Company as well as benefits of all kinds (e.g., pension benefits, severance indemnities).

Compensation is determined not only on the basis of work performed, results obtained, and responsibilities assumed, but also in light of practices observed in comparable companies and the compensation of the Company's other corporate officers.

Raphaël Tréguier, the Deputy Managing Director, has received gross annual compensation of EUR 120k, paid in twelve monthly installments since April 1, 2010. As from January 1, 2011, this gross annual compensation will amount to EUR 137,800.

On February 24, 2011, the Board of Directors granted Raphaël Tréguier a performance-related bonus of EUR 60,600, gross, (an all-inclusive sum negotiated between the parties) for his work in respect of the year ended December 31, 2010. This is a special bonus insofar as it is additional compensation which is not guaranteed beyond 2010. It will be fully paid in April 2011.

Raphaël Tréguier also enjoys benefits-in-kind which represent an annual basis of approximately EUR 20k and take the form of a company car and unemployment insurance for employees.

The February 24, 2011 Board of Directors' meeting noted the continued suspension of the employment contract between Raphaël Tréguier and the Company following the renewal of his position as Deputy Managing Director.

The Company complies with recommendations relating to severance indemnities referred to in § 20.2.4 of the Reference Code.

No other corporate officer benefits from severance indemnities.

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, with the exception of those granted to Raphaël Tréguier.

5. Shareholders' participation in General Shareholders' Meetings

A General Shareholders' Meeting is open to all 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 evidenced 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 one of the following three options: (i) issue a proxy to his/her spouse or another shareholder, (ii) send a proxy to the Company indicating no name or (iii) vote by correspondence.

Shareholders' requests to include resolutions on the agenda must be sent to the registered office by registered letter with return receipt requested no later than twenty-five days before the date of the meeting.

6. Information likely to have an impact in the event of a public offer 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 give you a better idea of the work procedures and methods that are implemented in the Company, as well as of the allocation of powers among the Company's various decision-making bodies.

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 its assets.

The Chairman of the Board of Directors"

5.8.2. Statutory Auditors' report on the Chairman's report on corporate governance and internal control

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 SA

Year ended December 31, 2010.

In our capacity as Statutory Auditors of CeGeREAL SA, 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, 2010.

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-La Défense and Paris, February 25, 2011

KPMG Audit
Division of KPMG SA

Régis Chemouny
Partner

Charles Leguide
Partner

**5.8.3. 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 2010	None
Free shares granted to employees in 2010	None

5.8.4. Special report on stock options

Stock options granted (Art. 225-184 (1))	None
Options granted to corporate officers in 2010 (Art. 225-184 (2))	None
Options exercised by corporate officers in 2010 (Art. 225-184 (2))	Néant
Options granted to employees in 2010 (Art. 225-184 (3))	None
Options exercised by employees in 2010 (Art. 225-184 (3))	None

1. MAIN SHAREHOLDERS

Majority shareholder

Before being listed on the stock market, the Company was a subsidiary in which CRI, part of one of the leading European real estate investment groups, Commerz Real group, held a stake of more than 99.99%. CRI is a Commerz Real line of business dedicated to the management of German open-ended funds on behalf of the hausInvest fund, as described in section IV.6.4 “Risk linked to German regulations applicable to the majority shareholder”. 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. At December 31, 2010, CRI held 59.78% of Cegereal’s capital and voting rights. CRI is represented, directly or indirectly, on the Company’s Board of Directors by five directors and could alone adopt all the resolutions submitted for approval at Ordinary Shareholders’ Meetings.

In addition, at December 31, 2010, the mutual insurance group company Covéa held 14.04% 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

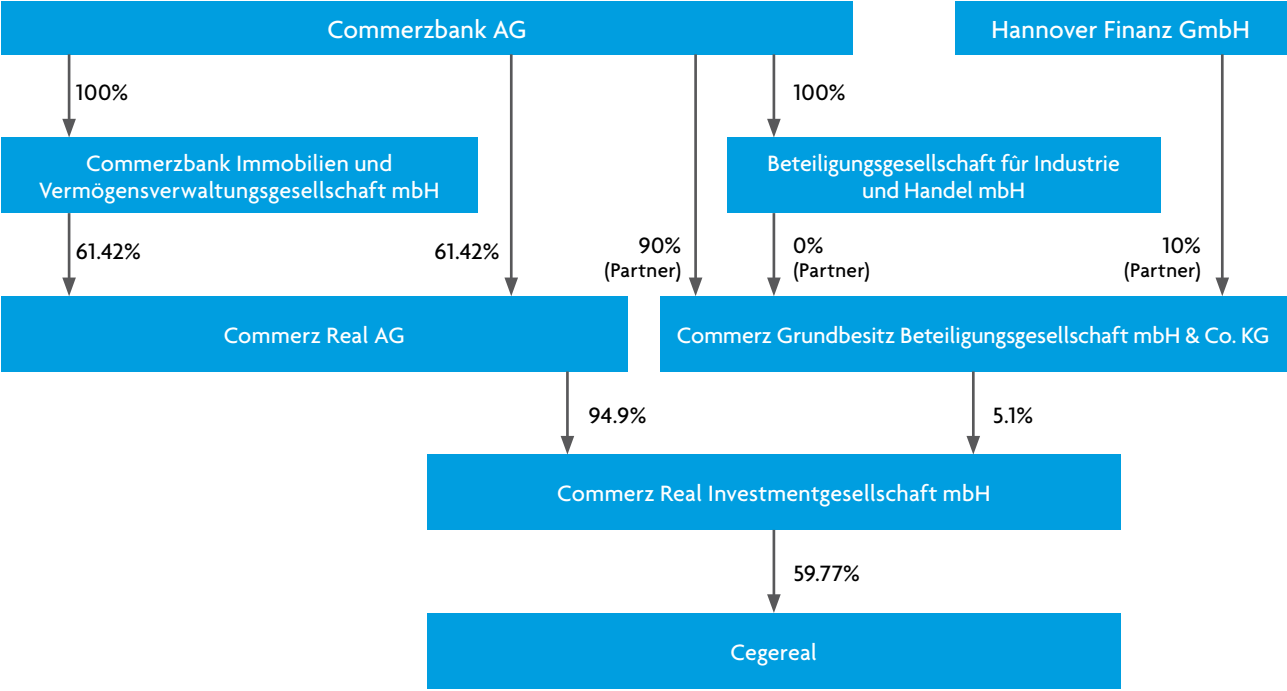
Since the Company’s shares were admitted to trading on Euronext Paris by NYSE Euronext and until December 2009, CRI held 67% of the Company’s capital. However, as from December 2009, CRI reduced its shareholding to below 60% by selling shares, both directly and on the market.

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. COMPANY’S POSITION IN THE COMMERZ REAL GROUP

The simplified organization chart below shows the Company’s position in the Commerz Real group.



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.

3. CORPORATE GOVERNANCE

3.1. DECLARATIONS RELATING TO CORPORATE GOVERNANCE

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"), updated in April 2010 and 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 set up 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.

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

The Chairman's report on internal control and corporate governance is included in section I.5.8.1 "Chairman's report relating to corporate governance and internal control" of this Registration Document.

3.2. INTERNAL ORGANIZATION

The Company's strategic decisions are made by the Board of Directors, which determines the Company's business orientations 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.

3.3. INFORMATION RELATING TO THE MEMBERS OF THE BOARD OF DIRECTORS

Richard Wrigley (63), 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 sq.m. 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 (47), 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 (65), 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 (46), 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 (33), 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.

Carl-Christian Siegel (45), director

Carl-Christian Siegel is Managing Director and Head of Acquisitions Europe of Commerz Real AG. He joined Commerz Real AG in Wiesbaden at the beginning of 2008, having worked 12 years for the Deutsche Bank group where he was head of special fund portfolio management. He has gained a broad experience over the 17 years he has worked in this sector, having held the positions of head of international real estate and asset management, head of acquisitions and researcher. He holds a management degree from the University of Konstanz and a real estate economics degree from the European Business School.

Andreas Muschter (38), director

Andreas Muschter joined the Commerz Real's Management Board on December 1, 2009. He performs the duties of Chief Financial Officer and is also responsible for mergers and acquisitions within the development and strategy division. As a law graduate from the University of Heidelberg, Dr Andrea Muschter joined the Commerzbank group in March 2001. In May 2007, he was put in charge of mergers and acquisitions. He does not own any shares of the Company.

Alec Emmott (62)

Alec Emmott holds an M.A. from Trinity College, Cambridge, obtained in 1969, and became a member of the Royal Institution of Chartered Surveyors (MRICS) in 1971. From 1997 to 2007, he was Managing Director of Société Foncière Lyonnaise. He has held an executive position at Europroperty Consulting since 2007. He does not own any shares of the Company.

Olivier Le Borgne (43), permanent representative of GMF VIE

Olivier Le Borgne holds a post-graduate degree in actuarial science obtained in 1996 from ISUP in Paris and is a graduate of the *Institut Supérieur de Gestion* de Paris which he attended from 1986-1989. Since October 2008, he has held the position of Head of Financial Strategy at GMF.

3.4. 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 Company's executive management would henceforth be undertaken by an individual other than the Chairman of the Board. In this respect, it must be noted that the Chairman is one of the three independent directors of the Board.

3.5. 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.

3.6. 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 membership and remit, 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 appropriate. 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.

3.7. 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 of each meeting (to the extent that the documents and information are available when the meeting is 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 relevant for the director's Board duties.

Moreover, in accordance with the Internal Rules and Regulations adopted by the Company's Board of Directors, the Managing Director is required 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 statement of financial position (prepared on the last day of the half-year in question), an interim income statement and statement of cash flows, the comparison between the statement of financial position, the income statement 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 statement of financial position, 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 external real estate valuer;
- for as long as CRI's stake in the Company is classified as a "shareholding in property companies" as defined by the appropriate German regulations, make available at the Company's 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 statement of financial position for the past fiscal year prepared at 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 statement of financial position 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 I.5.8.1 "Chairman's report relating to corporate governance and internal control".

4. FUNCTIONING OF THE BOARD OF DIRECTORS

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

- Alec Emmot, Chairman since May 12, 2010, independent director;
- Richard Wrigley, independent director;
- Graham Spensley, 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 director;
- Gerry Dietel, Fund Manager, Commerz Real.

Main assignments:

- assist the Board of Directors in reviewing and adopting the annual and interim financial statements for issue;
- monitor the Statutory Auditors' audit of the financial statements;
- monitor the independence of the Statutory Auditors;
- review the internal control, audit, accounting and risk management procedures;
- ensure that the internal control systems operate efficiently and that the Company's management strategy includes the appropriate resources for preventing risks and irregularities;
- monitor the process of preparing financial information.

The Appointments and Compensation Committee

- Jean-Pierre Bonnefond, Chairman, independent director;
- Graham Spensley, independent member;
- Alec Emmot since May 12, 2010, independent director.

Main assignments:

- establish a framework for determining the compensation of each Executive Management member;
- assess all other benefits or indemnities from which Executive Management members benefit;
- review 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.

5. EXECUTIVE MANAGEMENT

5.1. MAIN SENIOR EXECUTIVES

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.

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

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

In this context, the Company has implemented a Directors' Charter in order to prevent any conflict of interest. Each director shall, in particular, inform the Board of Directors of any conflict of interests, even potential, in which he/she could be directly or indirectly involved. He/she shall refrain from participating in any debates and decision-making relating to the subjects in question. The Board of Directors is composed of three independent directors and the representative of the second main shareholder (holding 14% of the capital). The Board of Directors can therefore continue to deliberate in the event of a conflict of interest with CRI.

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.

6. RELATED-PARTY TRANSACTIONS

6.1. MEMORANDUM OF UNDERSTANDING WITH CRI

The Company, CRI and the custodian bank Commerz Bank 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 observe strict confidentiality regarding 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* 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 applicable French laws and regulations whenever 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 disclosed without delay by means of a press release and a note to the financial analysts or as part of 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 are in line with 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, pri-

ority 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 coverage; (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 also 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 external valuers 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 completed, 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 giving six months' notice to the other party by registered letter with return receipt requested 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 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 3,014k for 2010.

7. EMPLOYEES

At December 31, 2010, the Company had three employees. This small number can be explained by the fact that Cegereal out-sources all administrative, financial, accounting, legal, tax and IT services to external service providers. All 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 governed by the French National Collective Bargaining Agreement for the Real Estate sector – Property Managers – Real Estate companies and Estate Agents.

The Company has not encountered any specific difficulties in hiring personnel. There were no dismissals during the year ended December 31, 2010.

The Company does not use any external manpower.

1. STATUTORY FINANCIAL STATEMENTS

1.1. BACKGROUND FINANCIAL INFORMATION

The IFRS financial statements for the year ended December 31, 2009 and the related Statutory Auditors' report presented on pages 27 to 50 and pages 51 and 52 respectively in the 2009 Registration Document filed with the AMF on April 29, 2010 under no. R. 10-030 are incorporated by reference into this document.

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.

1.2. IFRS FINANCIAL STATEMENTS

Statement of comprehensive income – IFRS

In thousands of euros, except for earnings per share

	Notes	31/12/10	31/12/09
Rental income	5.19	54,687	57,039
Income from other services	5.20	10,236	10,135
Building-related costs	5.21	(15,124)	(13,533)
Net rental income		49,799	53,640
Sale of building			6,850
Administrative costs	5.22	(2,828)	(2,760)
Other operating expenses		1	8
Other operating income			
Increase in fair value of investment property		35,200	
Decrease in fair value of investment property		(2,000)	(111,091)
Total change in fair value of investment property	5.1	33,200	(111,091)
Net operating income (expense)		80,173	(53,352)
Financial income		70	94
Financial expenses		(16,931)	(17,793)
Net financial expense	5.23	(16,861)	(17,699)
Corporate income tax	5.24		164
NET INCOME (LOSS)		63,313	(70,886)
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME (LOSS)		63,313	(70,886)
Basic and diluted earnings (loss) per share (in euros)		4.75	(5.31)

Statement of financial position – IFRS

In thousands of euros

	Notes	31/12/10	31/12/09
NON-CURRENT ASSETS			
Investment property	5.1	860,700	827,500
Non-current loans and receivables	5.2	11,597	12,127
Total non-current assets		872,297	839,627
CURRENT ASSETS			
Accounts receivable	5.3	6,137	14,483
Other operating receivables	5.4	4,560	3,882
Prepaid expenses	5.18	2,183	2,204
Total receivables		12,880	20,569
Cash and cash equivalents	5.5	25,544	16,200
Total cash and cash equivalents		25,544	16,200
Total current assets		38,423	36,769
TOTAL ASSETS		910,721	876,395
SHAREHOLDERS' EQUITY			
Share capital		160,470	160,470
Legal reserve		16,047	16,047
Merger premium		34,222	35,292
Retained earnings		216,753	309,618
Net income (loss) for the year		63,313	(70,886)
Total shareholders' equity	5.11	490,805	450,541
NON-CURRENT LIABILITIES			
Non-current borrowings	5.12	397,624	400,526
Other non-current financial debt	5.14	1,905	1,567
Non-current corporate income tax liability	5.15		
Total non-current liabilities		399,529	402,093
CURRENT LIABILITIES			
Accounts payable		3,609	2,725
Corporate income tax liability	5.15		
Other operating liabilities	5.16	6,871	3,953
Prepaid revenue	5.18	9,907	17,083
Total current liabilities		20,388	23,761
Total liabilities		419,917	425,852
TOTAL EQUITY AND LIABILITIES		910,721	876,394

III - FINANCIAL INFORMATION

Statement of cash flows – IFRS

In thousands of euros

	31/12/10	31/12/09
OPERATING ACTIVITIES		
Net income (loss) for the period	63,313	(70,886)
Elimination of items related to the valuation of buildings:		
Fair value adjustments to investment property	(33,200)	111,090
Indemnity received from lessees for the replacement of components	4,068	
Elimination of other income/expense items with no cash impact:		
Additions to depreciation, amortization and provisions for impairment		
Reversals of depreciation, amortization and provisions for impairment		(38)
Deduction of merger expenses from merger premium		
Change in provision for deferred taxation		(164)
Discounting of exit tax liability		835
Cash flows from operations before tax and changes in working capital requirements	34,181	40,838
Change in exit tax liability		(22,492)
Other changes in working capital requirements	4,655	(8,483)
Change in working capital requirements	4,655	(30,975)
Cash flows from operating activities	38,836	9,863
INVESTING ACTIVITIES		
Acquisition of fixed assets	(4,068)	(180)
Cash flows used in investing activities	(4,068)	(180)
FINANCING ACTIVITIES		
Change in bank debt	(3,500)	22,492
Net increase in other non-current financial debt	337	
Net decrease in other non-current financial debt		(209)
Purchases and sales of treasury shares	(153)	(99)
Dividends paid	(22,703)	(26,033)
Elimination of income/expense items related to financing activities with no cash impact:		
Adjustments for loans at amortized cost	597	581
Cash flows used in financing activities	(25,423)	(3,269)
Change in cash and cash equivalents	9,344	6,414
Cash and cash equivalents at beginning of year *	16,200	9,787
CASH AND CASH EQUIVALENTS AT END OF YEAR	25,544	16,200

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

Statement of changes in equity – IFRS

In thousands of euros

	Share capital	Additional paid in capital	Undistributed reserves and retained earnings	Total shareholders' equity
31/12/08	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 (€1.95 per share)		(4,453)	(21,580)	(26,033)
Change in treasury shares held			290	290
31/12/09	160,470	35,292	254,779	450,541
Total comprehensive income for the year			63,313	63,313
Net income for the year			63,313	63,313
Other comprehensive income				
Capital transactions with owners		(1,070)	(21,978)	(23,048)
Dividends paid (€1.70 per share)		(1,070)	(21,633)	(22,703)
Change in treasury shares held			(345)	(345)
31/12/10	160,470	34,222	296,113	490,805

Notes to the IFRS financial statements

1.2.1 Background and main assumptions used to prepare the IFRS financial statements for the year ended December 31, 2010

Note 1.1 Operational context

There were no changes in the Company’s operating environment during the year ended December 31, 2010.

The Company did not acquire or dispose of any real estate assets in 2010.

Rental activity

One floor of the Europlaza building was leased to Experian.

In the Arcs de Seine building, TF1 quit the premises in January 2010, vacating 3,700 sq.m. Bouygues Telecom terminated its lease on January 1, 2011, leaving 38,819 sq.m or 88% of the building vacant, which will have an impact on the 2011 financial statements.

Indemnity for restoration of property and repair work

In accordance with its lease agreement, Bouygues Telecom undertook to maintain the premises in a good state of upkeep and repair. After signing an agreement with the Company on August 11, 2010, upon the termination of the lease on December 31, 2010 the lessee paid a lump sum indemnity of EUR 5m. The full amount of this indemnity was recorded in operating income for the year ended December 31, 2010 by allocating the amount of the indemnity intended for restoration of the property, i.e., EUR 932k, to “Income from other services” and the remaining EUR 4,068k of the indemnity to “Decrease in fair value of investment property” for work expenditures capitalized during the year. Work was classified either under “Building-related costs” or as subsequent “Investment property” expenditures depending on whether it concerned restoration of property or replacement of existing components. The following table shows that these items do not have an impact on the statement of comprehensive income for the year ended December 31, 2010:

In thousands of euros

Caption	Expense	Revenue	Impact on statement of comprehensive income
Indemnity for routine maintenance work		932	Income from other services
Routine maintenance work	932		Building-related costs
Indemnity for the replacement of components		4,068	Fair value of investment property
Replacement of components	4,068		Fair value of investment property
Total impact on statement of comprehensive income	5,000	5,000	

Note 1.2 Regulatory context

The financial statements were adopted by the Board of Directors on February 15, 2011 and have been submitted to the General Shareholders' Meeting for approval.

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, 2010 were prepared in accordance with international accounting standards (IAS/IFRS) applicable to accounting periods ended December 31, 2010, 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, 2010 includes, for the purposes of comparison, the IFRS financial statements for the year ended December 31, 2009.

1.2.2. Accounting principles, rules and methods used to prepare the IFRS financial statements for the year ended December 31, 2010

Note 2.1 Presentation of the IFRS financial statements

The Company's financial statements for the year ended December 31, 2010 have been prepared in accordance with international accounting standards (IAS/IFRS) and with 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, 2010 and applicable at that date.

The standards and interpretations applied to prepare the IFRS financial statements for the year ended December 31, 2010 are the same as those used to prepare the IFRS financial statements for the year ended December 31, 2009.

The new published standards and amendments effective for accounting periods ended December 31, 2010 but with no impact on the Company's financial statements are as follows:

- IAS 27 (revised) – Consolidated and Separate Financial Statements;
- IFRS 3 (revised) – Business Combinations;
- Amendment to IAS 39 – Financial instruments – Eligible Hedged Items;
- Amendment to IFRS 2 – Shared-based Payment – Group Cash-settled Share-based Payment Transactions;
- IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations;
- Amendments – Annual Improvements to IFRS (April 2009).

The new interpretations effective for accounting periods ended December 31, 2010 but with no impact on the Company's financial statements are as follows:

- IFRIC 12 – Service Concession Arrangements;
- IFRIC 15 – Agreements for the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 – Distributions of Non-cash Assets to Owners;
- IFRIC 18 – Transfers of Assets from Customers.

The Company has not applied the following new standards, interpretations or amendments to existing standards that are not yet effective or had not been adopted by the European Union at December 31, 2010 and do not have an impact on the Company's financial statements:

- Amendment to IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues;
- Amendment to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments;
- The majority of the amendments made in the third round of the Annual Improvements to IFRS (May 2010) and not yet adopted by the European Union;
- IFRS 9 – Financial instruments.

The Company has not elected to early adopt any IFRS standards or IFRIC interpretations adopted by the European Union at December 31, 2010 but only effective in subsequent accounting periods.

Note 2.2 Segment reporting

Within the framework of IFRS 8, the Company has not identified different operating segments insofar as its assets solely comprise commercial real estate located in the Paris area. IFRS 8 states that operating segments may be aggregated if they are similar in each of the following respects:

- the nature of the products and services;
- the nature of production processes;
- the type or class of customer for their products or services;
- the methods used to distribute their products or provide their services;
- if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

Consequently, the Company did not have significant additional disclosure requirements as a result of applying IFRS 8.

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 the end of each reporting period. 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 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

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

Companies generally change their external real estate valuer every three years, in order to obtain a fresh analysis of an asset's qualities and market value. On July 1, 2009, the Company appointed BNP Paribas Real Estate Expertise as external real estate valuer to measure its three real estate assets.

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

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 reported 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 yield on the buildings. The resulting valuations are regularly compared to market data in terms of yield, 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, 2010, 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, 2010 by 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 former French financial markets regulator – Bulletin COB – February 2000). They also comply with TEGoVA (European valuation standards) and the rules set out in the Appraisal and Valuation Manual drawn up by the Royal Institution of Chartered Surveyors (RICS).

The valuer calculated the fair value of the real estate assets using several valuation methods, including revenue methods and the comparable method.

• Revenue methods

These methods capitalize annual income by selecting a specific income base (actual rent, market rent, net rental income) and applying the corresponding rate of return. BNP Paribas Real Estate Expertise calculated the fair value based on the return on investment method and the DCF method.

• Return on investment method

This method consists of capitalizing the annual revenue of an asset with a rate defined by the market.

• DCF method

This method consists of discounting the annual cash flows generated by the asset, including the assumed resale at the end of a defined ownership period. Cash flows are defined as the total amount of all of the asset's revenues, net of expenses not reimbursable to lessees.

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.

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, facade, 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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the entity upon initial recognition designates as available for sale;
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Accounts receivable

Accounts receivable consist of accrued amounts receivable from lessees. They are initially recognized at fair value and subsequently 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.

The timing difference between the billing date and the end of the reporting period 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 additional paid-in capital.

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.

On September 20, 2010, Cegereal entered into a second liquidity agreement with Exane BNP Paribas for an amount of EUR 200k invested in Cegereal shares.

Within the scope of these liquidity agreements, the Company owned 32,922 treasury shares (representing less than 2.5% of its total issued shares) for a total amount of EUR 753k at December 31, 2010.

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

Cash allocated to the liquidity agreement and not invested in Company shares at the end of the reporting period 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 of impact of tax treatment as an SIIC

1. 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%⁽¹⁾ 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.

2. 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.

3. 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 order to comply with the French Finance Act for 2006, CRI, Cegereal's majority shareholder, 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.

4. 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 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.

⁽¹⁾ The exit tax rate was set at 19% with effect from January 1, 2009 (Article 25 of the French Finance Act for 2009 dated December 27, 2008). This change in the tax rate has not had any impact on the amount of exit tax payable by Cegereal pursuant to its election for SIIC status.

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 shareholders' dividend is not subject to corporate income tax or another equivalent tax.

Considering Cegereal's ownership structure at December 31, 2010, the 20% withholding tax was not levied on any of the dividends it distributed.

5. Dividend distributions to Commerz Real which derive from SIIC income are subject to withholding tax. The rate of withholding tax varies depending on the tax residence of the unit holders (15% for unit holders residing in Germany and 25% for all other unit holders).

However, dividend distributions to Commerz Real which do not derive from the Company's status as an SIIC are not subject to withholding tax.

Dividend distributions to other shareholders may be subject to withholding tax depending on their tax residence.

Note 2.9 Business tax reform

The French Finance Act for 2010, adopted on December 30, 2009, abolished the existing business tax (taxe professionnelle) for French tax entities as from 2010, replacing it with a local economic contribution (*Contribution Economique Territoriale* – CET) consisting of:

- a component assessed on the rental value of properties previously liable for *taxe professionnelle* (*Cotisation Foncière des Entreprises* – CFE);
- a component based on the value added generated by the Company (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE).

The Company records the CET as an operating expense. The basis for the calculation of the CET continues to include elements that do not meet the definition of taxable income within the meaning of IAS 12 (e.g., the rental value of real estate assets).

Note 2.10 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 end of the reporting period) is classified in non-current borrowings, while the short-term portion (due in less than 12 months) is classified in current borrowings.

Note 2.11 Rental income

The Company leases out its real estate under operating leases. Assets leased under operating leases are recognized in the statement of financial position 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 on 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 2.12 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 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 973k.

Note 2.13 Discounting of deferred payments

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

- Security deposits received from lessees are not discounted as the impact of discounting is not material.
- Provisions for material liabilities, as defined in IAS 37, are discounted over the estimated duration of the disputes they cover.

Note 2.14 Earnings per share

Earnings per share is a key indicator used by the Group, and is 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.

1.2.3. 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.

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Estimates that could lead to a significant adjustment in the carrying amount 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 led to 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 end of the reporting period.

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, based on observation of the real estate market.

In millions of euros

Site	Market rental value	Market capitalization rate	Changes in market capitalization rate								
			0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
Europalaza	23.3	5.72%	352.7	359.9	367.4	375.3	383.5	392.1	401.0	410.4	420.3
Rives de Bercy	10.8	6.03%	155.3	158.3	161.5	164.8	168.2	171.8	175.5	179.4	183.4
Arcs de Seine	21.0	6.50%	282.3	287.4	292.7	298.3	304.0	310.0	316.2	322.6	329.3
Total	55.0	6.06%	790.3	805.7	821.7	838.3	855.7	873.8	892.7	912.4	933.0

Impact on the portfolio value:

(7.65)% (5.85)% (3.98)% (2.03)% 0.00% 2.11% 4.32% 6.63% 9.03%

Source: BNP Paribas Real Estate Expertise.

These data are linked to the market and could therefore change significantly in the current climate. This could have a significant positive or negative impact on the fair value of the Company's real estate assets.

1.2.4. 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 large 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 m²) 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.

At December 31, 2010, the Company was dependent on a three lessees who collectively represent approximately 74% of total rental income in 2011 and individually more than 10%. 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

At December 31, 2010, the Company's financing consisted of:

- a fixed-rate loan for EUR 376,400k maturing in March 2013. Pursuant to the loan agreement, the Company is not exposed to any future increases in interest rates;
- a variable-rate (3-month Euribor) loan for EUR 22,492k maturing in March 2013. In the event that the 3-month Euribor exceeds 4%, the Company has undertaken to enter into a hedging agreement.

1.2.5. Notes to the IFRS statement of financial position at December 31, 2010 and statement of comprehensive income for the year then ended

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
31/12/08	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)
31/12/09	156,000	360,500	311,000	827,500
Indemnity received			(4,068)	(4,068)
Subsequent expenditure			4,068	4,068
Disposals				
Change in fair value	12,200	23,000	(2,000)	33,200
31/12/10	168,200	383,500	309,000	860,700

As stated in Note 1.1, the indemnity received for the replacement of components in the Arcs de Seine building is allocated to "Change in fair value".

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.

With the exception of the commitment given to building contractors to complete fitting-out work on the Arcs de Seine building, at December 31, 2010 there were no other contractual obligations regarding the purchase, construction, fitting-out, 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, 2010 is indicated below, along with the supporting information:

Building	Estimated value at 31/12/10 (net of taxes)		Yield	Gross leasable area ⁽²⁾ at 31/12/10		Annual rent (net of taxes) ⁽³⁾	
	in millions of euros	%		m ²	%	In thousands of euros	%
Europlaza (1999 ⁽¹⁾)	384	45	6.3	49,321	39	25,801	44
Arcs de Seine (2000 ⁽¹⁾)	309	36	6.5	45,152	36	21,247	36
Rives de Bercy (2003 ⁽¹⁾)	168	20	6.8	31,942	25	12,086	20
Total	861	100		126,415	100	59,134	100

(1) Year of construction or restoration.

(2) The gross leasable area includes the surface area of the offices, storage areas and a share of common areas.

(3) Annual rent includes rent billed to lessees for space occupied at December 31, 2010 and market rent, as estimated by valuers, in relation to vacant premises (€2,416k for Europlaza and €18,664k for Arcs de Seine).

Note 5.2 Non-current loans and receivables

This item can be broken down as follows:

In thousands of euros

	31/12/10	31/12/09
Rent-free periods (non-current portion)	11,597	12,127
Non-current loans and receivables	11,597	12,127

"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.

Note 5.3 Accounts receivable

This item can be broken down as follows:

In thousands of euros

	31/12/10	31/12/09
Accounts receivable	6,156	14,505
Provision for impairment of accounts receivable	(19)	(22)
Accounts receivables	6,137	14,483

Note 5.4 Other operating receivables

This item can be broken down as follows:

In thousands of euros

	31/12/10	31/12/09
Rental expenses	894	640
Rent-free periods (current portion)	2,270	2,460
Input VAT	1,124	296
Supplier accounts in debit and other receivables	3	25
Liquidity account/treasury shares	268	461
Other operating receivables	4,560	3,882

"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" comprises 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 7,020k and time deposits of EUR 18,524k. The interest rate on time deposits in effect at December 31, 2010 was approximately 0.82%.

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Note 5.6 Ageing analysis of receivables

The ageing analysis of receivables at December 31, 2010 is as follows:

In thousands of euros

	Receivables (net of impairment) 31/12/10	Receivables not past due (net of impairment)	Receivables past due (net of impairment)	Receivables less than 6 months past due	Receivables more than 6 months and less than 1 year past due	Receivables 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	6,137	6,126	11	2	5	4
Other operating receivables	4,560	4,560				
Prepaid expenses	2,183	2,183				
Total current receivables	12,880	12,869	11	2	5	4
Total receivables	24,478	24,467	11	2	5	4

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

In thousands of euros

	Receivables (net of impairment) 31/12/09	Receivables not past due (net of impairment)	Receivables past due (net of impairment)	Receivables less than 6 months past due	Receivables more than 6 months and less than 1 year past due	Receivables more than 1 year past due
NON-CURRENT RECEIVABLES						
Non-current loans and receivables	11,597	11,597	-	-	-	-
Total non-current receivables	11,597	11,597	-	-	-	-
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

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 6,137k.

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

Summary of financial assets and liabilities	31/12/10	31/12/09
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Held-to-maturity investments		
Loans and receivables		
Non-current loans and receivables	11,597	12,127
Current receivables	10,697	18,365
Available-for-sale financial assets		
Cash and cash equivalents	25,544	16,200
Total financial assets	47,838	46,692
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		
Financial liabilities measured at amortized cost		
Non-current liabilities	399,529	402,095
Current liabilities	10,481	6,679
Total financial liabilities	410,010	408,774

Note 5.10 Changes in impairment of financial assets

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

In thousands of euros

	31/12/09	Additions	Reversals	31/12/10
IMPAIRMENT				
On trade accounts receivable	22		3	19
Total impairment	22	-	3	19

Note 5.11 Shareholders' equity

At December 31, 2010, 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.

At December 31, 2010, 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, 2010.

At December 31, 2010, the Company owned 32,922 treasury shares (representing less than 2.5% of its total issued shares) for a total amount of EUR 753k.

The General Shareholders' Meeting of June 29, 2010:

- (i) granted the Board an 18-month authorization, in compliance with Articles L. 225-209 et seq. of the French Commercial Code, to repurchase on one or more 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 buy-back program. This authorization cancels and replaces the authorization granted to the Board of Directors at the May 29, 2009 Ordinary Shareholders' Meeting. The buy-backs may be carried out with the following aims:
- to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

- to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article 225-209 (6), the shares acquired for this purpose may not exceed 5% of the Company's share capital;
- to have shares available for stock purchase option plans and other share awards to the Group's employees and/or corporate officers under the conditions and pursuant to the procedure provided for by law, in particular in connection with the profit-sharing schemes, company savings plans, or free share grants;
- to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;
- to cancel, where applicable, any repurchased shares under the conditions specified in (ii).

(ii) authorized the Board of Directors to cancel, on one or more occasions over a period of 24 months and based on its sole decision, any shares that the Company holds or may hold following the buy-backs made under Article L. 225-209 of the French Commercial Code, within the limit of 10% of the share capital calculated as of the date of the Board's decision, after deduction of any shares cancelled during the previous 24 months; and to reduce the share capital accordingly pursuant to the legal and regulatory provisions in force.

(iii) authorized the Board, in connection with its issue of securities pursuant to the eleventh resolution of the Extraordinary Shareholders' Meeting of May 29, 2009 (public tender offer, private placement), to set the share price within the limit of 10% of the share capital per annum as follows: the price shall be equal to the average trading price weighted by trading volumes over the last five trading sessions preceding the date on which the issue price is set, less a discount of up to 30%.

The reserves recorded in shareholders' equity mainly comprise non-distributable items, resulting from IFRS adjustments of EUR 113,849k at December 31, 2010, and the not yet distributable portion of the revaluation reserve in the amount of EUR 152,342k. These reserves can be analyzed as follows:

In thousands of euros	31/12/10			31/12/09		
	Amount	Distributable portion	Non-distributable portion	Amount	Distributable portion	Non-distributable portion
Legal reserve	16,047		16,047	16,047		16,047
Merger premium	34,222	34,222		35,292	35,292	
Retained earnings	216,753	6,546	210,207	309,618	6,203	303,415
Net income (loss) for the year	63,313	7,329	55,984	(70,886)	15,541	(86,427)
Total	330,335	48,097	282,238	290,071	57,036	233,035

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Note 5.12 Non-current borrowings

The Company took out a bank loan on March 2, 2006. At December 31, 2010, bank borrowings, measured at the amortized cost of the consideration received less directly attributable transaction costs, amounted to EUR 397,624k.

The loan is broken down into several tranches:

In thousands of euros

Purpose	Principal	Maturity	Interest rate basis	Interest rate
Tranche A	196,400	02/03/13	Fixed with variable-rate option	4.15%
Tranche B	180,000	02/03/13	Fixed with variable-rate option	4.15%
Financing of exit tax liability	22,492	02/03/13	Variable rate	3-month Euribor +0.6%
Total	398,892			

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, 2010, 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 4.30%.

The average weighted cost of the loan for the year ended December 31, 2010 was 3.99%.

The first two tranches of the loan and the tranche relating to the financing of the exit tax liability mature on March 2, 2013. The annual gross interest expense will amount to approximately EUR 16.2m for 2010 to 2012.

Correlatively with the transfer of the easement in 2009, the Company repaid EUR 3.5m of its 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. Based on calculations of the interest coverage ratio (ICR) and loan-to-value ratio (LTV) at December 31, 2010, this repayment schedule remains unchanged. 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 be analyzed as follows:

In thousands of euros

	31/12/10		31/12/09	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loan – first tranche (A)	196,400	203,581	199,900	206,621
Bank loan – second tranche (B)	180,000	186,582	180,000	186,052
Bank loan – third tranche (C)	22,492	22,492	22,492	22,492
Total	398,892	412,655	402,392	415,165

At December 31, 2010, 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

As described in Note 2.8, there is no tax liability.

Note 5.16 Other operating liabilities

Other operating liabilities can be broken down as follows:

In thousands of euros

	31/12/10	31/12/09
Personnel	50	19
Accrued VAT, other taxes and social security charges	1,664	3,113
Accrued rental expenses rebilled to lessees	825	659
Rent paid in advance by lessees		121
Shareholders		41
Other operating liabilities	2,538	3,953
Amounts due to fixed asset suppliers	4,333	
Amounts due to fixed asset suppliers	4,333	-
Other liabilities	6,871	3,953

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 31/12/10	Undiscounted contractual value	Undiscounted contractual value		Due in more than 5 years
			Due in 1 year or less	Due in more than 1 year but less than 5 years	
NON-CURRENT LIABILITIES					
Non-current borrowings	397,624	398,892		398,892	
Other non-current financial debt	1,905	1,905			1,905
Non-current corporate income tax liability					
Total non-current liabilities	399,529	400,797	-	398,892	1,905
CURRENT LIABILITIES					
Other current financial debt					
Accounts payable	3,609	3,609	3,609		
Corporate income tax liability					
Other operating liabilities	6,871	6,871	6,871		
Total current liabilities	10,481	10,481	10,481	-	-

Note 5.18 *Prepaid expenses and revenue*

Prepaid expenses consist mainly of interest paid on the bank loan for the first quarter of 2011.

Prepaid revenue consists of rents billed in advance for the first quarter of 2011.

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

	31/12/10 12 months	31/12/09 12 months
Europlaza	20,288	20,525
Arcs de Seine	24,011	26,382
Rives de Bercy	10,387	10,132
Rental income	54,687	57,039

Note 5.20 *Income from other services*

Income from other services can be analyzed as follows:

In thousands of euros

	31/12/10 12 months	31/12/09 12 months
Rental expenses	5,717	5,801
Real estate taxes rebilled to lessees	3,553	3,347
Other amounts rebilled to lessees and miscellaneous income	967	386
Termination indemnities		122
Others		479
Income from other services	10,236	10,135

Note 5.21 *Building-related costs*

Building-related costs can be broken down as follows:

In thousands of euros

	31/12/10 12 months	31/12/09 12 months
Rental expenses	5,388	5,556
Taxes	3,825	3,713
Fees	3,270	3,192
Maintenance costs	1,587	158
Expenses on vacant premises	973	833
Other expenses	80	82
Building-related costs	15,124	13,533

Fees mainly comprise asset management fees, which amounted to EUR 3,014k for the year ended December 31, 2010 and EUR 2,896k for the year ended December 31, 2009.

Expenses on vacant premises relate to the Europlaza and Arcs de Seine buildings.

Rental expenses amounted to EUR 10,187k of which EUR 9,270k were rebilled.

Note 5.22 *Administrative costs*

Administrative costs mainly comprise professional fees and also include payroll expenses for EUR 477k.

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Note 5.23 Financial income and expenses

Financial income and expenses can be broken down as follows:

In thousands of euros

	31/12/10 12 months	31/12/09 12 months
Financial income	70	94
Financial expenses	(16,931)	(16,958)
Interest on bank borrowings	(16,752)	(16,476)
Commissions on bank borrowings	(179)	(482)
Discounting of exit tax liability		(835)
Total financial expenses	(16,861)	(17,699)

Note 5.24 Corporate income tax

Corporate income tax can be broken down as follows:

In thousands of euros

	31/12/10 12 months	31/12/09 12 months
Corporate income tax		
Total current tax expense	-	-
Deferred taxation income		(164)
Corporate income tax	-	(164)

Note 5.25 Earnings per share

Earnings per share is calculated by dividing net income attributable to shareholders of the Company by the number of ordinary shares net of treasury shares at December 31, 2010, i.e., 13,339,578, and is 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.

Note 5.26 Off-balance sheet commitments and security provided

All material commitments are listed below. The Company had not entered into any complex commitments at the end of the reporting period.

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 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.
- (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 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 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;
- to adhere to the legislation applicable to its business and assets;
- to repay the loan upon its expiration or in advance without charge or penalty, with the exception of breakage costs and commissions which at December 31, 2010 were estimated to be EUR 18.4m.

- (iii) The Company does not possess any derivative financial instruments. However, in accordance with Article 16.19 of the loan agreement, it agreed to take out a hedge on the date of availability of Tranche C of the loan in the event that the 3-month Euribor stood at 4% or more per annum.
- (iv) The Company has agreed to pledge its main bank accounts and potential receivables with insurance companies, for the benefit of Opera France One FCC, in accordance with the agreements signed with Eurohypo and Opera France One FCC on April 9, 2010.

Commitments received

- (i) Following the departure of Bouygues Telecom, security deposits received from lessees amounted to EUR 35,241k at December 31, 2010.
- (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 could no longer be used at December 31, 2010, as the first three installments of exit tax had 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 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.

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

- At December 31, 2010, 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

	Minimum annual rental income	
	31/12/10	31/12/09
2010		67,122
2011	37,544	41,174
2012	36,770	40,585
2013	31,647	40,344
2014	27,975	34,077
2015	13,629	17,836
2016	7,800	8,776
2017	4,892	5,970

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 Proposal for the appropriation of net income

Subject to the approval of the General Shareholders' Meeting, the Board of Directors proposes to pay a dividend of EUR 1.10 per share, i.e., a total amount of EUR 14,709,750.

Note 5.28 Transactions with related parties

Transactions with related companies

The *hausInvest europa* property fund, Cegereal's majority shareholder, is managed by Commerz Real. Consequently, transactions with Commerz Real are identified as related-party transactions:

In thousands of euros

	31/12/10 12 months	31/12/09 12 months
IMPACT ON OPERATING INCOME		
Building-related costs: Asset management fees	3,014	2,896
IMPACT ON NET FINANCIAL EXPENSE		
Interest expense and related charges		
Total impact on statement of comprehensive income	3,014	2,896
IMPACT ON LIABILITIES		
Non-current borrowings		
Accounts payable	840	566
Other operating liabilities	-	41
Total impact on statement of financial position	840	607

Transactions with key management personnel

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

The Chairman of the Board of Directors was allocated gross compensation of EUR 25,000 for the year ended December 31, 2009 and EUR 50,000 for the year ended December 31, 2010; the latter amount will be paid in January 2011.

(ii) Compensation of key management personnel

In thousands of euros

Categories of employee benefits	31/12/10 12 months	31/12/09 12 months
Short-term employee benefits	227	221
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		
Share-based payments		
Total	227	221

(iii) Attendance fees

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

Attendance fees of EUR 40k will be paid for the year ended December 31, 2010.

(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, namely certain directors and the Managing Director.

Transactions with other related parties

The loan of EUR 399 million which appears in the financial statements arises from the credit agreement entered into in 2006 with the Eurohypo AG bank, which is considered a related party. This loan generated interest in the amount of EUR 16m in 2010. The conditions of this loan are described in Notes 5.12 and 5.26.

Note 5.29 Personnel

The Company had three employees at December 31, 2010.

Note 5.30 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, 2010 and 2009 were as follows:

In thousands of euros

	Amount (net of taxes)		%	
	31/12/10	31/12/09	31/12/10	31/12/09
Statutory audit of the financial statements	353	313	96	95
Advisory services and services directly related to the statutory audit engagement	15	17	4	5
Total	367	330	100	100

Statutory Auditors’ report on the IFRS financial statements for the year ended December 31, 2010

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 IFRS financial statements

Year ended December 31, 2010

To the Shareholders,

In our capacity as Statutory Auditors of CeGeREAL SA, and in compliance with the assignment entrusted to us, we hereby report to you, for the year ended December 31, 2010, on the audit of the accompanying financial statements of CeGeREAL SA 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 review 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, 2010 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 presentation of the financial statements for the year ended December 31, 2010 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, February 25, 2011

KPMG Audit
Division of KPMG SA

Régis Chemouny
Partner

Charles Leguide
Partner

III - FINANCIAL INFORMATION

1.3. ANNUAL FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP

Balance sheet – French GAAP

In euros

ASSETS	Notes	Gross amount	Depr., Amort. & Prov.	31/12/10	31/12/09
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	230,158,610	377,803,516	405,129,870
Technical plant, equipment and industrial machinery		1,028,652	783,492	245,160	348,327
Other property, plant and equipment		535,727	211,656	324,071	331,524
Property, plant and equipment in progress		4,068,465		4,068,465	
Advances and down payments					
Financial fixed assets					
Measured investments					
Other investments					
Receivables from controlled entities					
Other long-term investments					
Loans					
Other financial fixed assets		1,021,136	12,583	1,008,553	867,938
FIXED ASSETS	5.1	979,688,813	231,166,341	748,522,472	771,750,365
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	6,268,999	18,683	6,250,316	14,687,588
Other receivables	5.5	15,921,187		15,921,187	15,699,302
Subscribed capital, called up but not paid					
Short-term investment securities					
Cash and cash equivalents	5.4	25,543,830		25,543,830	16,199,825
CURRENT ASSETS		47,734,016	18,683	47,715,333	46,586,715
Prepaid expenses	5.8	2,048,529		2,048,529	2,070,096
Adjustment accounts					
TOTAL ASSETS		1,029,471,358	231,185,024	798,286,334	820,407,176

In euros

EQUITY AND LIABILITIES	Notes	31/12/10	31/12/09
Capital			
Share capital (including paid-up capital: 160,470,000)	5.9	160,470,000	160,470,000
Additional paid in capital		34,221,976	35,291,776
Revaluation reserve	5.11	158,777,952	164,937,725
Reserves			
Legal reserve		16,047,000	16,047,000
Statutory or contractual reserves			
Regulated reserves			
Other reserves		8,423	
Income			
Retained earnings		102,099	43,192
Net income for the period		7,329,497	15,540,619
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	5.10	376,956,947	392,330,312
Income from the issue of equity instruments			
Contingent advances			
OTHER EQUITY			
Contingency provisions			
Provision for losses			
LOSS AND CONTINGENCY PROVISIONS			
Non-current borrowings			
Convertible bonds			
Other bonds			
Bank borrowings	5.5	398,891,840	402,391,840
Miscellaneous borrowings and financial debt	5.5	1,904,537	1,608,094
Accounts payable and other current liabilities			
Advances/down payments received on orders in progress			
Trade accounts payable	5.5	3,616,665	2,810,173
Tax and social liabilities	5.5	1,715,340	3,135,253
Amounts owed to fixed asset suppliers	5.5	4,333,620	
Other liabilities	5.5	959,892	1,048,748
Prepaid revenue	5.8	9,907,494	17,082,756
LIABILITIES		421,329,387	428,076,864
Adjustment accounts			
TOTAL EQUITY AND LIABILITIES		798,286,334	820,407,176

III - FINANCIAL INFORMATION

Income statement – French GAAP

In euros

				31/12/10 12 months	31/12/09 12 months
	France	Exports	Notes	Total	Total
Sales of goods for resale					
Sales of manufactured products					
Sales of services	63,956,378		5.12	63,956,378	67,043,926
NET REVENUE	63,956,378			63,956,378	67,043,926
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				969,699	85,780
Other revenue				17	36,927
TOTAL OPERATING REVENUE				64,926,094	67,166,633
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	13,463,198	12,138,989
Taxes, duties and other levies				3,971,528	3,818,074
Wages and salaries				336,332	221,188
Social security charges				140,920	92,952
On fixed assets: depreciation, amortization			5.2	26,048,435	26,045,681
On fixed assets: provisions for impairment					
On current assets: provisions for impairment					
Loss and contingency provisions					
Other expenses				44,242	50,261
Total operating expenses				44,004,655	42,367,146
OPERATING INCOME				20,921,438	24,799,487
Allocated income or transferred loss					
Loss incurred or transferred income					
Financial income from controlled entities					
Income from other securities and receivables					
Other interest income				70,044	101,096
Release of provisions for impairment, other provisions and expense transfers				42,501	130,478
Foreign exchange gains					
Net income on sale of short-term investment securities					
Total financial income				112,545	231,575
Financial amortization charges, provisions for impairment and other provisions				55,084	
Interest expenses				16,333,601	16,377,344
Foreign exchange losses					
Net expenses on sales of short-term investment securities					
Total financial expenses				16,388,685	16,377,344
NET FINANCIAL EXPENSES				(16,276,140)	(16,145,769)
CURRENT INCOME BEFORE TAX				4,645,298	8,653,718

In euros

	Notes	31/12/10	31/12/09
Non-recurring income on management transactions			
Non-recurring income on capital transactions		51,778	6,851,247
Release of provisions for impairment, other provisions and expense transfers		4,068,465	37,500
Total non-recurring income		4,120,243	6,888,747
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions		48,472	1,846
Depreciation, amortization and provisions for impairment	5.2	1,387,573	
Total non-recurring expenses		1,436,045	1,846
NET NON-RECURRING INCOME	5.14	2,684,198	6,886,901
Employee profit sharing			
Corporate income tax			
TOTAL INCOME		69,158,882	74,286,955
TOTAL EXPENSES		61,829,385	58,746,336
NET INCOME		7,329,497	15,540,619

Notes to the financial statements prepared in accordance with French GAAP for the year ended December 31, 2010

1.3.1. 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, 2010 to December 31, 2010.

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, 2009.

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

One floor of the Europlaza building was leased to Experian.

TF1 quit its premises in the Arcs de Seine building in January 2010, vacating 3,700 sq.m. Bouygues Telecom terminated its lease on January 1, 2011, leaving 38,819 sq.m or 88% of the Arcs de Seine building vacant, which will have an impact on the 2011 financial statements.

Indemnity for restoration of property and repair work

In accordance with its lease agreement, Bouygues Telecom undertook to maintain the premises in a good state of upkeep and repair. After the return of the premises and the inventory of the fixtures, the lessee paid a lump sum indemnity of EUR 5m.

The full amount of this restoration indemnity was recorded in income for the year ended December 31, 2010 and distributed between operating income and non-recurring income, by first allocating the indemnity received for expensed work expenditures and then by allocating the remaining indemnity to non-recurring income.

Work expenditures were either expensed or capitalized depending on whether it concerned restoration of the property or replacement of existing components, in accordance with the criteria for defining and recognizing assets as set out in CRC Regulation No. 2004-06 of the French general chart of accounts (*Plan Comptable Général*).

These items had the following impact on the French GAAP financial statements for the year ended December 31, 2010:

In euros

Caption	Assets	Equity and Liabilities	Impact on the balance sheet
Replacement of components	4,068,465	-	Property's plant and equipment in progress
Accelerated depreciation of components to be replaced	(1,387,573)	-	Buildings
Net impact on the balance sheet	2,680,892		

In euros

Caption	Expense	Revenue	Net impact	Impact on income statement
Indemnity for routine maintenance work		931,535		Operating expense transfers
Routine maintenance work	931,535			Maintenance and repairs
Impact on operating income	931,535	931,535	-	
Indemnity for the replacement of components		4,068,465		Non-recurring expense transfers
Accelerated depreciation and amortization on components to be replaced	1,387,573			Accelerated depreciation and amortization
Impact on non-recurring income	1,387,573	4,068,465	2,680,892	
Impact on net income	2,319,108	5,000,000	2,680,892	

1.3.2. Accounting rules, principles and methods

The Company’s financial statements for the year ended December 31, 2010 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, 2010 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 at 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, facades, 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, 2010 are as follows:

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

Impairment

Impairment is calculated by the Company at the end of each reporting period 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 end of the reporting period 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 2.2 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 end of the reporting period.

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 2.3 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 end of the reporting period is eliminated by recognizing rent billed for future periods under "Prepaid revenue".

Note 2.4 Revenue recognition

Rental income is recognized over the lease term.

Therefore, in order to reflect the economic benefits of the lease, the Company records benefits granted to lessees as rent reductions. Material rent-free periods and expenses borne by the lessor for work specifically benefiting the lessee 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 2.5 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 and expenses chargeable to 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 2.6 Financial expenses

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

Note 2.7 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 additional future economic benefits.

Indemnities paid by lessees for restoring property to its previous condition upon vacation of the premises are recognized in operating income or in non-recurring income depending on the how the expenses concerned are recognized in the accounts.

1.3.3. 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 large 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.

At December 31, 2010, the Company was dependent on a three lessees who collectively represent approximately 74% of total rental income in 2011 and individually more than 10%. 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 5.16 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.

III - FINANCIAL INFORMATION

Note 3.7 Interest rate risk

At December 31, 2010, the Company's financing consisted of:

- a fixed-rate loan for EUR 376,400k maturing in March 2013. Pursuant to the loan agreement, the Company is not exposed to any future increases in interest rates;
- a variable-rate (3-month Euribor) loan for EUR 22,492k maturing in March 2013. In the event that the 3-month Euribor exceeds 4%, the Company has undertaken to enter into a hedging agreement.

1.3.4. 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, 2009.

1.3.5. Notes to the balance sheet and the income statement and other information

Note 5.1 Statement of fixed assets

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

Caption	Gross value at 01/01/2010	Increases	Decreases	Gross value at 31/12/2010
Property, plant and equipment	974,599,215	4,068,465	-	978,667,677
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	607,962,128	-	-	607,962,128
Europlaza	265,483,116	-	-	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	-	4,068,465	-	4,068,465
Arcs de Seine	-	4,068,465	-	4,068,465
Financial fixed assets	867,938	346,589	193,391	1,021,136
Security guarantees and deposits	-	-	-	-
Treasury shares	406,410	346,589	-	752,999
Cash used in the liquidity agreement	461,528	-	193,391	268,137
Total gross fixed assets	975,467,153	4,415,054	193,391	979,688,813

At December 31, 2010, the Company's real estate assets were valued by external real estate valuer BNP Paribas Real Estate Expertise. Each property was measured on the basis of various methods, including the return on investment method, the DCF method and the comparable method. All amounts are measured net of taxes.

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, 2010.

Security given on property, plant and equipment is analyzed in Note 5.16.

At December 31, 2010, Cegereal held 32,922 of the Company's shares out of a total of 13,372,500, representing EUR 752,999. During the year, 71,190 shares were purchased and 55,179 were sold.

Note 5.2 Statement of depreciation

Changes in accumulated depreciation can be broken down as follows:

Caption	Accumulated depreciation at 01/12/ 2010	Charges for the period	Reversals in the period	Accumulated depreciation at 31/12/ 2010
Property, plant and equipment				
Buildings	202,832,256	27,326,354		230,158,610
Europlaza	95,143,013	11,655,972		106,798,985
Arcs de Seine	76,704,408	10 835 693 ⁽¹⁾		87,540,101
Rives de Bercy	30,984,834	4,834,689		35,819,523
Technical plant, industrial machinery and other property, plant and equipment	884,528	110,619		995,147
Europlaza	204,203	7,453		211,656
Rives de Bercy	680,325	103,167		783,492
Total accumulated depreciation	203,716,784	27,436,973		231,153,758

(1) This amount includes accelerated depreciation of EUR 1,387,573.

Note 5.3 Statement of impairment allowances

Changes in this item were as follows:

Caption	Carrying amount at 01/12/ 2010	Additions	Reversals	Amount at 31/12/10
On treasury shares		12,583		12,583
On trade accounts receivable	21,800		3,117	18,683
Total impairment	21,800	12,583	3,117	31,266

Note 5.4 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

In euros

Cash and cash equivalents	31/12/10	31/12/09
Bank accounts	7,019,647	9,199,756
Time deposits	18,500,000	7,000,000
Accrued interest receivable	24,183	69
Total	25,543,830	16,199,824

Time deposits have an average term of less than three months. The interest rate on time deposits in effect at December 31, 2010 was approximately 0.82%.

In euros

Payables	Gross value	Due in 1 year or less	Maturity	
			Due in more than 1 year but less than 5 years	Due in more than 5 years
Bank borrowings ⁽¹⁾⁽²⁾	398,891,840		398,891,840	
Miscellaneous borrowings and financial debt ⁽³⁾	1,904,537			1,904,537
Trade accounts payable	3,616,665	3,616,665		
Tax and social liabilities	1,715,340	1,715,340		
Amounts due to fixed asset suppliers ⁽⁴⁾	4,333,620	4,333,620		
Other liabilities	959,892	959,892		
TOTAL PAYABLES	411,421,893	10,625,517	398,891,840	1,904,537

(1) "Bank borrowings" comprises three tranches which are reimbursed at maturity on March 2, 2013 subject to compliance with covenants or contractual clauses set out in Note 5.16. Based on calculations of the interest coverage ratio (ICR) and the loan-to-value ratio (LTV) at December 31, 2010, this repayment schedule remains unchanged. These ratios are described in Note 5.15.

(2) Collateral provided on borrowings at December 31, 2010 is analyzed in Note 5.15.

(3) Security deposits paid by lessees are recorded in "Miscellaneous borrowings and financial debt" for an amount of EUR 1,904,537. They are deemed to be long-term debt (maturing in over five years) on the assumption that lessees will seek to renew their leases, with the exception of lessees who have given notice to terminate the lease.

(4) "Amounts due to fixed asset suppliers" represents unbilled restoration work on the Arcs de Seine building corresponding to replaced components.

Note 5.5 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2010 can be analyzed as follows by maturity:

In euros

Receivables	Gross value	Due in 1 year or less	Due in more than 1 year
-------------	-------------	--------------------------	----------------------------

RECEIVABLES RELATED TO CURRENT ASSETS

Trade accounts receivable ⁽¹⁾	6,268,999	6,268,999	
Other receivables ⁽²⁾	15,921,187	4,323,842	11,597,345
Total receivables	22,190,186	10,592,841	11,597,345

(1) "Trade accounts receivable" mostly comprises rents (net of VAT) for the first quarter of 2011 and are offset by an entry to "Prepaid revenue" (see Note 5.8).

(2) "Other receivables" due in more than one year represents mainly benefits granted to lessees deferred for over one year.

III - FINANCIAL INFORMATION

Note 5.6 Accrued income and expenses

At December 31, 2010 accrued income and expenses can be analyzed as follows:

In euros

Accrued income	31/12/10	31/12/09
Other receivables		
Deferred rent-free periods	13,867,452	14,586,691
Cash and cash equivalents	24,183	69
Total	13,891,635	14,586,760

In euros

Accrued expenses	31/12/10	31/12/09
Trade accounts payable ⁽¹⁾	7,785,482	2,380,538
Tax and social liabilities	92,593	95,275
Total	7,878,075	2,475,812

(1) The increase in "Trade accounts payable" corresponds to restoration work carried out on the Arcs de Seine premises as described in Note 1.5.

Note 5.7 Transactions with related parties

Material transactions carried out by the Company with related parties are described below:

In euros

	31/12/10	31/12/09
Impact on operating income		
Other purchases and external charges:		
Asset management fees	3,014,200	2,896,250
Total income statement impact	3,014,200	2,896,250

In euros

	31/12/10	31/12/09
Impact on balance sheet liabilities		
Dividends		
Miscellaneous borrowings and financial debt	-	40,950
Trade accounts payable	839,684	565,537
Total balance sheet impact	839,684	606,487

Transactions with key management personnel

In accordance with a decision by the Board of Directors on May 12, 2010, the gross compensation of the Chairman of the Board is EUR 50,000 per annum before tax.

In accordance with a decision by the Board of Directors on April 9, 2010, the amounts paid to members of management totaled EUR 174,669 for the year ended December 31, 2010.

At the General Shareholders' Meeting of June 29, 2010, the shareholders set the maximum total annual attendance fees for all directors at EUR 120k. No attendance fees had been paid in respect of the year ended December 31, 2010 and EUR 40k will be paid in January 2011.

Transactions with other related parties

The loan of EUR 399 million which appears in the financial statements arises from the credit agreement entered into in 2006 with the Eurohypo AG bank, which is considered a related party. This loan generated interest in the amount of EUR 16m in 2010. The conditions of this loan are described in Notes 5.5 and 5.16.

Note 5.8 Prepaid expenses and revenue

At December 31, 2010, prepaid expenses and revenue can be analyzed as follows:

In euros

	Expense	Revenue
Operating revenue/expenses	55,045	9,907,494
Financial income/expenses	1,993,484	
Non-recurring income/expenses		
Total income statement impact	2,048,529	9,907,494

Prepaid revenue consists mainly of rents and provisions for billable expenses in respect of the first quarter of 2011 billed in advance.

Prepaid expenses consist mainly of loan interest paid in the fourth quarter of 2010 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 shareholder's equity	Share capital	Issue and merger premiums	Reserves (including revaluation reserve)	Retained earnings	Shareholders' equity before appropriation of net income
01/01/10	160,470,000	35,291,776	181,027,917	15,540,619	392,330,312
Dividends paid		(1,069,800)	(6,092,443)	(15,540,619)	(22,702,862)
Net income for the period				7,329,497	7,329,497
31/12/10	160,470,000	34,221,976	174,935,474	7,329,497	376,956,947

The General Shareholders' Meeting of June 29, 2010:

- (i) granted the Board an 18-month authorization, in compliance with Articles L. 225-209 et seq. of the French Commercial Code, to repurchase on one or more 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 buy-back program. This authorization cancels and replaces the authorization granted to the Board of Directors at the May 29, 2009 Ordinary Shareholders' Meeting. The buy-backs may be carried out with the following aims:
 - to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;
 - to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article 225-209 (6), the shares acquired for this purpose may not exceed 5% of the Company's share capital;
 - to have shares available for stock purchase option plans and other share awards to the Group's employees and/or corporate officers under the conditions and pursuant to the procedure provided for by law, in particular in connection with the profit-sharing schemes, company savings plans, or free share grants;
 - to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;
 - to cancel, where applicable, any repurchased shares under the conditions specified in (ii).
- (ii) authorized the Board of Directors to cancel, on one or more occasions over a period of 24 months and based on its sole decision, any shares that the Company holds or may hold following the buy-backs made under Article L. 225-209 of the French Commercial Code, within the limit of 10% of the share capital calculated as of the date of the Board's decision, after deduction of any shares cancelled during the previous 24 months; and to reduce the share capital accordingly pursuant to the legal and regulatory provisions in force.
- (iii) authorized the Board, in connection with its issue of securities pursuant to the eleventh resolution of the Extraordinary Shareholders' Meeting of May 29, 2009 (public tender offer, private placement), to set the share price within the limit of 10% of the share capital per annum as follows: the price shall be equal to the average trading price weighted by trading volumes over the last five trading sessions preceding the date on which the issue price is set, less a discount of up to 30%.

Note 5.11 Revaluation reserve

At December 31, 2010, 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	(23,138,275)	75,289,369	6,436,088
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	(23,138,275)	158,777,952	6,436,088

The additional depreciation related to the remeasurement of real estate assets amounts to EUR 6,436,088 for the year ended December 31, 2010, which brings the cumulative amount of additional depreciation since April 1, 2006 to EUR 29,574,363.

In accordance with the decision of the General Shareholders' Meeting of June 29, 2010, the portion of the revaluation reserve corresponding to the additional depreciation in respect of 2009, i.e., EUR 6,159,773, 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

	31/12/10 12 months	31/12/09 12 months
Rental income	54,686,652	57,518,102
Rental expenses rebilled to lessees	5,716,841	5,800,685
Real estate taxes rebilled to lessees	3,552,885	3,346,635
Termination indemnities		121,864
Other revenue		256,640
Total	63,956,378	67,043,926

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".

In 2009, other revenue corresponded to the rebilling of costs incurred for the extension of the staff cafeteria at Europlaza, which were attributable to the company which operates the cafeteria.

Note 5.13 Breakdown of certain income statement items

At December 31, 2010, other purchases and external charges can be analyzed as follows:

In euros

	31/12/10 12 months	31/12/09 12 months
Expenses rebilled to lessees	5,333,034	5,430,147
Rental expenses	84,288	108,954
Upkeep and repair of buildings ⁽¹⁾	1,586,555	157,633
Expenses on vacant premises ⁽²⁾	973,439	833,306
Fees ⁽³⁾	4,839,308	4,745,741
Publications	381,425	450,472
Sundry expenses	265,149	412,736
Total	13,463,198	12,138,989

(1) Of which EUR 931,535 for work on Arcs de Seine following the departure of Bouygues Telecom.

(2) Expenses related to vacant premises at the Europlaza and Arcs de Seine sites.

(3) Asset management fees amounted to EUR 3,014,200 in 2010 compared to EUR 2,896,250 in 2009.

Note 5.14 Net non-recurring income

As described in Note 1.5, non-recurring income corresponds mainly to the portion of the indemnity received in 2010 from Bouygues Telecom allocated to the replacement of existing components. Components to be replaced are subject to accelerated depreciation.

Note 5.15 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 year following the year 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 order to comply with the French Finance Act for 2006, CRI, Cegereal's majority shareholder, 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 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 shareholders' dividend is not subject to corporate income tax or another equivalent tax.

Considering Cegereal's ownership structure at December 31, 2010, the 20% withholding tax was not levied on any of the dividends it distributed.

- e) Dividend distributions to Commerz Real which derive from SIIC income are subject to withholding tax. The rate of withholding tax varies depending on the tax residence of the unit holders (15% for unit holders residing in Germany and 25% for all other unit holders).

However, dividend distributions to Commerz Real which do not derive from the Company's status as an SIIC are not subject to withholding tax.

Dividend distributions to other shareholders may be subject to withholding tax depending on their tax residence.

Note 5.16 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.

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 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 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;
- to repay the loan upon its expiration or in advance without charge or penalty, with the exception of breakage costs and commissions at December 31, 2010 which were estimated to be EUR 18.4m.

Derivatives

The Company did not possess any derivative financial instruments at December 31, 2010.

Commitments relating to the operating leases offered by the Company

Following the departure of Bouygues Telecom, security deposits received from lessees amounted to EUR 35,241,050k at December 31, 2010.

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, 2010, 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

	Minimum annual rental income	
	31/12/10	31/12/09
2010		67,122
2011	37,544	41,174
2012	36,770	40,585
2013	31,647	40,344
2014	27,975	34,077
2015	13,629	17,836
2016	7,800	8,776
2017	4,892	5,970

Note 5.19 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, 2010 and 2009 were as follows:

	Amount (net of taxes)		%	
	31/12/10	31/12/09	31/12/10	31/12/09
Statutory audit of the financial statements	352,585	313,148	96	95
Advisory services and services directly related to the statutory audit engagement	14,700	17,000	4	5
Total	367,285	330,148	100	100

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

Pledges of receivables and bank accounts

The Company has agreed to pledge bank accounts and potential receivables with insurance companies, for the benefit of Opera France One FCC, in accordance with the agreements signed with Eurohypo and Opera France One FCC on April 9, 2010.

Note 5.17 Proposal for the appropriation of net income

Subject to the approval of the General Shareholders' Meeting, the Board of Directors proposes to pay a dividend of EUR 1.10 per share, i.e., a total amount of EUR 14,709,750.

Note 5.18 Average headcount

The Company had three employees at December 31, 2010.

In euros

	31/12/10	31/12/09
SOURCES		
Funds from operations	34,775,936	41,548,807
Available cash flow	34,775,936	41,548,807
Increase in shareholders' equity and current account balance	30,388	43,192
Decrease in fixed assets		
Increase in financial debt (bank borrowings)		22,491,840
Increase in other financial debt (security deposits received from lessees)	337,393	
TOTAL SOURCES OF FUNDS	35,143,717	64,083,839
USES		
Dividends paid	22,733,250	26,076,375
Increase in fixed assets	4,221,664	410,197
Decrease in financial debt (security deposits paid back to lessees)		209,193
Decrease in financial debt (bank borrowings)	3,500,000	
TOTAL USES OF FUNDS	30,454,914	26,695,765
Net change in working capital	4,688,803	37,388,074

	31/12/10		31/12/10	31/12/09
	Uses	Sources		
CHANGE IN OPERATING WORKING CAPITAL				
Change in operating assets				
Trade accounts receivable		8,440,390	8,440,390	(1,339,603)
Other receivables	221,886		(221,886)	(5,932,629)
Adjustment accounts and prepaid expenses		21,567	21,567	25,648
Change in operating liabilities				
Trade accounts payable		806,492	806,492	(2,132,187)
Tax and social liabilities (excluding exit tax)	1,419,913		(1,419,913)	523,250
Other liabilities	129,806		(129,806)	603,167
Adjustment accounts and prepaid revenue	7,175,262		(7,175,262)	(230,577)
NET CHANGE IN OPERATING WORKING CAPITAL	8,946,867	9,268,449	321,582	(8,482,931)
CHANGE IN NON-OPERATING WORKING CAPITAL				
Change in other receivables				
Due to partners				
Change in other payables				
Amounts owed to fixed asset suppliers		4,333,620	4,333,620	
Tax and social liabilities (exit tax)				(22,491,840)
NET CHANGE IN NON-OPERATING WORKING CAPITAL	-	4,333,620	4,333,620	(22,491,840)
INCREASE OR DECREASE IN WORKING CAPITAL	8,946,867	13,602,069	4,655,202	(30,974,771)
Change in cash on hand		9,344,005	9,344,005	6,413,303
Net change in cash and cash equivalents	-	9,344,005	9,344,005	6,413,303
NET CHANGE IN WORKING CAPITAL	8,946,867	4,258,064	4,688,803	37,388,074

1.4. 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 S.A.
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, 2010

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, 2010, on:

- the audit of the accompanying financial statements of CeGeREAL SA;
- 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, 2010 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, 2010 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 and 3.1 to the annual financial statements describe the accounting method 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.

The Statutory Auditors

Paris-La Défense and Paris, February 25, 2011

KPMG Audit
Division of KPMG SA

Régis Chemouny
Partner

Charles Leguide
Partner

1.5. 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 S.A.
Registered office: 21-25, rue Balzac, 75008 Paris
Share capital: EUR 160,470k

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

General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2010

To the Shareholders,

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

It is our responsibility to communicate to you, based on information provided to us, the principal terms and conditions of these agreements and commitments brought to our attention or which we may have identified as part of our engagement, without expressing an opinion on their usefulness or their merit or searching for other agreements or commitments. Under the provisions of Article L.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.

Where applicable, it is our responsibility to provide shareholders with the information required by Article L.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Shareholders' Meeting.

We performed the procedures we considered necessary in accordance with 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.

Agreements and commitments to be authorized by the General Shareholders' Meeting

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 already approved by the General Shareholders' Meeting

In accordance with Article L.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Shareholders' Meeting in previous years, remained in force during the past year.

"Asset Management Agreement" with Commerz Real Investmentgesellschaft mbH

CeGeREAL and Commerz Real Investmentgesellschaft mbH – C.R.I. (formerly C.G.I.) entered into an Asset Management Agreement early in 2006 with a term of six years. Pursuant to the agreement, C.R.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 2010 amounted to EUR 3,014,200.

Commercial lease

A commercial lease was signed between CeGeREAL and Commerz Real Investmentgesellschaft mbH (formerly 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 the Company during the year pursuant to the lease amounted to EUR 63,111 and EUR 16,576, respectively.

Furthermore, we were informed that the following agreements and commitments, approved by the General Shareholders' Meeting in previous years, remained in force but were not implemented during the past year.

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 Commerz Real Investmentgesellschaft mbH (formerly 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.

Memorandum of Understanding to ensure Commerz Real Investmentgesellschaft mbH's compliance with the German Investment Act

An agreement was signed on December 31, 2005 to ensure that Commerz Real Investmentgesellschaft mbH (formerly 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 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.

The Statutory Auditors

Paris-La Défense and Paris, February 25, 2011

KPMG Audit
Division of KPMG SA

Régis Chemouny
Partner

Charles Leguide
Partner

1.6. 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

1.7. 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, 2010.

1.8. 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).

1.9. 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, 2010.

2. STATUTORY AUDITORS

2.1. 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 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.

2.2. 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 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.

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 fiscal 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.

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 January 1, 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, 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.

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. "Declaration relating to the control of the Company by the majority shareholder").

Consequently, the Company's financial statements for the year ended December 31, 2010 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 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 2010, 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 legal entities.

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* investment fund (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 statement of financial position of the custodian bank (Commerzbank AG).

Prudential regulations relating to the Fund

For information, the net value of the Fund was EUR 10.0bn and the gross value of the Fund was EUR 14.2bn at December 31, 2010.

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 1.5bn at December 31, 2010, i.e., 11% 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;

(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.

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, 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. 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 (corporation) with a Board of Directors that is governed 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.2 "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. These two funds merged on September 30, 2010 and became the *hausInvest* fund. It only manages open-ended funds that are intended to regrow investments by individuals and businesses.

CRI has been doing business in France since 1998. At December 31, 2010, it held 16 real estate complexes in France on behalf of the *hausInvest* fund. The total value of these real estate complexes, three of which were held through Cegereal, was estimated by an external valuer at approximately EUR 3bn. The majority of these assets consists of office buildings in Paris and in the Paris region.

The *hausInvest* investment fund was set up following the September 30, 2010 merger between the *hausInvest* europa fund, which was set up on April 7, 1972 and the global *hausInvest* fund, which was set up in 2003. CRI has investments in major European cities, placing Europe at the heart of the fund's investment strategy. The *hausInvest* fund's management strategy is based on an active policy of asset hedging. The net value of the *hausInvest* fund amounts to EUR 10bn (representing 400,000 investors) at December 31, 2010.

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 of 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 General 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 I.3 "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, except as otherwise provided by law in the case 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.

Organization, meetings and decisions of the Board of Directors

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, any provision to the contrary shall be deemed null and void.

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 called to approve the financial statements for the third fiscal year that follows the 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.

Decisions by the Board of Directors (excerpt from Article 15 of the bylaws)

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.

Powers of the Board of Directors (excerpt from Article 15 of the bylaws)

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.

Directors' fees (Article 6 of the Internal Rules and Regulations)

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)

On the recommendation of 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, on the recommendation of 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.

Once a year, the Board will devote an agenda item to discussing its composition, organization and operation. A formal assessment will be carried out at least every three years.

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 fiscal 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 fiscal 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 ter 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

Not applicable

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

Not applicable

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

Not applicable

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, 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 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 requested 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 than 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 and 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

Not applicable

4. GENERAL INFORMATION ON THE SHARE 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

Not applicable

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, 2010, to the best of the Company's knowledge.

Shareholding structure at 31/12/10	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.92%
Covéa	1,877,555	14.04%	1,877,555	14.08%
Rolland-Yves Mauvernay	939,780	7.03%	939,780	7.05%
Treasury shares	2,528,748	18.91%	2,528,748	18.96%
Free float	32,922	0.25%	0	0.00%
Total	13,372,500	100%	13,339,578	100%
Shareholding structure at 31/12/10	Shareholders		Shares	
	Number	%	Number	%
Residents	1,760	95.60%	4,258,367	31.84%
Non-residents	81	4.40%	9,114,133	68.16%
Total	1,841	100%	13,372,500	100%
Shareholding structure at 31/12/10	Shareholders		Shares	
	Number	%	Number	%
Individual shareholders	1,709	92.88%	431,727	3.23%
Institutional shareholders	131	7.12%	12,940,773	96.77%
Total	1,840	100%	13,372,500	100%

At December 31, 2010, the mutual insurance group company Covéa (7, place des Cinq-Martyrs-du-Lycée- Buffon, 75015 Paris) held 1,877,555 Cegereal shares, which represented as many voting rights, i.e., 14.04% of the Company's capital and voting rights, broken down as follows:

	Shares and voting rights	% of capital and voting rights
GMF Vie ⁽¹⁾	940,727	7.03%
MAAF Assurances SA SGP ⁽¹⁾	539,533	4.03%
MAAF Vie ⁽¹⁾	295,747	2.21%
MAAF Santé	59,821	0.45%
GMF Assurances ⁽¹⁾	27,060	0.20%
MMA VIE SA	9,667	0.07%
La Cité Européenne	3,000	0.02%
Fidélia	2,000	0.01%
Total Covéa	1,877,555	14.04%

(1) Companies controlled by the mutual insurance group company Covéa.

Threshold disclosures (Article L. 233-7 of the French Commercial Code)

No threshold disclosure was filed for the fiscal year ended December 31, 2010.

To the Company's knowledge, no other shareholder owns more than 5% of the capital or voting rights. There are no shareholders' agreements.

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	29/05/09	29/07/11	€300 000 000	None	None	
Authorization to increase the capital with pre-emptive subscription rights	29/05/09	29/07/11	€300 000 000	None	None	
Authorization to increase the capital by means of a public offer without pre-emptive subscription rights	29/05/09	29/07/11	€300 000 000	None	None	
Authorization to increase the capital by private placement without pre-emptive subscription rights	29/05/09	29/07/11	20% of capital per year	None	None	
Authorization to increase the capital by up to 10% per year without pre-emptive subscription rights, with defined terms and conditions for determining the subscription price						
Authorization to increase the capital in favor of company savings plan (PEE) members, without pre-emptive subscription rights						
Authorization to increase capital in favor of (category of staff or names of beneficiaries), without pre-emptive subscription rights						
Authorization to increase the capital in consideration for securities	29/05/09	29/07/11	10% of the share capital		None	
Authorization to issue share subscription options						
Authorization to grant free shares						
Authorization to grant founders' warrants						

With the presence of CRI and GMF VIE (company controlled by Covéa) on its Board of Directors, the percentages of the capital and voting rights held by all the members of the management and executive bodies are respectively 73.82% and 74.00%.

At December 31, 2010, 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

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' Meetings of May 29, 2009 and June 29, 2010 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 pre-emptive 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.

4.6. INFORMATION ON THE CAPITAL OF ANY GROUP MEMBER THAT IS THE SUBJECT OF AN OPTION

Not applicable

4.7. CHANGES IN THE COMPANY’S CAPITAL OVER THE LAST THREE FISCAL YEARS

The table below shows the changes in the Company’s capital over the last three fiscal years.

Shareholding structure at 31/12/10	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.92%
Covéa	1,877,555	14.04%	1,877,555	14.08%
Rolland-Yves Mauvernay	939,780	7.03%	939,780	7.05%
Free float	2,528,748	18.91%	2,528,748	18.96%
Treasury shares	32,922	0.25%	0	0.00%
Total	13,372,500	100%	13,339,578	100%

Shareholding structure at 31/12/09	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 31/12/08	Shares		Voting rights	
	Number	%	Number	%
CRI	8,959,567	67.00%	8,959,567	67.14%
GMF VIE	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%

4.8. FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

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 offer:

- 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 scheme 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’ commitments.
- 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 agreement 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 compensation 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 June 29, 2010 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 fiscal year:

- Number of shares purchased: 71,190;
- Average purchase price: EUR 23.86 (gross);
- Number of shares sold: 55,719;
- Average sale price: EUR 24.29 (gross);
- Total amount of negotiating fees: EUR 101,788 (excluding taxes);
- Reasons for the acquisitions: market stimulation (100%).

At December 31, 2010, the Company held 32,922 treasury shares with a market value of EUR 22.20 (closing value).

The reason for the acquisitions was solely market stimulation. Shares held by the Company have not been allocated for other purposes since the last authorization granted by the General Shareholders’ Meeting.

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

Four new members joined the Board of Directors of Cegereal in 2010:

- GMF VIE represented by Olivier Le Borgne;
- Alec Emmott as independent director. He is also a member of the Appointments and Compensation Committee and chairs the Investment Committee. He resigned on February 24, 2011 and was replaced, on a temporary basis, subject to ratification by the General Shareholders' Meeting, by Europroperty

Consulting. The permanent representative of Europroperty Consulting is Alec Emmott;

- Andreas Muschter;
- Carl-Christian Siegel;

The appointment of GMF Vie and Europroperty Consulting helps the Board achieve better shareholder representation and brings new skills and expertise onto the Board. Olivier Le Borgne, GMF Vie's head of financial strategy, brings his expertise in asset allocation, particularly under the new Basel II rules and Alec Emmot, former managing director of Société Foncière Lyonnaise, brings solid experience in real estate and corporate transactions.

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⁾	Directorships and positions held in the last 5 years (expired) ⁽¹⁾
Richard Wrigley ⁽²⁾ ⁽⁶⁾ Director and Chairman of the Board of Directors	31/12/05	AGSM* 2011	Legal manager CPI SARL CPI MASSY SCI GALOPINVEST SCI LE BARRAGISTE PRINCETON FRANCE SNC FONCIERE MEUDON STAMFORD HOLDINGS SCI HUME	
CRI ⁽⁶⁾ Director Permanent representative: Erich Seeger	31/12/2005	AGSM 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	20/02/2006	AGSM 2012	Chairman JPB & A Chairman of the Supervisory Board SCPI Hoche Placement Pierre	Chairman Baratte et A
Klaus Waldherr ⁽⁶⁾ Director	05/02/2008	AGSM 2011	Corporate officer CGG Canada Grundbesitz GmbH Forum Algarve – Gestao de Centro comercial, Sociedade Unipessoal Lda. CG Japan GmbH Lacerta Immobiliare S.R.L. Alfa S.R.L. CRI 1 Sp.zo.o. Charles Square Center s.r.o. CGI Metropole s.r.o. Espacio Leon Propco S.L.U. Commerz Grundbesitz Gestao de Centros Comerciais, Sociedade Unipessoal Lda. Forum Almada – Gestao de Centro Comercial, Sociedade Unipessoal Lda. CGI Victoria Square Limited CG Choongmuro Building Securitization Speciality LLC CG-78 Shenton Way Singapore Private Limited CR – Montijo Retail Park S.A. CGI Victoria Square Nominees Limited Kiinteistö Oy Lintulahdenvuori Tulipan House I Sp. zo.o.	Corporate officer Houston Main GP LLC Manmall LLC

* Annual General Shareholders' Meeting
(1) Regardless of the Company's legal form and country of incorporation
(2) Independent director
(6) It is proposed that the director's term of office will be renewed during the June 29, 2011 Ordinary Shareholders' Meeting

IV - LEGAL INFORMATION

Name of corporate officer and main position held	Appointed on	Term of office expires	Other current directorships and positions held ⁽¹⁾	Directorships and positions held in the last 5 years (expired) ⁽¹⁾
Martin Weinbrenner Managing Director ⁽³⁾	31/12/05	AGSM 2011	Corporate officer CG-78 Shenton Way Singapore Private Limited CGI Stadtgalerie Schweinfurt Verwaltungsgesellschaft mbH CGI Victoria Square Limited CGI Victoria Square Nominees Limited Commerz Real Benelux GmbH Commerz Real France GmbH Commerz Real Immobilien GmbH CR-71 Robinson Road Singapore Private Limited CR Station General Partner Inc. CRI Swing Holding Oy Commerz Real Cap Sud SAS Espacio Leon Propco S.L.U. Forum Algarve-Gestao de Centro Comercial, Sociedade Unipessoal Lda. II & Comandita Forum Almada-Gestao de Centro Comercial, Sociedade Unipessoal Lda. II & Comandita Forum Almada-Gestao de Centro Comercial, Sociedade Unipessoal Lda. Forum Montijo-Gestao de Centro Comercial, Sociedade Unipessoal Lda. Immobilières des Croisades S.A. Montitail, Gestao de Retail Park, Sociedade Unipessoal Lda. Président A, S.A. Président B, S.A. Président C, S.A. Theresiencenter Dienstleistungsgesellschaft mbH 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	29/04/2008	AGSM 2011	Legal manager SCI Pianissimo	
Gerry Dietel⁽⁴⁾ Director	30/01/2009	AGSM 2011	Legal manager Forum Almada Lda Forum Algarve Lda Brafero Sociedade Imobiliara S.A. Forum Montijo Lda	
Hans-Joachim Kühl⁽⁴⁾ Director	30/01/2009	AGSM 2011	Board member Commerz Real Spezialfondsgesellschaft mbH Legal manager Commerz Real AG Commerz Real Investmentgesellschaft mbH	
Carl-Christian Siegel⁽⁴⁾ Director	12/05/2010	AGSM 2011	Corporate officer Commerz Real Benelux GmbH Commerz Real France GmbH	
Alec Emmott Director ^{(2) (7)}	29/06/2010	AGSM 2016	Chairman European Asset Value Fund Director Martin Currie Absolute Return Funds/Global Funds	
Andreas Muchter Director	29/06/2010	AGSM 2016	Board member Commerz Real AG	
GMF VIE Director Permanent representative: Olivier Le Borgn	29/06/2010	AGSM 2016	Director Univers Mutualité CSE ICO CSE Insurance Services CSE Safeguard GMF Financial Member of the Supervisory Board GMF Inter Entreprise Permanent representative Covéa Finance, director of Fidelia Services SA GMF VIE, member of the Supervisory Board of Anthemis (SAS) and Covéa Finance (SAS)	

Name of corporate officer and main position held	Appointed on	Term of office expires	Other current directorships and positions held ⁽¹⁾	Directorships and positions held in the last 5 years (expired) ⁽¹⁾
Bardo Magel Managing Director ⁽⁵⁾	17/02/2010	AGSM 2011	Corporate officer CG Choongmuro Building Securitization Speciality LLC CG-78 Shenton Way Singapore Private Limited CGI Victoria Square Limited CGI Victoria Square Nominees Limited CR-71 Robinson Road Singapore Private Limited CR Station General Partner Inc.	
Europroperty Consulting Director Permanent representative: Alec Emmott ^{(2) (8)}	24/02/2011	AGSM 2016	Chairman European Asset Value Fund Director Martin Currie Absolute Return Funds/Global Funds	

* Annual General Shareholders' Meeting

(1) Regardless of the Company's legal form and country of incorporation

(2) Independent director. Richard Wrigley's status of independent director has not been discussed by the Board of Directors since the adoption of the Corporate Governance Code. However, it should be noted that Richard Wrigley's term of office will expire at the close of the AGSM 2011. The decision to renew his term of office or not shall be included on the agenda of the Board of Directors' meeting to be held at the close of the 2011 AGSM, for the purpose of appointing a new Chairman and to decide whether the latter shall have the status of independent director. The Chairman will not vote on this matter.

(3) Term of office expired on February 17, 2010

(4) Resigned as director on May 12, 2010

(5) Appointed on February 17, 2010

(6) It is proposed that the director's term of office will be renewed during the June 29, 2011 Ordinary Shareholders' Meeting

(7) Resigned as director on [_____]

(8) Co-opted by the Board of Directors on February 24, 2011

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 June 29, 2010 Ordinary and Extraordinary Shareholders' Meeting, a total maximum amount of EUR 40,000 in directors' fees for all the directors was recognized in the Company's financial statements.

During the year ended December 31, 2010, the following directors' fees were paid:

- to Richard Wrigley EUR 17,500;
- to Jean-Pierre Bonnefond EUR 7,500;
- M. to Alec Emmott EUR 15,000.

A proposal will be submitted to the next General Shareholders' Meeting to set the total maximum amount of directors' fees for 2011 at EUR 120,000.

In euros

Summary table of directors' fees and other compensation paid to non-executive corporate officers		
Non-executive corporate officers	Amounts paid during 2010	Amounts paid during 2009
Jean-Pierre Bonnefond		
Directors' fees	-	7,500
Other compensation	-	-
CRI		
Directors' fees	-	-
Other compensation	-	-
Klaus Waldherr		
Directors' fees	-	-
Other compensation	-	-
Hans-Joachim Kühl		
Directors' fees	-	-
Other compensation	-	-
Gerry Dietel		
Directors' fees	-	-
Other compensation	-	-
Carl-Christian Siegel		
Directors' fees	-	-
Other compensation	-	-
Alec Emmott		
Directors' fees	-	-
Other compensation	-	-
Andreas Muschter		
Directors' fees	-	-
Other compensation	-	-
GMF VIE		
Directors' fees	-	-
Other compensation	-	-
Total	-	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.

In euros

Summary table of compensation, options and shares granted to each executive corporate officer		
	31/12/10	31/12/09
Richard Wrigley Chairman of the Board of Directors		
Compensation payable for the year (broken down in Table 2 below)	67,500	32,500
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
Total	67,500	32,500
	31/12/10	31/12/09
Martin Weinbrenner Managing Director⁽¹⁾		
Compensation payable for the year (broken down in Table 2 below)	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
Total	-	-
	31/12/10	31/12/09
Bardo Magel Managing Director⁽²⁾		
Compensation payable for the year (broken down in Table 2 below)	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
Total	-	-
	31/12/10	31/12/09
Raphaël Tréguier Deputy Managing Director		
Compensation payable for the year (broken down in Table 2 below)	198,044	159,575
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
Total	198,044	159,575

(1) Term of office as Managing Director expired on February 17, 2010

(2) Appointed as Managing Director on February 17, 2010

Tableau 2

In euros

Summary table of compensation granted to each executive corporate officer				
Richard Wrigley Chairman of the Board of Directors	31/12/10		31/12/09	
	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾
Fixed compensation ⁽¹⁾	50,000	-	25,000	25,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	17,500	-	7,500	7,500
Benefits in kind	-	-	-	-
Total	67,500	-	32,500	32,500
Martin Weinbrenner Managing Director⁽²⁾	31/12/10		31/12/09	
	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	-	-	-	-
Total	-	-	-	-
Bardo Magel Managing Director⁽³⁾	31/12/10		31/12/09	
	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	-	-	-	-
Total	-	-	-	-
Raphaël Tréguier Deputy Managing Director	31/12/10		31/12/09	
	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾	Amounts payable ⁽⁵⁾	Amounts paid ⁽⁶⁾
Fixed compensation ⁽¹⁾	120,000	120,000	115,000	115,000
Variable compensation	-	-	-	-
Exceptional compensation ⁽⁴⁾	60,600	35,000	37,900	2,900
Directors' fees	-	-	-	-
Benefits in kind	17,444	17,444	6,675	6,675
Total	198,044	172,444	159,575	124,575

(1) Items of the compensation are expressed as a gross, pretax amount

(2) Term of office as Managing Director expired on February 17, 2010

(3) Appointed as Managing Director on February 17, 2010

(4) On February 24, 2011, the Board of Directors decided to grant Raphaël Tréguier a performance-related bonus of EUR 60,600, gross before tax, in respect of the year ended December 31, 2010. It was paid in 2011. The decision to grant this exceptional bonus was taken in view of the work carried out by Raphaël Tréguier. The creation of a list of quantitative criteria and objectives for granting exceptional bonuses over the coming years shall be discussed at the next meeting of the Appointments and Compensation Committee.

(5) Compensation granted to the executive corporate officer for his duties during the fiscal year, irrespective of the date of payment.

(6) 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 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		X		X		X		X
12/31/05								
OESM 2011								
Martin Weinbrenner⁽¹⁾								
Managing Director		X		X		X		X
12/31/05								
Bardo Magel		X		X		X		X
Managing Director								
02/17/10								
OESM 2011								
Raphaël Tréguier	X			X	X			X
Deputy Managing Director								
04/29/08								
Managing Director's term of office								

(1) Term of office as Managing Director expired on February 17, 2010.

5.3. EMPLOYEE SHARE OWNERSHIP, PROFIT-SHARING AND STOCK OPTION PLANS

Employee share ownership and stock option plans

At December 31, 2010, 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

Not applicable

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

6.1.1. 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 cost-of-construction 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.

The Company reviews rent and contract indexes on a quarterly basis. This process includes regular discussion with the lessees in order to anticipate, as far as possible, any potential impact on the parties concerned. Furthermore, the majority of the leases already in place (90%) have been renewed since 2008, which prevents the Company from having to decrease its rents under Article L. 145-39 of the French Commercial Code (*Code de commerce*).

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.

The main risk in relation to rental income concerns the current vacancy of the Arcs de Seine building. The Company has therefore appointed two international firms (Jones Lang Lasalle and CBRE) with an in-depth knowledge of the competition. In relation to the renovation of the Arcs de Seine building following the departure of Bouygues Telecom, a competitive study has enabled the Company to determine which actions need to be given priority.

6.1.2. 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.

The Company carries out a valuation of its properties every six months using different methods directly linked to market rental values. These updated rental values are presented in this Registration Document.

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 three most significant lessees (Crédit Foncier de France, Cap Gemini and GE Capital) represent 74% of all rental income to be billed in 2011 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.

As previously mentioned, a significant number of the Company's leases expired in early 2011, with Bouygues Telecom vacating 80% of the Arcs de Seine building. Marketing to relet this space started in 2008 (see section 5 of the Activity Report). Renovation work has been started with a view to reletting this building, as described in section 6 of the Activity Report.

Risk linked to non-payment of rent

All Company revenue is 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 three 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 1.4 "Assets" of the Management Report).

The Company examines the financial position of its lessees before granting each new lease and of each of its lessees on a yearly basis. At year-end, all of the Company's lessees were considered to be in a satisfactory financial position, and 96% had a Dun & Bradstreet rating of 1 or 2 (on a scale of 1 to 5). There were no failures to pay at the date of publication.

Risk linked to the vacancy of the Arcs de Seine building

Pending the reletting of the premises vacated by Bouygues Telecom and TFI, CeGeREAL verifies the adequacy of its interest coverage ratio, as defined in the credit agreement entered into with Europpo, on a quarterly basis. CeGeREAL's interest coverage ratio (ICR) at December 31, 2010 is described in section 1.3.1.

6.1.3. 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 geographic 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.

However, the three assets are located in three very different zones of the Paris region market which represents more than 50 million square meters. The risk of concentration is therefore limited.

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.

The Company invests in new and standard office premises which reduces the risk of obsolescence and lack of rental demand.

In millions of euros

Building	Market rental value	Market capitalization rate	Changes in market capitalization rate								
			0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
Europlaza	23.3	5.72%	352.7	359.9	367.4	375.3	383.5	392.1	401.0	410.4	420.3
Rives de Bercy	10.8	6.03%	155.3	158.3	161.5	164.8	168.2	171.8	175.5	179.4	183.4
Arcs de Seine	21.0	6.50%	282.3	287.4	292.7	298.3	304.0	310.0	316.2	322.6	329.3
Total	55.0	6.06%	790.3	805.7	821.7	838.3	855.7	873.8	892.7	912.4	933.0

Impact on the portfolio valuation:

(7.65)%	(5.85)%	(3.98)%	(2.03)%	0.00%	2.11%	4.32%	6.63%	9.03%
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Source: BNP Paribas Real Estate Expertise

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.

6.1.4. 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. Each half year, the carrying amount of real estate assets is adjusted based on the most recent property market transactions and this information is published. The most recent portfolio evaluation at December 31, 2010, was performed by BNP Paribas Real Estate Expertise, an external real estate valuation firm whose report is presented in section IV.8 of this Registration Document. 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 6.3% for Europlaza, 6.1% for Arcs de Seine and 6.3% for Rives de Bercy.

The average weighted capitalization rate is 6.2%.

The capitalization rate used in the following table is the ratio of the building's market rate to its fair value including registration taxes.

The Company makes known any item at its disposal likely to have a significant impact on the value of its buildings.

6.2. MANAGING MARKET RISKS

6.2.1. 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 I.3.2 "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 position at December 31, 2010, 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 (see section III.1.2 and Notes 5.12 (Borrowings) and 5.26 (Commitments given) to the IFRS financial statements).

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 Company's limited debt ratio (below 50%) is the main factor reducing liquidity risk as the market value of the Company's buildings is more than twice equal to its commitments in relation to the above-mentioned agreement.

6.2.2. foreign exchange risk

As the Company generates all of its revenue in the eurozone, it is not exposed to any foreign exchange risk.

6.2.3. 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.

6.2.4. 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 3.32% at December 31, 2010 (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 section IV.6.1.4 "Risks linked to assets").

The Company has not conducted a sensitivity analysis regarding changes in interest rate risks as a result of the fixed rate applied to the loan contracted with Eurohypo AG.

Interest rate risk is also discussed in Note 4.7 to the IFRS financial statements for the year ended December 31, 2010 (section IV.6.2.4).

6.3. RISKS LINKED TO THE MAJORITY SHAREHOLDER

6.3.1. Risks linked to the investment held by the *hausinvest* investment fund

Risk linked to the lack of liquidity of other fund assets

As *hausInvest* ("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* 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* 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.

6.3.2. 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* 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 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 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, and the maximum value of each asset in proportion to the total value of the hausInvest fund.

For example, the Company’s acquisition possibilities could be limited by the fact that it can only acquire a real estate asset if this asset’s gross value, considered in relation to hausInvest fund’s stake in the Company (i.e., 60% of the asset’s gross value), does not exceed 15% of the gross value of the hausInvest fund (for information, approximately EUR 14 billion at December 31, 2010).

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 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.

To the Company’s knowledge, there are no direct or indirect capital links between Yxime and CeGeREAL or any of its shareholders.

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.

With the exception of the asset management agreement with Commerz Real, all of the Company's subcontracting agreements are short-term renewable contracts (maximum of one year), which allows the Company to rapidly change service provider should the need arise. Commerz Real is a diversified asset management group whose presence within Commerzbank (Germany's largest retail bank) was confirmed as part of the company's reorganization following the financial crisis.

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 these premises, and the Company could take legal action against a lessee that is responsible for a breach of these 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.

The Company seeks the best legal advice in Europe in order to meet its needs in terms of monitoring regulatory changes. Moreover, Commerz Real and Cegereal are both members of professional associations which are regularly in contact with the regulatory authorities (FSIF, EPRA, BVI, etc.).

The Company is not aware of any 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.

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 these 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 high-rise buildings (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 COVERAGE

The Company benefits from insurance coverage 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 coverage, 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.

As the insurance premium does not have a material impact on the Company's results, were the Company to leave the Commerz Real group, it should not have a material impact on the Company's financial position.

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 parking lot 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 this 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 ownership association or independent urban property owners association (Association Foncière Urbaine Libre – 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 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 (*Code de la santé publique*). 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 (*Code de l'environnement*) to inform the lessees. Some facilities may also be subject to the regulations that govern Facilities Classified for the Protection of the Environment (*Installations Classées pour la Protection de l'Environnement* – ICPE). Under Article L. 511-1 of the French Environment Code, a classified facility is a facility that may present a danger or risk to the neighborhood, public health, safety and hygiene, farming, the protection of wildlife, the landscape and the environment, the rational use of energy, and the conservation of sites and monuments, including archaeological sites. The operator of a classified facility is required to inform the local prefect of any significant changes it plans to make to this classified facility and to provide the prefect with a report on the operation of this 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 prefect of this at least one month beforehand, and leave the site in a condition that does not present any of the dangers or risks referred to in Article L. 511-1 of the French Environment Code.

The Company is required to comply with the regulations on water use and wastewater, in particular the obligation to treat wastewater and the qualitative and quantitative management of rainwater in accordance with the provisions of the French Public Health Code and the French Regional Government Code (*Code général des collectivités territoriales*).

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 parking lots 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 prevention plans have been prepared in both cases.

Compliance with safety standards

The Europlaza building is subject to the regulations applicable to high-rise buildings that contain specific provisions regarding 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 (*Commission départementale de sécurité* – 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 April 2011 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). This 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 nine 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 ICC index published quarterly by 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 second 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 has the 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 (*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 (*Commission départementale de conciliation* – CDC), before filing any proceedings with the Regional Court (Tribunal de grande instance – 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 Regional 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 nine 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 nine 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 nine years, rents are also exempt from the capping rule and they can be freely renegotiated under market conditions during the lease renewal process.

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 ICC index published by INSEE, 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 ICC index, the rents set when the lease is signed cannot be revised during the initial lease term except under exceptional circumstances.

Rebiling 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 chart that allocates to the lessees their share of cafeteria area.

Europlaza’s expenses are higher than Arcs de Seine’s expenses because it is a high-rise building. Nonetheless, 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			
	31/12/10	31/12/09	31/12/08
Europlaza	474	474	474
Arcs de Seine	452	452	452
Rives de Bercy	183	172	172
Total	1,109	1,098	1,098

In thousands of euros

Breakdown of property tax per building			
	31/12/10	31/12/09	31/12/08
Europlaza	977	904	808
Arcs de Seine	950	953	881
Rives de Bercy	789	758	720
Total	2,716	2,615	2,409

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

Option to terminate a lease after three years

Some 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 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, if the lease is not terminated and 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.

7.2. INSURANCE AND RISK COVERAGE

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 on the following imperatives:

- identifying and quantifying major risks in terms of exposure and capital insured and analysis of unforeseeable risks;
- taking out insurance coverage 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 coverage obtained

In light of the principles for taking out coverage 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 coverage 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 coverage conditions or the total amounts of insurance and/or self-insurance premiums.

Insurance coverage

The Company has taken out insurance coverage 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 coverage.

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 coverage has also been taken out at local level by the Company.

Civil liability and environmental damage coverage has been taken out at the level of the Company's Majority Shareholder and covers the Company's property rental activities.

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 coverage 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 coverage)

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 coverage. The first- and second-ranking coverage is provided by Chubb Insurance SA and the third- and fourth-ranking coverage 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 4 million.

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 coverage provided under this insurance is EUR 21 million 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 Expertise 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 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 drawn up by the Royal Institution of Chartered Surveyors (RICS).

What follows are the summaries of the real estate valuation reports prepared by BNP Paribas Real Estate Expertise 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, 2010, based on an update to the June 2010 valuation, by external real estate valuer, BNP Paribas Real Estate Expertise, 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 market rates) and the comparable 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 sq.m

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 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 taken into account at the rate of 6.20%.

8.1. EUROPLAZA – EXECUTIVE SUMMARY

Location

The real estate complex is located 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 high-rise structure known as Building A, perpendicular to Building B. Building A has 30 floors and six underground levels and Building B has four 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 sq.m. and an underground parking lot 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, 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. Lessees renting service rooms or cable trays (e.g., Colt, Verizon, Dynapost, Cegetel) bear all of the related taxes and charges themselves.

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: EUR 23,380,000 excl. taxes and charges per year, on the basis of:

Current main utilizations	Surface areas analyzed (sq.m)	Parking lots	Rental value in euros	
			per sq.m or per unit	Total
Offices - Additional floors	34,516	-	480	€16,567,680
Offices - Ground to fourth floor	8,238	-	430	€3,542,340
Offices (1/-2)	4,812	-	380	€1,828,560
Storage areas	1,755	-	190	€333,450
General service rooms	38		677	€25,726
Other	0	-	0	€0
Underground parking lots	-	722 u.	1,500	€1,083,000
Total	49,359	722 u.	474	€23,380,261

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: 5,441 sq.m and 70 parking spaces

Total annual estimated rental value: EUR 2,416,310, excluding taxes and rental charges

Estimated rate of return: 6.25% applied to the rental value

• Lessees whose rent corresponds to the going market rent

(Cegetel, Colt, Dynapost, Verizon, Cap Gemini France, Cap Gemini France (formerly Cap Gemini Telecom), Credit Agricole, Gartner, ASG, SPSS, NTT Europe, Galderma, Software, FM Insurance and Experian).

Current annual rent: EUR 16,605,765, excluding taxes and rental charges

Estimated rate of return: between 6.00% and 6.25% applied to the rental value

• Lessees whose rent exceeds the going market rent

(ASG and GE Capital)

Current annual rental income: EUR 6,006,320, excluding taxes and rental charges

Estimated rate of return:

6.25% applied to the rental value (ASG);

6.00% applied to the rental value (GE Capital – firm term of nine years).

- deduction of unrealized capital losses: Rent differential discounted at 6.25%: EUR 467,247;
- deduction of the vacancy rate discounted at 6.25%: EUR -5,729,358;
- deduction of rent-free periods and renovation work discounted at 6.25%: EUR -3,198,715;
- deduction of capital expenditure discounted at 6.25%: EUR -1,778,158;

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 377,250,000 excluding taxes

Comparable method (in sq.m 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 (sq.m)	Parking lots	Rental value in euros excluding taxes	
			per sq.m or per unit	Total
Offices	47,566	-	7,750	€368,636,500
Storage areas	1,755	-	3,100	€5,440,500
General service rooms	37	-	1,500	€55,500
Outdoor parking lots	1		20,000	€0
Underground parking lots	-	722 u.	23,000	€16,606,000
Total	49,359	722 u.	7,917	€25,242,226

Deduction of capital expenditure discounted at 6.50%: EUR -1,778,158

i.e., this approach results in a market value (rounded) in the order of:

EUR 389,100,000 excluding taxes

Discounted Cash Flow method (excluding any income tax or borrowing costs)

Assumptions and key data used by BNP Paribas Real Estate Expertise:

- Period of analysis: 10 years
- Rent indexation: +2.00% per year on average over the period.
- Compliance with lessee contractual agreements.
- Occupancy projections:
 - Cap Gemini will renew its lease at the going market rate and the lessor will grant a nine-month rent-free period;
 - Cap Gemini France (formerly Cap Gemini Telecom) will renew its lease at the going market rate and the lessor will grant a nine-month rent-free period;
 - Crédit Agricole will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
 - Gartner will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
 - NTT will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
 - Software will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
 - Galderma will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
 - SPSS will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;

- Experian will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
- FM Insurance will renew its lease at the going market rate and the lessor will grant a six-month rent-free period;
- Cegetel, Colt, Dynapost and Verizon will renew their leases at the same rent as they currently pay.
- ASG will quit the premises upon expiration of their current lease. The premises will be leased back out at the going market rent following a nine-month vacancy period. The lessor will grant the new lessee a six-month rent-free period and undertake to carry out renovation work for an amount of EUR 150/sq.m; marketing costs amount to 15% of the market rental value.
- GE Money Bank will quit the premises upon expiration of their current lease. The premises will be leased back out at the going market rent following a nine-month vacancy period. The lessor will grant the new lessee a nine-month rent-free period and undertake to carry out renovation work for an amount of EUR 150/sq.m; marketing costs amount to 15% of the market rental value.
- The 14th Floor will be leased back out at the going market rent following a nine-month vacancy period. The lessor will grant the new lessee a nine-month rent-free period.
- The 15th Floor will be leased back out at the going market rent following a nine-month vacancy period. The lessor will grant the new lessee a nine-month rent-free period; marketing costs amount to 15% of the market rental value.
- The 4th Floor will be leased back out at the going market rent following a nine-month vacancy period. The lessor will grant the new lessee a nine-month rent-free period; marketing costs amount to 15% of the market rental value.
- Market rental value: EUR 480 per sq.m/year for office space, excluding taxes and rental charges (including share of cost of the staff cafeteria); EUR 430 per sq.m/year for the fourth Floor, excluding taxes and rental charges; EUR 190 per sq.m/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: 6.50%.
- Registration tax (exit rate): 6.2%.
- Projected maintenance and upkeep work not rebillable to lessees (Article 606): 1.5% of annual rental income from 2014 on
- Capital expenditure: EUR 157,800 in 2011, EUR 920,000 in 2012 and EUR 800,000 in 2013.
- Reletting fees: 15% of the estimated rental value.
- Discount rate: 6.25%⁽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 3.33% at December 14, 2010) plus premiums to reflect both volatility and liquidity..

i.e., this approach results in a market value (rounded) in the order of:

EUR 383,500,000 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 383,500,000 excluding taxes

Market value in euros per sq.m, excluding taxes: (including any parking spaces and service areas): EUR 7,770 per sq.m, excluding taxes.

Immediate rate of return (income from leased and vacant premises/market value, including taxes): 6.34%

Return on market rental value: 5.74%

8.2. 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 located 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 47,223 sq.m.

There is an underground parking lot 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.

Rental situation

The complex is partially leased out to Boursorama under a commercial lease renewable after six and nine years which began in 2010. Yxime occupies a small section of the office space.

The current rents are indexed to the INSEE ICC 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.

The current size of vacant premises is 41,860 sq.m, following the departure of the complex's main lessee, Bouygues Telecom.

A new lease had yet to be signed at the date of publication.

This valuation ensures that the next lease will be an investor lease of nine years with a fixed term of six years, as is currently the trend on the market for large surfaces, and that the cost of all work, charges and taxes will be borne by the lessee with the exception of major repairs as defined by Article 606 of the French Civil Code.

- Current annual rental income: EUR 2,583,394;
- Annual market rental value: EUR 20,996,000;

Market value, excluding taxes: EUR 309,000,000

(Three hundred and nine million euros) at December 31, 2010.

- Initial rate of return: 6.47%
- Return on investment market value: 6.40%

Key factors

The real estate complex comprises modern office space in a well-established business district. The complex benefits from an excellent location and is easily accessible by public transport and road.

Arcs de Seine is partially leased to Boursorama, a lessee that may be considered to be in a good financial position and which has renewed its lease.

However, the 41,860 sq.m vacated by Bouygues Telecom, the building's main lessee, in December 2010 remained unoccupied.

The marketing assumptions for the surfaces formerly occupied by Bouygues Telecom are as follows:

- Office rental income: EUR 445 per sq.m (including share of cost of the staff cafeteria);
- Eight months vacancy;
- Nine-month rent-free period for buildings A and C;
- (35,000 sq.m vacant) and six-month rent-free period for building B (3,700 sq.m vacant);
- 15% of market rental value in marketing costs.

8.3. 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 some buildings along 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 six. It dates from 2003 and has a total surface area of 30,679,20 sq.m, comprising eight floors and an 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 sq.m, 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 rental income: EUR 12,085,601, excluding taxes and rental charges;
- Annual market rental value: EUR 10,763,000, excluding taxes and rental charges.

Market value, excluding taxes: EUR 168,200,000

(One hundred and sixty-eight million two hundred thousand euros) at December 31, 2010

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.

The complex 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.

– Return on investment:

- Initial rate of return: 6.77%

Return on investment market value: 6.02%

9. DOCUMENTS ON DISPLAY

Copies of this Registration Document are available free of charge from Cegereal, 21-25 rue Balzac 75008 Paris, France, as well as on the Cegereal (<http://www.cegereal.com>) and AMF (<http://www.amf-france.org>) websites.

The regulatory information provided for in Article 221-3 of the French financial markets' authority's (*Autorité des Marchés Financiers* – AMF) 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. PERSON RESPONSIBLE

10.1. 10.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Raphaël Tréguier, Deputy Managing Director of the Company.

10.2. ATTESTATION BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

I 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.

I certify that to my 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.

I 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 103 and 118.

Paris, April 29, 2011

Raphaël Tréguier
Deputy 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 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 buy-back program. This program is subject to the authorization of the General Shareholders' Meeting to be held on June 29, 2011.

Breakdown, by objective, of the treasury shares held at December 31, 2010

- Number of treasury shares directly or indirectly held: 32,922 shares, representing 0.25% 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;
 - Cancellations: 0.

New share buy-back program

Authorization of the program: General Shareholders' Meeting of June 29, 2011

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 40

Maximum amount of the program: EUR 53,490,000

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 June 29, 2010.

Term of the program: 18 months from the General Shareholders' Meeting to be held on June 29, 2011, i.e., until December 29, 2012, 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 French monetary and financial code (*Code Monétaire et Financier*), 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
27/01/10	Issuer's site Wire Les Echos	Semiannual assessment of Cegereal's liquidity agreement with Exane BNP Paribas
23/02/10	Issuer's site	2009, a year of consolidation – Compliance with the SIIC regime and renegotiation of leases in 2009
29/04/10	Issuer's site Wire Les Echos	Registration Document 2009 including the annual financial report
30/04/10	Issuer's site Wire Les Echos	Release announcing the availability of the Registration Document 2009
7/05/10	Issuer's site Wire Les Echos	Financial information – First Quarter 2010 – Appraisal values on the way to stabilization
21/05/10	Issuer's site Wire Les Echos	Additional news concerning the financial information – First Quarter 2010
21/05/10	BALO Issuer's site	Notice convening the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010
11/06/10	BALO Issuer's site	Notice convening the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010
11/06/10	Issuer's site Wire Les Echos	Notice announcing the availability of information relating to the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2010
11/06/10	Issuer's site	Additional report of the Board of Directors at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2010
29/06/10	Issuer's site	June 29, 2010 Ordinary and Extraordinary Shareholders' Meeting
14/07/10	BALO	Release of the annual financial statements and the Statutory Auditor's report
19/07/10	Issuer's site Wire Les Echos	Results of the votes of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2010
30/07/10	Issuer's site Wire Les Echos	Interim financial report
30/07/10	Issuer's site	2010 Half Year Results – Net income (IFRS) of EUR 23 million: back in positive trend
23/09/10	Issuer's site Wire Les Echos	Semiannual assessment of Cegereal's liquidity agreement with Exane BNP Paribas
27/09/10	Issuer's site	Announcement of treasury share transactions from September 20, 2010 to September 24, 2010
4/10/10	Issuer's site	Announcement of treasury share transactions from September 27, 2010 to October 1, 2010
10/10/10	Issuer's site	Announcement of treasury share transactions from October 4, 2010 to October 8, 2010
18/10/10	Issuer's site	Announcement of treasury share transactions from October 11, 2010 to October 15, 2010
25/10/10	Issuer's site	Announcement of treasury share transactions from October 18, 2010 to October 22, 2010
2/10/10	Issuer's site	Announcement of treasury share transactions from October 25, 2010 to October 29, 2010
8/10/10	Issuer's site	Announcement of treasury share transactions from November 1, 2010 to November 5, 2010
12/11/10	Issuer's site Wire Les Echos	Financial information – Third Quarter 2010 – Turnover of EUR 48.1 million in line with objectives
02/25/11	Issuer's site Wire Les Echos	Financial information – 2010 Results

11.3. ANNUAL FINANCIAL REPORT

Annual financial statements

The annual financial statements for the year ended December 31, 2010 are disclosed in section III.1.3 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 on page 48 and section IV.6 “Risk factors” on page 138 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 131.

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 132.

Information regarding the share buy-back program during the fiscal year

This information is disclosed in section IV.4.9 of this Registration Document, “Transactions in the Company’s own shares”, on page 132.

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 150.

Statutory Auditors’ reports on the annual financial statements.

This information is disclosed in section III.1 of this Registration Document on page 118.

11.4. AMOUNT OF THE FEES PAID TO EACH OF THE STATUTORY AUDITORS AND THE MEMBERS OF THEIR NETWORKS

In euros

	Charles Leguide				KPMG Audit			
	Amount (excl. taxes)		%		Amount (excl. taxes)		%	
	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
Fees for statutory audit of the financial statements	87,000	89,000	93	93	133,000	224,148	94	96
Fees for advisory and other audit-related services	6,500	7,000	7	7	8,200	10,000	6	4
Total	93,500	96,000	100	100	141,200	234,148	100	100

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