2011 ANNUAL REPORT

CONTENTS





Cegereal is member of:

PROFILE

HIGH-END OFFICE PROPERTY IN THE PARIS REGION

Cegereal is a property company specialising in office properties in the Paris region. The two key components of its development are high-quality properties and a policy of selective leasing management. Concentrating its investments on recently built, large-scale assets in the inner Paris ring, Cegereal attracts first class tenants with its high value-added portfolio that combines top quality with an impressive provision of services.

Cegereal adopts a sustainable approach to the development and preservation of the quality of its assets. The focus of the company's attention is the individual user, who enjoys the best possible working conditions. The company is keen to develop relationships of trust with its various tenants. Cegereal is constantly involved in improving the environmental quality of its buildings, and has set up a strict governance structure to defend the interests of its shareholders.

Cegereal is a listed real estate investment company (*Société d'Investissement Immobilier Cotée* or SIIC) on the NYSE Euronext Paris – Compartiment B since 2006.

OFFICE PORTFOLIO AS AT 31/12/2011

OVER 110,000 sq.m

RENTAL INCOME IN 2011

€35 M

VALUE OF THE PROPERTIES AS AT 31/12/2011

€854 M

2011 EPRA EARNINGS

€7.8 M

NNNAV PER SHARE AS AT 31/12/2011

€34.2

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The euro zone suffered a profound crisis in 2011. Against a backdrop of higher unemployment and sovereign debt worries in the leading European countries, the European economic climate deteriorated, prompting many countries to announce austerity measures. France did not escape the storm.

Despite these unfavourable conditions, the French corporate real estate market held up quite well. Investment volumes in 2011 returned to the levels reached in 2005 stimulated by the ending of the preferential tax treatment granted to REITs for sellers, by the decrease in interest rates, and by the volatility of the stock markets,. Properties in the Paris region in particular continued to be much sought after, due to the region's overall appeal. Over 2.4 million square metres of office space were taken up in 2011, at stable average rents. However, in response to the economic climate, users streamlined their costs and favoured the most efficient locations.

In this context, it is important to reiterate Cegereal's commitment to sustainable development, the focus of which is quality: of the company's properties and its tenants. This is the very essence of our model; a long-term strategy that serves as our defence against times of crisis.

In terms of corporate governance, the independent directors were active in 2011, particularly in monitoring the Real Estate activity. This work underpinned our decision to renew our confidence in the teams employed by our majority shareholder, Commerz Real, and to continue their Asset Management contract for a renewable three years term.

The Cegereal management team has been renewed. On 14 February 2012, Raphaël Tréguier, formerly Deputy CEO, was appointed CEO of the company by the Board of Directors following the departure of Bardo Magel.

A key event in 2012 will be the refinancing of our bank debt. A decisive first step has been the changes to our corporate structure, a move unanimously approved by the shareholders during an Extraordinary General Meeting held last December.

Our goal is to ensure sustainable performance for the medium term. This is why the Board decided to propose not to pay out any dividend on the 2011 results, in order to maintain maximum flexibility for 2012.

RICHARD WRIGLEY
Chairman of the Board of Directors

MESSAGE FROM THE CEO

Value enhancement and anticipation were the key concepts guiding our work in 2011. At the end of 2011, 75% of our tenants were "investment grade" and our NAV had stabilised at €34.2 – higher than when the company was floated on the stock market in 2006.

The major project in 2011 was the renovation of our Arcs de Seine complex of offices. After a year of hard work, inspired by an architect of international repute, Arcs de Seine is now one of the "campus" sites which offer the most services and the best quality for users in the Boulogne-Billancourt business hub. The buildings now qualify for the High Environmental Quality (HQE® Exploitation – Engagement de l'exploitation), Tertiary Building Operation category. Refurbished and certified, the site is now being marketed.

Since its inception in 2006 and up until the departure at the start of 2011 of Arcs de Seine's principal tenant (Bouygues Telecom, which moved into a property built by its head office), Cegereal had posted an average occupancy rate for its portfolio of more than 95%. The now-completed refurbishment of this exceptional complex should attract new prestigious tenants alongside Canal Plus, Hewlett Packard and Huawei Technologies, which have just taken out leases totalling 17,000 sq.m of office space. On completion of this marketing phase, we will have finalised the rotation of most of the long-standing leases in our portfolio.

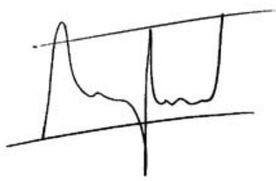
In anticipation of the refinancing of our bank debt, due in March 2013, we restructured the company at the end of 2011 by transferring a complete and autonomous division into a dedicated structure.

This operation, endorsed by the Standard & Poor's and Fitch agencies, which renewed the 'AA' and 'AAA' ratings of the CMBS which refinanced our debt implies no change in our property strategy and should mean that we can optimize the conditions under which our portfolio is refinanced.

Whereas the focus in 2011 was on preparatory work, both on our portfolio and for our finances, 2012 begins with us primed and ready for the successful marketing of Arcs de Seine. Everything needed to give Cegereal a fresh impetus is now in place.

That impetus will be created by a new team with my own appointment as well as that of Carl-Christian Siegel, as the new Deputy CEO. A specialist in real estate, he will bring Cegereal his expertise in premium office property assets.

RAPHAËL TRÉGUIER
Chief Exceutive Officer



SOLID FUNDAMENTALS TO ENSURE SUSTAINABLE GROWTH OVER THE LONG TERM

Cegereal has built a strategy predicated on owning high-quality properties, occupied by first-class tenants and financed by a moderate level of debt, the objective being to achieve attractive performance over the long term.

A VALUE CREATION MODEL

Creating value is a core component of Cegereal's business approach. The main sources of value creation in the property sector are also those that generate the greatest security:

- Optimal collection of indexed rents due to the high levels of tenant solvency.

- Low levels of financial leverage, opening the path to the optimum loan conditions and leaving a comfortable margin for sustainable cash flows growth after finance costs.

- High-quality, recently-built properties that do not require a great deal investment of works. As an illustration, the cost of the Arcs de Seine refurbishment was just 2.7% of its total value, i.e. the amortisation period is just one year. This refurbishment work has nonetheless been sufficient to achieve the standards required for "HQE" certification (BREEAM equivalent for existing buildings) which secures the property's long-term value.

5 SOLID FUNDAMENTALS

High-quality property assets

The three office property complexes: Rives de Bercy, Arcs de Seine and Europlaza collectively constitutes a unique office property portfolio in France. Distinctive features include attractive districts, large, recently-built buildings and top quality services.

To find out more: go to p.10

Strict governance

A Board of Directors, led by a non-executive and independent Chairman, active committees, General Management in touch with shareholders' concerns, and a strict risk management policy: Cegereal's governance operates within a framework of strict rules drawn up to preserve the interests of all the parties concerned.

To find out more: go to p.32

A first-class financial and operational partner

Cegereal benefits every day from the expertise delivered by one of the world's leading asset management companies: Commerz Real. As the representative of Cegereal's main shareholder and manager of its assets, Commerz Real is a special partner, with an interest from two perspectives in the success of Cegereal.

To find out more: go to p.31

A selective leasing management policy

Cegereal targets first-class tenants; major economic players keen to ensure that their office space is both effective and of high quality. This selective policy is one component of the company's long-term approach to leasing.

To find out more: go to p.30

A sound shareholder base

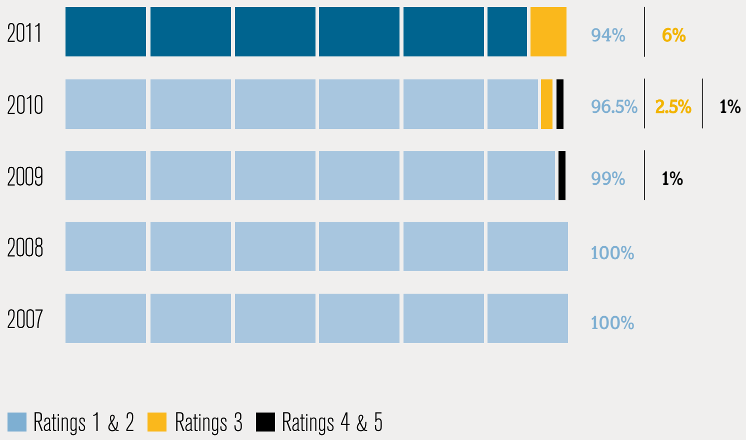
Cegereal is supported by long-term institutional shareholders committed to working with the company, notably HausInvest "Open-Ended" German Fund with 14 Md€ of assets which holds 60% of the share capital and Covea (SGAM MAAF, MMA and GMF) which holds a further 14%.

To find out more: go to p.44

SUSTAINABLE PERFORMANCE

First-class tenants:

Quality of tenant signature since 2007



Source : Ratings Dun & Bradstreet

94%

OF THE RENTAL INCOME FROM COMPANIES WITH A 1 OR 2 RATING FROM DUN & BRADSTREET

75%

OF TENANTS WERE CLASSIFIED AS "INVESTMENT GRADE" BY STANDARD & POOR'S AT THE END OF 2011.

EPRA PERFORMANCE 2011

EPRA earnings

In thousands of euros

	2011	2010
NET INCOME UNDER IFRS	238	63,313
RESTATEMENT OF THE CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY	7,548	(33,200)
EPRA EARNINGS	7,786	30,113

EPRA NAV

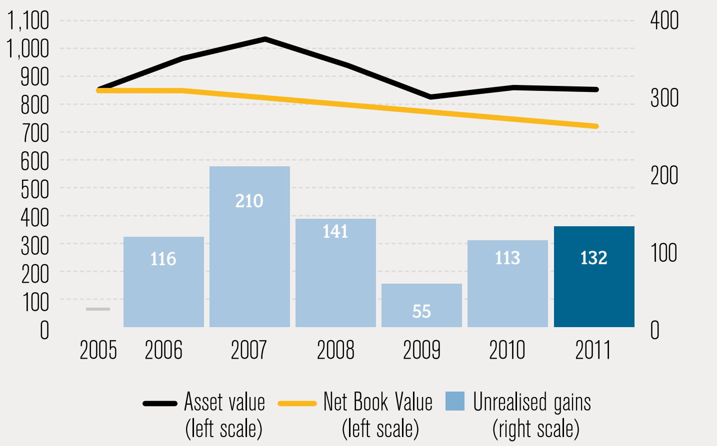
In thousands of euros, except per share data

	2011	2010
SHAREHOLDERS' EQUITY UNDER IFRS	476,471	490,805
PORTION OF RENT-FREE PERIODS	(11,827)	(13,867)
EPRA NAV	**464,644**	**476,938**
MARKET VALUE OF THE LOAN*	(384,173)	(390,163)
CARRYING AMOUNT OF THE LOAN*	376,400	376,400
EPRA NNNAV	**456,871**	**463,175**
NUMBER OF SHARES (EXCL. TREASURY SHARES)	13,343,184	13,339,578
EPRA NNNAV PER SHARE	34.2	34.7

* Excluding variable rate loans

The indicators published by Cegereal are alined on with the recommendations by EPRA, the European Public Real Estate Association, of which Cegereal is a member. EPRA's role is to promote investment in the high-end property sector, and to represent its members' interests. EPRA notably publishes its "Best Practice Recommendations" (BPR) which provide guidelines for top-end property companies in relation to financial disclosure in order to improve the transparency and comparability of the data published by REITs in their annual reports.

Long-term ability to distribute dividends (in millions of euros)



Source: financial data

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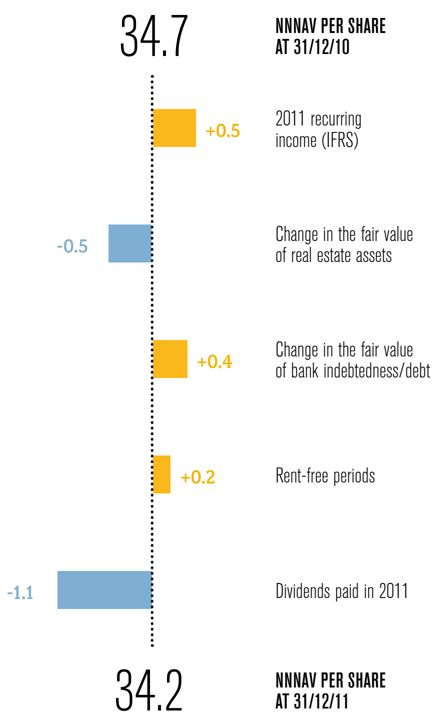
MILLION EUROS OF UNREALISED GAINS

AS OF 31 DECEMBER 2011

EPRA NNNAV

(in euros per share)



EPRA net yield & EPRA "topped-up" net initial yield

In thousands of euros

	2011	2010
INVESTMENT PROPERTY - WHOLLY OWNED	854,200	860,700
INVESTMENT PROPERTY - SHARE OF JVS/FUNDS	-	-
TRADING PROPERTY (INCLUDING SHARE OF JVS) LESS DEVELOPMENTS	-	-
COMPLETED PROPERTY PORTFOLIO	**854,200**	**860,700**
ALLOWANCE FOR ESTIMATED PURCHASERS' COSTS	52,960	53,053
GROSS UP COMPLETED PROPERTY PORTFOLIO VALUATION B	**907,160**	**913,753**
ANNUALISED NET RENTS A	**32,837**	**56,028**
ADD: NOTIONAL RENT EXPIRATION OF RENT FREE PERIODS OR OTHER LEASE INCENTIVES	1,373	1,298
TOPPED-UP NET ANNUALISED RENT C	**34,211**	**57,326**
EPRA NIY A/B	3.6%	6.1%
EPRA "TOPPED-UP" NIY4 C/B	3.8%	6.3%

EPRA vacancy rate

	2011	2010
TOTAL ERV	55,151,191	55,139,000
ERV OF VACANT SPACES	20,809,910	4,099,047
EPRA VACANCY RATE	38%	7%

A NEW **DYNAMIC**

The major operational and financial projects undertaken by Cegereal in 2011 have created a new and powerful impetus for 2012.

2011: **a year of transition**

REFURBISHMENT OF ARCS DE SEINE

In 2011, Cegereal upgraded the Arcs de Seine complex, vacated by the previous tenant at the start of 2011. The site was awarded "HQE" certification (BREEAM equivalent) at the start of 2012.

CORPORATE RESTRUCTURING

At the end of 2011, Cegereal committed to a major restructuring project that consisted in the transfer of the three property assets to a dedicated structure named Prothin SAS. This operation was unanimously approved by the Extraordinary General Meeting of shareholders on 22 December 2011.

2012: **a new and powerful impetus**

MARKETING OF THE REFURBISHED COMPLEX

Arcs de Seine is now fully refurbished and marketing has started.
To date, three leading players (Canal Plus, Hewlett Packard and Huawei Technologies France) have already committed during the 1st trimester of 2012 to lease more than 17,000 sq.m.
With these three lettings the physical occupancy of the site will amount to 51%.

OPTIMISED FINANCIAL MANAGEMENT

The restructuring of Cegereal will improve the conditions under which it will refinance its bank debt and will facilitate the financing of new investments.

REAL ESTATE

Upgrading and marketing high-end office properties

Positioned in the large, high-end office property market, Cegereal owns exceptional property assets located the Paris region's main business hubs. The company applies a selective and long-term leasing policy to all its assets.

ANALYSIS OF THE **OFFICE PROPERTY MARKET**

A MARKED UPSWING IN INVESTMENT ACTIVITY IN 2011

Despite a particularly challenging economic climate in Europe in 2011, primarily caused by the debt crisis and the increase in unemployment, investment in the French corporate property market rebounded strongly, with 17.2 billion euros invested, up 26% compared with 2010. Growth was particularly strong in the second half of the year, supported by three factors: the desire, by many sellers, to benefit before the end of the year from the preferential tax treatment for REITs, lower interest rates and the safe investment appeal of "bricks and mortar" during a period of stock market fluctuation.

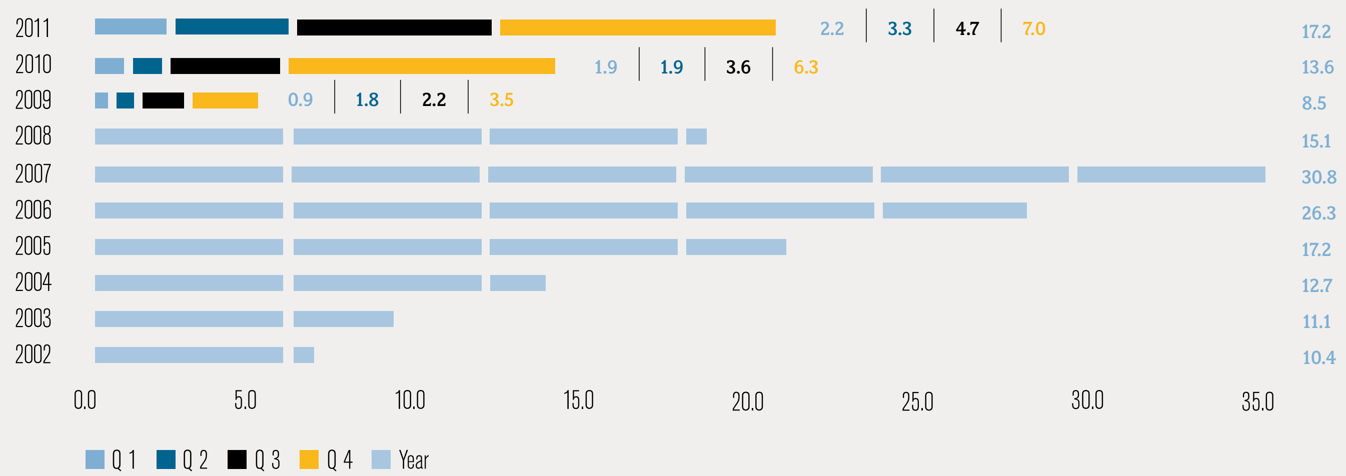
2011 also saw the return of high volume transactions – one-off deals and portfolio transactions – with a total of more than €8 billion from transactions worth more than €100 M, i.e. a 42% increase in volume compared with 2010.

It was the office segment, Cegereal's core asset-class, which benefited most from this rebound, with 12 billion euros invested in 2011, the highest figure since 2007, and an increase of more than 48% on the previous year.

The investments in the office were primarily concentrated in the Paris region, which has preserved its popularity as a result of the liquidity of the properties and the security of the investment. The Paris region continues to benefit from the size of the office park (52.1 million sq.m) and its overall appeal.

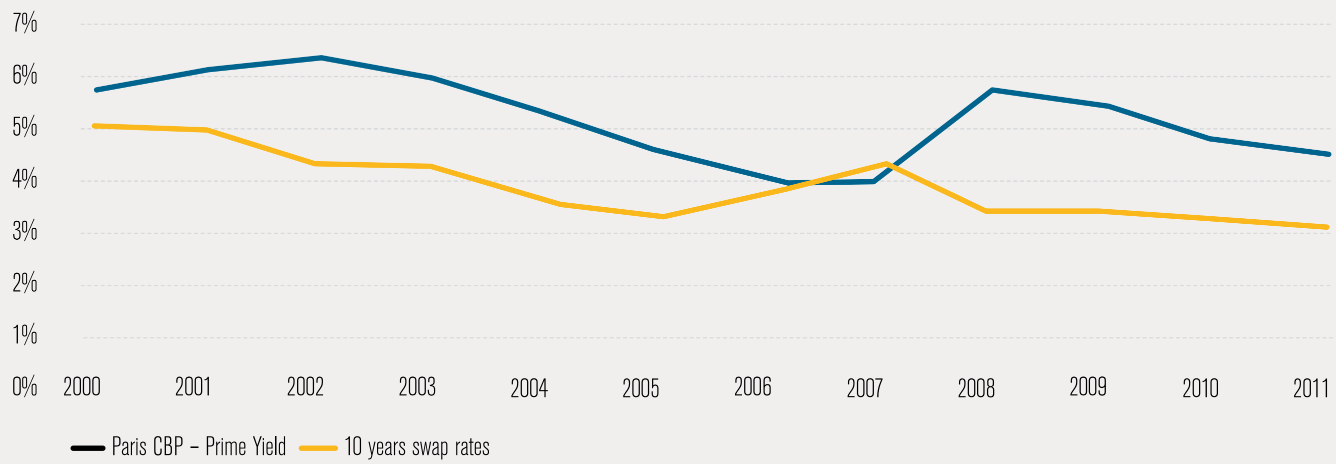
In terms of the types of investor, 2011 was very similar to 2010: investors with high levels of liquidity, and thus not requiring high levels of leverage, continued to be the most active. Insurance companies and SCPI together accounted for 36% of the volumes invested in 2011 (20% in 2009).

Investment in corporate real estate in France (in billions of euros)



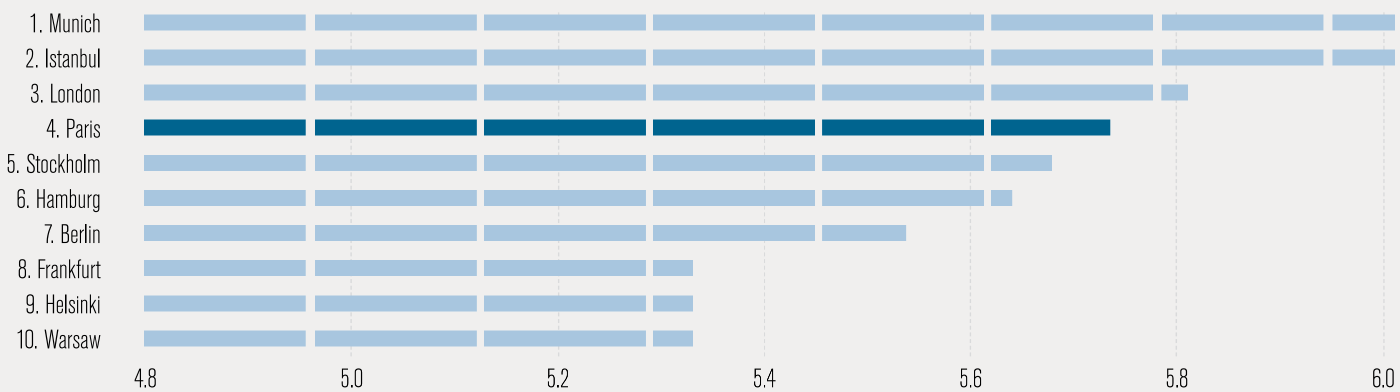
Source: BNP Paribas Real Estate

Prime Yield/10 years swap rates



Sources: BNP Paribas Real Estate, Banque de France

PwC Emerging Trends classification
European cities by performance of existing investments during 2011



Source: Emerging Trends in Real Estate® 2011, published by PwC and the Urban Land Institute (ULI)

OVERALL INCREASE IN DEMAND AND IN RENTS IN THE PARIS REGION

Based on Immostat, activity increased in 2011 in the Paris region's office property sector. 2.44 million sq.m of offices were rented in the Paris region in 2011; a 14% increase in take-up compared with 2010, reaching a level comparable with that of 2005. These figure should, however, be analysed carefully, since they include several very large transactions, notably the completion of three deals for floor area of more than 70,000 sq.m, totalling more than 280,000 sq.m. For the 5,000 to 20,000 sq.m segment, the take-up level fell by 20% in 2011 to just 461,000 sq.m (compared with 577,000 sq.m in 2010).

The overall vacancy rate in 2011 stayed at a modest 7.2%. This trend for this figure should be downwards due to the limited volume of office space coming onto the market in 2012 (370,000 sq.m, just 160,000 sq.m of which are still available).

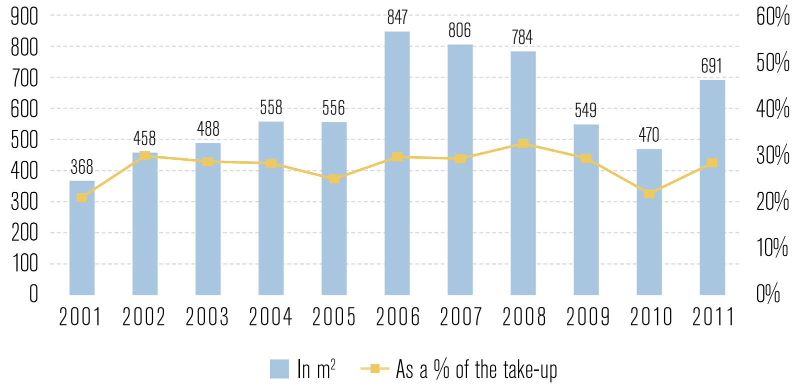
In Paris, the premium rent was €838/sq.m/year in 2011, a 10% increase on the previous year. This growth reflects the sustained demand from users prepared to pay the higher price of a location in the more attractive districts. In the Paris region, over the same period, average rents were unchanged due to the large number of non-refurbished, second-hand properties typical of this region.

"A successful company focuses on the user"

"In the office property sector, market time and corporate time are two different things.
2012, just like 2011, will highlight this recurrent mismatch which every year penalises the properties whose design is outdated, and favours the emergence and dynamism of the newly-built office market, as long as the supply respects the principle of the optimised balance between Quality, Price, and Location.
Office space is the Paris region has the reputation of being slow to change and of failing to acknowledge the social and technological transformations which have such a profound effect on office life.
Successful owners of offices in 2012 in the Paris region must commit to upgrading and refurbishing their properties, and to implementing these changes in compliance with a set of indisputable principles: efficiency, respect for others, certification and modernity – all of which, by definition, are constantly changing and at an accelerating rate.
The market-leading companies are right, on the whole, when they opt for the most sophisticated properties. They are searching for the best property "solution" to their technical, economic, and conceptual requirements, and are also attracted by the high added value provided by the property and its environment in societal terms. They are also looking for an owner who knows how to support them over the long term and how to improve the property so that it keeps pace with the evolving needs of tenants and changes in regulatory requirements.
Users gradually take over a building, and the owner must always keep their needs in mind. The ability to cater for its users' requirements must be a core strength of any company whose approach to property management stands as one of the pillars of its strategy for managing and optimising its human resources."

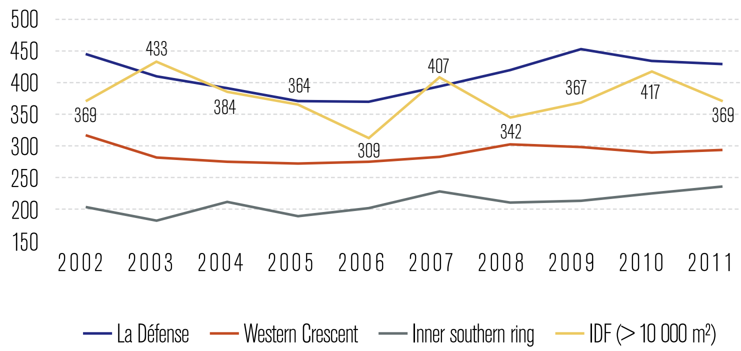
LAURENT CASTELLANI
Chairman of Keops France

Value of transactions > 10,000 m²



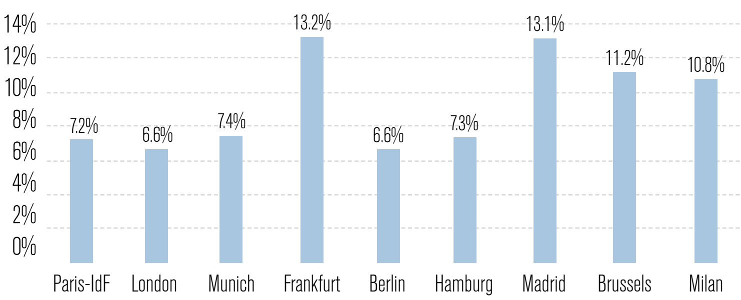
Source: BNP Paribas Real Estate

Average rent in the Paris region and the main sectors of Cegereal properties (in euros/m²)



Source: BNP Paribas Real Estate

Vacancy rates in the main European cities at December 31, 2011



Source: BNP Paribas Real Estate

Towers and campuses: two complementary models

Tower and campus configurations are the two types of real estate that appeal to the users of large office spaces. For Cegereal, its Arcs de Seine and Rives de Bercy complexes are classified as campuses, whereas Europlaza is a tower.

Is this a passing mode, a reflection of the company's culture, or a statement of power? Whatever the case, the "horizontal" option offered by a campus has won market share from towers over the last few years, but the trend is now swinging back.

The two configurations have been developed to accommodate the varying nature of a company's requirements. Towers favour companies that adopt a "vertical" style of communication, whereas campuses facilitate interaction and cooperation. A tower can also be effective in conveying an image. It is visible, accessible, flexible and occupies less space. Campuses create a more user-friendly feel, focusing on services and an appealing working environment.

The choice of a campus or a tower contributes to the client's internal and external identity.

OVERVIEW OF THE PROPERTIES

Based on BNP Paribas Real Estate valuation report (as of 31/12/2011)

	EUROPLAZA	ARCS DE SEINE	RIVES DE BERCY	
ADDRESS	20, AVENUE ANDRÉ-PROTHIN LA DÉFENSE 4	34, QUAI DU POINT-DU-JOUR BOULOGNE-BILLANCOURT	4, QUAI DE BERCY CHARENTON-LE-PONT	TOTAL
% HOLDING	100%	100%	100%	N.A.
VALUE	€386 M	€300 M	€169 M	€854 M
VALUE / M²	€7 810/M²	€6,640/M²	€5,715/M²	€7,024/M²
ANNUAL CHANGE	+0.5%	-2.9%	+0.3%	-0.8%
CAPITALISATION RATE G	6.3%	6.3%	6.3%	6.3%
RENTS IN 2011	€21.4 M	€2.3 M	€10.8 M	€34.6 M
POTENTIAL RETURN G	6.4%	6.7%	6.7%	6.6%
OCCUPANCY RATE	92%	12%	100%	65%
WEIGHTED AVERAGE RESIDUAL DURATION OF LEASES	5.4	7.0	6.1	5.8
TOTAL SURFACE AREA	52,478 M²	47,308 M²	31,942 M²	131,728 M²
OF WHICH OFFICES	*47,566 M²*	*41,738 M²*	*29,136 M²*	*118,440 M²*
ACTIVITY	-	*2,500 M²*	-	*2,500 M²*
STAFF RESTAURANT	*3,157 M²*	*2,041 M²*	*2,424 M²*	*7,622 M²*
ARCHIVES	*1,755 M²*	*1,029 M²*	*382 M²*	*3,166 M²*
PARKING SPACES	722	942	657	2,321
YEAR OF ACQUISITION	1999	2000	2003	N.A.
YEAR OF CONSTRUCTION	1972	2000	2003	N.A.
YEAR OF REFURBISHMENT	1988	2011	N.A.	N.A.
TYPE OF LEASES	INVESTOR	INVESTOR	TRIPLE NET	INVESTOR OR TRIPLE NET
MAIN TENANTS	CAP GEMINI GE CAPITAL GALDERMA	CANAL PLUS HEWLETT PACKARD BOURSORAMA	CRÉDIT FONCIER DE FRANCE	

N.B. This overview does not include the rental from new leases signed in early 2012 (i) with Yxime, for 1300 sq.m in the Europlaza tower, and (ii) with Canal Plus and Hewlett Packard and Huawei Technologies France for more than 17,000 sq.m in the Arcs de Seine complex. Including these four new tenants, Cegereal's physical occupancy rate stands at 80%.

PRESERVED REAL **ESTATE ASSETS**

Cegereal is aware of the need to maintain the quality of its property assets, and accordingly implements a ongoing policy of investment and improvement. Such investments focus not only on technical improvements but also on comfort and aesthetics. The latest major investment was the refurbishment of the Arcs de Seine site in 2011, at a cost of 7.5 million euros.

ARCS DE SEINE

VALUE EXCLUDING TRANSFER TAXES
AS OF 31/12/2011

€300 M

TOTAL SURFACE AREA (EXCLUDING CAR PARKS)

45,267 sq.m

MAIN TENANTS

Canal Plus, Boursorama, Hewlett Packard

RIVES DE BERCY

VALUE EXCLUDING TRANSFER TAXES
AS AT 31/12/2011

€169 M

TOTAL SURFACE AREA
(EXCLUDING CAR PARKS)

31,942 sq.m

SOLE TENANT

Crédit Foncier

EUROPLAZA

VALUE EXCLUDING TRANSFER TAXES
OF OWNERSHIP CHARGES
AS AT 31/12/2011

€386 M

TOTAL SURFACE AREA
(EXCLUDING CAR PARKS)

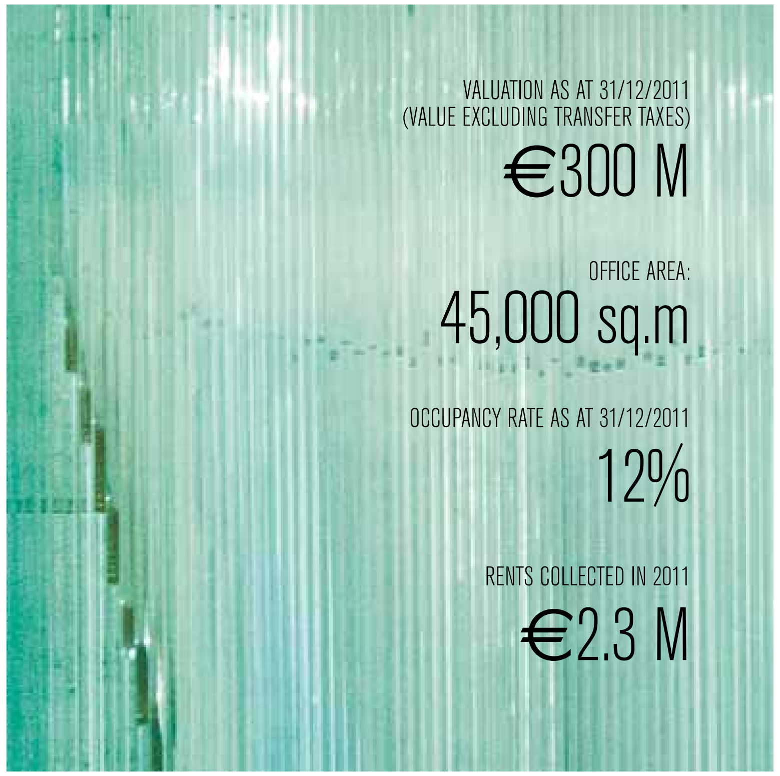
49,321 sq.m

MAIN TENANTS

Cap Gemini, GE Money Bank, Galderma

ARCS DE SEINE

Arcs de Seine is an emblematic complex of modern offices in west Paris, whose striking architecture was designed by the SOM firm of architects (Skimore, Owings & Merrill). Consisting of three separate buildings arranged around a landscaped park, the site's location and visibility are exceptional due to its proximity to the Seine river. Now fully refurbished, Arcs de Seine is one of the "campus" sites that offer the best services and the most appealing living and working environment in the area. Nicknamed "Communication Valley", this area is becoming a major business hub within the Paris region.



VALUATION AS AT 31/12/2011
(VALUE EXCLUDING TRANSFER TAXES)

€300 M

OFFICE AREA:

45,000 sq.m

OCCUPANCY RATE AS AT 31/12/2011

12%

RENTS COLLECTED IN 2011

€2.3 M

RENOVATION OF ARCS DE SEINE

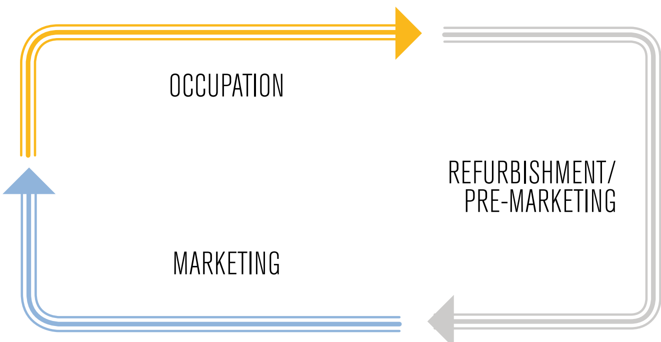
The departure of Bouygues Telecom was the opportunity for Cegereal to undertake several enhancement projects, to confirm the modern and prestigious positioning of the site.

3 OBJECTIVES

+ greater comfort
+ better energy efficiency
+ a stronger campus feel

THE LIFE CYCLE OF A PROPERTY: AS ILLUSTRATED BY ARCS DE SEINE

The life of an office property consists of phases. After 11 years of continuous use, Arcs de Seine was completely refurbished in 2011 to create the best possible conditions under which to lease it to new tenants, ahead of a new phase of long-term occupancy.



Heinle, Wischer und Partner
Freie Architekten

TWO QUESTIONS FOR ANNETTE DÖRR - HEINLE, WISCHER AND PARTNERS
The architect responsible for refurbishing Arcs de Seine

What was involved in the redesign of the entrance halls?
The aesthetics and functionalities of the entrance halls were thoroughly reviewed. The theme for the interior décor is waves, as a reference to the waves on the River Seine that reflect in the building's facades. Reflecting on the undulating and illuminated surface of the ceiling, the impression created is that of waves flowing through the building. The second characteristic, the arcs, define as lighting elements the different areas in the entrance hall and guide the visitor through the corridor, connecting hall A-Seine and C.
The different usable areas are the reception desk and a comfortable lounge and meeting area with sofas and armchairs.

What was the aim of this renovation?
The aim was to make the Arcs de Seine complex even more user-friendly and functional to make spaces more contemporary in utilisation and appearance. To achieve this, we built on its unique personality, which is found both in the architecture of the buildings and in its modern lines. For example, we created a centralised services plaza, which extends out onto a sun protected terrace, to strengthen the site's campus feel. In this way, people working in the building have the possibility to pass their lunch break in fresh air while sitting in comfortable outdoor armchairs and looking onto the green space.

A COMPLETELY REFURBISHED COMPLEX

In January 2012 Cegereal completed a full year of refurbishing and upgrading works on the buildings vacated by Bouygues Telecom at the start of 2011. There were three aspects to the project: refurbishment work, improvements to the quality of the living environment, and work to improve energy efficiency, all at a total cost of 7.5 million euros (of which 2.5 million euros of various enhacement projects).

The project focused in particular on:

- The overall refurbishment of all the offices and communal spaces.
- The complete redesign of the entrance halls serving buildings A and C.
- The construction of a terrace adjacent to the restaurant.
- Upgrading work to the integrated service facilities.
- Improvements to the gardens.
- The installation of intelligent lighting systems.

An ideal location on the outskirts of Paris

Boulogne-Billancourt is the largest business centre in the Paris region after the capital itself. Arcs de Seine is located in Le Point du Jour, one of Boulogne's main business hubs, and home to national and international companies and to the head offices of prestigious corporations. Accessible via the subway, bus and tram, this district is bordered by the inner ring road and the Seine river; an ideal location from which to quickly access the centre of Paris. The district also lies at the heart of the newly-designated urban area "Grand Paris Seine Ouest", set up to assert the identity of this major, state-of-the-art office hub in the Paris region and in the Hauts-de-Seine region (on the west side of Paris).

AN UNRIVALLED CAMPUS STYLE ENVIRONMENT

The Arcs de Seine complex offers 1,200 to 2,800 sq.m of office space per floor. Up to 3,000 people can work in the three independent buildings in a well-lit environment that has a very natural feel. The design of the layout promotes the greatest possible flexibility. The office space can be divided up both horizontally and vertically.

The buildings share a centralised services hub that is unique in this part of Paris:

- Underground parking for 942 cars, i.e. 1 space per 3 office users.
- A shared, 2,100-capacity restaurant.
- A cafeteria with views over the Seine.
- An auditorium with a capacity of 300 seats.
- Large meeting rooms, club lounges and a gymnasium.

The wide ranges of services available on site contribute further to the campus feel inside Arcs de Seine, and make life just a little easier: a cash machine, concierge service, a network of retailers with their own on-site delivery system, a travel agent, hairdresser, etc.

Over half of the complex has already been leased

The completely refurbished Arcs de Seine complex is ready to welcome new tenants.
At present, the complex is partially occupied by Boursorama (Building B, 4th to 7th floors, representing 5,344 sq.m), who signed a 6/9-year lease on 1 January 2010. The rest of the site is being marketed.

Three new tenants signed leases early in 2012, representing with Boursorama an occupancy rate for the overall complex of 51%:

- **Canal Plus** has leased the entire building C, comprising 10,500 sq.m, by way of a fixed nine-year lease from 1 October 2012.
- **Hewlett Packard** will gradually lease a floor area of 4,300 sq.m from 1 July 2012, with a 6/9 year lease.
- **Huawei Technologies France**, the subsidiary of a Chinese multinational, and a market-leading supplier of solutions for next-generation telecommunications network operators, has signed a lease for 2,500 sq.m from 1 March 2012.

At the end of March 2012, 19,500 sq.m of office space remained available in the Arcs de Seine complex.

A beehive in the sky

A beehive on the roof of Arcs de Seine produces more than 50 kilograms of honey per year. The honey is particularly tasty due to the wide range of flowers nearby, and to the absence of pesticides. The first batch of honey was collected in autumn 2008.

The construction sector prepares for the "Grenelle" plan

32 RECOMMENDATIONS DRAWN UP BY THE WORKGROUPS, WHICH WILL FORM PART OF THE LEGISLATION ON ENERGY EFFICIENCY REQUIREMENTS FOR SERVICE SECTOR PREMISES BETWEEN 2012 AND 2020.

200 PEOPLE INVOLVED IN THE PROJECT, REPRESENTING ALL THE STAKEHOLDERS IN THE SECTOR.

850 MILLION SQ.M OF OFFICE SPACE CONCERNED (IN FRANCE).

a 38% reduction IN THE ENERGY CONSUMPTION OF SERVICE SECTOR PREMISES BETWEEN NOW AND 2020 IN FRANCE. THIS IS THE OBJECTIVE DEFINED BY THE FRENCH GOVERNMENT'S ROUND TABLE ON THE ENVIRONMENT.

EXEMPLARY ENVIRONMENTAL PERFORMANCE

Cegereal seized the opportunity created by the need to refurbish Arcs de Seine to enhance the site's environmental performance. These efforts were rewarded when the site received the French BREEAM (i.e. HQE® Exploitation – engagement phase) certification for existing buildings at the start of 2012. Of all the properties in the Paris region, Arcs de Seine is now the one that most closely meets the requirements drawn up by the Grenelle Environment summit meeting in terms of energy consumption and emission control.

AN EXEMPLARY PROPERTY

Long before sustainable development criteria became an accepted part of the real estate market, preserving the environment was a priority for Cegereal. In this respect, Arcs de Seine is a pilot site. In 2003, an energy management initiative was launched to audit how the complex operates and to determine its energy requirements. This phase was followed by an intensive measurement programme to identify where savings could be made. The property's equipment and infrastructures were then modified, in agreement with the tenants, notably involving the fitting of low-voltage bulbs, re-programming the air conditioning and lighting to meet requirements more closely, and switching off the lighting in the car parks after 10 pm. The result of these various actions has been substantial reductions in the tenants' water, electricity, and heating bills.

In 2011, to coincide with the upgrading of the site, Cegereal were successful in their application for HQE® certification (engagement phase) from Certivéa. An audit conducted as part of this process identified additional ways of improving the site's performance, such as consumption control devices, waste management and the regular monitoring of water quality.

"HQE" certification in detail

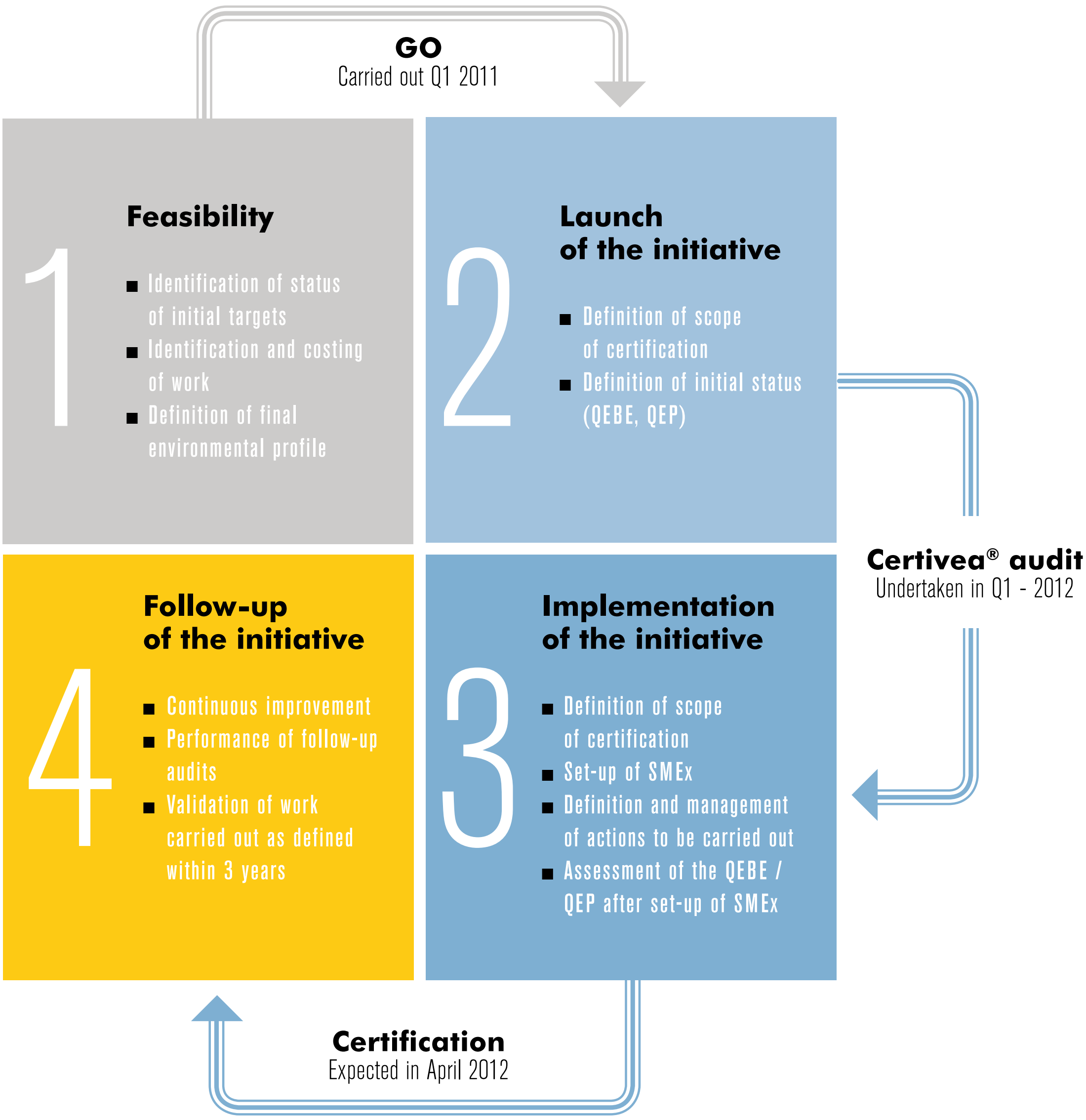
"NF Bâtiments Tertiaires en Exploitation – Démarche HQE" certification is the French equivalent of BREEAM for existing buildings in the office sector. It is a new approach, and unlike the standard "construction" based methods used up until now. It does not simply assess the theoretical performance of a property, it also takes into account how the building is operated and used when its environmental credentials are measured.

It reflects therefore the commitment made by all the parties (owner, operator and user) to a proper consideration of the concepts involved in maintaining and improving the performance of the building over time.

The certification supersedes a number of French certification systems: "Système de Management de l'Exploitation" (SMEx), "Qualité Environnementale des Bâtiments en Exploitation" (QEBE) and the "Qualité Environnementale des Pratiques" (QEP).

THE CERTIFICATION PROCESS FOR ARCS DE SEINE

The certification process focuses on 14 criteria relating to eco-construction, eco-management, comfort and health. Every target has been reached at Arcs de Seine.



EUROPLAZA

With its ideal location at the centre of Europe's leading business hub, the Europlaza tower is an architectural success, delivered by HRO in 1998-1999. The quality of life provided by its technical equipment and the excellence of the services offered give the tower permanent appeal for new, prestigious tenants.

At the heart of the leading business hub in Europe

Its 3.8 million sq.m of offices, 185,000 employees and 2,500 companies (including 1,500 head offices), on a strategic 564-hectare zone to the west of Paris, make La Défense the leading business hub in Europe. With its established appeal (companies can still find 5,000 sq.m office units located just a few minutes from the capital's city centre) and continued investor confidence, La Défense Seine Arche is one of Greater Paris's prestige districts.

Surrounded by new building work and urban development projects designed to combine living spaces, workspaces and services, the Europlaza tower lies at the heart of a dynamic and buoyant environment.

VALUATION AS AT 31/12/2011
(VALUE EXCLUDING TRANSFER TAXES)
€386 M

OFFICE AREA:
47,500 sq.m

OCCUPANCY RATE AS AT 31/12/2011
92%

RENTS COLLECTED IN 2011
€21.4 M

MODULARITY AND SERVICES

Europlaza is the largest of Cegereal's three complexes. Its 31 floors (1,300 sq.m or 2,100 sq.m) can be arranged as an open-plan space or served by a central corridor, according to the tenant's preference. The complex fully caters for the requirements of major companies in terms of services, comfort, and safety.

The tower offers private parking for 722 cars (a service particularly sought after in La Défense), an auditorium and a gymnasium with sauna. There is a comprehensive catering service, with a shared restaurant decorated by the architect Alberto Pinto, a cafeteria bathed in light which pours through its new glazing, completed in 2009, and VIP rooms. It offers top-quality meeting rooms of modular design, making them easy to transform. The installed equipment is also top quality, to ensure reliable and effective air conditioning, fire safety or video surveillance.

A facility manager and two technicians respond to tenants' everyday needs and problems.

HIGH LEVELS OF LEASING

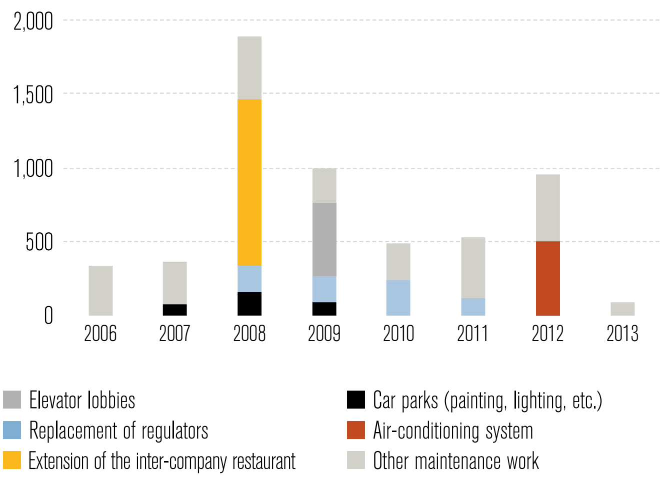
As at 31 December 2011, 90% of Europlaza was leased to 15 prestigious tenants, including Cap Gemini France, GE Money Bank, Gartner and Galderma. The leases are set to run for between 3 and 9 years and include all the normal indexation clauses.

The services proposed by the tower attracted new, first-class tenants in 2011. Three new leases were signed with the global paper producer, Stora Enso, the international recruiting firm Sthree and the software company Intersystems. In 2012 they will be joined by Yxime.

2012: AN IMPORTANT NEW TENANT

Yxime, Cegereal's property manager has chosen to set up its office base in Europlaza. As from April 2012, the property management company will occupy the tower's 4th floor. Yxime's decision is of symbolic importance for Cegereal. As the manager of 3 million sq.m in the Paris region, Yxime's decision to choose Europlaza is a strong statement of its recognition of the high quality offered.

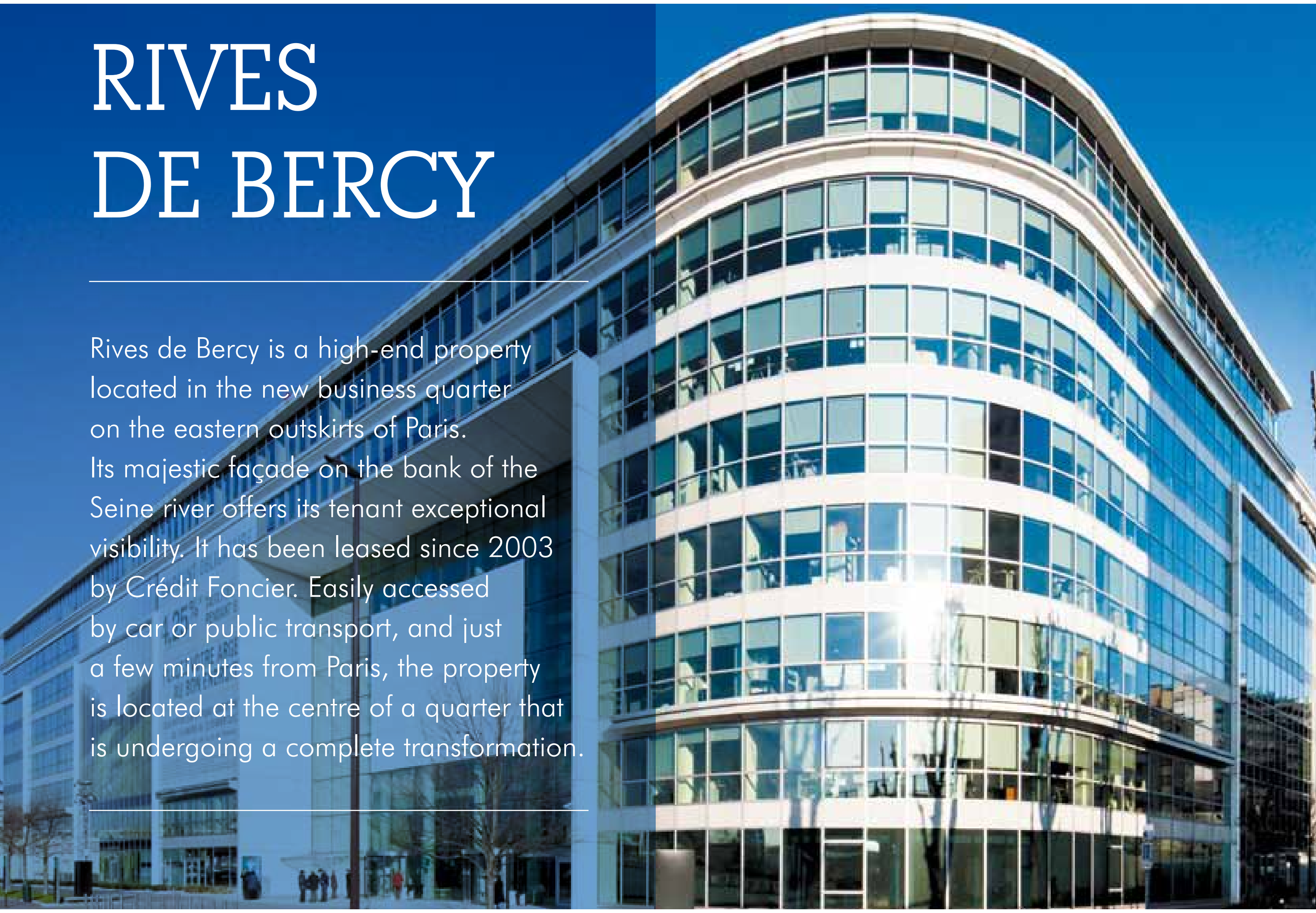
Works carried out on Europlaza since 2006 (in thousands of euros)



"A large number of prestigious companies expressed an interest in Europlaza in 2011. As proof of the quality of the services, the tower's occupancy rate was almost 90% as at 31 December 2011."

THIERRY DORISON
Managing Director – Yxime

RIVES DE BERCY



Rives de Bercy is a high-end property located in the new business quarter on the eastern outskirts of Paris. Its majestic façade on the bank of the Seine river offers its tenant exceptional visibility. It has been leased since 2003 by Crédit Foncier. Easily accessed by car or public transport, and just a few minutes from Paris, the property is located at the centre of a quarter that is undergoing a complete transformation.

VALUATION AS AT 31/12/2011
VALUE EXCLUDING TRANSFER TAXES

€168.7 M

OFFICE SPACE:

31,900 sq.m

OCCUPANCY RATE AS AT 31/12/2011

100%

RENTS COLLECTED IN 2011

€10.8 M

A MODERN, HIGH-QUALITY PROPERTY

Rives de Bercy is a large complex (31,942 sq.m of buildings and 16,374 sq.m of land) whose modern architecture is of the highest quality. Linked by suspended walkways, the various wings are characterised by their light, open spaces. The impressive lobby is beautifully designed and opens out onto the Quai de Bercy.

The complex is very well appointed and offers an excellent working environment. The property meets the latest standards for safety and comfort. Grass-covered roof terraces offer panoramic views over Paris. The site's users can dine in a cafeteria or staff restaurant that looks over an internal courtyard, featuring a Japanese garden. There are also five private dining rooms and numerous meeting rooms, varying in size, in addition to an 186-seat auditorium and an extensive gymnasium hall, which was extended in 2010.

A TENANT OF CHOICE

Rives de Bercy has been entirely occupied by Le Crédit Foncier since 2003. The bank holds a 9-year lease which was renewed in 2009. The lease is a triple net agreement: all rental charges and works are paid for by the tenant. For example, in 2011 the tenant built an extension to the gym, carried out work on energy saving, modified the restaurant and installed an additional UPS.

Rives de Bercy: playing a leading role in a dynamic quarter

Charenton-le-Pont, the area in which Rives de Bercy is located, is one of the rapidly-growing business quarters of eastern Paris. A great many companies have been drawn to the quarter, attracted by the proximity to Paris, the easy access to the motorway system, the location on the banks of the Seine river and the opportunity to occupy premises offering the same quality as those in west Paris, but with a lower rent. Carrefour, Natexis Banques Populaires, Essilor and CSC Peat Marwick have all chosen to base their operations in Charenton-le-Pont, further enhancing the appeal of the zone. The quarter has been selected for various projects intended to energise economic activity in east Paris, notably, just a few hundred metres from Charenton-le-Pont, the Paris Rive Gauche hub, which, with the extension to the French national library, is scheduled to be the workplace for some 60,000 employees.

LEASING MANAGEMENT
A SELECTIVE, LONG-TERM POLICY

Cegereal is keen to build relationships of trust with the first-class tenants that occupy its large properties. Its objective: to secure income and deliver sustainable yields. Cegereal has a special relationship with a partner that handles its asset management requirements. The company, Commerz Real, is both an asset manager and its majority shareholder.

PRESTIGIOUS CLIENTS

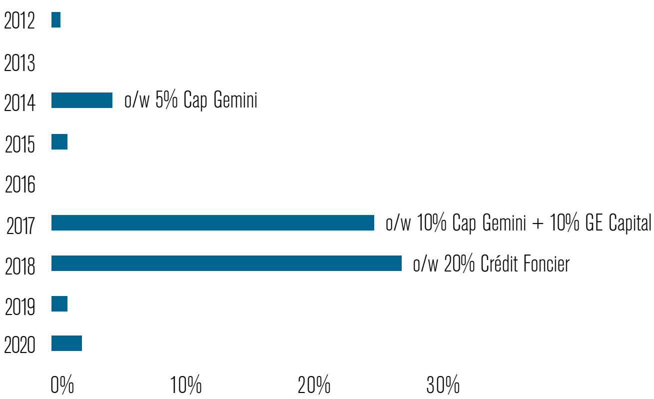
Cegereal's clients are national or international market leading in their respective fields. The list of tenants includes prestigious names such as Cap Gemini France, le Crédit Foncier, Boursorama and GE Capital. Such clients are unlikely to default since their capital base, long-term future, and credibility are sound and proven. Cegereal works closely with its tenants to build relationships based on trust and transparency.

LONG-TERM COMMERCIAL LEASES

Wherever possible, Cegereal prefers to sign long-term commercial leases (6 or 9 years). These leases generally include rent indexation criteria. The leases also make provision for the transfer to the tenant of all the building's operating and maintenance costs, in addition to the taxes incurred by the property assets and most repair costs.

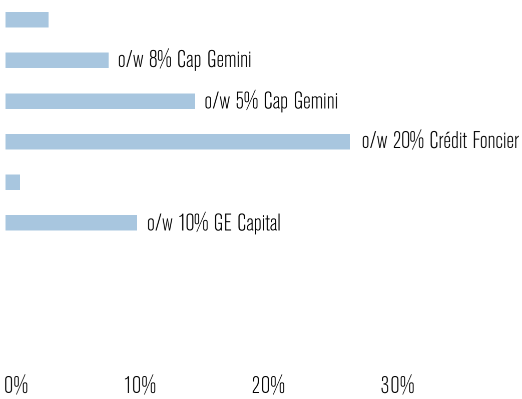
Lease expiration date for the major leases

(in % of total potential rent as at December 31, 2011)



Next break-up option date for the major leases

(in % of total potential rent as at December 31, 2011)



COMMERZ REAL: A SPECIAL PARTNER

To ensure that its properties are correctly managed, Cegereal signed an asset management contract with Commerz Real. Commerz Real is the partner of choice for Cegereal.
The management company knows the Paris region's office property market in depth since it manages 3 billion euros of assets in the region. It has a wealth of expertise in marketing and operating properties. Commerz Real is also Cegereal's majority shareholder (it holds 59.8% on behalf of the hausInvest fund) and accordingly is doubly motivated to ensure that the company succeeds.

Commerz Real was an obvious choice, since the company offers demonstrable expertise and its interests are aligned with those of the company, its clients, and its shareholders.

Renewal of the asset management contract

In 2011, Cegereal renewed its asset management contract with Commerz Real. The contract covers investment consultancy and asset operation analysis. This contract also covers appraisal of the assets by third party value and of their performance, the provision of data about changes to the property market and latest leasing trends. The contractual agreement also includes property inspections and advice regarding Cegereal's leasing strategy.

The annual remuneration for this contract is set at 0.35% of the appraisal value of the properties and 1% of the total cost of the assets concerned in the case of purchase on sale of assets.

Note that this contract is an agreement regulated by article L225.38 of the French Commercial Code and that, accordingly, only the three independent directors and Covéa's representative are authorised to vote. The renewal of this agreement under the same conditions was unanimously approved by the Board for a renewable 3 years term.

€40 billion

VALUE OF THE WORLDWIDE ASSETS MANAGED BY COMMERZ REAL

About Commerz Real

A asset management company owned by Commerz Bank

40 years of experience

700 property experts around the world

More than 40 billion euros of managed assets, notably hausInvest, created in 1974 and Cegereal's majority shareholder

Management of more than 50 properties with office space of more than 10,000 sq.m

GOVERNANCE
AND RISK MANAGEMENT

Defending the interests of the company and of its shareholders

Backed by major institutional groups, Cegereal has set up a governance structure which provides an optimal monitoring of the interests of all its shareholders. The objective is to offer the security of sustainable growth over the long term, achieved by managing high quality assets, employing the best expertise in the marketplace, and optimizing risk management, in accordance with our commitments to transparency and independence.

GOVERNANCE

GOVERNANCE STRUCTURE

In compliance with the AFEP MEDEF corporate governance code for listed companies of December 2008, (updated in April 2010), Cegereal's governance is provided at three levels: the Board of Directors, its three committees and the management team (Raphaël Tréguier and Carl-Christian Siegel).

This structure complies with the governance rules enacted by the financial regulation authorities for the French and German markets, AMF and Bafin.

Cegereal's statutes and internal rules can be viewed on their website: www.cegereal.com.

GOVERNANCE	OPERATIONAL STRUCTURE
An organisation oriented toward transparency and independence.	In order to manage its operations, Cegereal works with external partners, enabling access to the best expertise in the marketplace.
1 A Board of Directors chaired by an independent director and consisting of 9 members, 3 of whom are independent.	Cegereal has signed an asset management contract with a world leader in property management for third-party accounts, Commerz Real.
2 Three committees (investment committee, audit committee, appointments and remuneration committee), consisting primarily of independent directors.	Cegereal entrust the day-to-day management of its property to Yxime, legal issues to Fidal. Its certified public accountant is PriceWaterhouse Cooper.
3 The Management Team A CEO and a Deputy CEO.	

GOVERNANCE ON THREE LEVELS

1. BOARD OF DIRECTORS

Cegereal's Board of Directors met nine times in 2011, with an attendance rate of 89%. In accordance with the company's internal rules, the Board was in particular consulted for all lettings exceeding two million of euros and for the elaboration of the renovation works in Arcs de Seine.

INDEPENDANT DIRECTORS

Richard Wrigley,

Chairman of the Board of Directors and of the Audit Committee

64, former Chairman of CBRE Property Management France until 2009. Holds a BSc in Estate Management from London University. He is a Fellow of the Royal Institution of Chartered Surveyors (FRICS).

Alec Emmott

Chairman of the Investment Committee

64, he holds an MA from Trinity College, Cambridge in 1969 and a member of the Royal Institution of Chartered Surveyors (MRICS) obtained in 1971. From 1997 to 2007 he was the Managing Director of Société Foncière Lyonnaise. He is a director of Europroperty consulting, Cityhold HB and Weinberg Property Partners.

Jean-Pierre Bonnefond,

Chairman of the Nominations and Remunerations Committee

66, former Chairman of the Groupement Foncier Français. In June 2000 he was appointed Chairman of GFF and remained in that position until October 2004. Since November 2004 he has been a consultant in asset strategy. Jean-Pierre Bonnefond holds a postgraduate diploma in Private Law from the University of Sorbonne-Pantheon. He is a "Chevalier de la Légion d'honneur".

MAJORITY SHAREHOLDERS' REPRESENTATIVES

Gerry Dietel,

34, director. He holds a degree in economics in Real Estate economics from HfWU Nürtingen-Geislingen University. In 2005 and 2006 he worked for IPD Investment Property Databank in Germany and joined Commerz Real in 2007 where he is one of the managers of the Hausinvest fund. He is employed by CRI mbH.

Erich Seeger,

48, director, permanent representative of CRI. He became a Board Member of Commerz Real AG in 2008. He previously held various key positions in marketing within the asset management subsidiary of the HVB Group in Munich. In particular he directed the sales activities of the management company of their Activest fund. He holds a marketing degree from the Munich Academy of Publicity and Marketing.

Carl-Christian Siegel,

46, he is in charge of the real estate teams in Southern Europe for Commerz Real AG. He joined the group in early 2008 after working for 12 years with the Deutsche Bank Group, where he was lastly in charge of portfolio management for Special Funds. Mr. Siegel graduated in Management from the University of Konstanz and has a degree in Real Estate Economy from the European Business School.

Olivier Le Borgne,

44, director, permanent representative of GMF VIE. He holds a DEUTS Actuarial (Paris ISUP) obtained in 1996 and graduated from the Institut Supérieur de Gestion in Paris (1986-1989). He has been Director of Financial Strategy for GMF since October 2008.

Klaus Waldherr,

47, director. He has worked as a lawyer for a German government institution. He joined CRI in 1998 where he acts as a lawyer. He is specialized in real estate investments abroad with a doctorate in law. He graduated from the University of Nancy II and the University of Mainz.

Sabine Röska,

32, director. Director of Strategy for Commerz Real since 2011. She joined CR in 2008 as manager of the Hausinvest Europa fund. She previously held several positions within Deutsche Immobilien Chancen KGaA in Frankfurt. Ms. Roska is a graduate of the University of Darmstadt and of the Institut National Polytechnique in Grenoble.

2. THE THREE COMMITTEES

The three committees appointed by the Board of Directors assist Cegereal's directors in making important decisions in relation to investments, audits and appointments & remunerations. Three directors sit on each committee, the majority of which are independent.

Investment committee

Alec Emmott (Chairman), Independent
Richard Wrigley, Independent
Graham Spensley, Independent

The function of this committee is to assist the Board when it considers an investment, especially in relation to the sale, acquisition, development or substantial refurbishment of property assets. It also advises on projects and on the annual investment budget. It reviews the strategy of finalised investment transactions. It also considers all matters that could significantly impact investments.

Number of meetings in 2011: 1
Attendance rate: 100%

Audit committee

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

The audit committee assists the Board in the review and approval of the financial statements (annual and half year). It monitors the statutory auditing of the accounts by the Auditors and ensures their independence. It reviews the internal control, auditing, accounting and management procedures. It checks the efficacy of the internal control systems, by ensuing that the management function within Cegereal has the resources necessary to prevent risks and anomalies. Finally, the audit committee monitors the process of drawing up financial information.

Number of meetings in 2011: 2
Attendance rate: 100%

Appointments and remuneration committee

Jean-Pierre Bonnefond (Chairman), Independent
Graham Spensley, Independent
Alec Emmott, Independent

The purpose of this committee is to calculate the amount of remuneration of each member of General Management. It is also responsible for assessing all the other benefits or allowances they receive. It considers appointments for CEO, Deputy CEO and Directors. It also assesses the situation of each director at its discretion and regularly evaluates the board.

Number of meetings in 2011: 2
Attendance rate: 100%

3. THE MANAGEMENT TEAM

Following the departure of Bardo Magel, Raphaël Tréguier, formerly Deputy CEO of Cegereal, was appointed Group Chief Executive in early 2012. He is assisted in his duties by Carl-Christian Siegel, the new Deputy CEO for real estate.
In this way, corporate management is ensured by two experts in corporate finance and real estate.

Raphaël Tréguier, CEO

Aged 37, Raphaël Tréguier has demonstrated 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 from 2001 to 2008 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.

Carl-Christian Siegel, Deputy CEO for real estate

Aged 46, he is in charge of the real estate teams in Southern Europe for Commerz Real AG. He joined the group in early 2008 after working for 12 years with the Deutsche Bank Group, where he was lastly in charge of portfolio management for Special Funds. Mr. Siegel graduated in Management from the University of Konstanz and has a degree in Real Estate Economy from the European Business School.

RISK **MANAGEMENT**

The risk management policy set up by Cegereal is based on risk planning and analysis tools and on strict internal control processes.

INTERNAL CONTROL

Cegereal pays particular attention to the quality of its internal control, in relation to risk analysis and to the control of the approval process, of operational issues and of reporting.
To ensure optimum control, standardised procedures are being introduced to allow the implementation of frequent and recorded controls. Initiated in 2009, the workgroups set up to deploy these procedures should complete their work in 2012.

RISK PLANNING AND ANALYSIS

Every month, The management delivers a general activity report to the Board of Directors. It also determines cash flow forecasts and analyses the cash and cash equivalents for short-term and mid-term financing.
Every quarter, Cegereal updates its analyses of the solvency of its tenants and reviews the financial standing of lessees.

MAIN RISK FACTORS

Every year, Cegereal reviews the risks which might have an impact on its activity, its financial situation or its results. For each identified risk, the company details the possible consequences and the attenuating actions. (see section 2.5.4 Management of financial risks).
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 (or its capacity to attain its objectives). The Company does not consider that it incurs any material risks other than those detailed below.
The Company has also conducted a specific review of its liquidity risk and considers that it is in a position to meet its upcoming commitments.

RISKS	TYPE	CONSEQUENCES	OBSERVATIONS
1. RISKS LINKED TO THE COMPANY'S ACTIVITY			
1.1. Risks linked to the economic environment and the real estate market			
Risks linked to the economic environment	• **Rental activity:** The challenging economic situation and a possible downturn may have an impact on: - demand for office space - the rents which can be charged - the Company's ability to increase rent levels when leases are renewed. - the ICC-INSEE rent index	• Negative impact on the Group's financial position, results, activity and development prospects. • Impact on the occupancy rate.	• 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. • The ICC index increased by an average of 3% per year over the last ten years and an average of 5% per year since the index was established in 1954. • 54% of rental property is indexed at fixed rates (from 3% to 3.5%).
	• **Investments/diversification:** lower liquidity dedicated to office real estate	• Impact on the liquidity of the real estate assets in the event of a forced sale: difficulty to dispose rapidly of part of its real estate assets under satisfactory conditions if such action were to prove necessary.	• There is a strong appetite for prime office assets for both letting and investment.
Risks linked to the competitive environment	• **Rental activity:** competition in the office real estate sector. • **Investments/diversification** competition from French and international property owners (institutional property investors).	• Potential loss of lessees, when their leases expire, if the competition is able to offer more attractive rental conditions for comparable properties. • Unfavorable effect on the Group's growth, activity and future results if the investment and diversification strategy cannot be implemented.	• The Company maintains regular discussions with the lessees in order to anticipate their needs and be in line with the market.
1.2. Risks linked to operations			
Risk linked to changes in rent levels	• Rent levels and the value of office buildings are influenced by supply and demand for real estate floor space.	• An unfavorable trend would be likely to adversely affect the results, activity and financial position of the Company.	• The Company carries out an independant valuation of its properties every six months using different methods directly linked to market rental values.
Risk re lease concentration	• The three most significant lessees (Crédit Foncier de France, Capgemini Telecom and GE Capital) represent approximately 63% of total rental income.	• A request for more favorable lease terms upon renewal or a decision by one these lessees to terminate its lease, could adversely impact the financial position.	• The possibility to divide the space of the Arcs de Seine building should help reduce dependence.
Risk linked to non-payment of rent	• All Company revenue is generated by leasing its real estate assets to third parties.	Non-payment of rent could • affect the Company's results, and • increase liquidity risk (see risk 2.1.)	• Assessment of the financial position of new lessees, as well as an annual reassessment of all lessees. At 2011 year-end, all of the Company's lessees were considered to be in a satisfactory financial position, and 94% 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	• The physical vacancy rate stood at 88% for the Arcs de Seine building at December 31, 2011.	• Near non-compliance (first level) with interest coverage ratio (i.e., 180%). • Being more vulnerable to specific events that may generate an unforeseen needs for cash flow. • An increase in the refinancing cost for the building.	• As at 31 march 2011 three leases were signed in Arcs de Seine for a total area of 17,000 sq.m • Two international firms (Jones Lang Lasalle and CBRE) were appointed to re-let the space and joined by keops in february 2012. • Renovations carried out to bring this property up to the highest market standards and make it easier to market. • Ability to meet its interest coverage obligations: see risk 2.1. • Europlaza & Rives de Bercy enable the Company to generate positive cash flow (before dividends are distributed). • Refinancing current debt is one of the priorities for 2012 [see refinancing]
1.3. Concentration risks			
Risk linked to the concentration of the portfolio in the same geographic region	• The entire portfolio is located in the inner suburbs of Paris.	• Competition within the region or adjacent regions could encourage lessees to seize upon better value opportunities elsewhere.	• The three assets are located in three very different zones of the Paris region market which represents more than 50 million sq.m. The risk of concentration is therefore limited. • The vacancy rates for the areas where Cegereal's various buildings are located were as follows: 6.3% for La Défense, 14.3% in Boulogne-Billancourt and 5.9% in Charenton-le-Pont (data as of 12/31/11, source: BNPP Real Estate)
Risks linked to the concentration of the portfolio in the same rental sector	• The Company has concentrated its real estate portfolio exclusively in office properties.	• A downturn in the market for office real estate could have negative effects on the Group's financial position, results, activity and development prospects.	• The Group invests in new grade A office premises which reduces the risk of obsolescence and lack of rental demand.
1.4. Risks linked to assets			
Risk linked to the valuation of real estate assets	• A detailed report on the value of the Group's portfolio is prepared each year, with quarterly updates.	• Under IFRS, the Group's income could 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.	• Valuations are carried out by BNP Paribas Real Estate Expertise, an external real estate valuer. • The Group makes known any item at its disposal likely to have a significant impact on the value of its buildings.

MANAGING RISKS

RISKS	TYPE	CONSEQUENCES	OBSERVATIONS
2. MANAGING MARKET RISKS			
2.1. Liquidity risk			
	• The financing agreement between the Subsidiary of Cegereal, Prothin and Eurohypo 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".	• Option available to the lender of canceling its commitments under the credit 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. • The Group could find itself in a position where it cannot obtain refinancing for an amount, or under financial conditions that are equivalent to the current conditions.	• The specific review of liquidity risk based on the Group's financial position at December 31, 2011, complied with all of the various ratios and limits applicable to the early payment clauses provided for in the credit agreement (see notes 5.12 (Non-current borrowings) and 5.24 (commitments given) in section II.1.2 of the IFRS financial statements). • At December 31, 2011, CeGeREAL's financial ratios were as follows: (i) 46.7% LTV ratio (max 70%) and (ii) 224% interest coverage ratio (min 150%).
2.2. Foreign exchange risk			
	• The Group is not exposed to foreign exchange risk as it generates all of its revenue in the eurozone.	• No foreign exchange risk.	• Not applicable.
2.3. Risks on equities and other financial instruments			
	• As of the date of this document, the Group does not hold any direct investments in listed companies, or any indirect investments in such companies via units in equity funds.	• The Group is not exposed to any equity risk.	• Not applicable.
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 3.16% at December 30, 2011 (Source: Agence France Trésor). The Company is not able to foresee the various factors impacting future interest rates.	• A significant increase in interest rates could entail a decrease in the estimated value of the Company's assets (see section IV.6.1.4 "Risk linked to assets").	• The Company has not conducted a sensitivity analysis regarding changes in interest rates due to 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, 2011 (section II.1.2).
3. RISKS LINKED TO THE MAJORITY SHAREHOLDER			
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.	• If the event of insufficient liquidity, risk of sale of the Group's assets requested by CRI as its majority shareholder for the Fund's needs and distribution of income from any such sales. • Risk of forced sale by CRI of the Company's shares, which could have a negative impact on the Company's share price.	• The Fund had a stable cash position throughout 2011. Cash and cash equivalents totaled EUR 1.5 billion at December 31, 2011
Risk linked to fluctuation in the value of the Fund	Under German legislation, funds that invest in property companies are subject to certain limits: • the gross value of assets and related rights of property companies is limited to 49% of the Fund's total gross value. • the gross value of the real estate assets and the related rights of each property company is limited to 15%; this threshold is calculated in proportion to the 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 significantly impact the Company's strategy and its activity.	• At year-end, CeGeREAL accounted for less than 5% of the Fund's assets under management.
3.2. Risk linked to the majority shareholder			
Risk linked to the majority shareholder	• CRI is the majority shareholder of the Company's capital and voting rights, and retains a significant influence over the Company and the running of the Group's business (also see section III.3 "Related-party transactions"). • CRI manages other real estate assets in France on behalf of the hausInvest fund.	• CRI is therefore in a position to make significant decisions (e.g., composition of the Company's Board of Directors, payment of dividends, etc.) without minority shareholders being able to oppose these decisions in General Shareholders' Meetings. • 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 CeGeREAL, and in turn an unfavorable impact on the Group's assets, financial position, results or strategy.	• The Company's shareholders and the Fund's unit holders have a shared interest in maximizing the value of the Company's assets, which is monitored by the independant Directors.
4. RISK LINKED TO GERMAN REGULATIONS APPLICABLE TO THE MAJORITY SHAREHOLDER			
	• CeGeREAL is a property company, and the majority of its capital is held by CRI 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. • CRI (CeGeREAL's majority shareholder) must comply with the various ratios or thresholds in the management of hausInvest fund assets.	• Direct impact on the Group's investment or divestment policy and its overall strategy. • For regulatory reasons, CRI may be required to reduce its investment in the Company significantly, which could have a negative effect on the Company's share price. • The possibilities for acquisitions by the Group may be limited as a result of the need to comply with various ratios and thresholds.	• The total gross value of the Fund stood at EUR 12 billion at December 31, 2011.

RISKS	TYPE	CONSEQUENCES	OBSERVATIONS
5. RISKS LINKED TO SERVICE PROVIDERS			
5.1. Risk linked to the quality of service providers and sub-contractors			
	• The Group'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 Group.	With the exception of the asset management agreement with Commerz Real, all of the sub-contracting agreements are short-term renewable contracts (maximum of one year), which makes it possible to rapidly change service provider should the need arise.
6. RISKS LINKED TO THE REGULATORY ENVIRONMENT			
6.1. Risk linked to current or future regulations			
	• When conducting its business and managing its office buildings, the Group 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 Group's results or its development and growth prospects. • The Group 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.	• The terms of the leases obligate the lessees to comply with the regulations applicable to the leased premises when using said premises. • The Company seeks the best legal advice in order to meet its needs in terms of monitoring regulatory changes. • The Company is not aware of any government, legal or arbitration proceedings which could have – or, in the last 12 months have had – significant impacts on its financial position or its profitability.
6.2. Risk linked to the regulations applicable to leases			
	• 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. • If the lessor refuses to renew the lease upon expiration, the lessee is entitled to an eviction indemnity.	• These provisions may limit the owners' ability to increase rents in line with market rents in order to optimize their rental income.	
6.3. Environmental risk linked to health (asbestos, legionnaires' disease and classified facilities)			
	• The Group's business activity is subject to laws and regulations on the environment and public health.	• Buildings and facilities owned or used by the Group may be affected by problems related to public health, safety or environmental protection. • The Group's buildings may be affected by problems related to public health, safety or environmental protection. • Safety regulations for high-rise buildings (such as the Europlaza building), could lead to additional operating and maintenance expenses for the Group.	• 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. • The Europlaza and Arcs de Seine buildings underwent asbestos removal work in 1999 and 2000. Rives de Bercy was built after the regulations that prohibit the use of asbestos came into effect
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.	• 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 would have to pay higher premiums.	• 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 situation.
8. RISKS LINKED TO THE TAX TREATMENT APPLICABLE TO SIICS			
8.1 Risks linked to a change in the regulatory framework			
	• The Company may face difficulties complying with new regulations and could even have its SIIC status suspended temporarily or permanently.	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 upon election for the SIIC regime, less exit tax already paid at the reduced 16.5% rate. The Company 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, on the amount of its exempted retained earnings. The Company 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.	• The Company verifies on a regular basis that it complies with the conditions for preferential tax treatment as an SIIC.
8.2 Risk linked to the majority shareholder			
	• 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).	• If the main shareholder does not comply with this condition, preferential tax treatment as an SIIC could be suspended or permanently lost, depending on the situation. (consequences: see Risk 8.1)	• The Company currently verifies that CRI holds less than 60% of the voting and financial rights in the Company's capital. The Company verifies on a regular basis that CRI directly and indirectly complies with the conditions for preferential tax treatment as an SIIC directly or indirectly.
8.3. Risk linked to shareholders			
	• A 20% withholding tax applies to 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. • The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.	• The payment of this withholding by the shareholder could give rise to a dispute. There is a risk that the payment of the withholding tax cannot be allocated to the shareholder.	None of the Company's shareholders meet the conditions to trigger the 20% withholding tax.

FINANCE

CEGEREAL ON **THE STOCK MARKET**

Since its listing in 2006 on the B compartment of Nyse Euronext Paris, Cegereal has enjoyed a stable shareholder base. Due to difficult market conditions and to the coming challenges in 2012, the share price presents an attractiv discount to the liquidative value.

Stock market profile

Name: Cegereal SA

NYSE: Euronext Paris

ISIN code: FR0010309096

Mnemo: CGR

IFC: ESVUFB

Type: Eurolist Compartment B

Indexes: CAC all shares and IEIF SIIC France

Securities service: BNPP Securities Services

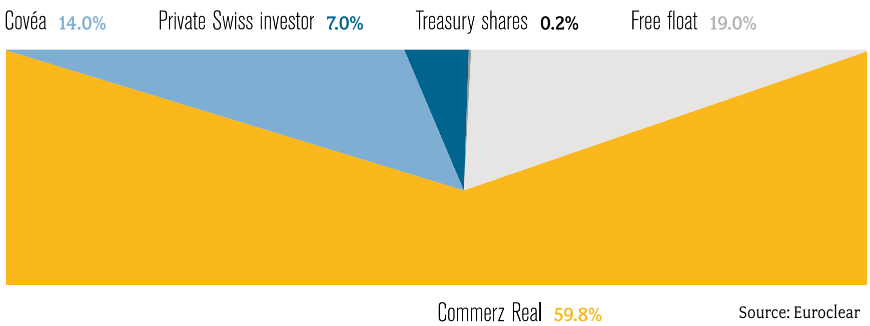
Distribution obligations related to SIIC status

As a French REIT, Cegereal has the benefit of a special tax status. On the other hand, the company is obliged to distribute 85% of its tax-exempt profits from the rental income of buildings, and 50% of its tax-exempt profits from the sale of buildings.
In addition, each subsidiary of the SIIC must distribute 100% of its profits to its parent company.

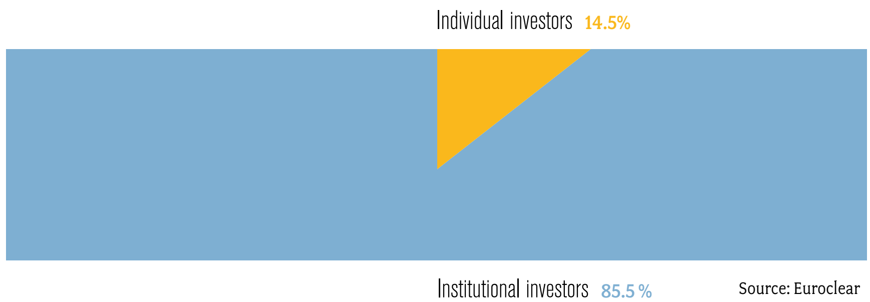
LONG-TERM SHAREHOLDERS

More than 80% of Cegereal's share capital is held by French and European institutional investors with a long-term investment strategy. Since its IPO, Cegereal did not face a major change in its shareholders base excepting the sale by HausInvest of a 7% block in order to enable Cegereal to keep its SIIC (60% limit).

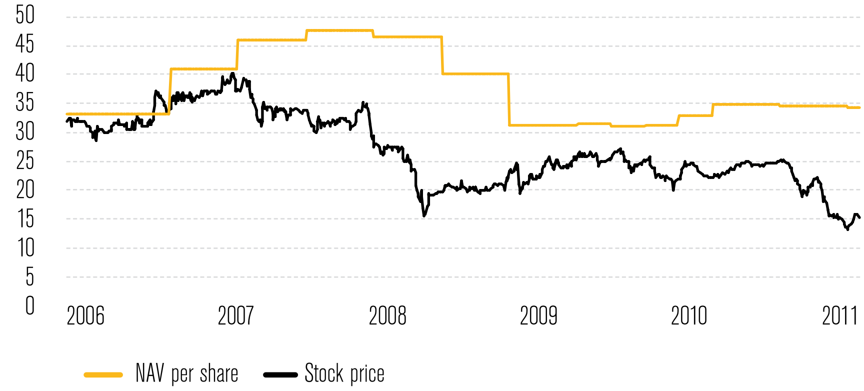
Cegereal shareholding structure as of 31 December 2011



Breakdown of the Cegereal freefloat as of 31 December 2011



Change in share price and in NAV per share (in euros)



During 2011, the share prices experienced high levels of volatility. The fluctuations in share price were generated by small volume transactions carried out primarily by short-term shareholders.
At its current valuation, Cegereal considers that the shares represent a good buying opportunity for long-term investors, notably due to the large discount on its price compared with its EPRA NNNAV.

In euros

	2011 12 months	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	13,372,500
AVERAGE SHARE PRICE (CLOSING)	**21.9**	**24.3**	**22.0**	**27.8**	**35.7**	**31.9**
SHARE PRICE AS AT 31/12	13.8	22.2	25.5	19.6	33.7	33.8
CAPITALISATION AS AT 31/12	184,540,500	296,869,500	340,998,750	262,101,000	450,653,250	451,990,500
PERFORMANCE						
NET CASH FLOW PER SHARE	0.6	2.6	3.1	2.8	2.7	
NET INCOME PER SHARE	0.0	0.5	1.2	0.8	0.8	
DISTRIBUTION PERCENTAGE	0%	42%	55%	70%	72%	
DIVIDEND PER SHARE	0.0	1.10	1.70	1.95	1.95	1.84
INDUCED RATE OF RETURN	0.0	5.0%	6.7%	9.9%	5.8%	5.4%
TOTAL SHAREHOLDER RETURN	-32.9%	-7.1%	40.1%	-36.1%	5.1%	6.3%
ADJUSTED BOOK VALUE						
ADJUSTED BOOK VALUE PER SHARE	34,2	34,7	31,6	40,0	47,5	40,9
PREMIUM/ DISCOUNT	-60%	-36%	-19%	-51%	-29%	-17%

(*) Date of the company's IPO

Since 2006, Cegereal has made the distribution of regular dividends to its shareholders a priority. However, the Board of Directors decided to propose to the General Meeting of Shareholders that no dividend should be paid for fiscal 2011, in order to preserve the greatest possible flexibility for its management of the major projects scheduled for 2012, i.e. the marketing of Arcs de Seine and the refinancing of its debt.

Information for shareholders

www.cegereal.com

Cegereal
Investor Relations
21-25, rue Balzac 75008 Paris
Tel.: +33 (0)1 42 25 76 36

Key dates for shareholders

11/05/2012:
Turnover for 1st quarter of 2012

28/06/2012:
AGM

24/07/2012:
2012 half-year results

14/11/2012:
Turnover for 3rd quarter of 2012

A transparent policy of financial disclosure

Cegereal communicates with its shareholders in a number of ways to ensure that they are kept well informed:

- A website designed to meet the requirements of the various users,
- Regular and detailed press releases,
- Advertisements in the financial media when results are announced,
- An annual report which includes the activity report and the registration document, available as a printed publication or as a download,
- A half-year report.

Cegereal's disclosure policy also involves ensuring that shareholders are given the opportunity to meet and discuss with management, at specialised fairs or during one-to-one meetings.

FINANCIAL **MANAGEMENT**

The restructuring made by Cegereal in 2011 will allow optimal conditions for the refinancing and facilitate investments.

RESTRUCTURING

On December 22, 2011, Cegereal's General Shareholders' Meeting authorised a transfer of its activity focusing on the ownership and management of buildings that it owned 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", as well as the bank liabilities related to these buildings, all guarantees and security granted in respect of these liabilities and all of the assets used to hold, manage and rent these buildings to its Subsidiary (Prothin), including assets of EUR 764,639,103 and liabilities of EUR 416,257,293, i.e., a net transfer of EUR 348,381,810 (referred to as "the partial asset transfer").
This transfer will make it easier to refinance the Group's current debt and over time will make it possible to make other indirect investments through new subsidiaries to be set up – without the need to obtain prior bank approval.

Legal framework

The transaction was subject to the legal regime applicable to spin-offs, pursuant to Article L.236-22 of the French Commercial Code. The legal regime applicable to spin-offs involved a full transfer to the Subsidiary of all rights, assets and obligations of the Company in relation to the business transferred.
As consideration for this transfer, Prothin's sole shareholder decided on a capital increase of EUR 151,470,350, increasing the capital from EUR 400,000 to EUR 151,870,350, by creating 15,147,035 fully paid-up new shares with a par value of EUR 10 each, all granted to Cegereal. Additional paid-in capital came to EUR 196,911,460.

Tax treatment

The transfer took effect from an accounting and tax standpoint on July 1, 2011. As such, any profits or losses generated by the transferred business since this time have been included in Prothin's taxable income. As regards corporate income tax, this transfer, which encompasses all the parts of the entire business activity within the meaning of Article 210 B of the French Tax Code ("CGI"), was eligible for the preferential tax treatment applicable to mergers pursuant to Article 210 A of the French Tax Code, applicable by reference to Articles 208 C bis and 210 B of said Code. Cegereal therefore undertook, in particular, (i) to keep all the Prothin shares received as consideration for the transfer for a period of three years, (ii) not to agree to pledge the shares received as consideration for the transfer, which could transfer ownership of these shares during this three-year period, and (ii) to calculate subsequently the capital gains generated from these shares by using the value that the transferred assets had from a tax standpoint in its own books. In terms of VAT, the transfer was eligible for the treatment set out under Article 257 bis of the French Tax Code which provides for an exemption from VAT for goods and services delivered between entities that are required to apply VAT within the scope of a total or partial transfer of a set of assets. The transfer was registered for the fixed duty stipulated under Article 817 of the French Tax Code and Article 301 E of Schedule II of said Code concerning transfers related to one or more complete, independent business activities.

2.24 x

OF ICR
(RENTAL SITUATION AS OF 31/12/2011)

DEBT

On March 2, 2006, Cegereal entered into a credit agreement with the Eurohypo AG bank for a maximum principal of EUR 424,900,000 (see II.2 - note 5.11). The credit agreement is broken down into three tranches, A, B and C, described below. Cegereal also entered into an agreement with CRI and Eurohypo on July 31, 2006 in order to define an order of priority in the repayment of the loans. This agreement provides that the lender will be repaid as a priority, with CRI being classified as a "subordinated creditor".
In August 2006, Eurohypo transferred tranches A and B to FCC Opera France One which financed this acquisition by issuing bonds rated by Fitch Rating and Standard & Poor's.
There are no plans under way to put in place other investment financing with respect to which the management bodies have made firm commitments. The bank liabilities, as well as all guarantees and security granted in respect of the credit agreement, were transferred to the Subsidiary (Prothin) within the scope of the partial asset transfer carried out on December 22, 2011. The rating agencies confirmed their ratings, 'AAA' (Fitch) and 'AA' (S&P), after this transfer was carried out. The main provisions of this credit agreement are as follows:

		TRANCHES A & B	TRANCHE C
MAIN TERMS AND CONDITIONS			
AMOUNT		€376,400,000	€22,500,000
INTEREST RATE		4.15%	3ME + 60 BASIS POINTS
MATURITY		MARCH 2013	MARCH 2013
RANKING		SENIOR	JUNIOR
MAIN TERMS AND CONDITIONS			
MAXIMUM LTV THRESHOLDS			
	60%	1% DEPRECIATION P.A. + ADDITIONAL MARGIN 10 BASIS POINTS	
	70%	DEFAULT	
MINIMUM ICR THRESHOLDS			
	180%	1% DEPRECIATION P.A.	
	150%	DEFAULT	

46.7%

LOAN-TO-VALUE

MAIN FINANCIAL RATIOS

The gearing and interest coverage ratios that are presented below are determined in accordance with the terms and conditions of the loan agreement:

	12/31/11	12/31/10	12/31/09
LOAN-TO-VALUE RATIO			
NON-CURRENT BORROWINGS/ADJUSTED NET ASSETS	46.70%	46.35%	48.59%
INTEREST COVERAGE RATIO			
PROJECTED NET RENTAL INCOME/INTEREST EXPENSES	224%	212%	333%

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. The ratios presented above take into account the vacancy as of 31 December 2011 and do not include the lettings of the first trimester of 2012.

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;
- and committed costs within an annual limit of 2.5% of projected net rental income.

Fees for early repayment or cancellation

Since March 2, 2010, no fees will be owed in the event of early repayment. However, any swap breakage costs borne by the bank, which at December 31, 2011 were estimated at EUR 12.1m, must be reimbursed to Eurohypo.

SUMMARY FINANCIAL STATEMENTS (IFRS - in millions of euros)

CONSOLIDATED BALANCE SHEET - IFRS

	31/12/11	31/12/10
INVESTMENT PROPERTIES	854.2	860.7
LOANS AND RECEIVABLES MORE THAN ONE YEAR OLD	9.1	11.6
NON-CURRENT ASSETS	**863.3**	**872.3**
TRADE RECEIVABLES	6.2	6.1
OTHER RECEIVABLES AND PREPAID EXPENSES	6.7	6.7
CASH AND CASH EQUIVALENTS	17.0	25.5
CURRENT ASSETS	**29.9**	**38.4**
TOTAL ASSETS	**893.3**	**910.7**

	31/12/11	31/12/10
CAPITAL	160.5	160.5
PREMIUMS AND AVAILABLE RESERVES	315.8	267.0
INCOME FOR THE PERIOD	0.2	63.3
SHAREHOLDERS' EQUITY	**476.5**	**490.8**
NON-CURRENT LIABILITIES	399.6	399.5
CURRENT LIABILITIES	17.2	20.4
CURRENT AND NON-CURRENT LIABILITIES	**416.8**	**419.9**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**893.3**	**910.7**

CONSOLIDATED INCOME STATEMENT - IFRS

	2011	2010
GROSS RENTAL INCOME	34.6	54.7
OTHER SERVICES	7.3	10.2
BUILDING-RELATED COSTS	(10.4)	(12.1)
ASSET MANAGEMENT COSTS	(3.0)	(3.0)
NET RENTAL INCOME	**28.5**	**49.8**
ASSET MANAGEMENT	(2.0)	(2.8)
RESTRUCTURING COSTS	(2.0)	-
CHANGE IN FAIR VALUE OF BUILDINGS	(7.5)	33.2
OPERATING PROFIT	**16.9**	**80.2**
NET FINANCIAL INCOME	(16.7)	(16.9)
NET PROFIT	**0.2**	**63.3**

CONSOLIDATED CASH FLOW - IFRS

	2011	2010
NET RENTAL INCOME	**28.5**	**49.8**
ASSET MANAGEMENT	(2.0)	(2.8)
RESTRUCTURING COSTS	(2.0)	0
OTHER OPERATING INCOME AND EXPENSES	0.0	4.1
NET FINANCIAL CHARGES	(16.1)	(16.3)
CASH FLOWS FROM OPERATIONS (BEFORE TAX AND CHANGE IN WCR)	**8.4**	**34.8**

FINANCIAL INFORMATION

1. CONSOLIDATED RESULTS AND FINANCIAL POSITION

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the consolidated financial statements which are presented in section II.2.2.

The consolidated financial statements were adopted by the Board of Directors on February 14, 2012 and will be submitted to the Annual General Shareholders' Meeting for approval.

Cegereal SA created the company Prothin SAS («the subsidiary») which was registered with the Paris Trade and Companies Registry on June 27, 2011. Cegereal SA holds 100% of the capital and voting rights of Prothin SAS. Subsequent references to «the Group» therefore include Cegereal SA and Prothin SAS.

Following the creation of Prothin SAS, Cegereal SA has prepared consolidated financial statements for the first time. The Company transferred to Prothin SAS all of its real estate assets, comprising the three Europlaza, Arcs de Seine and Rives de Bercy buildings, along with the related bank liabilities, as well as all guarantees and security granted in respect of these liabilities and all of the assets used to hold, manage and rent these buildings.

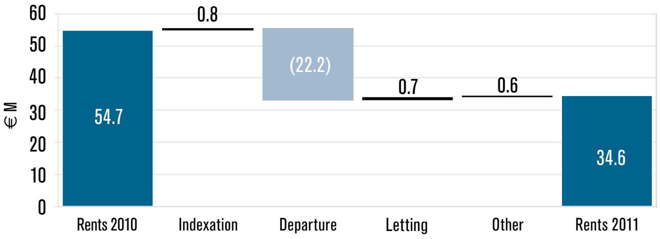
This partial asset transfer, with retroactive effect for accounting and tax purposes from July 1, 2011 and approved by the General Shareholders' Meeting on December 22, 2011, was completed on this same date. As Prothin SAS was created with a view to transferring an entire business, and since Prothin SAS is wholly-owned by Cegereal SA, the Group's real estate portfolio remained unchanged and the accounting impacts of the spin-off were eliminated in the consolidated financial statements, with the exception of transaction-related costs.

Given the creation of Prothin SAS, the Group is now required to prepare consolidated financial information for the first time. Although it had no subsidiaries in the previous fiscal year, Cegereal SA had nevertheless prepared statutory financial statements restated under IFRS.

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2011 includes the IFRS financial statements of Cegereal SA for the year ended December 31, 2010.

RENTAL ACTIVITY

Change in operating income (December 31, 2010-December 31, 2011)



Net rental income (2008-2011)

In thousands of euros

	2008	2009	2010	2011
Rental income « Europlaza »	21,655	20,525	20,288	21,422
Rental income « Arcs de Seine »	24,507	26,382	24,011	2,338
Rental income « Rives de Bercy »	11,771	10,132	10,387	10,795
Rental income	**57,933**	**57,039**	**54,687**	**34,555**
Rental expenses rebilled to lessees (1)	5,900	5,606	5,717	3,910
Real estate taxes rebilled to lessees (2)	3,445	3,347	3,553	2,942
Other amounts rebilled to lessees (3)	478	195	-	-
Miscellaneous income	3,066	987	967	463
Income from other services	**12,889**	**10,135**	**10,236**	**7,315**
Building-related costs (4)	(15,827)	(13,533)	(15,124)	(13,418)
Net rental income	**54,994**	**53,640**	**49,799**	**28,452**

Ownership expenses (2008-2011)

In thousands of euros

	2008	2009	2010	2011
Maintenance of buildings	(2,102)	(158)	(1,587)	(326)
Vacancy costs	(281)	(833)	(973)	(3,065)
Asset management fees	(3,284)	(2,896)	(3,014)	(2,990)
Other building-related costs	(337)	(498)	(281)	(185)
Building-related costs - ownership expenses (4)-(1)-(2)-(3)	**(6,004)**	**(4,385)**	**(5,855)**	**(6,566)**
Personnel expenses	(371)	(314)	(477)	(541)
Other overhead expenses	(2,735)	(2,446)	(2,042)	(1,442)
Total ownership expenses	**(9,110)**	**(7,145)**	**(8,374)**	**(8,549)**

INSURANCE

The Group's insurance strategy aims to protect its assets and cover any potential liability. The Group benefits from the negotiating power of the Commerz Real group, which enables it to obtain advantageous insurance conditions 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 Group.

Civil liability and environmental damage coverage has been taken out at the level of the Company's Majority Shareholder and covers the Group's property rental activities.

The Group'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 being held civilly liable with respect to third parties are also insured. 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 Group 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): the Group 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 Group benefits from first-ranking, second-ranking, third-ranking and fourth-ranking coverage. The first-ranking civil liability insurance covers claims relating to operating liability (bodily injury and/or damage to property) and environmental damage. 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.

As of date of this report, there is no significant outstanding claim that would be liable to change future coverage conditions or the total amount of insurance and/or self-insurance premiums.

LAWSUITS

The Company/Group 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.

No provision for a significant amount corresponding to lawsuits has been booked (see section II.2 "Consolidated financial statements", note 5.28 "Subsequent events").

NET INCOME CAN BE ANALYZED AS FOLLOWS BY KEY INDICATOR

In thousands of euros

Statement of comprehensive income caption	Amount	Breakdown
Net rental income	28,452	Net rental income corresponds to 2011 rental income (EUR 34,555k) and rental expenses rebilled to lessees (EUR 7,315k), less building-related costs (EUR 13,418k).
		Net rental income fell by EUR 21,347k year on year mainly due to a decrease in rental income following the departure of Bouygues Telecom and in related rental expenses rebilled to lessess.
Administrative costs	(3,993)	Administrative costs chiefly comprise fees, insurance premiums and building maintenance costs not rebilled to lessees.
Non-recurring costs	(2,010)	Expenses related to the restructuring transaction (mainly notary expenses, registration tax and fees paid).
Change in fair value of property	(7,548)	The value of the real estate portfolio fell from EUR 860.7m at December 31, 2010 to EUR 854.2m at end-2011, due primarily to the increase in the rates of return used by the independent valuer and the increase in property, plant and equipment in progress related to work on Arcs de Seine.
Net operating income	**16,912**	
Net financial expense	(16,675)	Net financial expense breaks down as EUR 16,856k in financial expenses and EUR 181k in financial income.
Corporate income tax		Due to the application of the SIIC tax regime with effect from April 1, 2006, and given that all of the Group's profits are derived from 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	**238**	

2. CONSOLIDATED FINANCIAL STATEMENTS

The IFRS financial statements for the year ended December 31, 2010 and the related Statutory Auditors' report presented on pages 86 to 102 and page 103, respectively, of the 2010 Registration Document filed with the AMF on April 29, 2011 under no. R.11-022, are incorporated by reference into this document.

The IFRS financial statements for the year ended December 31, 2009 and the related Statutory Auditors' report presented on pages 28 to 50 and pages 51 and 52, respectively, of the 2009 Registration Document filed with the AMF on April 29, 2010 under no. R.10-030, are incorporated by reference into this document.

2.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2011

In thousands of euros, except per share data

	Notes	2011	2010
		12 months	*12 months*
Rental income	5.17	34,555	54,687
Income from other services	5.18	7,315	10,236
Building-related costs	5.19	(13,418)	(15,124)
Net rental income		**28,452**	**49,799**
Sale of building			
Administrative costs	5.20	(3,993)	(2,828)
Other operating expenses		1	1
Other operating income			
Increase in fair value of investment property		2,500	35,200
Decrease in fair value of investment property		(10,048)	(2,000)
Total change in fair value of investment property	5.1	(7,548)	33,200
Net operating income		**16,912**	**80,173**
Financial income		181	70
Financial expenses		(16,856)	(16,931)
Net financial expense	5.21	**(16,675)**	**(16,861)**
Corporate income tax	5.22		
CONSOLIDATED NET INCOME		**238**	**63,313**
of which attributable to owners of the Company		***238***	***63,313***
of which attributable to non-controlling interests			
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		**238**	**63,313**
of which attributable to owners of the Company		***238***	***63,313***
of which attributable to non-controlling interests			
Basic and diluted earnings per share (in euros)		**0.02**	**4.75**

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2011

in thousands of euros

	Notes	Dec. 31, 2011	Dec. 31, 2010
Non-current assets			
Investment property	5.1	854,200	860,700
Non-current loans and receivables	5.2	9,068	11,597
Total non-current assets		**863,268**	**872,297**
Current assets			
Trade accounts receivable	5.3	6,295	6,137
Other operating receivables	5.4	4,575	4,560
Prepaid expenses	5.16	2,167	2,183
Total receivables		**13,038**	**12,880**
Cash and cash equivalents	5.5	16,963	25,544
Total cash and cash equivalents		**16,963**	**25,544**
Total current assets		**30,001**	**38,423**
TOTAL ASSETS		**893,269**	**910,721**
Shareholders' equity			
Share capital		160,470	160,470
Legal reserve and additional paid-in capital		49,333	50,269
Consolidated reserves and retained earnings		266,429	216,753
Net attributable income		238	63,313
Total shareholders' equity	5.10	**476,471**	**490,805**
Non-current liabilities			
Non-current borrowings	5.11	398,217	397,624
Other non-current borrowings and debt	5.13	1,426	1,905
Non-current corporate income tax liability	5.14		
Total non-current liabilities		**399,643**	**399,529**
Current liabilities			
Trade accounts payable		2,028	3,609
Corporate income tax liability			
Other operating liabilities	5.14	4,848	6,871
Prepaid revenue	5.16	10,281	9,907
Total current liabilities		**17,157**	**20,388**
Total liabilities		**416,799**	**419,917**
TOTAL EQUITY AND LIABILITIES		**893,269**	**910,721**

2 - FINANCIAL INFORMATION

2.3. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2011

In thousands of euros

	2011	2010
OPERATING ACTIVITIES		
Consolidated net income	238	63,313
Elimination of items related to the valuation of buildings:		
Fair value adjustments to investment property	7,548	(33,200)
Indemnity received from lessees for the replacement of components		4,068
Elimination of other income/expense items with no cash impact:		
Adjustments for loans at amortized cost	592	597
Cash flows from operations before tax and changes in working capital requirements	**8,378**	**34,778**
Other changes in working capital requirements	(1,056)	4,655
Change in working capital requirements	**(1,056)**	**4,655**
Net cash flows from operating activities	**7,322**	**39,433**
INVESTING ACTIVITIES		
Acquisition of fixed assets	(1,048)	(4,068)
Net cash flows used in investing activities	**(1,048)**	**(4,068)**
FINANCING ACTIVITIES		
Change in bank debt		(3,500)
Net increase in other non-current borrowings and debt		337
Net decrease in other non-current borrowings and debt	(479)	
Purchases and sales of treasury shares	316	(153)
Dividends paid	(14,692)	(22,703)
Net cash flows used in financing activities	**(14,855)**	**(26,019)**
Change in cash and cash equivalents	**(8,582)**	**9,345**
Cash and cash equivalents at beginning of year*	25,544	16,200
CASH AND CASH EQUIVALENTS AT END OF YEAR	**16,963**	**25,544**

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

2.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 20111

In thousands of euros

	Share capital	Legal reserve and additional paid-in capital	Treasury shares	Consolidated reserves and retained earnings	Shareholders' equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Shareholders' equity at Dec. 31, 2009	160,470	51,339	(408)	239,140	450,541		450,541
Comprehensive income				**63,313**	**63,313**		**63,313**
- Net income for the year				63,313	63,313		63,313
- Other comprehensive income							
Capital transactions with owners		**(1,070)**	**(345)**	**(21,633)**	**(23,048)**		**(23,048)**
- Dividends paid (€1.70 per share)		(1,070)		(21,633)	(22,703)		(22,703)
- Change in treasury shares held			(345)		(345)		(345)
Shareholders' equity at Dec. 31, 2010	160,470	50,269	(753)	280,820	490,805		490,805
Comprehensive income				**238**	**238**		**238**
- Net income for the year				238	238		238
- Other comprehensive income							
Capital transactions with owners		**(936)**	**119**	**(13,756)**	**(14,573)**		**(14,573)**
- Dividends paid (€1.10 per share)		(936)		(13,756)	(14,692)		(14,692)
- Change in treasury shares held			119		119		119
Shareholders' equity at Dec. 31, 2011	160,470	49,333	(634)	267,302	476,471		476,471

2.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the 2011 consolidated financial statements

These notes provide additional information in respect of the consolidated statement of financial position at December 31, 2011 and in respect of the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended.

2.5.1. Background and main assumptions used to prepare the consolidated financial statements for the year ended december 31, 2011

Note 1.1 Key events

CREATION OF A SUBSIDIARY

Cegereal SA created a subsidiary, Prothin SAS, which was registered with the Paris Trade and Companies Registry on June 27, 2011. Cegereal SA holds 100% of the capital and voting rights of Prothin SAS. Subsequent references to "the Group" therefore include Cegereal SA and Prothin SAS. Following the creation of Prothin SAS, Cegereal SA has prepared consolidated financial statements for the first time.

The Company transferred to Prothin SAS all of its real estate assets, comprising the three Europlaza, Arcs de Seine and Rives de Bercy buildings, along with the related bank liabilities, as well as all guarantees and security granted in respect of these liabilities and all of the assets used to hold, manage and rent these buildings.

This partial asset transfer, with retroactive effect for accounting and tax purposes from July 1, 2011 and approved by the General Shareholders' Meeting on December 22, 2011, was completed on this same date.

As Prothin SAS was created with a view to transferring an entire business, and since Prothin SAS is wholly-owned by Cegereal SA, the Group's real estate portfolio remained unchanged and the accounting impacts of the spin-off were eliminated in the consolidated financial statements, with the exception of transaction-related costs.

RENTAL ACTIVITY

In 2011, the following key events concerned the rental management activity:

Bouygues Telecom terminated its lease in the Arcs de Seine building on January 1, 2011, leaving 41,860 sq.m or 88% of the building vacant. The expiration of this lease generated a year-on-year decrease in rental income of EUR 21.8m.

In 2011, one lessee vacated the Europlaza building and several floors were rented out to other lessees. The cumulative impact of these changes was a year-on-year increase in rental income of EUR 0.4m.

Note 1.2 Presentation of comparative financial information

Given the creation of Prothin SAS and the partial asset transfer with retroactive effect from July 1, 2011, the Group has prepared IFRS consolidated financial statements for the first time.

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2011 includes Cegereal SA's statutory financial statements prepared in accordance with IFRS for the year ended December 31, 2010.

This historical financial information for the year ended December 31, 2010 is taken from Cegereal SA's statutory financial statements prepared in accordance with IFRS.

Note 1.3 Regulatory context

The consolidated financial statements were adopted by the Board of Directors on February 14, 2012 and have been submitted to the General Shareholders' Meeting for approval.

Given the creation of Prothin SAS on June 22, 2011, the Group is now required to prepare consolidated financial information for the first time. As it had no subsidiaries in the previous fiscal year, Cegereal SA had prepared statutory financial statements restated under IFRS.

2.5.2. Significant accounting policies used to prepare the 2011 consolidated financial statements

Note 2.1 Presentation of the consolidated financial statements

ACCOUNTING STANDARDS

The Group's consolidated financial statements for the year ended December 31, 2011 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 by the European Union at December 31, 2011 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2010 have also been prepared according to the same standards.

For the fiscal years presented, the standards and interpretations adopted in the European Union and applicable to the Group are similar to the standards and interpretations effective for these periods as published by the International Accounting Standards Board (IASB). The Group's financial statements are therefore prepared in accordance with IFRS standards and IFRIC interpretations, as published by the IASB.

The consolidated financial statements have been prepared using the historical cost convention, except in the case of investment property, financial instruments and assets held for sale, which are carried at fair value in accordance with IAS 40, IAS 32, IAS 39 and IFRS 5.

New published standards and amendments effective for the 2011 IFRS consolidated financial statements but with no impact for the Group are as follows:

– IAS 24 (revised) – Related Party Disclosures;
– Amendment to IAS 32 – Financial Instruments: Presentation;
– Amendment to IFRS 1 – First-time Adoption of International Financial Reporting Standards;
– Amendments included in the Annual Improvements to IFRS.

New published interpretations effective for the 2011 IFRS consolidated financial statements but with no impact for the Group are as follows:

– 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 Group has elected not to early adopt any IFRS standards or IFRIC interpretations adopted by the European Union but only effective for subsequent accounting periods and which would have an impact on the Group's financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements include all entities controlled or jointly controlled by the Group, or over which it exercises significant influence. In determining its ownership interest, the Group considers any potential voting rights giving access to additional voting rights, provided that these rights are currently exercisable or convertible.

– Full consolidation

All entities controlled by the Group are fully consolidated. Control is presumed to exist when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

– Proportionate consolidation

Entities jointly controlled by the Group are proportionately consolidated. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

– Equity method

Entities over which the Group directly or indirectly exercises significant influence are accounted for by the equity method. Significant influence is presumed to exist when the Group holds, directly or indirectly, 20% or more of the voting power of an entity, unless it can be clearly demonstrated that this is not the case. The existence of significant influence can also be evidenced in other ways. These include representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the investor and the investee, and the interchange of managerial personnel.

At December 31, 2011, no entities were jointly controlled or significantly influenced by the Group.

SCOPE OF CONSOLIDATION

At December 31, 2011, the scope of consolidation included the following entities:

	Siren no.	% control	% interest	Consolidation method	Period taken into account
Cegereal SA	422 800 029	100%	100%	Full consolidation	January 1 to December 31, 2011
First-time consolidation in 2011					
Prothin SAS	533 212 445	100%	100%	Full consolidation	June 22 to December 31, 2011

All entities included in the scope of consolidation closed their accounts on December 31, 2011.

CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS

Business combinations are accounted for in accordance with IFRS 3. The cost of a business combination reflects the acquisition-date fair value of the assets acquired, liabilities assumed or incurred and equity instruments issued in exchange for the acquiree.

On the first-time consolidation of a company, the impact of consolidation, representing the difference between the acquisition cost of the shares and their share in the fair value of the assets and liabilities transferred, is recorded as:

– a fair value adjustment relating to certain identifiable assets and liabilities, amortized using the same rules as the assets and liabilities to which it relates;
– goodwill (where appropriate), recorded within assets on the consolidated statement of financial position in the case of a positive balance and tested for impairment each year, or within the statement of comprehensive income in the case of a negative balance.

No fair value adjustments or goodwill were recognized on the first-time consolidation of Prothin SAS since the company was created by Cegereal SA.

Note 2.2 Segment reporting

Within the framework of IFRS 8, the Group has not identified different operating segments insofar as its assets solely comprise commercial real estate located in the Paris area and the Group's sectors 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.

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 Group, is classified as investment property. Investment property includes owned land and buildings.

Investment property is initially measured at historical 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 Group, 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 the fair value of investment property are recognized in the statement of comprehensive income.

Note 2.4 Estimates of the fair value of investment property

ESTIMATES AND ASSUMPTIONS

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

The Group appointed the real estate valuation firm BNP Paribas Real Estate Expertise to appraise three commercial properties.

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 Group 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 values of investment property measured by the real estate valuers represent the best estimates at December 31, 2011, based on recent market observations and valuation methods commonly used within the profession. These estimates are not intended to anticipate any market changes.

VALUATION METHODS

The valuer calculated the fair value of the real estate assets in accordance with the professional standards set out in the French Real Estate Valuation Charter. Several valuation methods were used, including revenue methods and the comparable method.

INCOME METHODS

These methods capitalize annual income by selecting a specific income stream (actual rent, market rent, net rental income) and applying the corresponding capitalization rate. BNP Paribas Real Estate Expertise calculated the fair value based on the capitalization approach and the discounted cash flow (DCF) method.

CAPITALIZATION APPROACH

This method consists of capitalizing the annual income generated by an asset with a capitalization rate defined by reference to 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 rebillable to lessees.

COMPARABLE METHOD (TRADITIONAL APPROACH)

This traditional valuation method consists of comparing the property to be valued with the most recent transactions involving properties of similar type and location, whether subject to registration duties or VAT.

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 registration 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

Les prêts et créances sont des actifs financiers non dérivés à paiements fixes ou déterminables qui ne sont pas cotés sur un marché actif, à l'exception de :

- 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.

TRADE ACCOUNTS RECEIVABLE

Trade 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 method, less any provisions for impairment. A provision for impairment of trade 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 method. Impairment provisions are recorded in the statement of comprehensive income.

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

This timing difference between the billing date and the end of the reporting period is eliminated by recognizing rent billed for future periods and not yet due under "Prepaid revenue".

NON-DERIVATIVE FINANCIAL LIABILITIES

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

Note 2.6 Share capital

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 SA 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 (AMF) on March 22, 2005.

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

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

Within the scope of these liquidity agreements, the Group owned 29,316 treasury shares (representing less than 0.22% of its total issued shares) for a total amount of EUR 609k at December 31, 2011.

In accordance with IAS 32, these treasury shares are shown as a deduction from consolidated equity based on their acquisition cost (net of directly attributable transaction costs) or their initial carrying amount in the consolidated statement of financial position. Any capital gains or losses arising on the disposal of these shares are eliminated in the statement of comprehensive income and recognized against consolidated equity.

Cash allocated to the liquidity agreement and not invested in Cegereal SA shares at the end of the reporting period is stated in "Other operating receivables".

Note 2.8 Election for tax treatment as an SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies (Sociétés d'Investissement Immobilières Cotées - SIICs) in accordance with Article 208 C of the French Tax Code (Code général des impôts). This election took effect on April 1, 2006. Prothin SAS also benefits from this preferential tax treatment.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2011. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

Terms and conditions and impact of tax treatment as an SIIC

a) When a company elects 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).
b) SIICs that have elected for preferential tax 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 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 elected 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 elected 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 Cegereal SA 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*).

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.

Note 2.9 Employee benefits

IAS 19 requires entities to recognize as expenses all current or future benefits or compensation granted by an entity to its employees or to third parties over the period during which the rights to such benefits or compensation vest.

The Group only has three employees and therefore considers that its employee benefit commitments in respect of defined benefit plans are not material. Consequently, the amount of its employee benefit commitments was not assessed at December 31, 2011.

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 method. The long-term portion (due more than 12 months after the end of the reporting period) is classified in non-current borrowings and debt, while the short-term portion (due in less than 12 months) is classified in current borrowings and debt.

Note 2.11 Rental income

The Group leases out its real estate under operating leases. Assets leased under operating leases are recognized in the consolidated statement of financial position within investment property.

Rental income is recognized over the lease term.

In accordance with IAS 17 and interpretation SIC 15, the financial impact of all of the provisions in the lease agreement is 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 incurring any material financial consequences (usually after six years). Therefore, in order to accurately reflect the economic benefits of the lease, rent-free periods, rent discounts 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.

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 because they are indexed;
– There are no provisions for material liabilities, as defined in IAS 37.

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 weighted average number of shares outstanding during the period. As Cegereal SA has no dilutive instruments, basic and diluted earnings per share are the same.

Note 2.15 Presentation of the financial statements

Assets and liabilities maturing within 12 months of the reporting date are classified as current assets and liabilities in the consolidated statement of financial position. All other assets and liabilities are treated as non-current.

Expenses in the statement of comprehensive income are shown according to their nature.

In the statement of cash flows, net operating cash flows are calculated using the indirect method, whereby the net amount is based on net income adjusted for non-cash transactions, items of income or expense associated with investing or financing cash flows and changes in working capital requirements.

2.5.3. Critical accounting estimates and judgments

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

Estimates that could lead to a significant adjustment in the carrying amount of assets and liabilities in the subsequent period mainly concern the determination of the fair value of the Group'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. Transactions which take place in this 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 certain 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 Group's real estate assets by the external real estate valuer could vary significantly according to changes in the rate of return, based on observations of the real estate market.

In millions of euros

Building	Market rental value	Gross reversionary yield	0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
			Changes in potential rate of return								
Europlaza	23.4	5.71%	354.5	361.7	369.3	377.2	385.5	394.1	403.1	412.6	422.5
Rives de Bercy	10.8	6.01%	155.7	158.8	162.0	165.3	168.7	172.3	176.0	179.9	184.0
Arcs de Seine	21.0	6.59%	278.9	283.9	289.0	294.4	300.0	305.8	311.8	318.1	324.6
Total	55.2	6.08%	789.1	804.4	820.3	836.9	854.2	872.2	891.0	910.6	931.1
Impact on portfolio value:			(7.63)%	(5.83)%	(3.96)%	(2.02)%	0.00%	2.11%	4.31%	6.60%	9.00%

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 Group's real estate assets.

2.5.4. Management of financial risks

Note 4.1 Risk relating to refinancing

The bank loan taken out by the Group from Eurohypo AG is made up of three tranches, all of which are repayable at maturity on March 2, 2013.

Given the Group's financial position and, in particular, its financial covenants, it is not expected that the Group will have any particular difficulties in refinancing this loan.

Note 4.2 Risk related to the valuation of real estate assets

The Group's real estate portfolio is valued by an external real estate valuer. The value of the 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 of the Group's real estate assets are office buildings with a large surface area (above 30,000 sq.m) located in the inner suburbs of Paris. A fall in demand for this type of building could adversely affect the Group's earnings, 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 4.3 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 Group's earnings, business activities, assets and liabilities, and financial position.

Note 4.4 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 Group may be exposed to such risks.

Note 4.5 Counterparty risk

Group procedures ensure that lease agreements are only entered into with lessees of suitable credit standing. The Group has developed policies that limit its exposure to credit risk.

At December 31, 2011, the Group was dependent on 3 lessees who collectively represented approximately 63% of total rental income in 2011 and individually more than 10%. Although the Group'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 Group's financial position, earnings and future performance.

Note 4.6 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 Group currently receives financing from a single bank.

Notes 5.11 and 5.24 contain a description of the different credit facilities and the early repayment clauses contained in the loan agreements. At December 31, 2011, the Group complied with all financial covenants.

Note 4.7 Interest rate risk

At December 31, 2011, the Group's financing consisted of:

– a fixed-rate loan for EUR 376,400k maturing in March 2013. Pursuant to the loan agreement, the Group is not exposed to any increases in interest rates over the coming year;
– a floating-rate 3-month Euribor loan for EUR 22,492k maturing in March 2013. The Group has agreed to hedge its interest rate risk if the floating rate exceeds 4%.

2.5.5. Notes to the consolidated statement of financial position at december 31, 2011 and to the consolidated 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
Dec. 31, 2009	**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
Dec. 31, 2010	**168,200**	**383,500**	**309,000**	**860,700**
Indemnity received				
Subsequent expenditure			1,048	1,048
Disposals				
Change in fair value	500	2,000	(10,048)	(7,548)
Dec. 31, 2011	**168,700**	**385,500**	**300,000**	**854,200**

The indemnity received in 2010 in the amount of EUR 4,068k 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 5.24.

With the exception of the commitment given to building contractors to complete fitting-out work on the Arcs de Seine building, at December 31, 2011 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, 2011 is indicated below, along with the supporting information:

Building	Estimated value at December 31, 2011 (net of taxes)		Potential yield	Gross leasable area[1] at December 31, 2011		Annual rent (net of taxes)[2]	
	in millions of euros	%	%	sq.m.	%	in thousands of euros	%
Europlaza (1999[3])	385	45	6.4	49,321	39	26,317	44
Arcs de Seine (2000[3])	300	35	6.7	45,152	36	21,337	36
Rives de Bercy (2003[3])	169	20	6.7	31,942	25	12,086	20
Total	854	100		126,415	100	59,739	100

(1) The gross leasable area includes the surface area of the offices, storage areas and a share of common areas.
(2) Annual rent includes rent billed to lessees for space occupied at December 31, 2011 and market rent, as estimated by valuers, in relation to vacant premises (EUR 2,161k for Europlaza and EUR 18,664k for Arcs de Seine).
(3) Year of construction or restoration.

Note 5.2 Non-current loans and receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31,2011	Dec. 31,2010
Benefits granted to lessees (non-current portion)	9,068	11,597
Non-current loans and receivables	9,068	11,597

"Benefits granted to lessees" offsets the amounts recorded in the consolidated statement of comprehensive income relating to the portion of benefits granted to lessees deferred for more than one year.

Note 5.3 Trade accounts receivable

This item can be broken down as follows:

In thousands of euros

	Dec. 31,2011	Dec. 31,2010
Trade accounts receivable	6,314	6,156
Provision for impairment of trade accounts receivable	(19)	(19)
Trade accounts receivable, net	6,295	6,137

Note 5.4 Other operating receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31,2011	Dec. 31,2010
Rental expenses	1,056	894
Benefits granted to lessees (current portion)	2,760	2,270
Input VAT	528	1,124
Supplier accounts in debit and other receivables	160	3
Liquidity account/treasury shares	71	268
Other operating receivables	4,575	4,560

"Benefits granted to lessees" corresponds to the current portion of these benefits.

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 9,959k and time deposits of EUR 7,004k. The interest rate on time deposits in effect at December 31, 2011 was approximately 1%.

Note 5.6 Ageing analysis of receivables

The ageing analysis of receivables at December 31, 2011 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2011	Receivables not yet 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	9,068	9,068				
Total non-current receivables	**9,068**	**9,068**	**-**	**-**	**-**	**-**
Current receivables						
Trade accounts receivable (1)	6,295	5,824	471	468		4
Other operating receivables	4,575	4,575				
Prepaid expenses	2,167	2,167				
Total current receivables	**13,038**	**12,566**	**471**	**468**	**-**	**4**
Total receivables	**22,106**	**21,634**	**471**	**468**	**-**	**4**

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 6.3m and is detailed in Note 5.24.

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

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2010	Receivables not yet 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						
Trade 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**

Note 5.7 Fair value of financial assets

The fair value of financial assets, which primarily comprise receivables, corresponds to their carrying amount.

Note 5.8 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	Dec. 31, 2011	Dec. 31, 2010
Financial assets at fair value through profit or loss		
Held-to-maturity investments		
Loans and receivables		
Non-current loans and receivables	9,068	11,597
Current receivables	10,870	10,697
Available-for-sale financial assets		
Cash and cash equivalents	16,963	25,544
Total financial assets	**36,901**	**47,838**
Financial liabilities at fair value through profit or loss		
Financial liabilities measured at amortized cost		
Non-current liabilities	399,643	399,529
Current liabilities	6,876	10,481
Total financial liabilities	**406,519**	**410,010**

Note 5.9 Changes in impairment of financial assets

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

In thousands of euros

	Dec. 31, 2010	Additions	Reversals	Dec. 31, 2011
Impairment				
On trade accounts receivable	19			19
Total impairment	**19**	**-**	**-**	**19**

Note 5.10 Consolidated equity

Composition of and changes in shareholders' equity

	Number of shares	Nominal value of shares *in euros*	Share capital *in thousands of euros*	Legal reserve and additional paid-in capital *in thousands of euros*	Consolidated reserves and retained earnings *in thousands of euros*
Shareholders' equity at Dec. 31, 2010	**13,372,500**	**12**	**160,470**	**50,269**	**280,066**
Dividends paid				(936)	(13,756)
Net income for the year					238
Change in treasury shares held					119
Shareholders' equity at Dec. 31, 2011	**13,372,500**	**12**	**160,470**	**49,333**	**266,668**

Consolidated reserves mainly comprise non-distributable items, resulting from IFRS adjustments of EUR 132,146k and from the revaluation reserve in the amount of EUR 152,342k.

Dividends paid

In euros

	Recommended dividend for 2011	Paid in 2011 (excluding treasury shares)
Total dividend paid	-	14,692,148
Net dividend per share in euros	-	1.10

The total amount of dividends paid for the 2011 fiscal year is shown in the table based on the number of shares comprising the share capital at December 31, 2011. Dividends to be paid in respect of 2011 as approved by the General Shareholders' Meeting will be reduced by the number of treasury shares held by the Company at the dividend payment date, as these shares do not carry any dividend rights.

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that no dividend should be paid.

Treasury shares

In euros

	Amount at Dec. 31, 2011	Amount at Dec. 31, 2010	Change
Acquisition cost	608,827	752,999	(144,172)
Number of treasury shares at reporting date	29,316	32,922	(3,606)

Note 5.11 Non-current borrowings

The Group took out a bank loan on March 2, 2006. At December 31, 2011, the bank loan, measured at the amortized cost of the consideration received less directly attributable transaction costs amounted to EUR 398,217k.

The loan is broken down into several tranches:

In thousands of euros

Purpose	Principal	Maturity	Interest	Interest rate
Tranche A	196,400	March. 2, 2013	Fixed with floating-rate option	4.15%
Tranche B	180,000	March. 2, 2013	Fixed with floating-rate option	4.15%
Financing of exit tax liability	22,492	March. 2, 2013	Floating rate	3-month Euribor +0.6%
Total	398,892			

Under the amortized cost method, the effective interest rate of the loan (Tranches A and B) is 4.30%. The weighted average cost of the tranche of the loan used to finance the exit tax for the year ended December 31, 2011 was 1.87%.

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 gross annual interest expense totals EUR 16.3m for 2012.

The third tranche of the loan, relating to the financing of the exit tax liability, was used on December 15, 2009 to pay the last exit tax installment in an amount of EUR 22,492k. This loan facility can no longer be used as the first three installments of exit tax have already been paid.

Guarantees granted in respect of the loans are recorded as off-balance sheet commitments (see Note 5.24).

Loan repayment dates are subject to compliance with the covenants or contractual clauses set out in Note 5.24. If the Group fails to comply with these ratios, it could be required to make a partial repayment of the loan in advance. At December 31, 2011, the Group complied with both of the ratios concerned (interest coverage, or ICR, and loan-to-value, or LTV), as described in Note 5.24.

Note 5.12 Fair value of financial liabilities

The fair value of the fixed-rate bank loan can be analyzed as follows:

In thousands of euros

	Dec. 31, 2011		Dec. 31, 2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loan – Tranche A	196,400	200,456	196,400	203,581
Bank loan – Tranche B	180,000	183,717	180,000	186,582
Bank loan – Tranche C	22,492	22,492	22,492	22,492
Total	398,892	406,665	398,892	412,655

At December 31, 2011, there was no difference between the carrying amounts and fair values of other financial instruments.

Note 5.13 Other non-current borrowings and debt

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

Note 5.14 Other operating liabilities

These can be broken down as follows:

In thousands of euros

	Dec. 31, 2011	Dec. 31, 2010
Personnel	(4)	50
Accrued VAT, other taxes and social security charges	1,843	1,664
Accrued rental expenses rebilled to lessees	925	825
Advance payments by lessees	43	
Miscellaneous	8	
Other operating liabilities	2,816	2,538
Amounts due to fixed asset suppliers	2,032	4,333
Amounts due to fixed asset suppliers	2,032	4,333
Other liabilities	4,848	6,871

Note 5.15 Maturity schedule for liabilities with undiscounted contractual values

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

In thousands of euros

	Carrying amount at Dec. 31, 2011	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	398,217	398,892		398,892	
Other non-current borrowings and debt	1,426				1,426
Non-current corporate income tax liability					
Total non-current liabilities	399,643	398,892	-	398,892	1,426
Current liabilities					
Other current borrowings and debt					
Trade accounts payable	2,028	2,028	2,028		
Corporate income tax liability					
Other operating liabilities	4,848	4,848	4,848		
Total current liabilities	6,876	6,876	6,876	-	-

Note 5.16 Prepaid expenses and revenue

Prepaid expenses consist mainly of interest paid on the bank loan for the first quarter of 2012.

Prepaid revenue consists of rents billed in advance for the first quarter of 2012.

Note 5.17 Rental income

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

In thousands of euros

	2011	2010
Europlaza	21,422	20,288
Arcs de Seine	2,338	24,011
Rives de Bercy	10,795	10,387
Rental income	34,555	54,687

Note 5.18 Income from other services

Income from other services can be analyzed as follows:

In thousands of euros

	2011	2010
Rental expenses rebilled to lessees	3,910	5,717
Real estate taxes rebilled to lessees	2,942	3,553
Other amounts rebilled to lessees and miscellaneous income	463	967
Income from other services	7,315	10,236

Note 5.19 Building-related costs

These can be broken down as follows:

In thousands of euros

	2011	2010
Rental expenses	2,250	5,388
Taxes	4,535	3,825
Fees	3,183	3,270
Maintenance costs	326	1,587
Expenses on vacant premises	3,065	973
Other expenses	60	80
Building-related costs	13,418	15,124

Fees mainly comprise asset management fees with Commerz Real Investmentgesellschaft, which amounted to EUR 2,990k in 2011 and EUR 3,014k in 2010. These fees are based on the estimated value of the buildings owned.

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

Rental expenses totaled EUR 9,850k of which EUR 6,852k were rebilled.

Note 5.20 Administrative costs

Administrative costs mainly comprise professional fees and also include payroll expenses for EUR 541k. In 2011, administrative costs also covered EUR 2,010k relating to the restructuring transaction, covering, in particular, notary expenses, registration tax and fees.

Note 5.21 Financial income and expenses

Financial income and expenses can be broken down as follows:

In thousands of euros

	2011	2010
Financial income	181	70
Financial expenses	(16,856)	(16,931)
Interest on bank borrowings	(16,856)	(16,752)
Commissions on bank borrowings		(179)
Net financial expense	(16,675)	(16,861)

Note 5.22 Corporate income tax and tax proof

All consolidated entities contributing to consolidated income fall under the SIIC tax regime for listed real estate investment companies and are therefore not liable for corporate income tax.

Note 5.23 Earnings per share

Earnings per share is calculated by dividing net income attributable to owners of Cegereal SA by the number of ordinary shares net of treasury shares at December 31, 2011, i.e., 29,316. Earnings per share data are provided below the statement of comprehensive income.

As Cegereal SA has no dilutive instruments, basic and diluted earnings per share are identical.

Note 5.24 Off-balance sheet commitments and security provided

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

COMMITMENTS GIVEN

Under the terms of the loan agreement, the main commitments given by the Group are as follows:

– registration of contractual mortgages on all of the Group'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 Group's existing real estate assets;
– assignment of rent receivables under the Dailly Law mechanism on all of the Group's existing real estate assets.
– 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 or security;
– 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 Group 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 Group 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 repay the loan upon its expiration or in advance without charge or penalty, with the exception of breakage costs and commissions.

The Group 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 Tranche C of the loan became available in the event that 3-month Euribor was 4% or more per annum.

The Group has agreed to pledge its main bank accounts and potential receivables with insurance companies, to Opera France One FCC, in accordance with the agreements signed with Eurohypo and Opera France One FCC on April 9, 2010.

Following the partial asset transfer, Cegereal has undertaken to keep all Prothin SAS shares for a period of three years. In the same way, Prothin SAS has undertaken to keep the contribution premium (EUR 197m) under shareholders' equity for the same period, unless this restriction is waived in the event that the company has surplus cash.

At December 31, 2011, repairs required to complete fitting-out work amounted to EUR 1.2m for the Arcs de Seine building and EUR 1.5m for the Europlaza building.

COMMITMENTS RECEIVED

Security deposits received from lessees amounted to EUR 9,692k at December 31, 2011.

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

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

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

Minimum guaranteed rental income from current operating leases:

At December 31, 2011, the minimum annual rental income (excluding VAT and rebilling of taxes and expenses) due to the Group through to the earliest possible termination dates of the different operating leases was as follows:

In thousands of euros

	Minimum annual rental income	
	2011	2010
2012	37,994	36,770
2013	34,210	31,647
2014	30,248	27,975
2015	13,793	13,629
2016	7,860	7,800
2017	4,892	4,892

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

Note 5.25 Transactions with related parties

TRANSACTIONS WITH RELATED COMPANIES

The hausInvest property fund, Cegereal SA's majority shareholder, is managed by Commerz Real. Consequently, transactions with Commerz Real and other companies within the same group, in particular Eurohypo AG, are identified as related-party transactions.

The main transactions with related parties comprise the loan agreement entered into with Eurohypo AG and the asset management agreement (the terms and conditions of which are described in Notes 5.24 and 5.19, respectively).

In thousands of euros

	2011	2010
Impact on operating income		
Building-related costs: *Asset management fees*	2,990	3,014
Administrative costs: Fees	228	
Impact on net financial expense		
Financial expenses	16,856	16,931
Total impact on statement of comprehensive income	20,074	19,945
Impact on assets		
Prepaid expenses	2,102	2,127
Total impact on assets	2,102	2,127
Impact on liabilities		
Non-current borrowings	398,217	397,624
Trade accounts payable	736	840
Total impact on liabilities	398,953	398,464

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

The Chairman of the Board of Directors' gross compensation was set at EUR 50k for the year ended December 31, 2010 and EUR 25k for the year ended December 31, 2011. The latter amount was paid in December 2011.

(ii) Compensation of key management personnel

In thousands of euros

Categories of employee benefit	2011	2010
Short-term employee benefits	300	227
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		
Share-based payment		
Total	300	227

(iii) Directors' fees

Directors' fees of EUR 40k were paid for the year ended December 31, 2010.
Directors' fees of EUR 68k were paid for the year ended December 31, 2011.

(iv) Loans and securities granted to or on behalf of executives

None

(v) Transactions entered into with executives

None

TRANSACTIONS WITH OTHER RELATED PARTIES

The loan of EUR 399m shown in the consolidated financial statements arises from the credit agreement entered into in 2006 between the Group and the Eurohypo AG bank, which is considered a related party. The loan generated interest in an amount of EUR 16m in 2011. The terms and conditions of this loan are described in Notes 5.11 and 5.24.

Note 5.26 Personnel

The Group had three employees at December 31, 2011. The headcount did not change throughout the year.

Note 5.27 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
1 Cours Valmy
92923 Paris La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean et associés
34 rue Camille Pelletan
92300 Levallois Perret
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to Statutory Auditors for the years ended December 31, 2011 and 2010 were as follows:

In thousands of euros

	Amount (net of taxes)		%	
	2011	2010	2011	2010
Statutory audit of the financial statements	174	353	93	96
Advisory services and services directly related to the statutory audit engagement	13	15	7	4
Total	188	367	100	100

Note 5.28 Subsequent events

None

2.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

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 consolidated 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 consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated 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 CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2011

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, 2011, on:

- the audit of the accompanying consolidated financial statements of Cegereal SA;
- the justification of our assessments;
- the specific verification required by law.

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

1. Opinion on the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2011 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, 2011 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.

– As described in Note 1.1 to the consolidated financial statements, in 2011 Cegereal SA created Prothin SAS, a wholly-owned subsidiary. A partial asset transfer was carried out between the two companies during the year. As part of our assessment of this partial asset transfer, we reviewed the accounting treatment applied to this transfer and the overall presentation in the notes to the consolidated financial statements.

– Notes 2.3 and 2.4 to the consolidated 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 consolidated financial statements contain the appropriate disclosures.

These assessments were made as part of our audit of the consolidated 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 verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Paris-La Défense and Levallois-Perret, February 16, 2012

KPMG Audit FS I
Régis Chemouny
Partner

Denjean et Associés
Thierry Denjean
Partner

3. ANNUAL FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP

3.1. RESULTS AND FINANCIAL POSITION OF CEGEREAL SA

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the statutory financial statements which are presented in section II.3.5.

The annual financial statements for the year ended December 31, 2011 were prepared in accordance with French generally accepted accounting principles applicable to individual financial statements.

The Company created a subsidiary, Prothin SAS, which was registered with the Paris Trade and Companies Registry on June 27, 2011. Cegereal SA holds 100% of the capital and voting rights of Prothin SAS.

The Company transferred to Prothin SAS all of its real estate assets, comprising the three Europlaza, Arcs de Seine and Rives de Bercy buildings, along with the related bank liabilities, as well as all guarantees and security granted in respect of these liabilities and all of the assets used to hold, manage and rent these buildings.

This partial asset transfer, with retroactive effect for accounting and tax purposes from July 1, 2011 and approved by the General Shareholders' Meeting on December 22, 2011, was completed on this same date. At December 31, 2011, Cegereal SA's assets comprised mainly equity interests in Prothin SAS.

FINANCIAL POSITION/STATUTORY FINANCIAL STATEMENTS

Cash and cash equivalents totaled EUR 25,544k at December 31, 2010 and were transferred in their entirety to Prothin SAS on December 22, 2011.

The current account between Prothin and Cegereal amounts to EUR 5,532,277 at December 31, 2011.

NET INCOME CAN BE ANALYZED AS FOLLOWS BY KEY INDICATOR:

Rental activity was transferred to Prothin SAS within the scope of the partial asset transfer of December 22, 2011 with retroactive effect from July 1, 2011. The table below presents, for information purposes, the Company's pro forma position excluding the aforementioned retroactive effect. The decrease in net revenue from EUR 63,956k to EUR 41,846k is chiefly due to the departure of Bouygues Telecom on January 1, 2011. 2011 revenue came in at EUR 20,784k due to the retroactive effect of the transfer to Prothin and the fact that only six months of activity were recognized to have taken place within Cegereal SA.

In euros

	2011	2011 Pro forma (*)	2010
Net revenue	20,784	41,846	63,956
Other operating revenue	1	1	973
Total operating revenue	**20,785**	**41,847**	**64,930**
Other purchases and external charges	(6,488)	(11,354)	(13,463)
Taxes, duties and other levies	(2,365)	(5,447)	(3,972)
Wages and salaries	(348)	(540)	(477)
Fixed assets: depreciation and amortization	(12,777)	(26,129)	(26,048)
Other operating expenses	(69)	(69)	(44)
Total operating expenses	**(22,047)**	**(43,541)**	**(44,004)**
Operating income/(loss)	**(1,262)**	**(1,694)**	**20,924**
Total financial income	197	197	113
Total financial expenses	(8,222)	(16,444)	(16,389)
Net financial expense	**(8,025)**	**(16,247)**	**(16,276)**
Net non-recurring income			**2,681**
Net income/(loss)	**(9,287)**	**(17,941)**	**7,329**

(*) The pro forma information is presented for information purposes to show CeGeREAL's position excluding the partial asset transfer.

3.2. APPROPRIATION OF CEGEREAL SA NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2011

APPROPRIATION OF NET INCOME

The Annual General Shareholders' Meeting will be asked to approve the appropriation of the 2011 net loss as follows:

Source:

– 2011 net loss: EUR 9,287,235
– Retained earnings: EUR 111,611

Appropriation:

– EUR 111,611 to "Retained earnings", reducing the total amount recorded under "Retained earnings" to EUR 0.
– EUR 9,175,624 to "Additional paid-in capital", reducing the total amount recorded under "Additional paid-in capital" to EUR 24,110,276.

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 shown below:

In thousands of euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate
	Dividends	Other income distributed	
Dec. 31, 2007	26,076,375		
Dec. 31, 2008	21,623,046		4,453,329
Dec. 31, 2009	21,663,450		1,069,800
Dec. 31, 2010	13,773,674		936,075

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, 2011.

INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS AND CUSTOMERS OF CEGEREAL SA

Amounts outstanding with respect to suppliers amounted to EUR 665k, including EUR 29k due at December 31, 2011 and EUR 636k in accrued expenses not yet due. Trade accounts payable totaled EUR 3,617k at December 31, 2010, of which EUR 157k was due.

All amounts due are payable within 60 days.

3.3. 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, 2011.

3.4. BALANCE SHEET AND INCOME STATEMENT PREPARED IN ACCORDANCE WITH FRENCH GAAP

BALANCE SHEET – FRENCH GAAP

In euros

ASSETS	Notes	Gross amount	Depr., amort. & prov.	Dec. 31, 2011	Dec. 31, 2010
Uncalled subscribed capital					
Intangible fixed assets					
Start-up costs					
Research and development costs					
Licenses, patents and similar concessions					
Goodwill					
Other intangible fixed assets					
Advances/down payments on intangible assets					
Property, plant and equipment	5.1				
Land					365,072,706
Buildings					377,803,516
Plant, machinery and equipment					245,160
Other property, plant and equipment					324,071
Property, plant and equipment in progress					4,068,465
Advances and down payments					
Financial fixed assets	5.2				
Receivables from controlled entities		349,301,810		349,301,810	
Other long-term investments					
Loans					
Other financial fixed assets		679,884	178,175	501,710	1,008,553
FIXED ASSETS		**349,981,694**	**178,175**	**349,803,520**	**748,522,472**
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	5.6	22,344	18,683	3,661	6,250,316
Other receivables	5.6	5,707,674		5,707,674	15,921,187
Subscribed capital, called up but not paid					
Short-term investment securities					
Cash and cash equivalents	5.5	0		0	25,543,830
CURRENT ASSETS		**5,730,018**	**18,683**	**5,711,336**	**47,715,333**
Prepaid expenses	5.9	24,651		24,651	2,048,529
Adjustment accounts					
TOTAL ASSETS		**355,736,363**	**196,858**	**355,539,505**	**798,286,334**

2 - FINANCIAL INFORMATION

In euros

EQUITY AND LIABILITIES	Notes	2011	2010
Capital			
Share capital (including paid-up capital: 160,470,000)	5.10	160,470,000	160,470,000
Additional paid-in capital		33,285,900	34,221,976
Revaluation reserve	5.12	152,341,864	158,777,952
Reserves			
Legal reserve		16,047,000	16,047,000
Statutory or contractual reserves			
Regulated reserves			
Other reserves		8,423	8,423
Income			
Retained earnings		111,611	102,099
Net income/(loss) for the year		(9,287,235)	7,329,497
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	**5.11**	**352,977,563**	**376,956,947**
Income from the issue of equity instruments			
Contingent advances			
OTHER EQUITY			
Contingency provisions			
Loss provisions			
LOSS AND CONTINGENCY PROVISIONS			
Non-current borrowings and debt			
Convertible bonds			
Other bonds			
Bank borrowings	5.6		398,891,840
Miscellaneous borrowings and debt	5.6		1,904,537
Trade accounts payable and other current liabilities			
Advances/down payments received on orders in progress			
Trade accounts payable	5.6	664,623	3,616,665
Tax and social liabilities	5.6	1,720,395	1,715,340
Amounts owed to fixed asset suppliers	5.6		4,333,620
Other liabilities	5.6	176,923	959,892
Prepaid revenue	5.9		9,907,494
LIABILITIES		**2,561,941**	**421,329,387**
Adjustment accounts			
TOTAL EQUITY AND LIABILITIES		**355,539,505**	**798,286,334**

In euros

	France	Exports	Notes	Dec. 31, 2011 Total	Dec. 31, 2010 Total
Sales of goods for resale					
Sales of manufactured products					
Sales of services	20,784,100		5.13	20,784,100	63,956,378
NET REVENUE	**20,784,100**	**-**		**20,784,100**	**63,956,378**
Change in finished goods and in-progress inventory					
In-house production					
Operating subsidies					
Reversal of depreciation and amortization charges, provisions for impairment and expense transfers				24,012	969,699
Other revenue				1	17
Total operating revenue				**20,808,113**	**64,926,094**
Purchases of goods					
Change in inventories of goods held for resale					
Purchases of raw materials and other supplies					
Change in inventories (raw materials and other supplies)					
Other purchases and external charges			5.14	6,487,837	13,463,198
Taxes, duties and other levies				2,364,813	3,971,528
Wages and salaries				246,753	336,332
Social security charges				101,528	140,920
Fixed assets: depreciation and amortization			5.3	12,776,876	26,048,435
Fixed assets: provisions for impairment					
Current assets: provisions for impairment					
Loss and contingency provisions					
Other expenses				69,223	44,242
Total operating expenses				**22,047,031**	**44,004,655**
OPERATING INCOME/(LOSS)				**(1,238,918)**	**20,921,438**
Allocated income or transferred loss					
Loss incurred or transferred income					
Financial income from controlled entities					
Income from other securities and receivables					
Other interest income				181,371	70,044
Reversal of provisions for impairment, other provisions and expense transfers				15,258	42,501
Foreign exchange gains				23	
Net income on sale of short-term investment securities					
Total financial income				**196,652**	**112,545**
Amortization, provisions for impairment and other provisions				180,850	55,084
Interest expenses				8,041,560	16,333,601
Foreign exchange losses					
Net expenses on sales of short-term investment securities					
Total financial expenses				**8,222,410**	**16,388,685**
NET FINANCIAL EXPENSE				**(8,025,758)**	**(16,276,140)**
RECURRING INCOME/(LOSS) BEFORE TAX				**(9,264,676)**	**4,645,298**

In euros

	Notes	2011 12 months	2010 12 months
Non-recurring income on management transactions			
Non-recurring income on capital transactions		50,594	51,778
Reversal of provisions for impairment, other provisions and expense transfers			4,068,465
Total non-recurring income		**50,594**	**4,120,243**
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions		73,153	48,472
Depreciation, amortization and provisions for impairment	5.3		1,387,573
Total non-recurring expenses		**73,153**	**1,436,045**
NET NON-RECURRING INCOME/(EXPENSE)	**5.15**	**(22,558)**	**2,684,198**
Employee profit sharing			
Corporate income tax			
TOTAL INCOME		**21,055,360**	**69,158,882**
TOTAL EXPENSES		**30,342,594**	**61,829,385**
NET INCOME/(LOSS)		**(9,287,235)**	**7,329,497**

3.5. NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2011

3.5.1. 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 Fiscal year

The fiscal year covers a 12-month period from January 1 to December 31, 2011.

Note 1.3 Presentation of comparative financial information

The information presented in the annual financial statements for the year ended December 31, 2011 includes comparative data in relation to the year ended December 31, 2010.

Note 1.4 Financial statements

On June 22, 2011, Cegereal SA created Prothin SAS, a wholly-owned subsidiary.

The Company transferred to Prothin SAS all of its real estate assets, comprising the three Europlaza, Arcs de Seine and Rives de Bercy buildings, along with the related bank liabilities, as well as all guarantees and security granted in respect of these liabilities and all of the assets used to hold, manage and rent these buildings.

This partial asset transfer, with retroactive effect for accounting and tax purposes from July 1, 2011 and approved by the General Shareholders' Meeting on December 22, 2011, was completed with effect from this same date. At December 31, 2011, Cegereal SA's assets comprised mainly equity interests in Prothin SAS.

Note 1.5 Key events

Partial asset transfer

The transfer is classified as a full business transfer (transmission universelle). The legal regime applicable to spin-offs involves a full transfer to the beneficiary entity of all rights, assets and obligations of the transferor in relation to the business transferred.

Consideration for the transfer was calculated based on the net assets transferred to the carrying amount. No losses were recorded.

The transfer is eligible for the preferential tax treatment applicable to mergers, as set out in Article 201 A of the French Tax Code.

The assets and liabilities relating to the business transferred include the assets used to hold, manage and rent the three properties, including clients, leasehold rights, archives, documents and client files, income and expenses on all lease contracts, the “Cegereal”, “Arcs de Seine” and “Rives de Bercy” brands and bank accounts, i.e., all related intangible assets. They also include the items shown in the table below:

In euros

Contribution	Gross carrying amount	Depr., amort. and provisions for impairment	Net carrying amount
Land	365,072 706		365,072,706
Buildings	607,962,126	242,882,904	365,079,222
Plant, machinery and equipment	1,028,652	834,651	194,001
Intangible fixed assets	535,727	213,078	322,649
Property, plant and equipment in progress	4,068,465		4,068,465
Trade accounts receivable	6,153,690		6,153,690
Taxes and other levies due on revenue	513,448		513,448
Other receivables	13,474,437		13,474,437
Cash and cash equivalents	6,876,695		6,876,695
Prepaid expenses	2,883,790		2,883,790
Total assets	**1,008,569,736**	**243,930,633**	**764,639,103**
Bank borrowings			398,891,840
Miscellaneous borrowings and debt			1,176,495
Trade accounts payable			3,191,269
Tax and social liabilities			1,663,828
Other liabilities			1,389,358
Prepaid revenue			9,944,502
Total liabilities	**-**	**-**	**416,257,293**

Assets transferred therefore represent an amount of EUR 764,639,103 less EUR 416,257,293, i.e., EUR 348,381,810.

The equity interests in Prothin SAS are shown on the balance sheet for EUR 349,301,810 (EUR 920,000 relating to the incorporation of the company and EUR 348,381,810 to the partial asset transfer).

3.5.2. Significant accounting policies

The annual financial statements for the year ended December 31, 2011 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, 2011 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 revalued amount 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 5.3.

Maintenance and repair costs are expensed as incurred unless they correspond to the definition of an asset under CRC Regulation No. 2004-6 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 maintenance 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 the 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 “Fixed assets: depreciation and amortization”.

The depreciation periods 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, whenever 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 Long-term investments

Classification of long-term investments

Long-term investments correspond to shareholdings that it is deemed useful to hold over the long term, particularly insofar as they enable the Company to exercise influence or control over the issuer.

Capitalized costs of investments

Investments are recognized in the balance sheet at their acquisition cost or contribution value.

The acquisition cost of shareholdings includes their purchase price and costs directly attributable to the acquisition.

Impairment of investments

At the end of the reporting period, the Company compares the realizable value of shareholdings with their acquisition cost. The realizable value of shareholdings corresponds to their value in use, representing the price the Company would be willing to pay should it wish to acquire this shareholding.

In order to measure shareholdings, the Company uses a method based on the valuation of the subsidiaries' assets.

The Company calculates the adjusted net asset value of each subsidiary. This method takes into account the valuation of the real estate assets held by the subsidiary at the end of the reporting period.

Unrealized gains and losses are calculated by comparing the value in use with the net carrying amount. Impairment losses are recognized in respect of unrealized losses and are not offset against unrealized gains.

However, the Company takes into account the outlook for (temporarily or structurally loss-making) subsidiaries in order to ensure that the write-downs are justified.

Note 2.3 Treasury shares

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

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

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

A provision for impairment is set aside when the acquisition value of the shares is more than the average stock market price in the month preceding the 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 2.4 Receivables

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

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

This timing difference between the billing date and the end of the reporting period is eliminated by recognizing rent billed for future periods and not yet due under "Prepaid revenue".

Note 2.5 Revenue recognition

Rental income is recognized over the lease term.

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 and the period up to the date at which the lessee may terminate the lease without incurring any material financial consequences (usually after six years).

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

Note 2.6 Rental expenses and rebilling of expenses to lessees

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

The rebilling of rental expenses 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 2.7 Financial expenses

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

Note 2.8 Property restoration costs

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

3.5.3. Management of financial risks

Following the partial asset transfer, all risks relating to the leasing of real estate assets and to financing were transferred to Prothin SAS. Accordingly, at December 31, 2011 the risks incurred by Cegereal SA relate to the equity interests held in its subsidiary.

3.5.4. Change in accounting policies

There was no change in accounting policies in 2011 compared to 2010.

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

Note 5.1 Statement of property, plant and equipment

Changes in the gross value of property, plant and equipment can be broken down as follows:

In euros

	Gross value at Jan. 1, 2011	Increases	Decreases	Gross value at Dec. 31, 2011
- 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	-
- Plant, machinery and equipment and other property, plant and equipment	**1,564,381**	**-**	**1,564,380**	**-**
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	-
Total property, plant and equipment	**978,667,677**	**-**	**978,667,677**	**-**

Real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.2 Statement of financial fixed assets

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

In euros

Items	Gross value at Jan. 1, 2011	Increases	Decreases	Gross value at Dec. 31, 2011
Equity investments	-	349,301,810		349,301,810
Treasury shares	752,999	1,160,840	1,305,012	608,827
Cash used in the liquidity agreement	268,137	607,156	804,236	71,057
Total financial fixed assets	**1,021,136**	**351,069,806**	**2,109,248**	**349,981,694**

At December 31, 2011, Cegereal held 29,316 of its own shares out of a total of 13,372,500 shares, representing an amount of EUR 608,827. During the year, 52,720 shares were purchased and 56,326 were sold.

Equity investments amounted to EUR 349,301,810, of which EUR 920,000 related to the incorporation of the company and EUR 348,381,810 to consideration for the partial asset transfer.

Note 5.3 Statement of depreciation

Changes in accumulated depreciation can be broken down as follows:

In euros

Items	Accumulated depreciation at Jan. 1, 2011	Charges in the period	Reversals in the period	Accumulated depreciation at Dec. 31, 2011
Property, plant and equipment				
Buildings	**230,158,610**	**12,724,294**	**242,882,904**	
Europlaza	106,798,985	5,779,127	112,578,112	
Arcs de Seine	87,540,101	4,547,689	92,087,790	
Rives de Bercy	35,819,523	2,397,478	38,217,001	
Plant, machinery and equipment and other property, plant and equipment	**995,147**	**52,582**	**1,047,729**	
Europlaza	211,656	1,422	213,078	
Rives de Bercy	783,492	51,159	834,651	
Total accumulated depreciation	**231,153,758**	**12,776,876**	**243,930,633**	**-**

Real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.4 Provisions for impairment

Changes in this item were as follows:

In euros

Items	Amount at Jan. 1, 2011	Additions	Reversals	Amount at Dec. 31, 2011
On treasury shares	12,583	180,850	15,258	178,175
On trade accounts receivable	18,683			18,683
Total provisions for impairment	**31,266**	**180,850**	**15,258**	**196,857**

Impairment charged against trade accounts receivable prior to July 1, 2011 was not transferred to Prothin SAS within the scope of the partial asset transfer.

Note 5.5 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

In euros

Cash and cash equivalents	Dec. 31, 2011	Dec. 31, 2010
Bank accounts		7,019,647
Time deposits		18,500,000
Accrued interest receivable		24,183
Total	-	25,543,830

Cash and cash equivalents amounting to EUR 6,876,695 were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.6 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2011 can be analyzed as follows by maturity:

In euros

Receivables	Gross amount	Due in 1 year or less	Due in more than 1 year
Receivables related to current assets			
Trade accounts receivable	22,344	22,344	
Other receivables	5,707,674	5,707,674	
Total receivables	5,730,018	5,730,018	-

Trade accounts receivable and benefits granted to lessees were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

In euros

Payables	Gross amount	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				
Miscellaneous borrowings and debt				
Trade accounts payable	664,623	664,623		
Tax and social liabilities	1,720,395	1,720,395		
Amounts due to fixed asset suppliers				
Other liabilities	17,923	17,923		
Total payables	2,402,941	2,402,941	-	-

Borrowings and other debt associated with real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer. Given Prothin SAS' financial position and, in particular, its financial covenants, it is not expected that the company will have any particular difficulties in refinancing this loan.

Note 5.7 Accrued income and expenses

At December 31, 2011 accrued income and expenses can be analyzed as follows:

In euros

Accrued income	Dec. 31, 2011	Dec. 31, 2010
Other receivables		
- Deferred rent-free periods		13,867,452
Cash and cash equivalents		24,183
Total	-	13,891,635
Accrued expenses	**Dec. 31, 2011**	**Dec. 31, 2010**
Trade accounts payable	635,972	7,785,482
Tax and social liabilities	33,509	92,593
Total	669,482	7,878,075

Loans and borrowings associated with real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.8 Transactions with related parties

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

TRANSACTIONS WITH RELATED COMPANIES

The hausInvest property fund, Cegereal SA's majority shareholder, is managed by Commerz Real. Consequently, transactions with Commerz Real and other companies within the same group, in particular Eurohypo AG, are identified as related-party transactions.

The main transactions with related parties comprise the loan agreement entered into with Eurohypo AG and the asset management agreement on buildings. Both the loan and the buildings were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

In euros

	2011	2010
Impact on operating income		
Other purchases and external charges: Asset management fees	1,495,234	3,014,200
Fees	228,000	
Impact on net financial expense		
Interest rate basis	8,041,560	16,333,601
Total impact on income statement	**9,764,794**	**19,347,801**
Impact on balance sheet assets		
Other receivables	5,532,277	
Prepaid expenses		1,993,485
Total balance sheet assets	**5,532,277**	**1,993,485**
Impact on balance sheet liabilities		
Dividends		
Miscellaneous borrowings and debt		398,891,840
Trade accounts payable		839,684
Total balance sheet liabilities	**-**	**399,731,524**

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Chairman of the Board of Directors' gross compensation was set at EUR 50k for the year ended December 31, 2010 and EUR 25k for the year ended December 31, 2011.

In accordance with a decision by the Board of Directors, the amounts paid to members of management totaled EUR 190,613 for the year ended December 31, 2011.

At the General Shareholders' Meeting of June 29, 2011, the shareholders set the maximum total annual directors' fees for all Board members at EUR 120k. In December 2011, directors' fees of EUR 68k were paid for the year ended December 31, 2011.

In accordance with Standard 2010-02 on related party transactions issued by the French accounting standard-setter *(Autorité des Normes Comptables – ANC)* on September 2, 2010, all material transactions with related parties were carried out at arm's length conditions.

Note 5.9 Prepaid expenses and revenue

At December 31, 2011, prepaid expenses and revenue can be analyzed as follows:

In euros

	Expenses	Revenue
Operating revenue/expenses	24,651	
Financial income/expenses		
Non-recurring income/expenses		
Total income statement impact	**24,651**	**-**

Prepaid expenses consist mainly of trade dues relating to a subsequent period.

Prepaid income and expenses relating to real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.10 Composition of share capital

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

Note 5.11 Statement of changes in equity

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

In euros

Statement of changes in equity	Share capital	Additional paid-in capital	Reserves (including revaluation reserve)	Retained earnings	Shareholders' equity before appropriation of net income/(loss)
Jan. 1, 2011	160,470,000	34,221,976	174,935,474	7,329,497	376,956,947
Dividends paid		(936,076)	(6,426,576)	(7,329,497)	(14,692,149)
Net income/(loss) for the year				(9,287,235)	(9,287,235)
Dec. 31, 2011	**160,470,000**	**33,285,900**	**168,508,898**	**(9,287,235)**	**352,977,563**

The General Shareholders' Meeting of June 29, 2011:

- authorized the Board to cancel any shares bought back by the Company under Article L.225-209 of the French Commercial Code;
- granted the Board authority to increase the share capital by capitalizing reserves, profits and/or additional paid-in capital;
- granted the Board authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities with pre-emptive subscription rights;
- granted the Board 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;
- granted the Board 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;
- authorized the Board, 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;
- authorized the Board to increase the amount of shares issued in the event of over-subscription;
- granted the Board authority to increase the share capital, within the limit of 10%, in consideration of contributions of shares or securities granting access to the share capital;
- granted the Board authority to use these powers during a public offer period;
- granted the Board authority to issue free share subscription warrants and grant them to shareholders during a public offer period under the reciprocity exception.

Note 5.12 Revaluation reserve

At December 31, 2011, the revaluation reserve can be analyzed as follows:

In euros

	Increase in gross value	Allocation of exit tax liability	Reversal of provision for taxes	Portion transferred to reserves	Revaluation reserve	o/w portion transferable to distributable reserves
Real estate assets held until June 30, 2011	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,036,576
Total	**246,423,770**	**(89,967,360)**	**25,459,816**	**(29,574,363)**	**152,341,864**	**3,036,576**

The revaluation reserve includes real estate assets owned by Cegereal until June 30, 2011 and transferred to Prothin within the scope of the partial asset transfer, as described in Note 1.5.

The additional depreciation related to the revaluation of the real estate assets amounts to EUR 3,036,576 for the year ended December 31, 2011, which brings the cumulative amount of additional depreciation since April 1, 2006 to EUR 32,610,939.

In accordance with the decision of the General Shareholders' Meeting of June 29, 2011, the portion of the revaluation reserve corresponding to the additional depreciation in respect of 2010, i.e., EUR 6,434,088, was transferred to distributable reserves.

Note 5.13 Breakdown of revenue

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

In euros

	2011	2010
Rental income	17,213,940	54,686,652
Rental expenses rebilled to lessees	1,976,380	5,716,841
Real estate taxes rebilled to lessees	1,520,958	3,552,885
Termination indemnities		
Other revenue	72,822	
Total	**20,784,100**	**63,956,378**

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

Real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.14 Breakdown of certain income statement items

At December 31, 2011, other purchases and external charges can be analyzed as follows:

In euros

	2011	2010
Expenses rebilled to lessees	1,080,705	5,333,034
Rental expenses	44,412	84,288
Maintenance and repair of buildings [(a)]	210,552	1,586,555
Expenses on vacant premises [(b)]	1,572,307	973,439
Fees [(c)]	3,146,194	4,839,308
Publications	228,509	381,425
Sundry expenses	205,158	265,149
	6,487,837	13,463,198

(a) Of which EUR 931,535 on Arcs de Seine in 2010 following the departure of Bouygues Telecom.

(b) Expenses related to vacant premises at the Europlaza and Arcs de Seine sites.

(c) Asset management fees with Commerz Real Investmentgesellschaft amounted to EUR 1,495,233 in 2011 compared to EUR 3,014,200 in 2010. These fees are based on the estimated value of the buildings owned.

Real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.15 Net non-recurring income

Net non-recurring income for the year ended December 31, 2011 corresponds to capital gains and losses on the sale of treasury shares.

Note 5.16 Taxable income

Election for tax treatment as an SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies *(Sociétés d'Investissement Immobilières Cotées - SIICs)* in accordance with Article 208 C of the French Tax Code.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2011. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

Terms and conditions and impact of tax treatment as an SIIC

a) When a company elects 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).

b) SIICs that have elected for preferential tax 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 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 elected 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 elected 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 Cegereal SA 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.

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.

Note 5.17 Statement of subsidiaries and investments

In euros

	Share capital	Shareholders' equity other than share capital	% interest held	Carrying amount of shareholdings	Outstanding loans and advances granted by the Company and not yet repaid	Amount of guarantees and endorsements given by the Company	2011 revenue (net of taxes)	2011 income/(loss)	Dividends received by the Company in 2011
Subsidiaries (more than 50%-owned)									
- Prothin SAS	151,870,350	197,431,460	100	349,301,810	0	0	21,062,257	(8,653,346)	0
Investments (between 10% and 50%-owned)									

Note 5.18 Off-balance sheet commitments and security provided

Fixed assets and liabilities relating to these fixed assets were transferred to Prothin SAS within the scope of the partial asset transfer with retroactive effect for accounting and tax purposes from July 1, 2011.

Following the partial asset transfer, Cegereal has undertaken to keep all Prothin SAS shares for a period of three years. In the same way, Prothin SAS has undertaken to keep the contribution premium (EUR 197m) under shareholders' equity for the same period, unless this restriction is waived in the event that the company has surplus cash.

Cegereal has also undertaken to pay upon demand by Eurotitrisation all amounts due and unpaid by Prothin within the scope of its bank loan.

At December 31, 2011, Prothin SAS had the following off-balance sheet commitments:

Guarantees and commitments in relation to bank borrowings: registration of mortgages and delegation of insurance on all real estate assets; assignment of rent receivables under the Dailly Law mechanism; maintenance of the interest coverage ratio (ICR) at 150% or more; maintenance of the loan-to-value (LTV) ratio below 70%.

Deposits received from lessees: EUR 9,692,137.

Minimum future lease payments: EUR 128,997,000.

Pledge of major bank accounts and any amounts due from insurance companies.

Repairs required to complete fitting-out work in the amount of EUR 1.2m for the Arcs de Seine building and EUR 1.5m for the Europlaza building.

Note 5.19 Recommended appropriation of net income

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that no dividend should be paid.

Note 5.20 Headcount

The Company had three employees at December 31, 2010. The employees were transferred to Prothin SAS within the scope of the partial asset transfer.

Note 5.21 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
1 Cours Valmy
92923 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean et associés
34 rue Camille Pelletan
92300 Levallois Perret
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to the Statutory Auditors for the years ended December 31, 2011 and 2010:

In euros

	Amount (net of taxes)		%	
	2011	2010	2011	2010
Statutory audit of the financial statements	156,355	352,585	92	96
Advisory services and services directly related to the statutory audit engagement	13,280	14,700	8	4
Total	169,635	367,285	100	100

Note 5.22 Subsequent events

None

3.6 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, 2011

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, 2011, 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, 2011 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, 2011 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.

– As described in Notes 1.4 and 1.5 to the annual financial statements, in 2011 Cegereal SA created Prothin SAS, a wholly-owned subsidiary. A partial asset transfer was carried out between the two companies during the year. As part of our assessment of this partial asset transfer, we reviewed the accounting treatment applied to this transfer and the overall presentation in the notes to the annual financial statements.

– Note 2.2 to the annual financial statements describes the rules and accounting methods used to measure long-term investments and their impairment.

As part of our assessment of the rules and accounting principles used by your Company, we verified that the abovementioned accounting methods are appropriate and that the notes to the annual financial statements contain the appropriate disclosures.

Since the value in use of the Company's investments, which include real estate assets, is dependent on the market value of these assets, we verified that the assets were subject to an independent assessment. Our work notably consisted in reviewing the external real estate valuers' reports, analyzing the data and assumptions on which these estimations are based and assessing the procedures used by Executive Management to approve these estimations.

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 Levallois-Perret, February 16, 2012

KPMG Audit FS I
Régis Chemouny
Partner

Denjean et Associés
Thierry Denjean
Partner

3.7 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, 2011

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 report to shareholders, based on information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R.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 that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

In accordance with Article L.225-40 of the French Commerical Code, we were informed of the following agreement which was previously authorized by the Board of Directors.

Renewal of the Asset Management Agreement

On December 15, 2011, the Board of Directors authorized the renewal of the Asset Management Agreement, which was entered into on February 6, 2006 with Commerz Real Investmentgesellschaft mbH – CRI, for a term of three years with effect from February 9, 2012. The agreement was originally entered into for a term of six years which expired on February 8, 2012.

Pursuant to the agreement, CRI provides the Company with investment management and consulting services in relation to the Company's real estate assets.

CRI's annual consideration provided for in the agreement is assessed on:
- 0.35% of the fair value (including taxes) of the real estate assets, as calculated on an annual basis by an external real estate valuer;
- 1% of the purchase price or sale price of the buildings in the case of a purchase, sale or construction of buildings by the Company.

This agreement was transferred to Prothin SAS on December 22, 2011 within the scope of the partial asset transfer from Cegereal SA to Prothin SAS with effect from July 1, 2011.

Persons concerned:
- Commerz Real Investmentgesellschaft mbH – CRI, director and company controlling a shareholder holding more than 10% of the voting rights;
- Klaus Waldherr, director;
- Carl-Christian Siegel, director;
- Gerry Dietel, director;
- Sabine Röska, director.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

In accordance with Article R.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 year ended December 31, 2011.

Asset Management Agreement with Commerz Real Investmentgesellschaft mbH – CRI

An Asset Management Agreement was entered into in 2006 for a term of six years with Commerz Real Investmentgesellschaft mbH – CRI. Pursuant to the agreement, CRI provides the Company with investment management and 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 SA in 2011 amounted to EUR 1,495,224 for the period January 1 to June 30, 2011. Following the partial asset transfer from Cegereal SA to Prothin SAS, the agreement was transferred to Prothin SAS with effect from July 1, 2011.

Commercial lease

A commercial lease was entered into with CRI with effect from March 1, 2007 for the occupation of the premises located at 21-25 rue Balzac in Paris.

Rents and charges paid by the Company during the year pursuant to the lease totaled EUR 44,412 for the period January 1 to June 30, 2011. Following the partial asset transfer from Cegereal SA to Prothin SAS, the lease was transferred to Prothin SAS with effect from July 1, 2011.

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.

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 CRI 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. Following the partial asset transfer from Cegereal SA to Prothin SAS, the agreement was transferred to Prothin SAS with effect from July 1, 2011.

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 CRI 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. Following the partial asset transfer from Cegereal SA to Prothin SAS, the agreement was transferred to Prothin SAS with effect from July 1, 2011.

The Statutory Auditors

Paris-La Défense and Levallois-Perret, February 16, 2012

KPMG Audit FS I
Régis Chemouny
Partner

Denjean et Associés
Thierry Denjean
Partner

3.8 STATUTORY AUDITORS' REPORT ON THE PRO FORMA FINANCIAL INFORMATION

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' REPORT ON THE PRO FORMA FINANCIAL INFORMATION

To the Managing Director,

In our capacity as Statutory Auditors and in accordance with European Regulation no. 809/2004, we hereby report to you on Cegereal SA's pro forma financial information for the year ended December 31, 2011, as included in Section III 3.1 of the 2011 Registration Document.

This pro forma information was prepared with the sole purpose of illustrating the potential impact on Cegereal SA's income statement for the year ended December 31, 2011 had the partial asset transfer from Cegereal SA to Prothin SAS not been carried out. By its very nature, the pro forma financial information describes a hypothetical situation and is not necessarily representative of the financial position or results that may have been recorded if the transaction had not taken place.

This pro forma financial information was prepared under the responsibility of the Managing Director, in accordance with the provisions of European Regulation no. 809/2004 and with the recommendations of the CESR concerning pro forma financial information.

Our responsibility, based on our audit and under the requirements of Annex II point 7 of European Regulation no. 809/2004, is to express a conclusion on whether this pro forma financial information has been adequately prepared.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures, which do not include examining the financial information underlying the preparation of the pro forma financial information, mainly consisted in verifying that the assumptions on which the pro forma information was based are consistent with the source documents, examining the evidence supporting the pro forma restatements and meeting with Cegereal SA's Executive Management to gather the information and explanations that we deemed necessary.

We conclude that:
– the pro forma financial information was based on adequate assumptions;
– these assumptions are consistent with the accounting policies applied by the issuer.

This report is issued solely for the purpose of filing the Registration Document with the French financial markets authority *(Autorité des marché financiers – AMF)* and may not be used in any other context.

Paris-La Défense, February 27, 2012
KPMG Audit FS I
Régis Chemouny
Partner

Levallois-Perret, February 27, 2012
Denjean et Associés
Thierry Denjean
Partner

LEGAL
INFORMATION

1. GENERAL SHAREHOLDERS' MEETING OF JUNE 28, 2012

1.1. REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Board of Directors has convened an Ordinary Shareholders' Meeting on June 28, 2012 to report on the Company's activity in the course of the year that began on January 1, 2011 and ended on December 31, 2011, and to submit that year's annual and consolidated financial statements to the shareholders for approval. The shareholders have also been convened in particular to decide on the items of the agenda indicated in section III.1.2.

BOARD OF DIRECTORS' REPORT ON THE AGENDA OF THE JUNE 28, 2012 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 are included in section III.1.2.

Approval of the financial statements

The first two resolutions submit the previous year's annual and consolidated financial statements, which state a net loss of EUR 9,287,235 and net income of EUR 238,000 respectively, to the shareholders for approval.

Discharge to the directors

The third resolution concerns the discharge to be given to the directors for their management.

Appropriation of 2011 net loss

The fourth resolution proposes the appropriation of the net loss for the year as follows: EUR 111,611 to "Retained earnings" and EUR 9,175,624 to "Additional paid-in capital".

Source:
- 2011 net loss: EUR 9,287,235
- Retained earnings: EUR 111,611

Appropriation:
- EUR 111,611 to "Retained earnings", reducing the total amount recorded under "Retained earnings" to EUR 0.
- EUR 9,175,624 to "Additional paid-in capital", reducing the total amount recorded under "Additional paid-in capital" to EUR 24,110,276.

Regulated agreements

The fifth resolution refers to related party agreements that were entered into in the previous year and disclosed in the Statutory Auditors' special report.

Directors' fees

The sixth resolution relates to directors' fees. The shareholders are being asked to set the amount of such fees at EUR 120,000 for the 2012 fiscal year.

Terms of office of the members of the Board of Directors

The seventh resolution covers the renewal of the term of office of Jean-Pierre Bonnefond as director. The shareholders are being asked to renew his term of office. This new term of office will be six years.

A biography of Jean-Pierre Bonnefond is presented hereafter.

Share buy-back program

The eighth 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 (Code de commerce), is due to expire on December 29, 2012. 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 buy-back program.

This authorization terminates the authorization that the Ordinary Shareholders' Meeting granted the Board of Directors at the June 29, 2011 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. 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 plans, company savings plans, or free share grants;
- to have shares available in exchange for securities granting entitlement to the shares of the Company pursuant to current regulations;
- to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the next General Shareholders' Meeting in its ninth resolution (extraordinary).

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 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 a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of 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 ninth resolution allows the Company to cancel the shares repurchased for this purpose under the share buy-back program, within the limit of 10% of the share capital over a 24-month period.

Authorities to increase share capital

a) Tenth 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 granted by the Extraordinary Shareholders' Meeting on June 29, 2011 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.

This authorization would terminate the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting in its twenty-sixth resolution, which expires on December 29, 2012.

b) Eleventh resolution: Authority to issue free share subscription warrants and grant them 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.

This authorization would terminate the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting in its twenty-seventh resolution, which expires on December 29, 2012.

Proposal for the appointment of Graham Spensley as non-voting director

The thirteenth resolution covers the appointment of a non-voting director to the Company's Board of Directors. The shareholders are being asked to appoint Graham Spensley for a three-year term.

A biography of Jean-Pierre Bonnefond is presented below.

Graham Spensley is a graduate of Cambridge University. After four years with Weatherall Green & Smith, first in London and then in Paris, he joined Jones Lang Woothon's Paris office in 1986. He has been working with Capital & Continental since 1988, where he is currently a partner.

Other current directorships and positions held:
Saltire Investments SAS – Chairman
Towanva Investments SAS – Chairman
Portes de France SAS – Chairman
MAS Leisure Ltd – Director
Bizy Investments Ltd – Alternate Director
Victor Hugo 2 – Director
Etive Investments – Director
Marlborough Investments – Director
As at 31.12.2011, Mr. Spensley holded 270 shares of Cegereal.

1.2. AGENDA AND TEXTS OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

AGENDA

Ordinary resolutions:

– Board of Directors' report including the Group's report, report of the Chairman of the Board of Directors
– Statutory Auditors' report on the annual financial statements for the year ended December 31, 2011
– Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2011
– Approval of the annual financial statements for the year ended December 31, 2011
– Approval of the consolidated financial statements for the year ended December 31, 2011
– Discharge to the directors
– Appropriation of net loss
– 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
– Renewal of the term of office of director Jean-Pierre Bonnefond
– 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 canceling the shares bought back by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code
– Use of authorizations during a public offer period
– Authority to issue free share subscription warrants and grant them to shareholders in the event of a public offer under the reciprocity exception
– Powers of attorney for formalities

Additional ordinary resolution:

– Appointment of Graham Spensley as non-voting director

PROPOSED RESOLUTIONS

Ordinary resolutions:

First resolution (ordinary) – Approval of the annual financial statements

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2011, the General Shareholders' Meeting approves the financial statements for 2011 as presented, i.e., showing a net loss of EUR 9,287,235.

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) – Approval of the consolidated financial statements

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2011, the General Shareholders' Meeting approves the consolidated financial statements as presented, i.e., showing net attributable income of EUR 238,000.

Third 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, 2011, the General Shareholders' Meeting gives the directors full and unconditional discharge for performance of their duties during that period.

Fourth resolution (ordinary) – Appropriation of 2011 net loss

On the recommendation of the Board of Directors, the General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, decides to appropriate the net loss for the year ended December 31, 2011 as follows:

Source:
– 2011 net loss: EUR 9,287,235
– Retained earnings: EUR 111,611

Appropriation:
– EUR 111,611 to "Retained earnings", reducing the total amount recorded under "Retained earnings" to EUR 0.
– EUR 9,175,624 to "Additional paid-in capital", reducing the total amount recorded under "Additional paid-in capital" to EUR 24,110,276.

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

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate
	Dividends	Other income distributed	
Dec. 31, 2007	26,076,375		
Dec. 31, 2008	21,623,046		4,453,329
Dec. 31, 2009	21,663,450		1,069,800
Dec. 31, 2010	13,773,674		936,075

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

Having reviewed the related party agreements and commitments presented in the Statutory Auditors' special report, the General Shareholders' Meeting approves the new agreement mentioned therein.

Sixth resolution (ordinary) – Setting of 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 2012 at EUR 120,000.

Seventh resolution (ordinary) – Renewal of the term of office of Jean-Pierre Bonnefond as director

The General Shareholders' Meeting decides to renew the term of office of Jean-Pierre Bonnefond, born on September 23, 1945 in Paris (75015), a French national, residing at 7-11 rue de l'Yvette, Paris (75016), as director, for six years, expiring at the close of the General Shareholders' Meeting called in 2018 to approve the financial statements for the year ending December 31, 2017.

Eighth 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 the provisions of 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.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting in its ninth ordinary resolution.

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 L.225-209 (6) of the French Commercial Code, 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 plans, 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, subject to the authorization to be granted by this General Shareholders' Meeting in its eighth resolution (extraordinary).

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, in particular, be carried out during a public offer 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 a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of 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, set the terms and conditions, conclude all agreements and perform any and all formalities.

Extraordinary resolutions:

Ninth resolution (extraordinary) – Authorization to be granted to the Board of Directors for the purpose of canceling the shares bought back 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 canceled 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 by 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 28, 2014.

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, to amend the Company's bylaws accordingly and carry out all the required formalities.

Tenth resolution (extraordinary) – Uses of authorizations during a public offer period

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, in the event that the Company's securities are concerned by a public offer, to use the delegations of authority/authorizations to be granted in the terms of resolutions nineteen to twenty-five presented at the General Shareholders' Meeting on June 29, 2011.
– 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.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting in its twenty-sixth resolution.

Eleventh resolution (extraordinary) – Authority to issue free share subscription warrants and grant them to shareholders in the event of a public offer

Having reviewed the Board of Directors' report and the Statutory Auditors' special 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 for issue pursuant to this resolution 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 the General Shareholders' Meeting on June 29, 2011.

– 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 of the General Shareholders' Meeting on June 29, 2011.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting in its twenty-seventh resolution.

Twelfth resolution (ordinary) – Formalities

The General Shareholders' Meeting grants full powers 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.

Additional ordinary resolution:

Thirteenth resolution (ordinary) – Appointment of Graham Spensley as non-voting director

The General Shareholders' Meeting decides to appoint Graham Spensley, born on 28 April 1960, a british national, residing at 12 boulevard Courcelles – 75017 Paris, as non-voting director, for three years, expiring at the close of the General Shareholders' Meeting called in 2015 to approve the financial statements for the year ending December 31, 2014.

1.3. 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 NINTH AND ELEVENTH RESOLUTIONS TABLED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING OF JUNE 28, 2012

Extraordinary Shareholders' Meeting of June 28, 2012

To the Shareholders,

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 operations submitted for your approval.

1. Capital reduction by cancelling shares purchased (9th 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 hereby report to you on our assessment of the reasons for and conditions of the planned capital reduction.

The Board of Directors is seeking a 24-month authorization from the date of this Shareholders' Meeting, to cancel, for up to a maximum of 10% of the share capital per 24-month period, the shares bought back by Cegereal SA pursuant to an authorization to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in ensuring that the reasons for and conditions of the capital reduction, which cannot 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 specified that this may only occur in the event that the Shareholders' Meeting gives its prior approval of the authorization given to the Board of Directors to have the Company buy-back its own shares.

2. Issuance of free share subscription warrants in the event of a public offer (11th resolution)

In compliance with the provisions of Articles L.228-92 of the French Commercial Code, we hereby report to you on the proposed issue 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 procedures for exercising the subscription warrants and the characteristics of these warrants.

The total nominal amount of shares authorized for issue may not exceed EUR 160,470,000 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 that complies 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 express an opinion on the fairness of the financial information taken from the financial statements and on certain other information concerning the issuance, contained in the report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in examining 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 issue 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.

The Statutory Auditors

Paris-La Défense and Levallois-Perret, February 16, 2012

KPMG Audit FS I
Régis Chemouny
Partner

Denjean et Associés
Thierry Denjean
Partner

1.4. CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

Dear Shareholders,

The law obliges the Chairman of the Board of Directors of any French société anonyme (joint stock 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 offer for the Company's shares.

This report, which was prepared on the basis of the information provided by the Managing Director and the Deputy Managing Director, was submitted to the Board of Directors for approval on February 14, 2012 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 AFEP-MEDEF Corporate Governance Code of listed Corporations (the "Reference Code") available at 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.

3 - LEGAL INFORMATION

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, 2011, the composition of the Board was as follows:

	First appointed	Term renewed	Term expires
Richard Wrigley	Dec. 31, 2005	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016
Klaus Waldherr	Feb. 5, 2008	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016
Gerry Dietel	Jan. 30, 2009	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016
Commerz Real Investmentgesellschaft mbH	Dec. 31, 2005	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016
Carl-Christian Siegel	May 12, 2010	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016
Jean-Pierre Bonnefond	Feb. 20, 2006		General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2011
Europroperty Consulting	Feb. 24, 2011		General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2015
Sabine Röska	May 5, 2011		General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2015
GMF VIE	June 29, 2010		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 Europroperty Consulting 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, 2011, 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 in 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.

In 2011, the Board of Directors met eight times, with an attendance rate of 89%.

The Chairman was present at each meeting. However, the Managing Director did not attend these 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 24, 2011 Board of Directors' meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2010, and the July 22, 2011 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2011.

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 did not participate in any of the Board of Directors' meetings.

The main themes addressed in those meetings were the following:
- approval for issue of the annual financial statements, appropriation of net income, distribution of reserves and additional paid-in capital;
- quarterly and interim financial information;
- marketing of and work on the Arcs-de-Seine building;
- partial asset transfer from the Company to its subsidiary Prothin;
- renewal of the asset management agreement entered into by Cegereal and CRI on February 8, 2006;
- assessment of the Board of Directors;
- status of the terms of office of the Company's directors, senior executives and Statutory Auditors;
- share buy-back program;
- authorities to increase share capital.

1.2 Organization and *modus operandi* of the Board's 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 February 14, 2012 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 Olivier Poupart-Lafarge on the Audit Committee.

The Audit Committee is currently composed of Richard Wrigley (independent), Jean-Pierre Bonnefond (independent) and Gerry Dietel. They were appointed at the February 14, 2012 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, 2014.

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 twice in 2011, and performed the following work:
- work in relation to documenting information flows;
- work in relation to organizing the closing process for financial statements;
- work on the partial asset transfer transaction;
- work in relation to improving internal control;
- work in relation to the Statutory Auditors' audit approach for the annual financial statements;
- work in relation to improving the presentation of the financial statements.

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. They were appointed at the February 14, 2012 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, 2014.

Jean-Pierre Bonnefond was appointed Chairman of the Appointments and Compensation Committee on February 14, 2012.

The Appointments and Compensation Committee met twice in 2011, and performed the following work:
- review of the arrival of new directors;
- recording of the resignation of Alec Emmott and appointment of Europroperty Consulting to replace him;
- review of the need to appoint a female director no later than at the next General Shareholders' Meeting;
- review of the renewal of the terms of office of Richard Wrigley, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel and Commerz Real Investmentgesellschaft mbH;
- review of the allocation of directors' fees;
- review of the renewal of the term of office of the Chairman of the Board of Directors, the Managing Director and the Deputy Managing Director;
- assessment of the Board of Directors;
- allocation of directors' fees;
- renewal of the terms of office of the committee members;
- compensation of the Deputy Managing Director.

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. They were appointed at the February 14, 2012 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, 2014.

Alec Emmott was appointed Chairman of the Investment Committee on February 14, 2012.

The Investment Committee met once in 2011.

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

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

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 2,000,000;

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 500,000, with the exception of any lease agreements or rental agreements mentioned in point 3 above;

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 50,000;

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 50,000 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. authorize the executive corporate officers of a Company subsidiary to perform acts that require prior authorization from the Company in its capacity as sole shareholder of said subsidiary;

11. more generally, carry out any act or operation that does not comply with the reasonable prudent management principles.

As decided at the General Shareholders' Meeting on June 18, 2008 and the Board of Directors' meeting on November 4, 2011, Section 17.4 of Article 17 of the bylaws relating to the limitations on the powers of the Managing Director and the Deputy Managing Director was 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, in 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."

1.4 Principles and rules for determining corporate officers' compensation

1.4.1 Board members' compensation (directors' fees)

The June 29, 2011 General Shareholders' Meeting decided to set the overall amount of directors' fees at EUR 120,000.

For the year ended December 31, 2011, the December 15, 2011 Board of Directors' meeting decided to allocate directors' fees as follows:
– Richard Wrigley received EUR 20,000;
– Jean-Pierre Bonnefond received EUR 13,000;
– Europroperty Consulting received EUR 35,000.

CRI, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel, GMF VIE, Hans-Joachim Kühl, Andreas Muschter and Sabine Röska renounced their right to receiving directors' fees in respect of the year ended December 31, 2011.

1.4.2 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, Deputy Managing Director, received annual gross compensation in respect of 2011 of EUR 137,800, paid in twelve monthly installments. On February 14, 2012, the Board of Directors also granted Raphaël Tréguier a performance-related gross bonus of EUR 40,000 (an all-inclusive sum negotiated between the parties) for the quality his work in relation to the partial asset transfer carried out on December 22, 2011. This is a special bonus insofar as it is additional compensation which is not guaranteed beyond 2011. It will be fully paid in March 2012.

Raphaël Tréguier was appointed as the Company's Managing Director in replacement of Bardo Magel with effect from February 14, 2012. His gross annual compensation for his duties as Managing Director has been set at EUR 142,800 (before tax), payable in twelve monthly installments from February 14, 2012.

Raphaël Tréguier also enjoys benefits-in-kind which represent an annual basis of approximately EUR 17,444 and take the form of a company car and unemployment insurance for company managers.

The February 17, 2010 Board of Directors' meeting had noted the continued suspension of the employment contract between Raphaël Tréguier and the Company following the renewal of his position as Deputy Managing Director. Said employment contract was transferred to the subsidiary (Prothin) following the partial asset transfer carried out on December 22, 2011.

The Company complies with recommendations relating to severance indemnities referred to in section 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.

1.5 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/civil partner or another shareholder or, (ii) send a proxy to the Company indicating no name or (iii) vote by correspondence.

Shareholders' requests to include resolutions and/or items 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.

1.6 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 III.5.5 of this Registration Document.

2. THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT 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. The role and assignments of each Committee are described in section 1.2 of this report.

b) 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 SAP ERP 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) Consolidated financial statements

Procedures relating to the preparation and processing of financial information are the responsibility of general management.

The accounts closing procedures comprise:
– a closing schedule, which is submitted to the Audit Committee;
– the submission of detailed monthly reports by all Group entities including an income statement, summary balance sheet, and various detailed schedules. The consolidated financial statements are prepared based on the consolidation packages of the Group's various entities;
– information relating to the fair value of real estate assets and specifically required for the preparation of consolidated financial statements is obtained from independent valuers, in order to guarantee the reliability and objectivity of the data;
– the use of a central information system.

Lastly, the role of general management is to supervise the various contributors to the preparation of the consolidated financial statements and the resulting financial information.

As part of their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages and consolidation adjustments within the scope set out for their work.

(iii) 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.

(iv) 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.

(v) 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 half-year, 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 accountant to PwC 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.

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

1.5. STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

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, 2011

To the Shareholders,

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, 2011.

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 Levallois-Perret, February 16, 2012

KPMG Audit FS I
Régis Chemouny
Partner

Denjean et Associés
Thierry Denjean
Partner

1.6. SPECIAL REPORT ON THE GRANTS OF FREE SHARES

Article L.225-197-4 of the French Commercial Code

Free shares granted:

None

Grants to the Company's corporate officers in 2011:

None

Free shares granted to employees in 2011:

None

1.7. SPECIAL REPORT ON STOCK OPTIONS

Stock options granted (Art. 225-184 [1]):

None

Options granted to corporate officers in 2011 (Art. 225-184 [2]):

None

Options exercised by corporate officers in 2011 (Art. 225-184 [2]):

None

Options granted to employees in 2011 (Art. 225-184 [3]):

None

Options exercised by employees in 2011 (Art. 225-184 [3]):

None

1.8. FIVE-YEAR FINANCIAL SUMMARY

In euros

	Year ended Dec. 31, 2007	Year ended Dec. 31, 2008	Year ended Dec. 31, 2009	Year ended Dec. 31, 2010	Year ended Dec. 31, 2011
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	61,095,462	70,618,236	67,043,926	63,956,378	20,784,100
Income before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	36,086,274	37,070,822	41,418,321	34,774,971	3,655,233
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	10,075,564	10,874,924	15,540,619	7,329,497	(9,287,235)
Income distributed	26,076,375	26,076,375	22,733,250	14,709,750	0
Earnings per share					
Income before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	2.70	2.77	3.10	2.60	0.27
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	0.75	0.81	1.16	0.55	(0.69)
Dividend paid per share	1.95	1.95	1.70	1.10	0.00
Personnel					
Average headcount during the year	1	2	2	3	3
Average payroll costs	101,065	265,459	221,188	336,332	246,753
Social security charges	58,748	106,213	92,952	140,920	101,528

2. GENERAL INFORMATION REGARDING THE ISSUER

2.1. CORPORATE NAME

The Company's name is Cegereal.

2.2. 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).

2.3. 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 (joint stock corporation) on December 31, 2005.

2.4. 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 (joint stock corporation) with a Board of Directors that is governed by the provisions of the French Commercial Code.

The telephone number for the registered office is: +33 (0)1.42.25.76.36.

2.5. SIIC STATUS

TAX TREATMENT APPLICABLE TO THE COMPANY

The Company has elected for the preferential tax treatment granted to listed real estate investment companies (*Sociétés d'Investissement Immobilières Cotées* – SIICs) in accordance with Article 208 C of the French Tax Code (*Code général des impôts*).

SIICs that have elected 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 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 elected 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 elected 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.

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

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

Dividend distributions to CRI

As CRI holds the Cegereal SA 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 property fund hold a direct interest in Cegereal SA.

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, Cegereal SA is not liable for the 20% withholding tax on the dividends it distributes.

Dividend distributions to other shareholders

Cegereal SA 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 SA's ownership structure at December 31, 2011, the 20% withholding tax was not levied on any of the dividends it distributed.

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 30% 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.

OBLIGATION TO DISTRIBUTE INCOME

The Company has elected 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.

2.6. 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)

As decided at the Extraordinary Shareholders' Meeting on June 18, 2008 and the Board of Directors' meeting on June 17, 2011, the Company's purpose has been changed as follows:

The Company's purpose is, directly or indirectly:
- the acquisition, sale, construction or refurbishment, directly or indirectly through a wholly-owned subsidiary; the leasing and management, in France, of full title to all types of office buildings;
- the acquisition and management of all other movable or real property assets and rights in connection with the buildings owned by the Company 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.

BYLAW PROVISIONS RELATING TO THE MANAGEMENT AND EXECUTIVE STRUCTURES – BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS

Board of Directors (excerpts from Articles 15 and 16 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. The term of office for directors is six years. Directors can be removed from office at any time by the Ordinary Shareholders' Meeting (Article 15 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.

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.

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 (Article 6 of the Internal Rules and Regulations).

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.

Board meetings shall be held at the registered office or at any other place specified in the convening notice.

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 laid down by law.

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 the 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.

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.

Method of general management (excerpt from Article 17 of the bylaws)

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.

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.

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.

RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

Each ordinary share entitles holders, under the conditions provided for by law and regulations, to exercise and enjoy monetary and non-monetary rights. Shareholders only bear losses up to the amounts paid in.

The voting right attached to shares is proportional to the portion of the capital the shares represent and each share grants the right to one vote.

Limits on voting rights

Not applicable

Double voting rights

Not applicable

Bylaw provisions relating to the allocation of profits, the payment of dividends and interim dividends (excerpt from 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 has elected 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 for 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.

CHANGES TO THE CAPITAL AND THE RIGHTS ATTACHED TO SHARES (ARTICLE 8 OF THE BYLAWS)

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. The meeting can delegate this power to the Board of Directors under the conditions laid down by law.

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 provisions of the bylaws that govern changes in the Company's share capital are no stricter than those imposed by law.

GENERAL SHAREHOLDERS' MEETINGS (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 at 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.

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.

Decisions at General Shareholders' Meetings shall be taken under the quorum and majority conditions laid down by law.

CROSSING THE THRESHOLDS SET IN THE BYLAWS (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.

3. RELATED-PARTY TRANSACTIONS

3.1 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 Commerz Bank AG with information they receive about the Company in their capacity as directors of the Company, so that Commerz Bank 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 Commerz Bank AG. Commerz Bank 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 Commerz Bank AG to perform the procedures incumbent upon it, in its capacity as custodian bank for the hausInvest property 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 Commerz Bank AG, for a breach of the applicable German regulations.

This agreement shall terminate automatically as soon as CRI no longer has any obligations to Commerz Bank 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 Commerz Bank 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.

3.2 ASSET MANAGEMENT AGREEMENT

On February 8, 2006, the Company entered into an asset management agreement with CRI. Said agreement expires on February 8, 2012. It was renewed in an agreement entered into on December 21, 2011 under the same terms and conditions for a period of six years effective as of February 9, 2012, and transferred to Prothin (the Subsidiary) within the scope of the partial asset transfer.

Pursuant to this agreement, CRI provides the Subsidiary with investment consulting services with respect to the Subsidiary's real estate assets. However, the decision to invest is still made at the discretion of the Subsidiary. CRI must, in particular, submit all new leases or agreements relating to the Subsidiary's real estate assets for approval by the Subsidiary, 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 Subsidiary, 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 Subsidiary's investment strategy. In this regard, CRI must submit investment proposals, as well as recommendations on the structure of the Subsidiary's real estate assets. CRI is also required to advise the Subsidiary on the implementation of its investment strategy.

Where applicable, CRI may also advise the Subsidiary 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 Subsidiary 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 Subsidiary 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 Subsidiary.

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

Moreover, each year, CRI presents a report on the Subsidiary'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 Subsidiary, 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 analyzes the Subsidiary'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 Subsidiary on significant real estate market trends.

Each year, CRI produces an analysis of changes in the Subsidiary'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 Subsidiary'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 Subsidiary 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 Subsidiary. 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 Subsidiary 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 Subsidiary 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 2,990,466 for 2011.

4. EMPLOYEES

At December 31, 2011, the Company no longer had any employees, as its three employees were transferred to the Subsidiary within the scope of the partial asset transfer.

The small number of employees within the Group can be explained by the fact that the Group outsources all administrative, financial, accounting, legal, tax and IT services to external service providers. All property management services are also outsourced, currently to Yxime, whose contract was transferred within the scope of the partial asset transfer. Around five Yxime employees are responsible for the day-to-day management of the Group's real estate assets.

The Subsidiary is governed by the French National Collective Bargaining Agreement for the Real Estate sector – Property Managers – Real Estate companies and Estate Agents.

The Group has not encountered any specific difficulties in hiring personnel. There were no dismissals within the Group during the year ended December 31, 2011.

The Group does not use any external manpower.

No mass layoff plans have been implemented.

Given the number of employees, there are no employee representatives in the Group.

Employee share ownership and stock options

At December 31, 2011, there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

The Group's employees and corporate officers have not been granted any stock subscription or purchase options.

Mandatory and optional employee profit-sharing

Not applicable

5. SHARE CAPITAL

5.1. INFORMATION ON THE SHARE CAPITAL

5.1.1 Amount of the capital

As of the 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.

5.1.2 Securities that do not represent capital

Not applicable

5.1.3 Allocation of capital and voting rights

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 31, 2009, CRI reduced its shareholding to below 60% by selling shares, both directly and on the market.

The table below shows the allocation of capital and voting rights at December 31, 2011, to the best of the Company's knowledge.

At December 31, 2011, 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 14.07% of its voting rights, broken down as follows:

	Shares and voting rights	% of capital	% of voting rights
GMF Vie (1)	940,727	7.03%	7.05%
MAAF Assurances SA SGP (1)	539,533	4.03%	4.04%
MAAF Vie (1)	295,747	2.21%	2.22%
MAAF Santé	59,821	0.45%	0.45%
GMF Assurances (1)	27,060	0.20%	0.20%
MMA VIE SA	9,667	0.07%	0.07%
La Cité Européenne	3,000	0.02%	0.02%
Fidélia	2,000	0.01%	0.01%
Total Covéa	1,877,555	14.04%	14.07%

(1) Companies controlled by the mutual insurance group company Covéa.

No threshold disclosure was filed for the fiscal year ended December 31, 2011.

To the Company's knowledge, no other shareholder owns more than 5% of the capital or voting rights. There are no shareholders' agreements.

With the presence of CRI and GMF VIE (a 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 73.82% and 73.98% respectively.

Ownership structure at December 31, 2011	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,489	59.78%	7,993,489	59.91%
Covéa	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	938,635	7.02%	938,635	7.03%
Free float	2,533,505	18.95%	2,533,505	18.99%
Treasury shares	29,316	0.22%	0	0.00%
Total	13,372,500	100%	13,343,184	100%

Ownership structure at December 31, 2011	Shareholders		Shares	
	Number	%	Number	%
Residents	1,427	94.88%	4,305,046	32.19%
Non-residents	77	5.12%	9,067,454	67.81%
Total	1,504	100%	13,372,500	100%

Ownership structure at December 31, 2011	Shareholders		Shares	
	Number	%	Number	%
Individual shareholders	1,382	91.89%	366,802	2.74%
Institutional shareholders	122	8.11%	13,005,698	97.26%
Total	1,504	100%	13,372,500	100%

At December 31, 2011 there was no employee share ownership as defined in 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 has held 100% of the capital of the Subsidiary (Prothin) since it was incorporated (Articles L.233-13; R.233-19).

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

5.1.4 Other securities that grant access to capital

The Company has not issued any securities granting access to the capital.

5.1.5 Share capital authorized, but not issued

The Ordinary and Extraordinary Shareholders' Meeting of June 29, 2010 authorized the Board of Directors in particular 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.

Summary table of valid authorizations to increase the capital

	Date of the ESM	Expiration of authorization	Authorized amount	Amounts used in previous years	Amount used in 2011 and until February 14, 2012	Balance at February 14, 2012
Authorization to increase the capital by incorporating reserves, profits or premiums	June 29, 2011	Aug. 29, 2013	300,000,000 €	None	None	
Authorization to increase the capital with pre-emptive subscription rights	June 29, 2011	Aug. 29, 2013	300,000,000 €	None	None	
Authorization to increase the capital by means of a public offer without pre-emptive subscription rights	June 29, 2011	Aug. 29, 2013	300,000,000 €	None	None	
Authorization to increase the capital by private placement without pre-emptive subscription rights	June 29, 2011	Aug. 29, 2013	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	June 29, 2011	Aug. 29, 2013				
Authorization to increase the amount of shares issued in the event of over-subscription	June 29, 2011	Aug. 29, 2013				
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						
Uses of authorizations during a public offer period	June 29, 2011	Dec. 29, 2012				
Authorization to issue free share subscription warrants and grant them during a public offer period under the reciprocity exception	June 29, 2011	Dec. 29, 2012				
Authorization to increase the capital in consideration for securities	June 29, 2011	Aug. 29, 2013	10% of the share capital		None	
Authorization to issue share subscription options						
Authorization to grant free shares						
Authorization to grant founders' warrants						

5.1.6 Information on the capital of any group member that is the subject of an option

Not applicable

5.1.7 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.

Ownership structure at December 31, 2011	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,489	59.78%	7,993,489	59.91%
Covéa	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	938,635	7.02%	938,635	7.03%
Free float	2 533 505	18.95%	2,533,505	18.99%
Treasury shares	29 316	0.22%	0	0.00%
Total	13,372,500	100%	13,347,455	100%

Ownership structure at December 31, 2010	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%

Ownership structure at December 31, 2009	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.85%
Covéa	1,848,555	13.82%	1,848,555	13.84%
Rolland-Yves Mauvernay	936,075	7.00%	936,075	7.01%
Free float	2,576,924	19.27%	2,576,924	19.30%
Treasury shares	17,451	0.13%	0	0.00%
Total	13,372,500	100%	13,355,049	100%

5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 authorized the Board of Directors, for a period of 18 months, 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 (5% in the event of share buy-backs in view of external growth transactions), at any time, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the 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: 52,720;
– Average purchase price: EUR 22.02 (gross);
– Number of shares sold: 56,326;
– Average sale price: EUR 23.17 (gross);
– Reasons for the acquisitions: market stimulation (100%).

At December 31, 2011, the Company held 29,316 treasury shares with a market value of EUR 13.80 (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.

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 28, 2012.

Breakdown, by objective, of the treasury shares held at December 31, 2011

– Number of treasury shares directly or indirectly held: 25,045 shares, representing 0.19% of the Company's share capital;
– Number of treasury shares broken down by objective:
  - Stabilizing the share price through an AMAFI liquidity agreement: 100%;
  - Acquisitions: 0;
  - Having shares available for stock option or other employee share-based payment plans: 0;
  - Having shares available in exchange for securities giving entitlement to shares: 0;
  - Cancellations: 0.

New share buy-back program

Authorization of the program: General Shareholders' Meeting of June 28, 2012

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 buy-back date in order to take account of any capital increases or decreases during the share buy-back 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 ensuring the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment service provider compliant with the AMAFI ethics charter endorsed by the AMF;
– Keeping the shares purchased and subsequently tendering them in exchange or as consideration for an acquisition. In accordance with Article L.225-209 (6) of the French Commercial Code, the shares acquired for this purpose may not exceed 5% of the Company's share capital;
– Having 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 plans, company savings plans or free share grants;
– Having shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;
– Canceling, where applicable, any repurchased shares in accordance with the authorization granted by the Extraordinary Shareholders' Meeting to be held on June 28, 2012.

Term of the program: 18 months from the General Shareholders' Meeting to be held on June 28, 2012, i.e., until December 28, 2013, subject to the authorization to be granted by said General Shareholders' Meeting in its eighth resolution (extraordinary).

This Registration Document is available on the Company's Internet site (www.Cegereal.com).

5.3. 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.

5.4. ITEMS 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 III.5.1.3 above.
– There are no bylaw restrictions to the exercise of voting rights, subject to those relating to disclosure thresholds set out in section III.2.6.
– 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 arrangement 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 III.5.1.5. 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.
– The only agreements entered into by the Group that would be amended or terminated in the event of a change in control in the Company are the Chubb insurance contracts.
– There are no agreements specifically providing for compensation in the event of termination of a Board member's term of office.

5.5. TRANSACTIONS INVOLVING SHARES OWNED BY CORPORATE OFFICERS, SENIOR MANAGERS AND THEIR KIN IN THE PREVIOUS FISCAL YEAR

During the 2011 fiscal year, no disclosures were filed with the AMF by the senior executives or persons referred to in Article L.621-18-2 of the French Monetary and Financial Code in accordance with the requirements of Articles 223-24 et seq. of the AMF's General Regulations.

6. OTHER INFORMATION ON THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

6.1. LIST OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE YEAR

The table below shows the terms of office of the members of the Company's Board of Directors and its senior executives at December 31, 2011 (Article L.225-102-1 of the French Commercial Code).

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held[1]
Chairman of the Board of Directors			
Richard Wrigley[2]	Chairman of the Board of Directors and Director	First appointment by the Board of Directors on December 31, 2005 Renewal by the Board of Directors on June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Legal manager CPI SARL SCI Galopinvest SCI Le Barragiste Princeton France SNC Foncière Meudon Stamford Holdings SCI Hume Bureaux Buref SARL Chairman Apollonis Montrouge SAS
Managing Director			
Bardo Magel	Managing Director (resigned on February 14, 2012)	First appointment by the Board of Directors on February 17, 2010 Renewal by the Board of Directors on June 29, 2011 Resignation on February 14, 2012	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. Managing Director City Garden Brüssel GmbH Member of the Board of Directors A S.A. as Chairman B S.A. as Chairman C S.A. as Chairman Immobilière des Croisades S.A. CRI Swing Holding Oy Kiinteistö Oy Lintulahdenvuori
Deputy Managing Director			
Raphaël Tréguier	Deputy Managing Director (appointed as Managing Director on February 14, 2012)	First appointment by the Board of Directors on April 29, 2008 Renewal by the Board of Directors on June 29, 2011 Termination of his duties as Deputy Managing Director and appointment as Managing Director on February 14, 2012 expiring at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017	Legal manager SCI Pianissimmo Chairman Prothin SAS

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held[1]
Director			
CRI Permanent representative: Erich Seeger	Director	First appointment on December 31, 2005 Renewal at the General Shareholders' Meeting of June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	
Jean-Pierre Bonnefond [2] [3]	Director	First appointment on February 20, 2006 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2011	Chairman JPB & A Chairman of the Supervisory Board SCPI Hoche Placement Pierre
Klaus Waldherr	Director	First appointment on February 5, 2008 Renewal at the General Shareholders' Meeting of June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	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 Commerciais, 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. Managing Director CR - 71 Robinson Road Singapore Private Limited
Gerry Dietel	Director	Appointment on January 30, 2009 Renewal on June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Legal manager Forum Almada Lda. Forum Algarve Lda. Brafero Sociedade Imobiliara S.A. Forum Montijo Lda. Managing Director Prothin SAS
Carl-Christian Siegel	Director (appointed as Deputy Managing Director on February 14, 2012)	First appointment on May 12, 2010 Renewal at the General Shareholders' Meeting of June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Corporate officer Commerz Real Benelux GmbH Commerz Real France GmbH Managing Director Commerz Real Spezialfondsgesellschaft mbH Eurologistik 1 Freehold BVBA Montitail - Gestao de Retail Park, Sociedade Unipessoal Lda. Forum Almada - Gestao de Centro Comercial, Sociedade Unipessoal Lda. Forum Montijo - Gestao de Centro Comercial, Sociedade Unipessoal Lda. Forum Algarve - Gestao de Centro Comercial, Sociedade Unipessoal Lda. Member of the Board of Directors CR – Montijo Retail Park S.A.

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held(1)
Alec Emmott (2) (4)	Director	First appointment on June 29, 2010 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	Chairman European Asset Value Fund Director Martin Currie Group Fédération des Sociétés Immobilières Françaises IPD France
GMF VIE Permanent representative: Olivier Le Borgne	Director	Appointment on June 29, 2010 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	Director Univers Mutualité CSE ICO CSE Insurance Services CSE Safeguard GMF Financial AME Life Lux (SA) AME Lux (SA) Permanent representative Covéa Finance, director of Fidelia Services SA Assistance Protection Juridique, member of the Supervisory Board of Covéa Finance SAS GMF Assurance, director of Cofitem-Cofimur SA GMF VIE, director of Foncière des 6ème et 7e arr. de Paris (SA) La Sauvegarde, director of Boissy Finances (SA)
Andreas Muchter(5)	Director	Appointment on June 29, 2010 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	Member of the Board of Commerz Real AG
Europroperty Consulting Director Permanent representative: Alec Emmottt(2) (6)	Director	First appointment on February 24, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2015	Director Catella France Advisory Committee City Hold Investment Committee Weinberg Real Estate Partners
Sabine Röska(7)	Director	First appointment on May 5, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	

(1) Regardless of the Company's legal form and country of incorporation
(2) Independent director
(3) It is proposed that the director's term of office will be renewed during the June 28, 2012 Ordinary Shareholders' Meeting
(4) Resigned as director on February 24, 2011
(5) Resigned as director on May 5, 2011
(6) Co-opted by the Board of Directors on February 24, 2011
(7) Co-opted on May 5, 2011

6.2. SUMMARY OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE LAST FIVE FISCAL YEARS

The table below shows the terms of office of the members of the Company's Board of Directors and its senior executives over the last five fiscal years (Article L.225-102-1 of the French Commercial Code).

Name of corporate officer	Directorships and positions held in the last five years (expired)(1)
Bardo Magel	None
Raphaël Tréguier	None
Richard Wrigley	Legal manager of CPI Massy
CRI Permanent representative: Erich Seeger	Joint legal manager of: - 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	Chairman of Baratte et A
Klaus Waldherr	Corporate officer Houston Main GP LLC Manmall LLC
Gerry Dietel	None
Carl-Christian Siegel	None
Alec Emmott	None
Andreas Muchter	None
GMF VIE Permanent representative: Olivier Le Borgne	Member of the Supervisory Board of GMF Inter Entreprise Permanent representative of GMF VIE, member of the Supervisory Board of Anthemis (SAS) and Covéa Finance (SAS)
Europroperty Consulting Director Permanent representative: Alec Emmott	Société Foncière Lyonnaise Crown Stone European Properties
Sabine Röska	None

(1) Regardless of the Company's legal form and country of incorporation

6.3. COMPENSATION AND BENEFITS OF THE CORPORATE OFFICERS

6.3.1 For non-executive corporate officers

The directors do not receive any compensation other than directors' fees, which are paid for their participation in the Board of Directors or the various committees of the Board.

In light of the work of the Appointments and Compensation Committee, the December 15, 2011 Board of Directors' meeting decided to allocate directors' fees as follows:

– Richard Wrigley received EUR 20,000;

– Jean-Pierre Bonnefond received EUR 13,000;

– Europroperty Consulting received EUR 35,000.

The June 29, 2011 General Shareholders' Meeting set the overall amount of directors' fees allocated to members of the Board of Directors 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 2011**
Jean-Pierre Bonnefond		
Directors' fees	-	20,500
Other compensation	-	-
CRI		
Directors' fees	-	-
Other compensation	-	-
Klaus Waldherr		
Directors' fees	-	-
Other compensation	-	-
Gerry Dietel		
Directors' fees	-	-
Other compensation	-	-
Carl-Christian Siegel		
Directors' fees	-	-
Other compensation	-	-
Alec Emmott (1)		
Directors' fees	-	15,000
Other compensation	-	-
Andreas Muschter (2)		
Directors' fees	-	-
Other compensation	-	-
GMF VIE		
Directors' fees	-	-
Other compensation	-	-
Europroperty Consulting (3)		
Directors' fees	-	35,000
Other compensation	-	-
Sabine Röska (4)		
Directors' fees	-	-
Other compensation	-	-
TOTAL	**-**	**70,500**

(1) Resigned as director on February 24, 2011
(2) Resigned as director on May 5, 2011
(3) Director appointed on February 24, 2011
(4) Director appointed on May 5, 2011

6.3.2 For executive corporate officers

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		
	Dec. 31, 2010	Dec. 31, 2011
Richard Wrigley Chairman of the Board of Directors		
Compensation payable for the year (broken down in Table 2 below)	67,500	45,000
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	67,500	45,000

	Dec. 31, 2010	Dec. 31, 2011
Bardo Magel 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	-	-

	Dec. 31, 2010	Dec. 31, 2011
Raphaël Tréguier Deputy Managing Director(2)		
Compensation payable for the year (broken down in Table 2 below)	198,044	195,244
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	198,044	195,244

(1) Renewal of his term of office as Managing Director on June 29, 2011 and resignation on February 14, 2012
(2) Renewal of his term of office as Deputy Managing Director on June 29, 2011, termination of his term of office and appointment as Managing Director on February 14, 2012

Table 2

In euros

Summary table of compensation granted to each executive corporate officer				
Richard Wrigley Chairman of the Board of Directors	Dec. 31, 2011		Dec. 31, 2010	
	Amounts payable(4)	Amounts paid(5)	Amounts payable(4)	Amounts paid(5)
Fixed compensation(1)	25,000	25,000	50,000	50,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	20,000	37,500	17,500	-
Benefits-in-kind			-	-
TOTAL	**45,000**	**62,500**	**67,500**	**50,000**

Bardo Magel Managing Director(2)	Dec. 31, 2011		Dec. 31, 2010	
	Amounts payable(4)	Amounts paid(5)	Amounts payable(4)	Amounts paid(5)
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**

Raphaël Tréguier Deputy Managing Director(2)	Dec. 31, 2011		Dec. 31, 2010	
	Amounts payable(4)	Amounts paid(5)	Amounts payable(4)	Amounts paid(5)
Fixed compensation(1)	137,800	137,800	120,000	120,000
Variable compensation	-	-	-	-
Exceptional compensation(3)	40,000	60,600	60,600	35,000
Directors' fees	-		-	-
Benefits-in-kind(6)	17,444	17,444	17,444	17,444
TOTAL	**195,244**	**215,844**	**198,044**	**172,444**

(1) Items of compensation are expressed as a gross, pretax amount
(2) On February 14, 2012, Bardo Magel resigned from his term of office as Managing Director and Raphaël Tréguier was appointed as Managing Director
(3) On February 14, 2012, the Board of Directors decided to grant Raphaël Tréguier an exceptional bonus of EUR 40k, gross before tax, in respect of the year ended December 31, 2011. This bonus will be paid in March 2012.
The decision to grant this exceptional bonus was taken in view of the work carried out by Raphaël Tréguier in connection with the partial asset transfer. The creation of a list of quantitative and objective criteria for granting exceptional bonuses over the coming years will be discussed at the next meeting of the Appointments and Compensation Committee.
(4) Compensation granted to the executive corporate officer for his duties during the fiscal year, irrespective of the date of payment
(5) Total compensation paid to the executive corporate officer for his duties during the fiscal year
(6) Company car and unemployment insurance for company managers

This table only relates to the executive corporate officers referred to in the introduction to Table 1 above.

No performance shares were granted to the corporate officers.

No stock subscription or stock purchase options were granted to the corporate officers.

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 juin. 29, 2011 AGSM 2017		X		X		X		X
Bardo Magel(1) Managing Director juin. 29, 2011 AGSM 2017		X		X		X		X
Raphaël Tréguier(1) Deputy Managing Director juin. 29, 2011 Managing Director's term of office		X		X		X		X
AGOA 2017								

(1) On February 14, 2012, Bardo Magel resigned from his term of office as Managing Director and Raphaël Tréguier was appointed as Managing Director.

Raphaël Tréguier's employment contract was transferred to the Subsidiary within the scope of the partial asset transfer carried out on December 22, 2011.

7. IMPACTS OF GERMAN LEGISLATION ON THE GROUP'S ACTIVITY AND STRUCTURE

7.1. 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.

3 - LEGAL INFORMATION

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.

Commerz Bank AG is the custodian bank for the Fund assets. CRI must obtain the agreement of Commerz Bank 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. Commerz Bank 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 (Commerz Bank AG).

Prudential regulations relating to the Fund

For information, the net value of the Fund was EUR 10.1bn at December 31, 2011.

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, 2011, i.e., 11.4% 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 arm's length 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, in relation 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.

7.2. 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 Group'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. Commerz Bank 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.

Having obtained the agreement of the creditors under the loan agreement entered into by the Company and the Eurohypo AG bank on March 2, 2006 (see also section I.9.2.2 "Debt"), the Company's purpose was changed at the close of the June 17, 2011 Board of Directors' meeting, in accordance with the decisions of the June 18, 2008 Extraordinary Shareholders' Meeting, thus enabling the Company to purchase additional assets.

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 Commerz Bank 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, Commerz Bank 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".

8. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

Not applicable

9. INFORMATION PROVIDED BY THIRD PARTIES, EXPERT VALUATION REPORTS

GENERAL CONTEXT OF THE VALUATION

General framework

BNP Paribas Real Estate Valuation France, a member of the French association of property valuation companies (*Association Française des Sociétés d'Expertise Immobilière* – AFREXIM) that upholds the professional standards set out in the French Real Estate Valuation Charter, was appointed by the Company as real estate valuer on September 19, 2011 under a one-year contract signed by Raphaël Tréguier, representing the Company in his capacity as Deputy Managing Director.

The corporate purpose of BNP Paribas Real Estate Valuation France, a French *société par actions simplifiée* (simplified joint stock corporation) wholly-owned by BNP Paribas, includes estimating the market value (capital and rental), value in use, asset replacement value or leasehold value of property. It has the appropriate structure, level of expertise and human and material resources for performing real estate valuations of the type and importance of those covered by the aforementioned contract.

No conflicts of interest have been identified.

This assignment represents 0.33% of BNP Paribas Real Estate Valuation France's annual revenues.

The assignment was performed in order to comply with the AMF's recommendation dated February 8, 2010 on the presentation of assessment items and real-estate assets of listed companies.

Assignment

Estimate, at the value date set as the last day (30th or 31st) of the reference quarter, the market value of three real estate assets belonging to Cegereal, in their current state of occupancy, during an on-site visit and update that value off-site on the basis of documents provided.

The valued assets are part of a portfolio of real estate assets, which has been fully or partially valued, on a quarterly basis, by BNP Paribas Real Estate Valuation France since June 30, 2009. Since that date, the assignment entrusted to BNP Paribas Real Estate Valuation France has covered the valuation of three real estate assets, all considered as investment property. A visit of each property is organized each year.

VALUATION PROCESS

The assignment was performed on the basis of the documents and information provided to us, including quarterly rental statements. The documents and information provided were assumed to be accurate and to correspond to all of the documents and information in the possession of the principal or of which the principal was aware, that were likely to have an impact on the property's market value.

The valuation and estimates were performed in accordance with:
– the recommendations set out in the Barthès de Ruyter report on the valuation of the real estate assets of listed companies, published in February 2000;
– the French Real Estate Valuation Charter;
– the European Valuation Standards published by the European Group of Valuers' Associations (TEGoVA);
– the Appraisal and Valuation Manual of the UK Royal Institution of Chartered Surveyors (RICS);
– the International Valuation Standards of the International Valuation Standards Council.

The market value of the property was estimated using the following methods:
– comparable method;
– revenue method;
– cash flow method.

TOTAL MARKET VALUE AT DECEMBER 31, 2011

The total market value is the sum of the market values of each real estate asset.

Value of entire property
EUR 854,200,000 excluding expenses and transfer duties
EUR 907,160,400 including expenses and transfer duties

Value of property held
EUR 854,200,000 excluding expenses and transfer duties
EUR 907,160,400 including expenses and transfer duties

This estimate is based on the assumptions of market stability and absence of significant modifications to the buildings between the valuation date and the value date.

Regarding real estate assets and rights held under finance leases, the valuation relates only to the underlying assets and rights and does not include the value of the finance lease agreement.

Similarly, it does not take into account any specific financing arrangements that may have been negotiated by the property owners.

COMMENTS

This condensed report is inseparable from the work performed as part of the valuation assignment, and from the introductory statement in the full report.

Signed in Issy-Les-Moulineaux, on January 30, 2012

BNP Paribas Real Estate Valuation France
Jean-Claude Dubois
Chairman

ADDITIONAL
INFORMATION

4 - ADDITIONAL INFORMATION

1. 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 AMF's General Regulations is available on the Cegereal website (http://www.Cegereal.com).

The bylaws, the minutes of General Shareholders' Meetings and other Company documents, as well as the historical financial information and any valuation or declaration by an expert at the request of the Company that should be made available to the public in accordance with the applicable legislation can be consulted at the Company's registered office.

Person responsible for the information: Raphaël Tréguier

2. PERSON RESPONSIBLE

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Raphaël Tréguier, Managing Director of the Company

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 my 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 assets, financial position and results of the Company and all companies included in the consolidation scope, and that the information relating to the Management Report, with a concordance table on page [•], gives a true and fair view of the business, results and financial position of the Company and all companies included in the consolidation scope, as well as 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 position 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 is the subject of reports by the Statutory Auditors, shown on pages 72 and 88 in this report.

Paris, 16 April 2012
Raphaël Tréguier
Managing Director

3. HISTORICAL FINANCIAL INFORMATION

The IFRS financial statements for the year ended December 31, 2010 and the related Statutory Auditors' report presented on pages 86 to 102 and page 103, respectively, of the 2010 Registration Document filed with the AMF on April 29, 2011 under no. R.11-022, are incorporated by reference into this document.

The IFRS financial statements for the year ended December 31, 2009 and the related Statutory Auditors' report presented on pages 28 to 50 and pages 51 and 52, respectively, of the 2009 Registration Document filed with the AMF on April 29, 2010 under no. R.10-030, are incorporated by reference into this document.

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

Dates of the financial information

The Company's most recent, audited financial statements are those that were prepared in accordance with French GAAP for the year ended December 31, 2011. Its most recent consolidated financial statements are those prepared in accordance with IFRS for the year ended December 31, 2011.

4. STATUTORY AUDITORS

PRINCIPAL STATUTORY AUDITORS

KPMG Audit FS I, , member of the Versailles Institute of Auditors, 3 Cours du Triangle, 92929 Paris La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

Denjean & associés, member of the Versailles Institute of Auditors, 34 rue Camille Pelletan, 92300 Levallois-Perret

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

DEPUTY STATUTORY AUDITORS

KPMG Audit FS II, member of the Versailles Institute of Auditors, 3 Cours du Triangle, 92929 Paris La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

Clarence Vergote, member of the Paris Institute of Auditors, 35 avenue Victor Hugo, 75116 Paris

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

Since their appointments, the Statutory Auditors and their deputies have not been removed from office and have not resigned.

5. ANNUAL INFORMATION DOCUMENT

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.

Publication date	Information	Disclosure
PRESS RELEASES OTHER THAN THOSE RELATED TO THE ANNUAL FINANCIAL STATEMENTS		
01/27/11 02/04/11	Semiannual assessment of Cegereal's liquidity agreement with Exane BNP Paribas	www.Cegereal.com *Les Echos*
06/08/11	Availability of information in relation to the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011	www.Cegereal.com *Les Echos*
07/17/11 07/20/11	Semiannual assessment of Cegereal's liquidity agreement with Exane BNP Paribas	www.Cegereal.com *Les Echos*
07/19/11 07/20/11	Change in resources allocated to Cegereal's liquidity agreement with Exane BNP Paribas	www.Cegereal.com *Les Echos*
12/15/11	December 22, 2011 Ordinary and Extraordinary Shareholders' Meeting	www.Cegereal.com *Les Echos*
12/15/11	Proposal to send letters to unit holders by email	www.Cegereal.com
01/06/12 01/09/12	Semiannual assessment of Cegereal's liquidity agreement with Exane BNP Paribas	www.Cegereal.com *Les Echos*
01/09/12	Results of the votes of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011	www.Cegereal.com *Les Echos*
01/11/12	Partial asset transfer between Cegereal and Prothin on December 22, 2011	www.Cegereal.com *Les Echos*
03/29/12	Signing of new leases	www.Cegereal.com *Les Echos*
ANNUAL FINANCIAL STATEMENTS - REGISTRATION DOCUMENTS - SHARE BUY-BACK PROGRAM - REGULATORY INFORMATION - GENERAL SHAREHOLDERS' MEETINGS		
02/25/11	Financial information – 2010 Results	www.Cegereal.com *Les Echos*
02/25/11	Presentation of the 2010 results	www.Cegereal.com
04/29/11	2010 Registration Document	www.Cegereal.com www.amf-France.org
04/29/11	2010 Annual Report	www.Cegereal.com
05/02/11	Release announcing the availability of the 2011 Registration Document including the annual financial report	*Les Echos*
05/06/11 05/23/11	Financial information – First Quarter 2011	www.Cegereal.com *Les Echos*
05/23/11	Brief summary of the Company	www.Cegereal.com
07/22/11	2011 Interim financial report	www.Cegereal.com *Les Echos*
07/22/11	2011 Half-year Results	www.Cegereal.com
08/30/11	Results of the votes of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011	www.Cegereal.com *Les Echos*
07/27/11	Announcement of treasury share transactions from July 20, 2011 to July 22, 2011	www.Cegereal.com
08/03/11	Announcement of treasury share transactions from July 25, 2011 to July 29, 2011	www.Cegereal.com
08/10/11	Announcement of treasury share transactions from August 1, 2011 to August 5, 2011	www.Cegereal.com

4 - ADDITIONAL INFORMATION

08/15/11	Announcement of treasury share transactions from August 8, 2011 to August 14, 2011	www.Cegereal.com
08/24/11	Announcement of treasury share transactions from August 15, 2011 to August 19, 2011	www.Cegereal.com
08/31/11	Announcement of treasury share transactions from August 22, 2011 to August 26, 2011	www.Cegereal.com
09/07/11	Announcement of treasury share transactions from August 29, 2011 to September 2, 2011	www.Cegereal.com
09/14/11	Announcement of treasury share transactions from September 5, 2011 to September 9, 2011	www.Cegereal.com
09/21/11	Announcement of treasury share transactions from September 12, 2011 to September 16, 2011	www.Cegereal.com
11/11/11	Financial information – Third Quarter 2011	www.Cegereal.com *Les Echos*
12/01/11	Availability of information in relation to the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011	www.Cegereal.com *Les Echos*
01/09/12	Results of the votes of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011	www.Cegereal.com *Les Echos*
PUBLICATIONS IN THE BALO AND THE JOURNAL D'ANNONCES LEGALES		
05/23/11	Prior notice convening the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2011	www.Cegereal.com BALO
06/10/11	Notice convening the Ordinary and Extraordinary Shareholders' Meeting on June 29, 2011	BALO *Journal Spécial des Sociétés*
08/01/11	Publication of the 2010 financial statements	BALO
09/07/2011-09/08/2011	Notice of the appointment of Statutory Auditors	*Journal Spécial des Sociétés*
11/16/11	Prior notice convening the Ordinary and Extraordinary Shareholders' Meeting on December 22, 2011	www.Cegereal.com BALO
11/21/11	Notice of the proposed partial asset transfer	www.Cegereal.com www.prothin.com Petites Affiches BALO
12/05/11 12/02/11-12/03/11	Notice convening the Ordinary and Extraordinary Shareholders' Meeting on December 22, 2011	BALO *Journal Spécial des Sociétés*
12/23/11-12/24/11	Notice of the partial asset transfer	*Journal Spécial des Sociétés*
12/30/11-12/31/11	Notice of the appointment of the Statutory Auditors and the deputy Statutory Auditors	*Journal Spécial des Sociétés*
DOCUMENTS FILED WITH THE CLERK'S OFFICE (GREFFE)		
04/27/11	Extract of the minutes of the Board of Directors' meeting of February 24, 2011	Infogreffe
06/27/11	Extract of the minutes of the Board of Directors' meeting of May 5, 2011	Infogreffe
07/29/11	Extract of the minutes of the Board of Directors' meeting of June 17, 2011 and updated bylaws	Infogreffe
08/31/11	Filing of the financial statements for the year ended December 31, 2010	Infogreffe
09/08/11	Minutes of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011	Infogreffe
11/10/11	Order issued by the President of the Paris Commercial Court on November 10, 2011	Infogreffe
11/18/11	Extract of the minutes of the Board of Directors' meeting of November 4, 2011 and updated bylaws	Infogreffe
11/21/11	Proposed partial asset transfer between Cegereal and Prothin	Infogreffe
12/01/11	Report of the statutory appraiser on the value of the contribution on November 21, 2011	Infogreffe www.Cegereal.com
01/09/12	Minutes of the Cegereal Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011	Infogreffe www.Cegereal.com *Les Echos*
01/09/12	Notification of compliance of the partial asset transfer	Infogreffe

6. REGISTRATION DOCUMENT CONCORDANCE TABLE

The following table by theme makes it possible to identify the main sections required by European Commission Regulation no. 809/2004.

Items of Annex 1 of the European Regulation no. 809/2004	Location in the Registration Document	
	Section	Pages
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1.2 Attestation by the persons responsible for the Registration Document	IV.2	132
2. Statutory Auditors	**IV.4**	**132**
3. Selected financial information	**I.5 / I.9 / II.1 and II.3.1**	**6, 42, 52 and 73**
4. Risk factors		
4.1 Legal risks	I.8.2 and II.2.5.4 (note 4.4)	41 and 63
4.2 Industrial and environmental risks	I.8.2	41
4.3 Credit and/or counterparty risk	II.2.5.4 (note 4.5)	63
4.4 Liquidity risk	I.8.2 and II.2.5.4 (note 4.6)	40 and 64
4.5 Interest rate risk	I.8.2 and II.2.5.4 (note 4.7)	40 and 64
4.6 Foreign exchange risk	I.8.2	40
4.7 Risk on equities	I.8.2	40
4.8 Credit derivatives	N/A	N/A
4.9 Insurance	II.1	52
5. Information relating to the issuer		
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5.2 Investments		
5.2.1 Period covered by historical information	I.6	8
5.2.2 In progress	I.6	8
5.2.3 Future	I.6 and I.9.2	8 and 47
6. Business overview		
6.1 Principal activities	I.1 / I.4 and I.7.2	1, 4 and 16
6.2 Principal markets	I.7.1	12
6.3 Exceptional factors	I.6	8
6.4 Patents, licenses	III.8	128
6.5 Competitive position	I.8.2	39
7. Organizational structure		
7.1 Brief description of the Group	I.9.1	44
7.2 List of significant subsidiaries	III.5.1.3	114
8. Real estate property, plant and equipment		
8.1 Real estate property, plant and equipment	I.7.2	16
8.2 Environmental impact of the issuer's utilization of the property, plant and equipment	I.7.2	16
9. Operating and financial review		
9.1 Financial position	II.1 and II.3	52 and 73
9.2 Operating results		
9.2.1 Significant events	I.6 / I.9.2.1 and II.2.5.1 (note 1.1)	8, 46 and 57
9.2.2 Changes	II.3.1	112
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10.1 Issuer's capital resources	I.9.3 and III.5	49 and 114
10.2 Cash flows	I.9.2 and II.2.3	47 and 56
10.3 Funding	I.9.2	47
10.4 Restrictions on the use of funds	I.9.2	47
10.5 Sources of funds	I.9.2	47
11. Research and development, patents and licenses	**III.8**	**128**
12. Trend information		
12.1 Trends	I.6	8
12.2 Uncertainties relating to trends	I.6	8

13. Profit forecasts or estimates	**N/A**	**N/A**
14. Administrative, management, and supervisory bodies and senior management		
14.1 Information concerning the members of the administrative, management or supervisory bodies	I.8.1 and III.1.4	34 and 99
14.2 Conflicts of interest at the level of the Board of Directors and Executive Management	III.1.4 and III.6	99 and 118
15. Compensation and benefits		
15.1 Compensation paid	III.6.3	121
15.2 Provisions	III.6.3	125
16. Details of the management and executive structures		
16.1 Terms of office	III.6.1 and III.6.2	118 and 121
16.2 Information on service agreements between the directors and the Company	N/A	N/A
16.3 Board of Directors' Committees	I.8.1 and III.1.4	36 and 99
16.4 Corporate governance	I.8.1 and III.1.4	34 and 99
17. Employees		
17.1 Number of employees	III.4 and III.5.1.3	113 and 114
17.2 Employee profit-sharing	III.4 and III.5.1.3	113 and 114
17.3 Employee shareholding in the capital	III.4 and III.5.1.3	113 and 114
18. Main shareholders		
18.1 Crossing of thresholds	III.5.1	114
18.2 Different voting rights	N/A	N/A
18.3 Control	I.8.2	46
18.4 Shareholders' agreements	III.5.3	117
19. Related-party transactions	III.3	112
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
20.1 Historical financial information	IV.3	132
20.2 Pro forma financial information	II.3.1 and II.3.8	73 and 91
20.3 Statutory financial statements	II.2 and II.3	54 and 73
20.4 Auditing of historical annual financial information	IV.3	132
20.5 Age of latest financial information	IV.3	132
20.6 Interim and other financial information	N/A	N/A
20.7 Dividend policy	I.9.1	44
20.8 Legal and arbitration proceedings	II.1	53
20.9 Significant change in the issuer's financial or trading position	II.1 and II.3.3	52 and 74
21. Additional information		
21.1 Information concerning share capital		
21.1.1 Issued capital	III.5.1	114
21.1.2 Other shares	III.5.1.2	114
21.1.3 Shares held by the issuer	III.5.2	116
21.1.4 Securities	III.5.1.4	115
21.1.5 Terms of acquisition	III.2.6	108
21.1.6 Options or agreements	III.5.1.6	115
21.1.7 History of share capital	III.5.1.7	116
21.2 Articles of incorporation and bylaws		
21.2.1 Corporate purpose	III.2.6	108
21.2.2 Management and supervisory bodies	III.2.6	108
21.2.3 Rights, privileges and restrictions attached to shares	III.2.6	108
21.2.4 Rights of shareholders	III.2.6	108
21.2.5 General Shareholders' Meetings	III.2.6	108
21.2.6 Provisions entailing a change in control	III.5.1.3	114
21.2.7 Share ownership threshold	III.5.1.3	114
21.2.8 Conditions governing statutory changes	III.2.6	108
22. Material contracts	**III.3**	**112**
23. Information provided by third parties, expert appraisal reports and declarations of any interest	**III.9**	**128**
24. Documents on display	**IV.1**	**132**
25. Information on holdings	**I.9.2.1**	**46**

7. CONCORDANCE TABLE OF THE BOARD OF DIRECTORS' REPORT

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 of 28 June 2012.

INFORMATION REQUIRED IN THE BOARD'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING	LOCATION IN THE REGISTRATION DOCUMENT	
	Section	Pages
1. Cegereal and Group activity in 2011		
Situation for the year under review (Group and Company)		
Group information	II.1 and II.2	52 and 54
Company information	II.3	73
Forseeable developments/Future prospects (Group and Company)		
Group information	I.6	8
Company information	I.6	8
Results of the Company and the subsidiaries		
Group information	II.1	52
Company information	II.3	73
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		
Group information	II.1 and II.2	52 and 54
Company information	I.4 / I.5 and II.3	5, 6 and 73
Environmental and employment information – Social commitments to sustainable development		
Group information	I.7.2 and III.4	16 and 113
Company information	I.7.2 and III.4	16 and 113
Research and development activities		
Group information	III.8	128
Company information	III.8	128
Progress made/Difficulties encountered		
Group information	I.6 and I.9.2	8 and 46
Company information	I.6 and I.9.2	8 and 46
Main risks and uncertainties		
Group information	I.8	38
Company information	I.8	38
Significant events subsequent to year-end		
Group information	I.6	9
Company information	I.6	9
Activity per line of business		
Group information	II.1 and II.3	52 and 73
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers		
Company information	I.9.2 and III.5.1.3	46 and 115
Changes in the presentation of the annual financial statements and the valuation methods used		
Company information	II.3.1	73
Dividends distributed in the previous three years		
Company information	II.3.2	74
Non tax-deductible expenses		
Company information	II.3.2	74
Information on supplier payment terms		
Company information	II.3.2	74
Where applicable, injunctions or financial sanctions imposed by the French competition council *(Conseil de la concurrence)* for antitrust practices		
Company information	N/A	N/A

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INFORMATION REQUIRED IN THE BOARD'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING	LOCATION IN THE REGISTRATION DOCUMENT	
	Section	Pages
2. 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	III.5.1.7	116
Statement of employee share ownership	III.4	113
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	III.5.3	117
Controlled companies holding company shares and portion of the capital held	N/A	N/A
Notice of holding more than 10% of another joint-stock company's shares. Transfer of cross-shareholdings	III.5.1.3	115
Items that could have an impact in the event of a public offer	III.5.4	117
Number of shares purchased and sold during the year within the framework of Art. L.225-209 of the French Commercial Code *(Code de commerce)* 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	III.5.2	116
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event of a transaction with pre-emptive subscription rights, a free share grant, the distribution of reserves or premiums or a change in the allocation of profits or redemption of capital	N/A	N/A
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
3. Cegereal's corporate officers		
Compensation	III.6.3	121
List of offices	III.6.1	118
Senior executive share transactions	III.5.5	118
Choice made between the two types of corporate governance in the event of a change	III.1.4	99
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	N/A	N/A
Attached documents		
Chairman's report relating to corporate governance and internal control	III.1.4	99
Five-year financial summary	III.1.8	107
Summary table of currently valid authorizations to increase share capital and the use made of such authorizations during the year by Cegereal	III.5.1.5	115

8. CONCORDANCE TABLE OF THE ANNUAL FINANCIAL REPORT

The following table by theme makes it possible to identify the main sections required by the General Regulations of the AMF.

Concordance table of the annual financial report	Location in the Registration Document	
	Section	Pages
1. Annual financial statements	**II.3**	**73**
2. Consolidated financial statements	**II.2**	**54**
3. "Management report" in accordance with Article 222-3-3° of the General Regulations of the AMF		
3.1 Objective and exhaustive analysis of the Company's business, results and financial position, as well as those of the entities included in the consolidation, including a description of the main risks and uncertainties to which it is exposed.	I.4 / I.5 / II.1 / II.2 and II.3	5, 6, 44, 52 and 73
3.2 Table of the delegations of power to increase share capital	III.5.1.5	115
3.3 Information that could have an impact in the event of a public offering	III.5.4	117
3.4 Information regarding the share buy-back program during the fiscal year	III.5.2	116
4. Declaration by the persons responsible for the annual financial report	**IV.2**	**132**
5. Statutory Auditors' reports on the annual and consolidated financial statements	**II.2.6 and II.3.6**	**72 and 88**

Other documents presented or submitted to the General Shareholders' Meeting	Location in the Registration Document	
	Section	Pages
1. Financial statements for the year ended December 31, 2011	**II.3**	**73**
2. Statutory Auditors' report on the annual financial statements	**II.3.6**	**88**
3. Consolidated financial statements for the year ended December 31, 2011	**II.2**	**54**
4. Statutory Auditors' report on the consolidated financial statements	**II.2.6**	**72**
5. Statutory Auditors' reports on related-party agreements	**II.3.7**	**89**
6. Five-year financial summary	**III.1.8**	**107**
7. Statutory Auditors' report on the extraordinary resolutions	**III.1.3**	**98**
8. Statutory Auditors' report on the Chairman's report on internal control and corporate governance	**III.1.5**	**106**

9. CSR CONCORDANCE TABLE

The following table by theme makes it possible to identify the main sections required by Articles R.225-104 and R.225-105 of the French Commercial Code.

CSR CONCORDANCE TABLE (information provided in application of Articles R.225-104 and R.225-105 of the French Commercial Code [Code de commerce])	LOCATION IN THE REGISTRATION DOCUMENT	
	Section	Pages
Corporate information		
Total headcount, new hires, potential recruitment difficulties, layoffs and their grounds, overtime, external manpower	III.4	113
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	N/A	N/A
Compensation changes, social security charges, the application of the French Labor 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	N/A	N/A
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	I.8.2	41
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	I.7.3	18
The measures taken, where applicable, to ensure that the Company's activities comply with legislative and regulatory provisions in force relating to environmental protection	I.8.2	41
Expenditure incurred to prevent the Company's activities from having a negative impact on the environment	I.7.3	18
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	I.7.3	18
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 2011 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

10. GLOSSARY

CAPITALISATION RATE

The capitalization rate is the market rate used to calculate the fair value of an asset based on the asset's market rent (prior to the impact of the rental situation).

CMBS

Commercial mortgage-backed securities: these securities, which are commonly issued on capital markets, are secured by mortgages on commercial rather than residential property.

EPRA "TOOPED-UP" (NIY)

The EPRA "topped-up" NIY is calculated by marking an adjustement to the EPRA NIY in respect of rent-free periods.

EPRA NET INITIAL YIELD (NIY)

EPRA NIY is calculated as the annualised rental income based on the cash rents passing at the balance sheet date, les non-recoverable property operating expenses, divided by the gross value of the property.

EPRA VACANCY RATE

The EPRA vacancy rate corresponds to the market rent of vacant premises relative to the market rent of the entire real estate portfolio at December 31, 2011.

HQE EXPLOITATION

High Quality Environmental standard: this standard is based on 14 target criteria that determine the energy efficiency of commercial buildings.

ICR

Interest coverage ratio: this ratio corresponds to projected annual net rental income/annual interest expense and charges. It is used to define the financial covenants in debt agreements.

IFRS

International Financial Reporting Standards: since January 1, 2005, all listed EU companies have been required to prepare their consolidated financial statements in accordance with new accounting standards known as IFRS. These new accounting standards make it easier for investors to make comparisons between companies.

LTV

Loan-to-value ratio: this ratio corresponds to outstanding bank borrowings/market value of real estate assets net of taxes.

MARKET RENTAL VALUE

The market rental value corresponds to the amount for which an asset could be reasonably leased at the time of the valuation. This is analyzed as the annual financial consideration for the use of a real estate asset under a lease agreement.

MINIMUM FUTURE LEASE PAYMENTS

Minimum future lease payments correspond to the rental income due to the Group through to the earliest possible termination dates of the different operating leases (excluding VAT and rebilling of taxes and expenses).

NAV

Net asset value: this is calculated on the basis of consolidated equity, which notably includes unrealized gains and losses on real estate assets. The Group's real estate portfolio was measured at market value at December 31, 2011 by external real estate valuer BNP Paribas Real Estate Expertise. EPRA Triple Net Asset Value incorporates the market value of the fixed-rate bank loan debt. Treasury shares held at December 31, 2011 were not taken into account in calculating NAV per share."

OCCUPANCY RATE

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, 2011. The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at December 31, 2011.

POTENTIAL YIELD

Corresponds to the sum of the rental income from leased premises and the market rate of vacant premises divided by the estimated value of the property.

REIT

"Real Estate Investment Trusts" (REIT) are companies which are exempt from corporate taxation on profits from property rental income and capital gains on the sale of investment properties.

REVERSIONARY YIELD

Corresponds to the sum of market rental value divided by the estimated value of the property.

SIIC

Listed real estate investment companies *(Sociétés d'Investissement Immobilières Cotées)*: this is the tax status created by article 11 of French Finance Act no. 2002-1575 of December 30, 2002.

4 - ADDITIONAL INFORMATION

4 - ADDITIONAL INFORMATION

NOTES

NOTES

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

The French version of this Registration Document was filed with the French financial markets authority (Autorité des Marchés Financiers – AMF) on April 16, 2012. 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 issue under the responsability of its signatories.

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CEGEREAL
Shareholders and Investor Relation
21-25, rue de Balzac - 75008 Paris
Tel.: +33 (0)1 42 25 76 36
info@cegereal.com

www.cegereal.com