

# ANNUAL REPORT



# CONTENTS



## CREATING VALUE

Profile	01
Strategic strengths	02
Interview with the management team	06
Review of the year	08
Long-term performance and EPRA performance	10
Share performance	12
Message from the Chairman of the Board of Directors	14
Governance	16
Risk management	18

## FOCUS ON QUALITY SPACE

Market review	22
Rental strategy	24
Arcs de Seine	26
Europlaza	30
Rives de Bercy	34
The portfolio	38

## CULTIVATING CONFIDENCE

FINANCIAL INFORMATION	40
LEGAL INFORMATION	78
ADDITIONAL INFORMATION	124
REGISTRATION DOCUMENT	
CONCORDANCE TABLE	127
GLOSSARY	132

---

# PROFILE

---

Cegereal is a property company that invests in prime office buildings in the Paris region. Its portfolio comprises three large office complexes located in the most dynamic business districts. Offering a combination of functionality and top rated amenities that make them great places to work, the properties are closely aligned with the expectations of first-class tenants and provide Cegereal with high quality revenues.

From the outset, Cegereal's strategy has been guided by the principles of social responsibility and environmental stewardship. It has an ongoing commitment to improving the quality and performance of its buildings and ensuring the well-being of their users.

With its positioning in a buoyant market segment and its low loan-to-value ratio, the Company offers shareholders the prospect of high yields and solid rates of capital appreciation over the long term.

Cegereal has been listed in compartment B of NYSE Euronext Paris since March 2006. Its REIT-style tax structure (SIIC) is designed to provide shareholders with regular high dividends.

---

Over **120,000** sq.m  
Office portfolio at December 31, 2012

**€865m**  
Portfolio value at December 31, 2012

**€7.5m**  
2012 EPRA earnings

**€38,6m**  
Rental income in 2012

**€35.7**  
NNNAV per share at December 31, 2012



# STRATEGIC STRENGTHS

Cegereal's strategy consists of building a portfolio of high-quality properties occupied by first-class tenants and financed by a moderate level of debt, in order to deliver attractive returns over the long term.



## HIGH QUALITY PROPERTY ASSETS

Located in Paris's western and eastern suburbs, Cegereal's three prime office complexes are quality buildings designed to enhance the performance of tenant companies. Modern, efficient and offering a wide range of amenities, they are strategically located in the most attractive business districts of the Paris region.



## A SELECTIVE RENTAL MANAGEMENT STRATEGY

Cegereal looks for first-class tenants, targeting leading companies with solid financial resources. To drive performance over the long run, Cegereal is pursuing a close-to-the-user rental management strategy that focuses on tenant satisfaction, with the goal of building a stable tenant base and secure revenue streams.

## A conservative, carefully managed value creation model

The main sources of value creation in the real estate sector are also the most secure:

- Recent, high-quality buildings that require limited maintenance or upgrades to obtain recognized environmental certification.
- Tenants with solid financial resources, ensuring optimal collection of indexed rents.
- Limited financial leverage, allowing funds to be raised at attractive interest rates and leaving comfortable levels of cash flow after finance costs.

### STRICT GOVERNANCE

With a Board of Directors headed by an independent, non-executive Chairman, highly active committees, a Senior Management team that is close to shareholders, and a stringent risk management strategy, Cegereal's governance system is informed by strict rules intended to protect the interests of all stakeholders.



### A HIGH-QUALITY SHAREHOLDER STRUCTURE

Since Cegereal was floated on the stock market in 2006, most of the Company's shares have been held by long-term institutional investors. Alongside hausInvest, an open-ended German fund managed by Commerz Real and the majority shareholder with a 60% stake, Cegereal's shareholders include the Covéa insurance group (GMF-MMA-MAAF) which currently holds 14.4% of the shares, having increased its holding by 9% between 2006 and 2008.



### A FIRST CLASS FINANCIAL AND OPERATIONAL PARTNER

Cegereal enjoys the backing of a tier-one partner, Commerz Real, which manages over €36 billion in property assets around the world and is widely recognized for its marketing and building management capabilities. Commerz Real is also an expert in the Paris region office market where it manages an office portfolio worth over €3 billion. As both the Company's majority shareholder and its asset manager, Commerz Real has a double motivation for Cegereal's success.





# VISION & AMBITION





CREATING VALUE\_ Cegereal's carefully managed strategy consists of delivering sustainably high yields by investing over the long term in a portfolio of prime properties that it maintains and enhances, and by offering the major corporations that form its tenant base high value-added amenities and services.

# POSITIVE MOMENTUM IN 2012

In recent years, Cegereal has demonstrated its ability to successfully rise to important challenges and 2012 was no exception, with results for the year exceeding expectations. Raphaël Tréguier, Chief Executive Officer, and Carl-Christian Siegel, Deputy Chief Executive Officer for real estate, review the developments that shaped the year.



One of your objectives for 2012 was to find tenants for the vacant units in the Arcs de Seine complex, which was renovated in 2011. How well did you succeed in meeting this goal?

R.T.: As a company committed to delivering high yields to shareholders, optimizing rental revenue is one of our top priorities. We did indeed attain this very important objective and renting the last remaining vacant units in 2013 should enable Cegereal to return to a stable revenue stream. We are ahead of schedule because nine months after the Arcs de Seine complex was delivered in early 2012, two-thirds of the rental space is already occupied by first-class tenants. These results validate our decision to carry out a 15-month renovation program to upgrade our building to the highest amenity standards and obtain HQE Exploitation certification.

How important is the HQE Exploitation certification?

C.-C.S.: Awarded by Certivéa, the certification is based on a detailed analysis of the actual environmental performance of existing buildings. The analysis is carried out over a long period – more than 18 months. Attesting to the building's amenities and energy efficiency, the certification provides users with a clearer vision of long-term costs, a factor that almost certainly helped us to market the Arcs de Seine complex more quickly. It also creates value for shareholders, offsetting over time the rental income lost during the renovation period. Based on the project's success, we decided to develop this initiative into a more comprehensive approach, in line with the aims of our Go Green sustainable development program. Introduced in 2012, the program is designed to obtain HQE Exploitation certification for our two other real estate complexes, Europlaza and Rives de Bercy, by 2014. Technical audits have already begun. Our goal is to be the first listed real estate company to have its entire portfolio certified to HQE environmental standards. This will help to maintain the value of our buildings and our company over the long term.





## Has the success of your real estate program helped you to refinance your debt?

R.T. : Our quality buildings and high degree of transparency certainly played an important role in helping us to meet our second major goal for 2012, that of refinancing our bank loan before it fell due in March 2013. We obtained a new 5-year, €400-million facility at a rate of between 3.15% and 3.40% depending on how well the portfolio performs, which is much lower than an initial rate of 4.15%. In a tight credit environment, the very favorable terms of our refinancing package should be seen as a sign of confidence in our company and our development strategy.

## How has the situation in your industry changed with regard to financing?

R.T. : Banks today have less financing capacity, especially for the real estate industry. Regulatory changes such as Basel III, along with falling commercial property values compared with 2006-2007, have opened up an important gap between the industry's financing needs and the amounts the banks are prepared to lend. Property companies are having to invest more equity to keep the market fluid. More solid and less speculative, these players are helping to once again make property a "safe haven" investment.

## How is Cegereal positioned with regard to this new outlook?

C.-C.S. : If our institutional shareholders' net new money inflows are as positive as those of the real estate investment funds in 2012, Cegereal will be well positioned to take advantage of market opportunities that will most likely emerge. Some high quality real estate assets that changed hands in the 2005-2007 period may come back on the market at attractive prices, although we shouldn't expect massive discounts.

## How would you assess Cegereal's stock market performance?

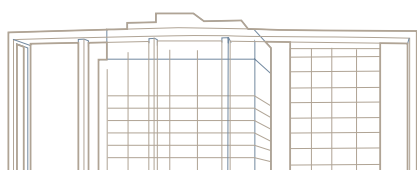
R.T. : The share price has risen steadily since early 2012, ending the year up 42% and outperforming the EPRA index, which gained 17% over the period. This excellent stock market performance rewards our operating achievements and organizational efficiency. It also reconfirms the wisdom of our decision to once again leverage the operational support of outside experts like Commerz Real.

## Do you plan to pay a dividend this year?

R.T. : As an SIIC, paying dividends is an integral part of our business model. We decided to forego the dividend in 2011 because of the loss of rental revenue while the Arcs de Seine renovation program was underway. However, given the rapid success of our marketing program, we are now in a position to pay a dividend for 2012. At the next Annual Meeting, shareholders will be asked to approve a dividend of €0.65 per share.

# A YEAR FULL OF ACHIEVEMENTS

In 2012, Cegereal reaped the rewards of the groundwork laid in 2011 and of its high quality governance system. It will go down as a year of major achievements, with the marketing of Arcs de Seine, a landmark office complex in the western Paris suburbs, and the refinancing of the Company's debt. New projects focused on preserving and improving the Company's properties were launched. Among these was the Go Green program, which aims to make Cegereal the first property company to obtain environmental certification for all the assets in the portfolio.



1

## SUCCESSFUL MARKETING OF ARCS DE SEINE

The Arcs de Seine complex was fully renovated in 2011 and just nine months after the improvements were delivered at the start of 2012, two-thirds of the offices had been let. Three new first-class tenants – Canal +, Hewlett Packard and Huawei Technologies – joined Boursorama in the complex, after being won over by its high quality amenities and “HQE Exploitation” energy performance certification. By December 31, 2012, Arcs de Seine's occupancy rate stood at 63%.



## 2 SECURE AND OPTIMIZED BANK FINANCING

Given the challenging credit environment, Cegereal decided to act in advance to refinance its €400 million bank loan falling due in March 2013. Thanks to the quality of its assets, a new 5-year €400 million facility was obtained at the end of July 2012 on very favorable terms without affecting the Company's key balance sheet ratios.

# 3



## LEASE RENEWALS

In addition to the arrival of new tenants (three at Arcs de Seine and one at Europlaza), two satisfied tenants committed to extending their current leases. Crédit Foncier, the sole tenant of Rives de Bercy (31,900 sq.m) since it was delivered in 2003, and ASG, which has 1,350 sq.m in the Europlaza building, have renewed their leases for nine years and six years respectively. This vote of confidence attests to the effectiveness of Cegereal's close to user rental management strategy.



# 4

## REFITTING AND IMPROVEMENT OF THE EUROPLAZA RESTAURANT

During last summer, renovation and refitting work was carried out on the inter-company restaurant in the Europlaza building, in an €850,000 project conducted in consultation with users. The work was designed to reduce congestion, create a clearer offer, and improve the dining experience. It led to a 6% increase in the number of meals served in the restaurant in the three months after it reopened.



# 5

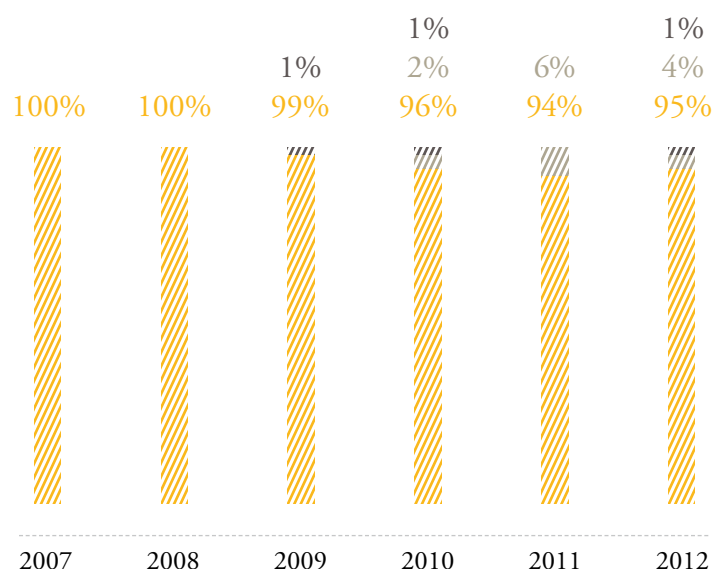
## A SYSTEMATIC FOCUS ON ENVIRONMENTAL PERFORMANCE

As part of its Go Green program, Cegereal has committed to obtaining "HQE Exploitation" environmental certification for all the properties in its portfolio. The Arcs de Seine complex was certified in June 2012 and technical audits are now in progress at the Europlaza and Rives de Bercy complexes, with a view to completing the certification process by 2014.



# LONG-TERM PERFORMANCE

## First-class tenants:



//// Ratings 1 & 2 // Rating 3 /// Ratings 4 & 5

Source: D&B ratings

# 95%

of tenants have the highest credit ratings

Rental income from companies with a Dun & Bradstreet risk rating of 1 or 2

# 167

million euros of unrealised gains as of 31 December 2012

# EPRA PERFORMANCE

## EPRA earnings

In thousands of euros

	2012	2011
Net income under IFRS	16,860	238
Restatement of the change in the fair value of investment property	(9,385)	7,548
EPRA earnings	7,476	7,786

## EPRA NAV

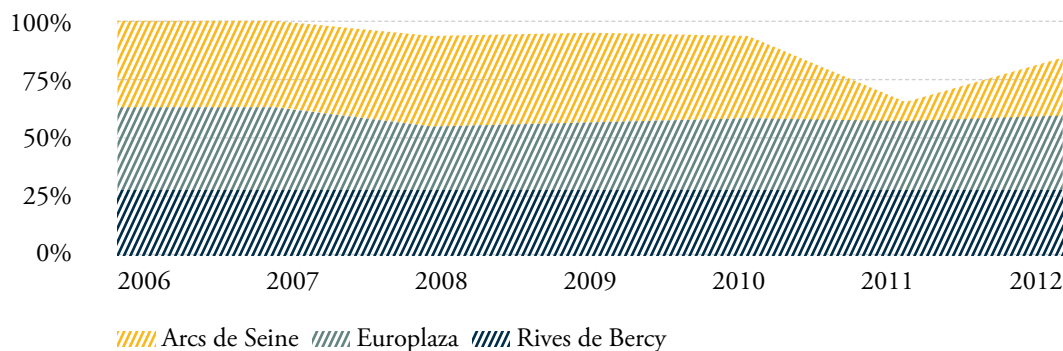
In thousands of euros, except per share data

	2012	2011
Shareholders' equity under IFRS	493,397	476,471
Portion of rent-free periods	(14,220)	(11,827)
<b>EPRA NAV</b>	<b>479,177</b>	<b>464,644</b>
Market value of loans*	(402,899)	(384,173)
Carrying amount of loans*	400,000	376,400
<b>EPRA NNNNAV</b>	<b>476,279</b>	<b>456,871</b>
Number of shares (excl. treasury shares)	13,346,851	13,343,184
NAV per share	35.7	34.2

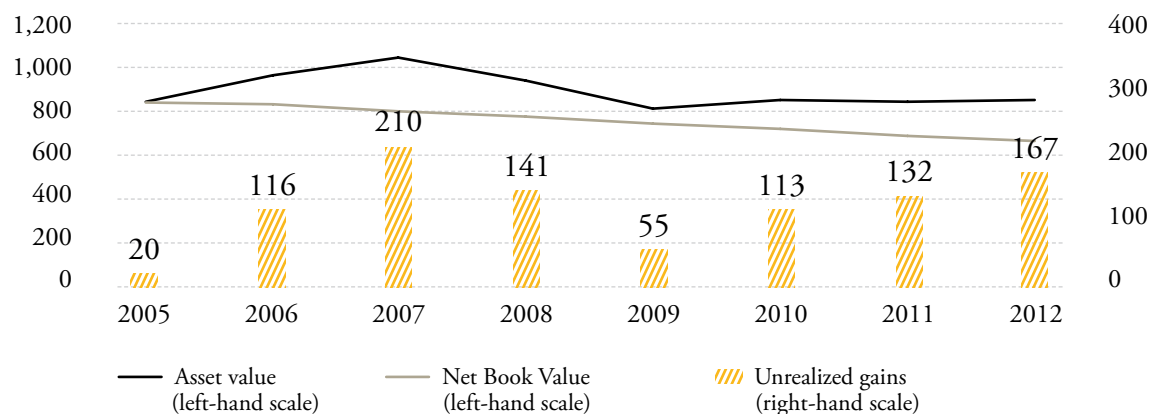
\* Excluding variable rate loans at December 31, 2011

The indicators published by Cegereal are aligned with the recommendations of the European Public Real Estate Association (EPRA), of which Cegereal is a member. EPRA's role is to promote, develop and represent the publicly listed real estate sector. EPRA notably publishes its "Best Practice Recommendations" (BPRs) whose purpose is to enhance transparency, uniformity and comparability of financial reporting by real estate companies.

## Occupancy rates since the IPO



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



## EPRA NNNAV

In euros per share

34.2

NNNAV per share at Dec. 31, 2011

+0.4

2012 recurring income (IFRS)

+0.8

Change in fair value of real estate assets

+0.4

Change in the fair value of bank debt

-0.1

Rent-free periods

35.7

NNNAV per share at Dec. 31, 2012

## EPRA net initial yield and EPRA "topped-up" net initial yield

in thousands of euros

	31/12/2012	31/12/2011
Investment property - wholly owned	865,400	854,200
<b>Completed property portfolio</b>	<b>865,400</b>	<b>854,200</b>
Allowance for estimated purchasers' costs	53,655	52,960
<b>Gross up completed property portfolio valuation B</b>	<b>919,055</b>	<b>907,160</b>
<b>Annualised cash passing rental income</b>	<b>35,882</b>	<b>32,837</b>
Add: notional rent expiration of rent free periods or other lease incentives	9,746	1,373
<b>Topped-up net annualised rent C</b>	<b>45,628</b>	<b>34,211</b>
EPRA NIY A/B	3.9%	3.6%
EPRA "topped-up" NIY C/B	5.0%	3.8%

## EPRA vacancy rate

	2012	2011
Total ERV	55,047,092	55,151,191
ERV of vacant spaces	9,938,546	20,809,910
EPRA vacancy rate	18%	38%

# SHARE PERFORMANCE

Lifted by the Company's achievements in a difficult environment, Cegereal shares outperformed the market in 2012, while retaining scope for further significant gains in 2013. This is a reward for loyal shareholders with whom the Company maintains close relations based on transparency.



## Listing details

**Name:** Cegereal SA

**Market:** NYSE Euronext Paris

**ISIN:** FR0010309096

**Symbol:** CGR

**CFI:** ESVUFB

**Type:** Eurolist Compartiment B

**Indices:** CAC all shares and IEIF SIIC France

**Registrar:** BNPP Securities Services

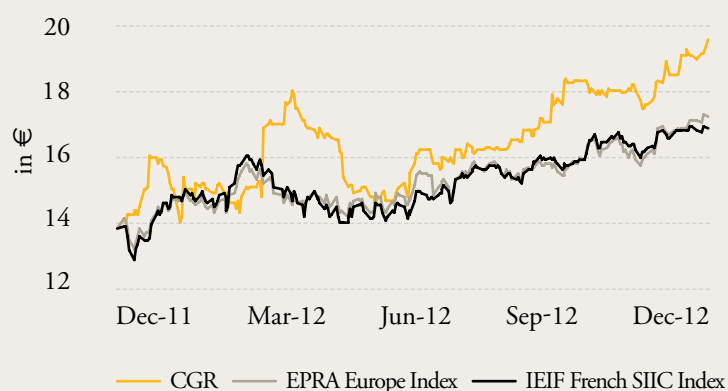
## A 42% gain in the share price

After two years of decline, the stock markets performed better in 2012 although the recovery was fairly erratic.

The main stock markets were hit by severe volatility, reaching their lowest point in early summer. The recovery occurred for the most part during the second half, as the European Central Bank took determined action to prevent the sovereign debt crisis ending with the break-up of the euro zone.

As investors became increasingly risk averse and the economic situation worsened, property stocks played their traditional role as a safe haven. Helped by better-than-forecast operating and financial results in a difficult environment, Cegereal delivered an excellent stock market performance in 2012. The share price gained 42% to end the year at €19.6, outperforming the CAC 40 index (up 15.2%) and the Euronext IEIF SIIC France industry index (up 21.3%). Although the stock continued to trade at a discount to NAV, leaving room for further significant appreciation in 2013, the gap narrowed sharply to 45% from 60% in 2011.

## Share performance compared with the main indices



Source: Euronext



## Investor information

www.cegereal.com  
Cegereal  
Raphaël Tréguier  
21-25, rue Balzac - 75008 Paris  
Tel: + 33 (0)1 42 25 76 36

## Investor calendar

### February 15, 2013:

2012 results

### May 16, 2013:

First-quarter 2013 revenue

### June 26, 2013:

Annual Shareholders' Meeting

### July 25, 2013:

First-half 2013 results

### November 14, 2013:

Third-quarter 2013 revenue

## A stable, high-quality shareholder base

Since it was floated on the stock market in 2006, Cegereal's shareholder base has consisted primarily of French and European institutions investing for the long term. Alongside its majority shareholder, the German fund hausInvest managed by Commerz Real, which holds 60% of the capital, since 2006 the Company has enjoyed the backing of an experienced and recognized investor, the Covéa mutual insurance group (comprising

the GME, MMA and MAAF brands), which has 14.04% of the capital. The free float represents 19% of the outstanding shares and is also held, for the most part, by institutional investors that view Cegereal as a means of accessing a wide range of industries while pooling the related risks, through high quality rental income and a portfolio of exceptional office properties.

### Cegereal ownership structure at December 31, 2012



Source: Euroclear

### Cegereal free-float at December 31, 2012



Source: Euroclear

## Transparent, targeted communications

Convinced that the key to a stable ownership structure lies in high quality shareholder relations, Cegereal's financial information strategy is based on transparent, targeted communications with both retail and institutional investors. The Company has enhanced its financial communications by communicating more regularly and using a wider variety of communication media. As well as going out to meet shareholders at investor fairs such as Midcap (for institutional investors) and Actionaria

(for retail investors) and publishing press releases, interim financial reports and annual reports, Cegereal uses the latest technologies to develop online communications and provide industry and company news on a more regular basis. Committed to becoming more responsive to investor questions, at the beginning of 2013 the Company launched a new website offering more interactive content.

# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



2012 was undeniably a successful year for Cegereal, full of commendable achievements, not only in our property business and finances, but in strategic and operational terms as well. Responding to the enduring crisis in our markets, Cegereal demonstrated an outstanding ability to reinvent itself and to improve both its portfolio and its bank financing.

With respect to the portfolio, the many new leases signed during the year offer further proof that Cegereal is positioned in a thriving segment of the Paris region office market. Demand for units in excess of 5,000 square meters remained strong, with major organizations showing a marked preference for modern buildings offering functional workspaces. Most of the Arcs de Seine complex was re-let in 2012, following the previous year's refurbishment work.

The tenants are mainly fast-growing international companies operating in the communication and technology industries that were naturally attracted by the complex's contemporary design and high quality working environment. Arcs de Seine was recently certified to France's exacting "HQE" environmental performance standards, as part of the Go Green initiative that aims to make Cegereal the first real estate company to obtain environmental certification for all the assets in the portfolio.

Regarding the Company's finances, after spinning off the property assets into a subsidiary in 2011, last year's refinancing of its bank debt ahead of time in a tight credit market secured the balance sheet, affording the best possible protection of shareholder value.

The members of the Board of Directors were consulted and worked closely with senior management on many occasions during the year, to ensure that business choices were guided by the principle of balancing risks and returns, and that analysis and decision-making processes were properly followed. Regular Board meetings were also held to approve important decisions to be made by senior management in order to guarantee the Company's future. Last year's results attest to the effectiveness of the governance system based on the principles of transparency and independence, and to the validity of the strategic choices approved by the Board. Cegereal's good stock market performance in 2012 is clear evidence of the markets' favorable reaction to these major decisions.

A handwritten signature in dark ink, consisting of stylized, flowing letters.

**Richard Wrigley**  
Chairman  
of the Board of Directors

The Company has begun 2013 with stronger fundamentals. The market permitting, it will hold firm to its development goals in the interests of its shareholders, customers and financial partners, with the ultimate aim of becoming a benchmark in the office property market.

# GOVERNANCE

Backed by major institutional investors, Cegereal has set up a governance structure that effectively defends the interests of all its shareholders. The objective is to offer shareholders the security of high investment returns over the long term, by maintaining a portfolio of high quality assets managed by the industry's best experts, and managing risks as effectively as possible, in accordance with our commitments to transparency and independence

## 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, the three committees of the Board and senior management (Raphaël Tréguier and Carl-Christian Siegel).

This structure complies with the governance rules issued by the French and German securities regulators, AMF and Bafin.

Cegereal's bylaws and internal rules can be viewed on the website: [www.cegereal.com](http://www.cegereal.com).

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



# THE THREE LEVELS OF GOVERNANCE

Cegereal's Board of Directors met eight times in 2012, with an attendance rate of 91%. In accordance with the Company's internal rules, the Board was consulted for all new leases in excess of €2 million and for the Arcs de Seine renovation project.

## 01.

### A stronger Board of Directors

#### Independant directors



**Richard Wrigley,**

64, is Chairman of the Board of Directors and an independent director. Formerly Chairman of CBRE Property Management France, until 2009, he holds a BSc in Estate Management from London University and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS).



**Alec Emmott**

65, earned an MA from Trinity College, Cambridge in 1969 and became a member of the Royal Institution of Chartered Surveyors (MRICS) in 1971. He was Managing Director of Société Foncière Lyonnaise from 1997 to 2007, since when he has been principal of Europroperty Consulting.



**Jean-Pierre Bonnefond,**

67, is an independent director. Formerly Chairman of Groupement Foncier Français (GFF), from June 2000 to October 2004, he has worked as an asset strategy consultant since November 2004. He holds a post-graduate degree in Private Law from Patheon-Sorbonne University and is a *Chevalier de la Légion d'Honneur*.

#### Shareholder's representatives

**Gerry Dietel,**

35, director, holds a degree in Real Estate Economics from HfWU Nürtingen-Geislingen University. In 2005 and 2006 he worked for Investment Property Databank (IPD) in Germany and in 2007 joined Commerz Real, where he is a hausInvest Europa fund manager. He is currently employed by CRI mbH.

**Erich Seeger,**

49, director, is a permanent representative of CRI. Appointed to the Management Board of Commerz Real AG in 2008, he previously held various key marketing positions at HVB Group's asset management subsidiary in Munich, notably as head of sales for its Activest fund management company. He holds a marketing degree from the Bavarian Academy of Advertising and Marketing, Munich.

**Carl-Christian Siegel,**

46, Carl-Christian Siegel leads Commerz Real AG's Southern Europe real estate teams. He joined the Group in Wiesbaden in early 2008 after spending 12 years with the Deutsche Bank Group as a Special Funds portfolio manager. He graduated in management from Konstanz University and has a degree in Real Estate Economics from the European Business School.

**Olivier Le Borgne,**

45, director, is a permanent representative of GMF VIE. He earned a DEUTS Actuarial degree from Institut de Statistiques de l'Université de Paris (ISUP) in 1996 and a three-year business degree from Institut Supérieur de Gestion (ISG), Paris, in 1989. He has been Director of Financial Strategy for GMF since October 2008.

**Klaus Waldherr,**

48, director, has been a legal advisor for CRI since 1998. A lawyer with a PhD in Law, he is a graduate of both Nancy 2 University in France and Mainz University in Germany. With former experience as a legal advisor for a German government institution, he specializes in foreign real estate investment.

**Sabine Röska,**

33, director, has been Director of Strategy for Commerz Real since 2011. She joined CR in 2008 as Manager of the Hausinvest Europa fund, previously serving in various positions at Deutsche Immobilien Chancen KGaA in Frankfurt. She is a graduate of Darmstadt University and of Institut National Polytechnique, Grenoble.



## 02.

### Three independent committees of the Board

The three committees of the Board assist Cegereal's directors in making important decisions concerning investments, accounting issues, and management appointments and remuneration. Three directors sit on each committee, including at least two independent directors.

#### Investment Committee

**Alec Emmott** (chairman), independent  
**Richard Wrigley**, independent  
**Graham Spensley**, independent

The Investment Committee assists the Board in reviewing investment and disposal projects, including the sale, purchase, development or large-scale renovation of property assets. It also makes recommendations concerning such projects and the annual investment budget, and considers all matters that could have a material impact on investments.

Number of meetings in 2012: 0

#### Audit Committee

**Richard Wrigley**, (chairman), independent  
**Jean-Pierre Bonnefond**, independent  
**Gerry Dietel**, Fund Manager Commerz Real

The Audit Committee assists the Board in reviewing and approving the annual and interim financial statements. It monitors the audit of the accounts and checks the auditors' independence. The Committee also reviews internal control, internal audit, statutory accounting and management accounting procedures, and verifies the effectiveness of the internal control system, to ensure that the Company has the necessary management resources to prevent the occurrence of risks and errors. Lastly, the Committee oversees the processes for the preparation of financial information.

Number of meetings in 2012: 1  
 Attendance rate: 100%

#### Appointments and Remunerations Committee

**Jean-Pierre Bonnefond** (chairman), independent  
**Graham Spensley**, independent  
**Alec Emmott**, independent

The purpose of this Committee is to prepare Board decisions concerning the remuneration packages of the members of senior management, and to assess their benefits and allowances. It considers candidates for appointment as Chief Executive Officer and Deputy Chief Executive Officer or for election to the Board. It also assesses whether each director is able to freely exercise his or her judgment and performs regular assessments of Board practices.

Number of meetings in 2012: 2  
 Attendance rate: 100%

## 03.

### Senior management

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.

Following these appointments, the Company is now managed by two experts in corporate finance and real estate.



**Raphaël Tréguier,**  
**Chief Executive Officer**

Aged 38, Raphaël Tréguier has solid experience in property and corporate finance. Involved in managing acquisitions of listed and unlisted companies and major portfolios, he notably spent seven years from 2001 to 2008 as a member of GE Real Estate France's investment management team.



**Carl-Christian Siegel,**  
**Deputy Chief Executive Officer for real estate**

Aged 46, Carl-Christian Siegel leads Commerz Real AG's Southern Europe real estate teams. He joined the Group in Wiesbaden in early 2008 after spending 12 years with the Deutsche Bank Group as a Special Funds portfolio manager. He graduated in management from Konstanz University and has a degree in Real Estate Economics from the European Business School.

# RISK MANAGEMENT, AN UNDERLYING PRIORITY

Cegereal's risk management strategy is organized around risk planning and analysis tools and rigorous internal control processes. Having been identified well in advance, the main risks associated with the Arcs de Seine property's high vacancy rate and the refinancing of the Company's debt were successfully resolved in 2012.



## Tighter internal control

Cegereal plays close attention to the quality of internal control, extending from the analysis of risk exposures to the processes for approving transactions and reporting financial information. To improve the system's effectiveness, standardized procedures have been in place since 2009.

## Anticipating and analyzing risks

Cegereal's planning and analysis tools ensure that business-related risks are identified and addressed in advance of their occurrence. Every month, senior management reports to the Board of Directors on the main developments concerning the Company. In addition, cash forecasts are prepared together with analyses of the coverage of the Company's short- and medium-term financing needs. Tenant credit reports are updated every quarter and their rent commitments are reviewed.

## Annual reviews of the main risk factors

Each year, Cegereal reviews the risks that may affect its business, financial condition or results over the medium or long term. For each identified risk, the potential consequences and attenuating factors are analyzed. The results of the analyses are disclosed in the Annual Report (see Management of financial risks).

Based on a specific review of risks that could have a material adverse effect on the Company's business, financial condition, results or ability to meet its objectives, the Company believes that it has no material risk exposures apart from those presented in the table in section II.1 on page 44.





## Actively managing the main risk factors in 2012

Cegereal's risk management strategy can be qualified as prudent. The focus is primarily on risks that may have a serious financial impact or that are inherent in its business, such as increased vacancy rates, rent volatility, fluctuating asset values or concentrations of tenant risk. At the start of 2012, Cegereal had to address two simultaneous risks: (i) the 88% vacancy rate in the Arcs de Seine property, which had a negative impact on the Company's performance in 2012, and (ii) the refinancing of the Company's total debt of €399 million which was repayable in full in March 2013.

### Business related risks

#### Risk associated with Arcs de Seine's high vacancy rate

An action plan was implemented to reduce the vacancy rate in the Arcs de Seine complex and the related risks. In addition to giving the complex a facelift and retaining three international letting agents (CBRE, BNPP Real Estate and Keops) to remarket it, Cegereal supported Commerz Real's asset management team in devising a high quality, dynamic marketing plan to overcome the challenges of what was at first sight an unfavorable market. These measures drove down the vacancy rate from 88% to 37% in the space of a year, by attracting first-class tenants.

The aim for 2013 is to reduce the vacancy rate to a minimum without making any concessions as regards the quality of prospective tenants.

#### Risks associated with the concentration of assets and tenants

Cegereal is dependent on its main tenants, with the three largest generating 56% of the Company's total rental income. The measures taken to reduce this risk, with the Board of Directors' backing, include breaking up the unlet areas in the Arcs de Seine complex into smaller units to make them easier to market and renegotiating certain major leases ahead of their expiry date (for example, the lease with Crédit Foncier has been extended for nine years).

The Board of Directors and senior management are nonetheless aware that concentration of risk can best be managed by diversifying the portfolio.

### Market risks

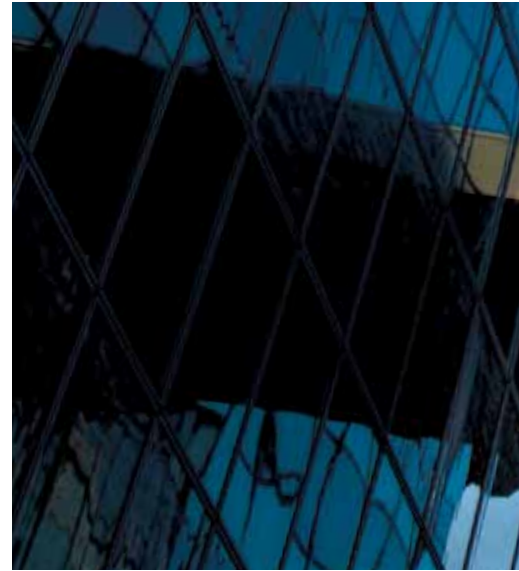
#### Refinancing risk

The decision was made in July 2012 – nine months before the repayment date – to accept the offer made by a pool of four banks for a €400 million 5-year mortgage loan.

#### Interest rate risk

Interest rates were at an historic low when the €400 million loan agreement was signed, and Cegereal therefore opted for a fixed rate of interest ranging from 3.15% to 3.40% depending on the portfolio's occupancy rate. The choice of a fixed rate protects the Company from any unfavorable change in the yield curve during the period 2013-2017.

A review of the main risks is presented on page 44 of this report.



# HIGH-QUALITY SPACE & AMENITIES



**FOCUS ON QUALITY SPACE\_** Cegereal owns an outstanding portfolio of properties in prime locations on the outskirts of Paris, featuring optimized workspaces and high quality amenities.

# INVESTMENT MARKET

In 2012, the worsening economic environment had a positive impact on the Paris region office market, by concentrating investment on very large, high quality buildings. Similarly, in a generally depressed rental market, the strongest demand was reserved for units of over 5,000 square meters.

## Investment flows focused on large transactions

The commercial property investment market in France held up fairly well in last year's gloomy economic environment. Investment flows totaled €16.6 billion versus €17.2 billion the previous year, a decline of just 4% year-on-year despite the late-2011 surge in activity before the capital gains tax rate on property sales to REIT-style structures went up.

Heavily in demand because of its low vacancy rate – the best in Europe – and the robust yields provided by steady increases in rental income, the Paris region once again confirmed its appeal by accounting for 76% of purchase commitments recorded in France during the year or over €12.6 billion. This amount makes the Paris region Europe's second largest market, behind London.

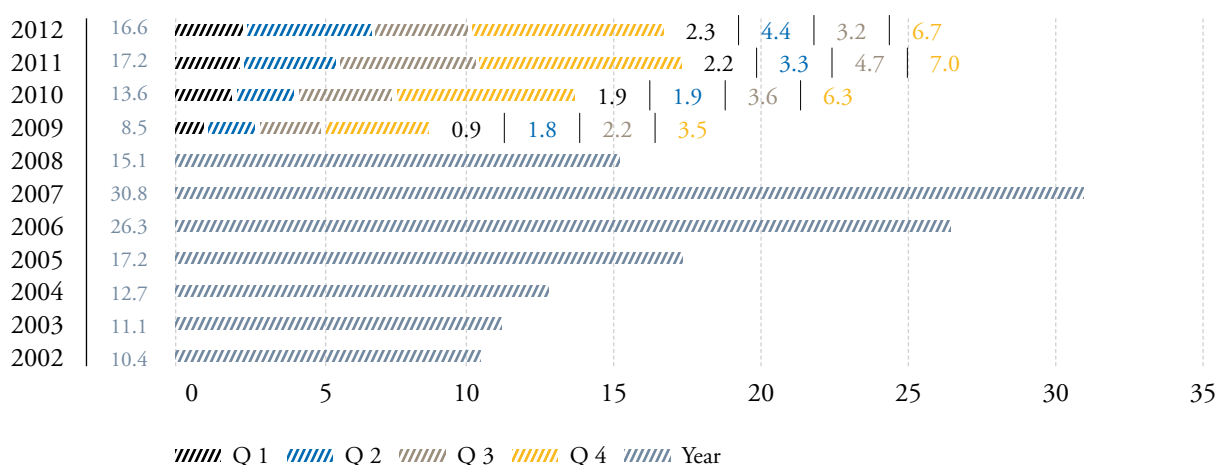
Investment flows mainly concerned large transactions, with 19 deals worth over €100 million recorded during the year, including four in excess of €500 million. Foreign investors were active in the market, accounting for 43% of the total funds invested compared with 38% in 2011.

Sovereign wealth funds upped their investments while institutional investors turned to the property market to diversify their portfolios in response to unstable stock and bond markets, particularly in the wake of the sovereign debt crisis.

As well as focusing on large deals, investors also demonstrated a certain aversion to risk by choosing prime properties located in the best areas of the Paris region. These included not only the center of the capital but also certain premium districts on the outskirts of the city, such as La Défense and the Southern Paris Loop (including Boulogne-Billancourt).

Investors' growing appetite for large prime office properties confirms the validity of Cegereal's positioning as an entry point into a market that represents a safe haven in the current recession-hit environment.

Investment in corporate real estate in France in billions of euros



Source: BNP Paribas Real Estate



# RENTAL MARKET



## A growing premium for large, high quality units

The challenging economic conditions in 2012 also had an impact on the office rental market in the Paris region. However, rental activity recovered in the second half as visibility improved and the decline over the full year was limited to 3%, with a total of around 2.4 million square meters let during the period (source: Immostat-IPD).

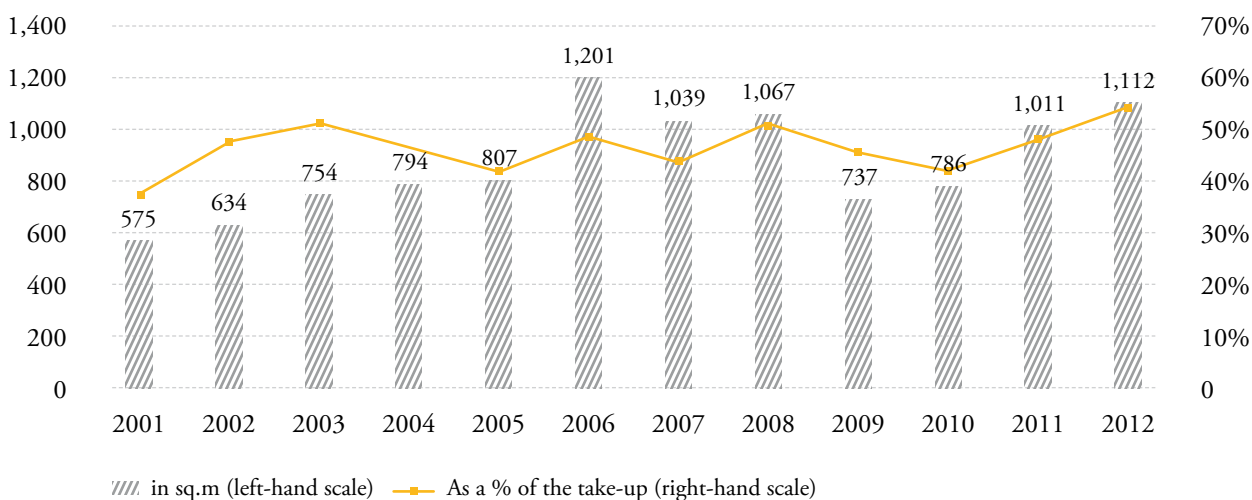
In our segment, after a mixed start to the year, the fourth quarter saw a sharp rebound in the number of large transactions. Units in excess of 5,000 square meters ended up being the main driver of the Paris region rental market, with over 1.1 million square meters let – 8% more than in 2011 – in 70 transactions. This was the highest letting volume recorded since 2006.

Conversely, the less than 5,000-square meters segment which had supported the market in the first half ended the year down 12% overall.

In terms of location, rental activity declined by 10% in the capital, with a steeper 13% fall in the Central Business District. Benefiting from this trend, the Paris inner suburbs saw a 38% increase in lettings, with leases signed on 439,000 square meters as companies continued to search for modern office buildings offering functional work space and moderate operating costs in a difficult economic environment. La Défense and the Southern Paris Loop were among the most popular suburban locations..

With a 7.1% vacancy in the IDF region of office property standing vacant, prime rents in the Paris region were fairly stable at around €450 to €560 per square meter per year for the most sought-after neighborhoods.

Value of transactions > 5,000 sq.m (in thousands/sq.m)



Source: BNP Paribas Real Estate

# A SELECTIVE LONG-TERM RENTAL STRATEGY

Selectivity and retention are the two core principles underlying Cegereal's rental management strategy, whose aim is to promote high levels of tenant satisfaction and generate stable revenue streams over the long term. This discipline, forged through the expertise of its partner and shareholder Commerz Real, once again led to high quality lease signings in 2012.



## New first-class tenants

As a result of successful marketing, in 2012 Cegereal welcomed three new tenants to its Arcs de Seine complex (Canal+, Hewlett Packard and Huawei Technologies) and one new tenant to the Europlaza building (Yxime). Like the existing tenants in Cegereal's three office properties, these four companies – all leaders in their respective industries – have solid balance sheets and good credit reports, with the result that the risk of rent defaults is low.

Overall, 95% of the new space rented in 2012 was leased to tenants with a Dun & Bradstreet risk rating of 1 or 2.

## Long-term relationships with existing tenants

Cegereal maintains strong ties with the tenants of its properties, cultivating a close relationship by paying careful attention to their day-to-day needs and future projects.

This attention paid off in 2012 when two tenants decided to extend their leases. Crédit Foncier added nine years to its lease on 31,900 square meters in the Rives de Bercy building in a renegotiation of the contract, while ASG extended its lease in the Europlaza building by six years.

In addition, three other tenants (Boursorama, Hewlett Packard and Huawei Technologies) all leased additional space in the Arcs de Seine building.

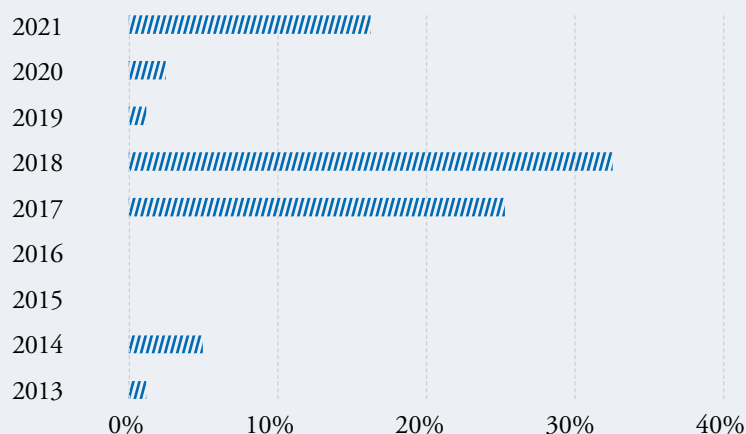
## Longer lease terms

Long terms were agreed for both new and renegotiated leases (nine years or six years). Thanks to this rental strategy, the weighted average minimum period to the next break option increased from 3.1 years in 2011 to 5.5 years in 2012, while the average lease term as of December 31, 2012 was 6.6 years.



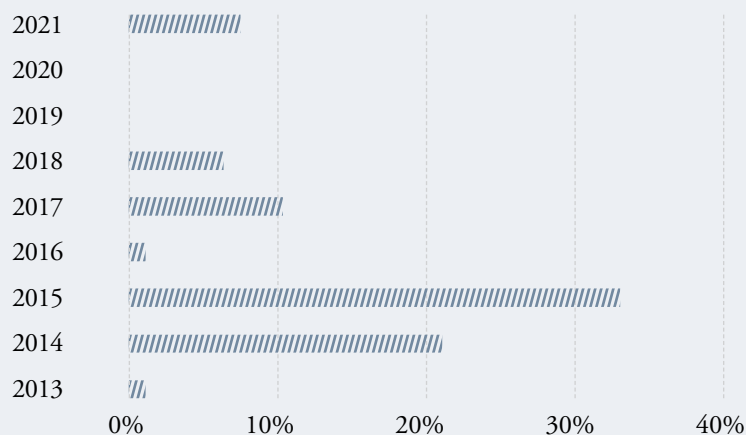
## Lease expiry dates

as a % of total potential rent at December 31, 2012



## Earliest break option

as a % of total potential rent at December 31, 2012



# 40 years

of expertise at hand

## Commerz Real

The experience Commerz Real has gained in France – especially in the Paris region – and internationally, through 40 years of managing a property portfolio valued at some €36 billion at the end of 2012, makes it a partner of choice for Cegereal. As well as managing Cegereal's majority shareholder, the hausInvest fund, Commerz Real also manages all of the Company's assets under a contract that was renewed for a period of six years at the end of 2011.



# ARCS DE SEINE

## An outstanding business campus in the heart of Communication Valley

Ideally located in an important service industry center, this complex, with its distinctive architecture, offers high-quality common areas and optimized working conditions while also meeting the exacting standards of the recently awarded HQE environmental certification.



€310m

Appraisal value at December 31, 2012  
(excluding transfer costs)

47,222 sq.m

Total surface area (excluding car park)

63%

Occupancy rate at December 31, 2012

€5m

2012 rental income



## Boulogne-Billancourt, the second largest business center in the western Paris suburbs

With more than 12,000 businesses providing jobs for some 80,000 people, of which 85% in service industries, Boulogne-Billancourt is home to the Paris region's largest business center after the capital, and to six of the top 20 corporate headquarters in the Hauts de Seine département. Sometimes called Communication Valley along with neighboring Issy-les-Moulineaux, Boulogne-Billancourt is at the heart of the broadcasting industry's golden triangle (TF1, France Télévisions and Canal+ are all based in the area) centered on the Point du Jour quarter, where Arcs de Seine is located. This lively neighborhood is much sought after for its ideal geographic location along the banks of the Seine and near the *boulevard périphérique* ring road, its good public transport links, and its protected environment. The district also hosts a number of leading technology companies, including Microsoft, Hewlett Packard and Huawei Technologies.

# ENERGY EFFICIENCY AND COMFORTABLE WORKING CONDITIONS

Entirely renovated in 2011, Arcs de Seine offers an environment that combines comfortable working conditions with high environmental performance. These qualities have already convinced several first-class companies to lease space in the complex.

## An architectural gem

Designed by the Skidmore, Owings & Merrill architectural firm and featuring distinctive arches, Arcs de Seine is comprised of three independent, uniquely styled buildings. The buildings' contemporary lines were brought into focus in 2011 when the lobbies were reworked to make them more functional and modern.

Opening onto a private garden on one side and offering an unencumbered view of the Seine on the other, the Arcs de Seine complex is bathed in natural light. Its exceptional, riverbank location also inspired the new decor in the visitors' reception area, which is based on the concept of waves.

## On the cutting edge of environmental performance

Cegereal has always supported the principles of sustainable development. That's why the renovation project for the complex included measures to improve its environmental performance, in particular by making the buildings more energy efficient. Launched following an in-depth audit conducted by Certivéa, these measures led to the Arcs de Seine complex being awarded "HQE Exploitation" certification in June 2012, making it one of the first properties in the area to receive this environmental quality label for existing buildings.

## A dynamic marketing program

Since the renovated complex was delivered in early 2012, some 28,000 square meters of space have been let. This represents nearly two-thirds of Arcs de Seine, including the whole of buildings B and C.

The complex currently houses four first-class tenants, three of which moved in during 2012. Boursorama has rented the 4th to 7th floors of building B since January 2010. It now shares the building with Huawei Technologies, the Chinese multinational provider of networking products and services, which last year chose to make Arcs de Seine its European hub. Since August 2012, Hewlett Packard has rented the 7th and 8th floors of building A and is gradually installing its sales and marketing teams, ultimately representing approximately 800 people. In October 2012, Canal+ moved into building C, occupying all of the floors.

Benchmarks in their respective industries, these fast-growing companies were looking for new facilities in which to pursue their expansion. Having recognized that well-being is a key component of employee motivation, they chose Arcs de Seine for its pleasant, efficient environment offering a comfortable workspace and great quality of life. The buildings' modular layout was another attraction; for example, it enabled Canal+ to set up the studios for three channels – D8, D17 (formerly Direct Star) and iTélé – on the premises. Attesting to their satisfaction with the high-quality amenities offered by Arcs de Seine, Boursorama, Huawei Technologies and Hewlett Packard all leased extra space in the complex during the second half of 2012.

“When we acquired channels D8 and D17, we wanted to find a building close to our existing premises in order to expand while also remaining in the heart of television's ‘golden triangle’. We were particularly drawn to the Arcs de Seine site because of its friendly, campus-style atmosphere and its technical amenities, which allowed us to set up TV studios in record time.”

Stéphane Tual,  
General Resources Manager, Groupe Canal+





22,200  
square meters let in 2012

## A campus atmosphere and an amenity-rich environment

Highly flexible as well as functional, each of the buildings can be divided either horizontally or vertically to create open spaces of 1,200 to 2,800 square meters for up to 300 employees each. Office areas have been designed in a friendly, campus-like spirit. The complex features a car park, intercompany restaurant, cafeteria, auditorium, meeting rooms and a leisure club, as well as other amenities to make the building a great place to work.



“Our sales force, located at our historic Ulys and Issy-les-Moulineaux sites among others, will move to Boulogne-Billancourt, along with our training center. I think it has everything to offer...pleasant surroundings, open space, parks. The workplace environment is essential to employee motivation. We hope to stay for a long time.”

Gérald Karsenti,  
Chairman and Chief Executive Officer, HP France





# EUROPLAZA

## A prestigious tower in the center of La Défense

Firmly established in a sought-after business district that is currently getting a facelift, the Europlaza building is the outstanding result of the first major remodeling of one of the 1970s office towers that shaped La Défense's skyline. Delivered in 1999, it has been seamlessly adapted over the years to offer high quality workspaces and amenities closely aligned with tenants' needs.



## La Défense, Europe's largest business center

With some 180,000 people working in its 3.2 million square meters of offices, La Défense ranks among the world's top ten business districts and plays an important economic role at both local and national levels. For this reason, it's a location of choice for the strategic functions and decision-making centers of major French and international groups. Companies based in La Défense come from a wide range of industries, such as finance and insurance (Société Générale, HSBC, Allianz, etc.), energy (Total, Areva, EDF, etc.), information and communication technologies, consulting (Ernst & Young, Mazars, KPMG, etc.) and environmental services (Suez Environnement, etc.).

The jewel in the crown of the Greater Paris project, the La Défense Seine Arche district is the focus of a vast urban renewal project that involves redesigning public areas and upgrading the public transport network in accordance with the highest environmental standards. Europlaza is benefiting directly from this vibrant environment.



# €387m

Appraisal value at December 31, 2012  
(excluding transfer costs)

# 52,478 sq.m

Total surface area (excluding car park)

# 92%

Occupancy rate at December 31, 2012

# €22.7m

2012 rental income

# USING MODERN DESIGN TO CREATE OPTIMIZED COMMON AREAS

With its high quality dedicated amenities and modular workspaces, Europlaza stands out as a property closely aligned with current demand for corporate headquarters buildings.

## Sought-after office space

Located close to La Défense's central esplanade (known as the "parvis"), Europlaza is an L-shaped complex comprising a 31-floor tower and a smaller building with four floors. Designed in 1972 and completely remodeled between 1996 and 1998 by HRO, the building has a sleek, ultra-modern look. Glass has been used extensively, in the majestic lobby and throughout the rest of the building, including in the restaurant, which features a glass-roofed extension added in 2009 to capture all of the natural light.

Inside the contemporary-styled tower, each office floor consists of 1,300-square meter and 2,100-square meter units that can be left as open plan spaces or divided into offices accessed via a central corridor, according to the tenant's preference. Contributing to Europlaza's success, this extensive modularity is closely aligned with current demand, particularly from IT firms and fast-growing companies operating in sunrise businesses. Alongside major groups that have leased several floors, such as Cap Gemini, GE Money Bank and Galderma, in the last two years international companies have taken up units of less than 1,000 square meters. They include Intersystems (a technology company), Stora Enso (a global paper manufacturer) and Sthree (a recruitment firm).

## Exceptionally high quality amenities and services

Along with high quality technical equipment such as air conditioning, fire protection and video surveillance systems, Europlaza offers a range of premium amenities that help to make the building a great place to work. These include a 722-space private car park – a feature that is particularly sought after in La Défense –, an auditorium, meeting rooms and a multi-employer staff restaurant that was renovated in 2012 and serves up to 1,200 meals a day. And because health and well-being contribute to a good quality of life, users also have access to a gym with a relaxation area, sauna and massage facilities.

## Giving priority to tenant satisfaction

Being attentive to tenant needs is key to Cegereal's rental management philosophy and building managers and engineers are on hand at all times in the Europlaza tower to address users' day-to-day concerns and comments. The redesign of the multi-employer staff restaurant, to improve the dining experience and reduce congestion, is an example of Cegereal's response. Another is the project to upgrade the meeting rooms that began at the end of last year. At the same time, Europlaza's image as a prime office property is being further enhanced by a project to obtain "HQE Exploitation" environmental certification for the building, following the example of the Arcs de Seine complex in Boulogne. The initial results of the preliminary technical audits launched last year are generally promising and Europlaza is on track to meet the "14 target criteria" as assessed by Certivéa by 2014.



“In consultation with tenant representatives, we identified three areas for improvement: the choice of meals on offer had to be clearer; the layout needed to be simpler and more logical, and the restaurant had to be given a facelift and noise levels reduced.”



## A redesigned intercompany staff restaurant, to reduce congestion and improve the dining experience

The major project for 2012 was the redesign and upgrading of the intercompany staff restaurant, at a total cost of €850,000.

Three questions for Alexandra Podvin, technical asset manager at Commerz Real, and Jean-Marc Villiers, architect at Citti

### What led to the decision to give the Europlaza staff restaurant a facelift?

A.P.: Europlaza has a diversified foodservices offer, with a self-service restaurant featuring five counters serving meals based on different themes, two salad bars and a cafeteria offering a takeaway service. However, the layout didn't allow diners to move through the restaurant in a logical manner and it was difficult for them to find what they were looking for. In addition, users complained about long queues, noisy dining and the unattractive premises. In consultation with tenant representatives, we identified three areas for improvement: the choice of meals on offer had to be clearer, the layout needed to be simpler and more logical, and the restaurant had to be given a facelift and noise levels reduced. The challenge was to carry out these improvements over a very short period, during the summer vacation months, to cause the least possible disruption to users.

### What choices were made?

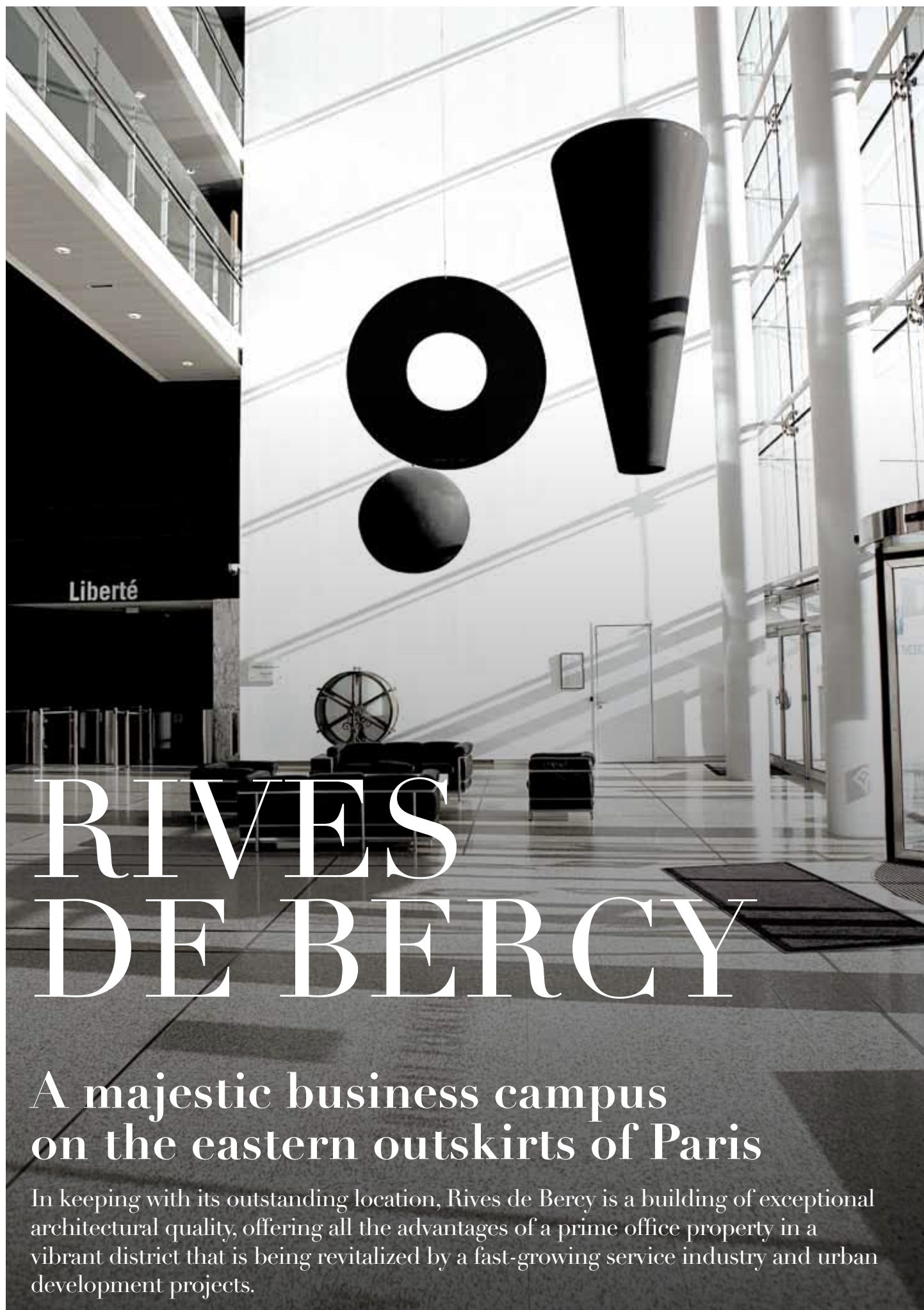
J.-M.V.: The main idea for making the food services offer clearer and helping users move through the self-service area more quickly was to install simple and clear signage guiding them to the various dining options and facilitating their choice of meals. Some minor refurbishments were carried out in the lobby, to create a more welcoming entrance to the restaurant, and improvements were made to each food service counter, such as creating salad bars and installing a tray ramp. Lastly, a high performance sound-absorbing suspended ceiling was installed in the dining area, the lighting system was upgraded with the installation of energy efficient LED lamps, and the floor was fitted with carpet. As a result of these improvements, the dining area now has considerable visual appeal and is also pleasantly quiet.

### Have you been able to measure the benefits?

A.P.: In the three months after the work was completed in August, the number of meals served increased by 6% – to 24,303 meals per month from 22,994 in the same period of 2011 – with users commenting favorably on the restaurant's new look.







# RIVES DE BERCY

## A majestic business campus on the eastern outskirts of Paris

In keeping with its outstanding location, Rives de Bercy is a building of exceptional architectural quality, offering all the advantages of a prime office property in a vibrant district that is being revitalized by a fast-growing service industry and urban development projects.



# €168.4m

Appraisal value at December 31, 2012  
(excluding transfer costs)

# 31,942sq.m

Total surface area (excluding car park)

# 100%

Occupancy rate at December 31, 2012

# €11.2m

2012 rental income



## Charenton-le-Pont, in the heart of an expanding business district

Charenton-le-Pont, in the heart of an expanding business district. Bordering on the right bank of the river Seine and the Bois de Vincennes, on the eastern outskirts of Paris, Charenton-le-Pont is a strategic location for companies looking for high quality workspace at lower rents than in the capital's western suburbs.

Close to the *boulevard périphérique* Paris ring-road and the A4 motorway and with good bus and metro links to the center of Paris, Charenton-le-Pont is benefiting from the growing south-eastern Paris service industry center, in the Bercy and Paris Rive Gauche neighborhoods, as well as from the large-scale urban development projects underway in neighboring towns such as Ivry-sur-Seine, which are attracting major companies and add to the area's appeal. Over 2,000 businesses have already set up operations in Charenton-le-Pont, including international groups such as Natixis Banques Populaires (the parent company of Crédit Foncier), CSC Peat Marwick and Essilor.

# AN ENVIRONMENT ENHANCED BY WELL LAID OUT WORKSPACES

Rives de Bercy offers a rare combination of a remarkable location on the eastern outskirts of Paris and very high quality amenities. A tenant since the building was first delivered back in 2003, Crédit Foncier has just signed a new nine-year lease.

## A high-design oasis of calm

Rives de Bercy is a majestic business campus with a total surface area of 31,900 square meters spread over seven floors and arranged in a figure 6. Its 115-meter glass, metal and granite facade gives onto the banks of the Seine. The building is accessed via an exceptionally spacious and luminous lobby that is typical of the refined signature style of renowned interior decorator Albert Pinto. The various wings of the building, linked by suspended glass walkways, are also bathed in light. Combined with an exceptional view of the Seine on one side and 16,000 square meters of gardens on the other, the light-filled environment induces a feeling of calm and serenity. The office space is organized in 4,400-square meter units that are divisible as from 3,200 square meters, with room for 440 people per floor. These highly functional spaces are equipped with state-of-the-art air conditioning, soundproofing and lighting systems.

## Premium amenities

As befits a business campus, Rives de Bercy offers a range of amenities to rival those found in prime office properties in the business districts in western Paris. They include a 657-space underground car park on three levels, a 100-seat auditorium, a 1,500-square meter restaurant serving up to 1,400 meals per day, an 80-seat cafeteria with views onto the garden, four club lounges and a fitness club to help users to stay on form.

## A complex enhanced by its tenant

Since it was delivered in 2003, Rives de Bercy has been occupied by a single first-class tenant, Crédit Foncier, under a triple net lease. With this type of lease, the tenant agrees to pay all real estate taxes, building insurance, and maintenance (the three "nets") on the property. Crédit Foncier has already conducted various projects to enhance the complex, for example by planting an interior Japanese garden in the restaurant area, installing an additional surge protector and enlarging the fitness club. And it has also taken steps to improve the property's environmental performance, for example through energy efficiency projects, thereby adding to its value.

In light of this work and following the example of the other two properties in Cegereal's portfolio, an environmental audit was launched in 2012 at Rives de Bercy with the aim of obtaining "HQE Exploitation" certification.





## A satisfied tenant, an extended lease

In January 2013, nine years after moving into Rives de Bercy and well ahead of the next break option in February 2015, Crédit Foncier negotiated a 7-year extension to its lease until December 2021. Its decision was motivated by its attachment to both the building and the town of Charenton-le-Pont.



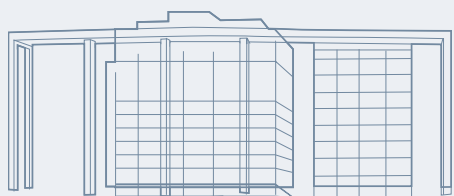
Hélène de Clisson, Asset Manager at Commerz Real, explains why.

**The Crédit Foncier has rented Rives de Bercy since it was delivered in 2003 and has signed a new lease on the property. The gamble of leaving central Paris and moving to the inner suburbs appears to have paid off.**

Relocating to the eastern outskirts of Paris in 2003 represented a bold move for Crédit Foncier, which at the time was comfortably installed in the heart of the city. The recent extension of its lease shows that the gamble paid off and that Crédit Foncier is more than happy with its new quarters. Rives de Bercy offers a pleasant working environment and an array of high quality amenities, which would be relatively expensive in central Paris. The Group is now very attached to the Rives de Bercy offices, which it has made to its identity, financing all refurbishments and improvements carried out since it first moved in. Crédit Foncier has also become closely integrated in the local community. For example, following the increase in its capacity, the fitness club has been opened to Charenton-le-Pont's gendarmes and firefighters. And Crédit Foncier also remains close to the headquarters of its parent company, BPCE, located on the banks of the Seine in the Bercy neighborhood.

# OVERVIEW OF THE PROPERTIES

Based on BNP Paribas Real Estate valuation report  
(as of 12/31/2012).



ARCS DE SEINE

€310m

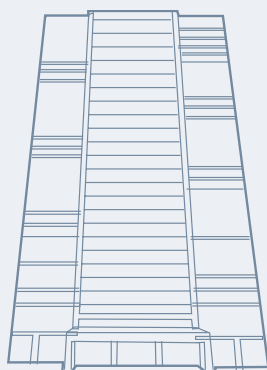
Value excluding transfer taxes  
at December 31, 2012

47,222 sq.m

Total surface area (excluding car park)

Canal Plus,  
Boursorama,  
Hewlett Packard

Main tenants



EUROPLAZA

€387m

Value excluding transfer taxes  
at December 31, 2012

52,478 sq.m

Total surface area (excluding car park)

Cap Gemini,  
GE Money Bank,  
Galderma

Main tenants



RIVES DE BERCY

€168m

Value excluding transfer taxes  
at December 31, 2012

31,942 sq.m

Total surface area (excluding car park)

Crédit Foncier

Sole tenant



Cegereal invests regularly in its properties to enhance their value and maintain their performance over the long-term by optimizing the work space and increasing their appeal for users. In 2012, the main renovation and improvement project concerned the Europlaza intercompany restaurant, for €850,000.

	EUROPLAZA	ARCS DE SEINE	RIVES DE BERCY	TOTAL
Address	20, avenue André-Prothin (La Défense 4)	34, Quai du Point-du-Jour (Boulogne-Billancourt)	4, quai de Bercy (Charenton-le-Pont)	
% Holding	100%	100%	100%	n.a.
Value	€387m	€310m	€168m	€865m
Value/sq.m	7,841 €/sq.m	6,861 €/sq.m	5,705 €/sq.m	6,978 €/sq.m
Annual change	+0.4%	+3.3%	+0.1%	1.3%
Capitalisation rate G <sup>(*)</sup>	+6.3%	+6.0%	+6.3%	6.2%
Rents in 2012	€22.7m	€4.7m	€11.2m	€38.6m
Occupancy rate	92%	63%	100%	83%
Weighted average residual duration of leases	5.4	7.9	5.1	6.6
Total surface area	52,478 sq.m	47,222 sq.m	31,942 sq.m	131,642 sq.m
of which Offices	47,131 sq.m	44,152 sq.m	29,136 sq.m	120,419 sq.m
Activity	3,157 sq.m	2,041 sq.m	2,424 sq.m	7,622 sq.m
Archives	2,190 sq.m	1,029 sq.m	382 sq.m	3,601 sq.m
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	1999	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	Crédit Foncier de France Cap Gemini GE Capital

(\*) Source: BNPP Real Estate valuations

Note: This analysis does not include the lease signed in early 2013 with Crédit Foncier.



# FINANCIAL INFORMATION



**CULTIVATING CONFIDENCE\_** Cegereal is committed to transparently communicating its results to all stakeholders, as the starting point of long-term relationships.

# II. 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.2.5.

The consolidated financial statements were adopted by the Board of Directors on February 14, 2013 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.

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2012 includes the IFRS financial statements of Cegereal SA for the year ended December 31, 2011.

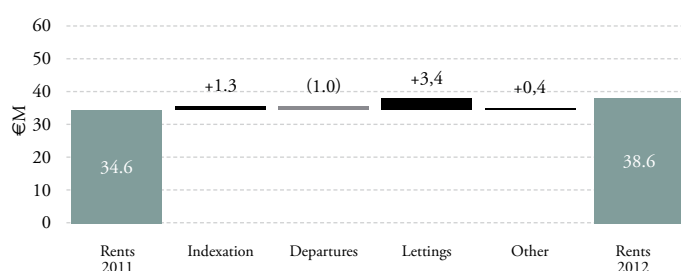
### RENTAL ACTIVITY

In 2012, the first offices were let in the Arcs de Seine building since the completion of the renovation work. Three leases were entered into with Canal+, Hewlett Packard and Huawei, respectively, for a total surface area of 17,300 sq.m during the first quarter, followed by an additional lease with Hewlett Packard for 900 sq.m and extended leases with Boursorama for 2,800 sq.m and with Huawei for 1,300 sq.m during the second quarter, bringing the total office space let to 22,300 sq.m.

In addition, Yxime, the property manager in charge of the day-to-day management of our three buildings, relocated its teams in April 2012 to a floor covering an area of 1,296 sq.m in the Europlaza building.

SPSS, which occupied 890 sq.m of office space in the Europlaza tower, terminated its lease after having spent nine years in the building

### Change in operating income (December 31, 2011-December 31, 2012)



### Net rental income (2008-2012)

In thousands of euros

	2012	2011	2010	2009	2008
Europlaza	22,725	21,422	20,288	20,525	21,655
Arcs de Seine	4,691	2,338	24,011	26,382	24,507
Rives de Bercy	11,217	10,795	10,387	10,132	11,771
Rental income	38,633	34,555	54,687	57,039	57,933
Rental expenses rebilled to lessees(1)	5,082	3,910	5,717	5,606	5,900
Real estate taxes rebilled to lessees(2)	3,589	2,942	3,553	3,347	3,445
Other amounts rebilled to lessees(3)				195	478
Miscellaneous income	102	463	967	987	3,066
Income from other services	8,773	7,315	10,236	10,135	12,889
Building-related costs(4)	(16,382)	(13,418)	(15,124)	(13,533)	(15,827)
Net rental income	31,024	28,452	49,799	53,640	54,994

### Expenses incurred by the lessor (2008-2012)

In thousands of euros

	2012	2011	2010	2009	2008
Building maintenance	(431)	(326)	(1,587)	(158)	(2,102)
Expenses on vacant premises	(2,187)	(3,065)	(973)	(833)	(281)
Property management fees	(3,029)	(2,990)	(3,014)	(2,896)	(3,284)
Other building-related costs – lessor	(2,064)	(185)	(281)	(498)	(337)
Building-related costs – lessor (4)-(1)-(2)-(3)	(7,711)	(6,566)	(5,855)	(4,385)	(6,004)
Wages and salaries	(512)	(541)	(477)	(314)	(371)
Other overhead costs	(2,111)	(1,442)	(2,042)	(2,446)	(2,735)
Total expenses incurred by the lessor	(10,334)	(8,549)	(8,374)	(7,145)	(9,110)

### DEBT

Cegereal was awarded a loan for a total principal amount of EUR 424,900,000 initially granted by Eurohypo Aktiengesellschaft under an agreement dated March 2, 2006 as modified by amendment dated July 31, 2006. On August 3, 2006, the loan was partially transferred to the special purpose vehicle FCC Opera France One (hereinafter the "Initial Bank Loan").

At November 15, 2012, the outstanding portion of the Initial Bank Loan amounted to EUR 398,891,840.

In addition, Prothin, as Cegereal's successor in interest to the Initial Bank Loan as part of the partial asset transfer, was granted a loan (hereinafter the "Loan") for a maximum principal amount of EUR 400,000,000 with Aareal Bank AG, Deutsche Pfandbriefbank Aktiengesellschaft Bayerische Landesbank and Landesbank Berlin AG in order to repay the Initial Bank Loan and finance the costs and fees incurred in setting up the Loan up to the amount of EUR 1,108,160.



The final maturity date of the Loan is August 16, 2017.

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 main provisions of the Loan are as follows:

Single tranche		
Main terms and conditions		
Total amount	EUR 400,000,000	
Interest rate	3.40% when the interest rate in below 90%	
Maturity	3.15% when the occupancy rate in bellow 90%	
	August 2017	
Main prudential ratios		
LTV thresholds	60%	Surplus cash carried over to a reserve account
	70%	Default
ICR thresholds	190%	Surplus cash carried over to a reserve account
	150%	Default

## 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:

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<b>Gearing ratio</b>			
Non-current borrowings/adjusted net assets	46.2%	46.70%	46.35%
<b>Interest coverage ratio</b>			
Projected net rental income/interest expenses	234%	224%	212%

According to the credit agreement, projected net rental income designates total projected net rental income for the following 12 months, excluding taxes, less rental income where the risk of non-recovery has been established (notice given, unpaid rent) and operating expenses rebillable to lessees and operating expenses not rebillable to lessees.

Operating expenses comprise expenses (including recoverable expenses) including tax incurred in operating, upkeep, maintaining, running, managing and administering the buildings (in particular, compensation paid under the Asset Management Agreement and the Property Management Agreement) and administrative expenses incurred by the Borrower.

## EARLY REPAYMENT INDEMNITIES

Should Prothin make any voluntary early repayments of the outstanding Loan, it will have to pay, in addition to the breakage costs, an early repayment indemnity equal to:

- 1.5% of any amounts repaid within one year of the date on which the credit agreement was signed;
- 1% of any amounts repaid between one and two years after the date on which the credit agreement was signed;
- 0.5% of any amounts repaid between two and three years after the date on which the credit agreement was signed.

Should Prothin make any mandatory early repayments of the outstanding loan, it will have to pay, in addition to the breakage costs, an early repayment indemnity equal to:

- 0.75% of any amounts repaid within one year of the date on which the credit agreement was signed;
- 0.50% of any amounts repaid between one and two years after the date on which the credit agreement was signed;
- 0.25% of any amounts repaid between two and three years after the date on which the credit agreement was signed;

## RESTRUCTURING

On December 22, 2011, Cegereal's General Shareholders' Meeting authorized 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 ("the partial asset transfer").

The legal regime applicable to spin-offs involved a full transfer to Prothin of all rights, assets and obligations of Cegereal in relation to the business transferred. As consideration for this transfer, Cegereal was granted all of the 15,147,035 new shares created with a par value of EUR 10 each, increasing Prothin's capital from EUR 400,000 to EUR 151,870,350. Additional paid-in capital came to EUR 196,911,460.

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 (iii) 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.

This transfer made it easier to refinance the Group's debt and over time will make it possible for Cegereal to make other indirect investments through new subsidiaries to be set up – without the need to obtain prior bank approval.

## RISK MANAGEMENT

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	The challenging economic situation and a possible downturn may have an impact on: - demand for new office space - the rents which can be changed - the Company's ability to increase rent levels when leases are renewed - the ICC-INSEE rent index	<ul style="list-style-type: none"> <li>Negative impact on the Group's financial position, results, activity and development prospects.</li> <li>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.</li> <li>Impact on the occupancy rate.</li> </ul>	<ul style="list-style-type: none"> <li>The majority of the leases already in place 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.</li> <li>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.</li> <li>39% of rental property is indexed at fixed rates (from 3% to 3.5%).</li> </ul>
Risks linked to the competitive environment	<ul style="list-style-type: none"> <li><b>Rental activity:</b> competition in the office real estate sector.</li> <li><b>Investments/diversification:</b> competition from French and international property owners (institutional property investors).<sup>16</sup></li> </ul>	<ul style="list-style-type: none"> <li>Potential loss of lessees, when their leases expire, if the competition is able to offer more attractive rental conditions for comparable properties.</li> <li>Unfavorable effect on the Group's growth, activity and future results if the investment and diversification strategy cannot be implemented.</li> </ul>	<ul style="list-style-type: none"> <li>The Company maintains regular discussions with the lessees in order to anticipate their needs and be in line with the market.</li> </ul>
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 a valuation of its properties every six months using different methods directly linked to market rental values.
Risk of dependence on certain lessees	The three most significant lessees (Crédit Foncier de France, Capgemini Telecom and GE Capital) represent approximately 56% 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 division of the Arcs de Seine building made it possible to reduce the proportion occupied by the three most significant lessees by 7% between 2011 and 2012. This proportion should be further reduced through the letting of vacant premises.
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 2012 year-end, all of the Company's lessees were considered to be in a satisfactory financial position, and 95% 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 37% for the Arcs de Seine building at December 31, 2012.	<ul style="list-style-type: none"> <li>Near non-compliance (first level) with interest coverage ratio (i.e., 190%). This ratio was most recently calculated at 234% at December 31, 2012.</li> <li>Being more vulnerable to specific events that may generate an unforeseen need for cash flow.</li> </ul>	<ul style="list-style-type: none"> <li>Thanks to various lettings in 2012, the vacancy rate was significantly reduced from 89% to 37% at the Arc de Seines building. The three international firms (Keops, BNPP Real Estate and CBRE) are still commissioned to re-let vacant premises.</li> <li>Ability to meet its interest coverage obligations: see Risk 2.1.</li> <li>Europlaza &amp; Rives de Bercy enable the Company to generate positive cash flow (before dividends are distributed).</li> </ul>
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.	<ul style="list-style-type: none"> <li>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.</li> <li>The vacancy rates for the areas where Cegereal's various buildings are located were as follows: 6.3% for La Défense, 12.5% in Boulogne-Billancourt and 7.4% in Charenton-le-Pont (data as of 12/31/12, source: BNPP Real Estate)</li> </ul>
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.	
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.	<ul style="list-style-type: none"> <li>Valuations are carried out by BNP Paribas Real Estate Expertise, an external real estate valuer.</li> <li>The Group makes known any item at its disposal likely to have a significant impact on the value of its buildings.</li> </ul>
2. Managing market risks			
2.1. Liquidity risk			
	<ul style="list-style-type: none"> <li>The financing agreement between the Subsidiary and Aareal Bank AG, Deutsche Pfandbriefbank AG, Bayerische Landesbank and Landesbank Berlin AG contains the usual mandatory early repayment clauses (total or partial) for outstanding amounts in different cases and under certain contractually defined conditions (in particular in the event of a change in control, sale of all or part of one of the buildings, expropriation or requisition of all or part of one of the buildings, insurance claims in relation to one of the buildings and non-compliance with financial ratios). In addition, as provided for by Article 8 of the credit agreement of July 26, 2012, defaults are likely to result in early repayment of the loan.</li> </ul>	<ul style="list-style-type: none"> <li>Option available to the lender of declaring all outstanding amounts, accrued interest and charges thereupon to be immediately payable, and of enforcing all or part of the collateral and guarantees granted in the event of a default.</li> <li>The Group could find itself in a position where it cannot obtain refinancing for the same amount or under the same financial conditions.</li> </ul>	<ul style="list-style-type: none"> <li>The specific review of liquidity risk based on the Group's financial position at December 31, 2012, confirmed compliance with all of the various ratios and limits likely to affect the mandatory 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).</li> <li>At December 31, 2012, Cegereal's financial ratios were as follows: (i) LTV ratio of 46.2% and (ii) interest coverage ratio of 234%.</li> <li>The Group has also conducted a specific review of its liquidity risk and considers that it is in a position to meet its upcoming commitments.</li> </ul>

Risks	Type	Consequences	Observations
2.2. Foreign exchange risk			
	<ul style="list-style-type: none"> <li>The Group is not exposed to foreign exchange risk as it generates all of its revenue in the eurozone.</li> </ul>	<ul style="list-style-type: none"> <li>No foreign exchange risk.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
2.3. Risks on equities and other financial instruments			
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Group is not exposed to any equity risk.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
2.4. Interest rate risk			
	<ul style="list-style-type: none"> <li>In recent years, the real estate sector has benefited from a favorable interest rate environment characterized by falling long-term interest rates. The rate of return on ten-year French fungible Treasury bonds (TEC 10 index) fell from 3.98% at December 31, 2006, to 1.98% at December 30, 2012 (Source: Agence France Trésor). The Company is not able to foresee the various factors impacting future interest rates.</li> </ul>	<ul style="list-style-type: none"> <li>A significant increase in interest rates could entail a decrease in the estimated value of the Company's assets (see section 1.1.4 "Risk linked to assets").</li> </ul>	<ul style="list-style-type: none"> <li>The Group has not conducted a sensitivity analysis regarding changes in interest rates due to the fixed rate applied with respect to the credit agreement entered into with Aareal Bank, Bayern LB, PBB (Deutsche Pfandbriefbank) and Landesbank Berlin AG/Berlin Hyp. Interest rate risk is also discussed in Note 4.7 to the IFRS financial statements for the year ended December 31, 2012 (section II.1.2).</li> </ul>
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	<ul style="list-style-type: none"> <li>As hausInvest ("the Fund") is an open-ended fund, unit holders may request the redemption of their units at any time, under certain conditions.</li> </ul>	<ul style="list-style-type: none"> <li>In 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.</li> <li>Risk of forced sale by CRI of the Company's shares, which could have a negative impact on the Company's share price.</li> </ul>	<ul style="list-style-type: none"> <li>The Fund's cash and cash equivalents totaled EUR 1.2 billion at December 31, 2012.</li> </ul>
Risk linked to fluctuation in the value of the Fund	<ul style="list-style-type: none"> <li>Under German legislation, funds that invest in property companies are subject to certain limits:               <ul style="list-style-type: none"> <li>the gross value of assets and related rights of property companies is limited to 49% of the Fund's total gross value;</li> <li>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.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Fluctuation in the Fund's value could impact CRI's investment policy and indirectly significantly impact the Company's strategy and its activity.</li> </ul>	<ul style="list-style-type: none"> <li>At the year-end, Cegereal accounted for less than 8% of the Fund's assets under management.</li> </ul>
3.2. Risk linked to the majority shareholder			
Risk linked to the majority shareholder	<ul style="list-style-type: none"> <li>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").</li> <li>CRI manages other real estate assets in France on behalf of the hausInvest fund.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's shareholders and the Fund's unit holders have a shared interest in maximizing the value of the Company's assets.</li> </ul>
4. Risk linked to German regulations applicable to the majority shareholder			
	<ul style="list-style-type: none"> <li>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.</li> <li>CRI (Cegereal's majority shareholder) must comply with the various ratios or thresholds in the management of hausInvest fund assets.</li> </ul>	<ul style="list-style-type: none"> <li>Direct impact on the Group's investment or divestment policy and its overall strategy.</li> <li>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.</li> <li>The possibilities for acquisitions by the Group may be limited as a result of the need to comply with various ratios and thresholds.</li> </ul>	<ul style="list-style-type: none"> <li>The total gross value of the Fund stood at EUR 11.5 billion at December 31, 2012.</li> </ul>
5. Risks linked to service providers			
5.1. Risk linked to the quality of service providers and sub-contractors			
	<ul style="list-style-type: none"> <li>The Group's rental activity depends on certain sub-contractors and service providers, in particular maintenance and caretaking companies.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>

Risks	Type	Consequences	Observations
6. Risks linked to the regulatory environment			
6.1. Risk linked to current or future regulations			
	<ul style="list-style-type: none"> <li>When conducting its business of holding 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.</li> </ul>	<ul style="list-style-type: none"> <li>Any substantive change to these regulations is liable to have an impact on the Group's results or its development and growth prospects.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The terms of the leases obligate the lessees to comply with the regulations applicable to the leased premises when using said premises.</li> <li>The Company seeks the best legal advice in order to meet its needs in terms of monitoring regulatory changes.</li> <li>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.</li> </ul>
6.2. Risk linked to the regulations applicable to leases			
	<ul style="list-style-type: none"> <li>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.</li> <li>If the lessor refuses to renew the lease upon expiration, the lessee is entitled to an eviction indemnity.</li> </ul>	<ul style="list-style-type: none"> <li>These provisions may limit the owners' ability to increase rents in line with market rents in order to optimize their rental income.</li> </ul>	
6.3. Environmental risk linked to health (asbestos, legionnaires' disease and classified facilities)			
	<ul style="list-style-type: none"> <li>The Group's business activity is subject to laws and regulations on the environment and public health.</li> </ul>	<ul style="list-style-type: none"> <li>Buildings and facilities owned or used by the Group may be affected by problems related to public health, safety or environmental protection.</li> <li>Safety regulations for high-rise buildings (such as the Europlaza building), could lead to additional operating and maintenance expenses for the Group.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
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.	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
8. Risks linked to the tax treatment applicable to SIICs			
8.1 Risks linked to a change in the regulatory framework			
	<ul style="list-style-type: none"> <li>The Company may face difficulties complying with new regulations and could even have its SIIC status suspended temporarily or permanently.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The Company verifies on a regular basis that it complies with the conditions for preferential tax treatment as an SIIC.</li> </ul>
8.2 Risk linked to the majority shareholder			
	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>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)</li> </ul>	<ul style="list-style-type: none"> <li>As of the date of this document, the Company has verified 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.</li> </ul>
8.3. Risk linked to shareholders			
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>None of the Company's shareholders meet the conditions to trigger the 20% withholding tax.</li> </ul>



## 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

### Multirisk insurance

Prothin has taken out the following insurance:

- a French multirisk policy (All risks except) taken out directly with the leading insurance company Chartis Europe SA under number 9.000.057;
- (i) a German co-insurance policy named "Pro Dynamic Versicherung – Real Estate" under number F 10173.1542 taken out with the insurance companies Chartis Europe SA, AXA Versicherung, Helvetia Versicherung, QBE Insurance and R+V Versicherung with Chartis Europe SA as leading insurer and (ii) a German terrorism co-insurance policy under number F 10173.1956 with the insurance company Chartis Europe SA.

These policies cover the buildings for an amount at least equal to their restatement value or replacement value (including the cost of replacing machinery and equipment concerned by a claim in line with the value of the building in question and the capital disclosed by Prothin).

This policy:

- (a) includes valuer and architect fees;
- (b) provides for an "additional loss and costs" clause covering in particular the costs of demolition, clearing and caretaking of the site following a claim;

(c) covers all the risks typically insurable against loss and damage (including in particular natural disasters, fire, lightning, explosions, floods, storms, hail and snow, aircraft accidents, riots, sabotage, acts of terrorism, theft, damage to electrical appliances and broken glass);

(d) includes a "loss of rent" guarantee covering at least 24 months of rent.

### Civil liability insurance for owners

Prothin has directly taken out civil liability insurance for property owners and is co-insured under collective civil liability insurance taken out by Cegereal and Commerz Real Investmentgesellschaft mbH covering the financial consequences of civil liability of its own doing.

Specialized firms regularly appraise the assets.

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 incurred.

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

## LAWSUITS

Cegereal and/or Prothin 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	31,024	Net rental income corresponds to 2012 rental income (EUR 38,633k) and rental expenses rebilled to lessees (EUR 8,773k), less building-related costs (EUR 16,382k). Net rental income rose by EUR 4m year-on-year following the arrival of new lessees, mainly in the Arcs de Seine building, and the indexing of leases.
Administrative costs	(2,845)	Administrative costs chiefly comprise fees, insurance premiums and building maintenance costs not rebilled to lessees.
Change in fair value of investment property	9,385	The value of the real estate portfolio rose from EUR 854.2m at December 31, 2011 to EUR 865.4m at end-2012, due primarily to the re-letting of premises in the Arcs de Seine building.
Net operating income	37,564	
Net financial expense	(20,704)	Net financial expense breaks down as EUR 20,816k in financial expenses and EUR 113k 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	16,860	

## 2. Consolidated financial statements

The IFRS consolidated financial statements for the year ended December 31, 2011 and the related Statutory Auditors' report presented on pages 54 to 72 and pages 72 to 73, respectively, of the 2011 Registration Document filed with the AMF on April 16, 2012 under no. D. 12-0348, are incorporated by reference into this document.

The individual financial statements prepared in accordance with IFRS for the year ended December 31, 2010 and the related Statutory Auditors' report presented on pages 89 to 109 and pages 87 to 88, respectively, of the 2010 Registration Document filed with the AMF on April 29, 2011 under no. R. 11-0022, are incorporated by reference into this document.

### 2.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

In thousands of euros, except per share data

	Notes	2012	2011
Rental income	5.17	38,633	34,555
Income from other services	5.18	8,773	7,315
Building-related costs	5.19	(16,382)	(13,418)
<b>Net rental income</b>		<b>31,024</b>	<b>28,452</b>
Sale of buildings			
Administrative costs	5.20	(2,845)	(3,993)
Other operating expenses			1
Other operating income			
Increase in fair value of investment property		9,685	2,500
Decrease in fair value of investment property		(300)	(10,048)
<i>Total change in fair value of investment property</i>	5.1	9,385	(7,548)
<b>Net operating income</b>		<b>37,564</b>	<b>16,912</b>
Financial income		113	181
Financial expenses		(20,816)	(16,856)
<b>Net financial expense</b>	5.21	<b>(20,704)</b>	<b>(16,675)</b>
<b>Corporate income tax</b>	5.22		
<b>CONSOLIDATED NET INCOME</b>		<b>16,860</b>	<b>238</b>
<i>of which attributable to owners of the Company</i>		<b>16,860</b>	<b>238</b>
<i>of which attributable to non-controlling interests</i>			
<b>Other comprehensive income</b>			
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>16,860</b>	<b>238</b>
<i>of which attributable to owners of the Company</i>		<b>16,860</b>	<b>238</b>
<i>of which attributable to non-controlling interests</i>			
Basic and diluted earnings per share (in euros)		1.26	0.02

## 2.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2012

In thousands of euros

	Notes	Dec. 31, 2012	Dec. 31, 2011
<b>Non-current assets</b>			
Investment property	5.1	865,400	854,200
Non-current loans and receivables	5.2	14,401	9,068
<b>Total non-current assets</b>		<b>879,802</b>	<b>863,268</b>
<b>Current assets</b>			
Trade accounts receivable	5.3	12,024	6,295
Other operating receivables	5.4	1,899	4,575
Prepaid expenses	5.16	41	2,167
<b>Total receivables</b>		<b>13,965</b>	<b>13,038</b>
Cash and cash equivalents	5.5	20,921	16,963
<b>Total cash and cash equivalents</b>		<b>20,921</b>	<b>16,963</b>
<b>Total current assets</b>		<b>34,886</b>	<b>30,001</b>
<b>TOTAL ASSETS</b>		<b>914,688</b>	<b>893,269</b>
<b>Shareholders' equity</b>			
Share capital		160,470	160,470
Legal reserve and additional paid-in capital		40,157	49,333
Consolidated reserves and retained earnings		275,910	266,429
Net attributable income		16,860	238
<b>Total shareholders' equity</b>	<b>6</b>	<b>493,397</b>	<b>476,471</b>
<b>Non-current liabilities</b>			
Non-current borrowings	5.11	394,690	398,217
Other non-current borrowings and debt	5.13	2,672	1,426
Non-current corporate income tax liability			
<b>Total non-current liabilities</b>		<b>397,362</b>	<b>399,643</b>
<b>Current liabilities</b>			
Current borrowings		1,776	
Trade accounts payable		3,101	2,028
Corporate income tax liability			
Other operating liabilities	5.14	5,438	4,848
Prepaid revenue	5.16	13,614	10,281
<b>Total current liabilities</b>		<b>23,928</b>	<b>17,157</b>
<b>Total liabilities</b>		<b>421,290</b>	<b>416,799</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>914,688</b>	<b>893,269</b>

## 2.3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

In thousands of euros

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Consolidated net income	16,860	238
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	(9,385)	7,548
Indemnity received from lessees for the replacement of components		
<i>Elimination of other income/expense items with no cash impact:</i>		
Adjustments for loans at amortized cost	823	592
Cash flows from operations before tax and changes in working capital requirements	8,299	8,378
Other changes in working capital requirements	(525)	(1,056)
Change in working capital requirements	(525)	(1,056)
Net cash flows from operating activities	7,774	7,322
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(1,815)	(1,048)
Net decrease in amounts due to fixed asset suppliers	(741)	
Net cash flows used in investing activities	(2,556)	(1,048)
<b>FINANCING ACTIVITIES</b>		
Increase in share capital		
Change in bank debt	1,108	
Refinancing transaction costs	(5,458)	
Net increase in current borrowings	1,776	
Net increase in other non-current borrowings and debt	1,247	
Net decrease in other non-current borrowings and debt		(479)
Purchases and sales of treasury shares	66	316
Dividends paid		(14,692)
Net cash flows used in financing activities	(1,262)	(14,855)
Change in cash and cash equivalents	3,957	(8,582)
Cash and cash equivalents at beginning of year*	16,963	25,544
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>20,921</b>	<b>16,963</b>

\* 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, 2012

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, 2010	160,470	50,269	(753)	280,820	490,805		490,805
<b>Comprehensive income</b>				<b>238</b>	<b>238</b>		<b>238</b>
- Net income for the year				238	238		238
- Other comprehensive income							
<b>Capital transactions with owners</b>		<b>(936)</b>	<b>119</b>	<b>(13,756)</b>	<b>(14,573)</b>		<b>(14,573)</b>
- 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
<b>Comprehensive income</b>				<b>16,860</b>	<b>16,860</b>		<b>16,860</b>
- Net income for the year				16,860	16,860		16,860
- Other comprehensive income							
<b>Capital transactions with owners</b>		<b>(9,176)</b>	<b>66</b>	<b>9,176</b>	<b>66</b>		<b>66</b>
- Appropriation of net income for the previous year		(9,176)		9,176	0		0
- Change in treasury shares held			66		66		66
Shareholders' equity at Dec. 31, 2012	160,470	40,157	(568)	293,338	493,397		493,397

## 2.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Notes to the 2012 consolidated financial statements

These notes provide additional information in respect of the consolidated statement of financial position at December 31, 2012 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, 2012

#### Note 1.1 Operational context

The Group, made up of Cegereal SA and its subsidiary Prothin SAS, did not experience any change in its operating environment during the year ended December 31, 2012.

The Company did not acquire or dispose of any real estate assets during this period.

#### RENTAL ACTIVITY

In 2012, the first offices were let in the Arcs de Seine building since the completion of the renovation work. Three leases were entered into with Canal+, Hewlett Packard and Huawei, respectively, for a total surface area of 17,300 sq.m during the first quarter, followed by an additional lease with Hewlett Packard for 900 sq.m and extended leases with Boursorama for 2,800 sq.m and with Huawei for 1,300 sq.m during the second quarter, bringing the total office space let to 22,300 sq.m.

In addition, Yxime, the property manager in charge of the day-to-day management of our three buildings, relocated its teams in April 2012 to a floor covering an area of 1,296 sq.m in the Europlaza building.

SPSS, which occupied 890 sq.m of office space in the Europlaza tower, terminated its lease after having spent nine years in the building.

#### REFINANCING

Until November 15, 2012, the Group financed its activities through a bank loan for EUR 398,892k. The interest rate on the first two tranches (representing EUR 376,400k) was fixed at 4.15% and the third tranche was subject to interest at a floating rate. The loan was repayable at maturity on March 2, 2013.

The Group repaid the loan in advance on November 15, 2012. The main impacts of this refinancing were:

– Termination costs of EUR 3,970k.

These costs comprise EUR 3,899k in early breakage costs and EUR 71k in fees. They represent expenses for the year ended December 31, 2012 and were respectively recognized as financial expenses and administrative costs.

– The costs of arranging a new loan in the amount of EUR 5,458k

These costs mainly comprise bank charges, notary expenses and fees. They are included in the total effective interest rate of the loan and, in this respect, the expense is spread out over the term of the loan.

Since November 15, 2012, the Group has financed its activities through a new EUR 400,000k bank loan, repayable at maturity on August 16, 2017. The interest rate is 3.40% when the occupancy rate is below 90% (as is the case at December 31, 2012) and 3.15% when the occupancy rate exceeds this threshold. At December 31, 2012, the Group complied with all covenants applicable to this loan.

This new loan is subject to financial covenants, as described in the section on commitments given in Note 5.24.

**Note 1.2 Presentation of comparative financial information**

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2012 includes the financial statements for the year ended December 31, 2011

**Note 1.3 Regulatory context**

The Group's consolidated financial statements for the year ended December 31, 2012 were prepared in accordance with *International Financial Reporting Standards* (IFRS) and *International Accounting Standards* (IAS) applicable to accounting periods ended December 31, 2012, as adopted by the European Union (hereafter referred to as "IFRS").

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

The consolidated financial statements were adopted by the Board of Directors on February 14, 2013

## 2.5.2 SIGNIFICANT ACCOUNTING POLICIES USED TO PREPARE THE 2012 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, 2012 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, 2012 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2011 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.

The new published standards, amendments and interpretations effective for accounting periods beginning on or after December 31, 2012 have no impact on the Company's 2012 consolidated financial statements.

IFRS 13 'Fair value measurement', as published by the IASB, will only be effective in the European Union for accounting periods beginning on or after January 1, 2013. Comparative information for the year ended December 31, 2012 must also be disclosed.

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.

At December 31, 2012, no entities were jointly controlled or significantly influenced by the Group.

**Scope of consolidation**

At December 31, 2012, 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, 2012
Prothin SAS	533 212 445	100%	100%	Full consolidation	January 1 to December 31, 2012

All entities included in the scope of consolidation closed their accounts on December 31, 2012.

**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 as the company was created by Cegereal SA on June 22, 2011

### **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 three commercial real estate assets 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 the production processes;
- the type or class of customer for their products and services;
- the methods used to distribute their products or provide their services;
- if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities

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

### **Note 2.3 Investment property**

Property held under long-term operating leases to earn rentals or for capital appreciation or both, and not occupied by the 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 external 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 its 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 external 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 external real estate valuers represent the best estimates at December 31, 2012, 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. Cash flows are defined as the total amount of all of the asset's revenues, net of expenses not reimbursable to lessees.

#### **COMPARABLE METHOD (TRADITIONAL APPROACH)**

This traditional valuation method consists of comparing the property 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 external 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% for assets outside the scope of VAT.

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

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

## LOANS AND RECEIVABLES

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

- those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the entity upon initial recognition designates as available for sale;
- those for which the holder may not substantially recover 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 (*Autorité des marchés financiers – 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 25,649 treasury shares (representing less than 0.19% of its total issued shares) for a total amount of EUR 425k at December 31, 2012.

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, Cegereal's sole and fully-controlled subsidiary, 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, 2012. 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, 2012.

### ***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, the portion of fitting-out costs incurred by the lessee and borne by the lessor, 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 are considered to have a material impact.

- Security deposits received from lessees are not discounted because they are indexed annually based on an index used for annual rent reviews;
- 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

in millions of euros											
Building	Market rental value	Potential rate of return	Changes in potential rate of return								
			0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
Europlaza	23.3	5.66%	355.6	363.0	370.6	378.6	387.0	395.7	404.9	414.4	424.5
Rives de Bercy	10.8	6.02%	155.5	158.5	161.7	165.0	168.4	172.0	175.7	179.6	183.7
Arcs de Seine	21.0	6.38%	287.5	292.8	298.3	304.0	310.0	316.2	322.6	329.4	336.4
Total	55.0	5.99%	798.6	814.3	830.6	847.7	865.4	883.9	903.2	923.4	944.5
Impact on portfolio value:			(7.72)%	(5.91)%	(4.02)%	(2.05)%	0.00%	2.14%	4.37%	6.70%	9.14%

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 Group has a single bank loan which it took out with a pool of four banks comprising Aareal Bank AG, Deutsche Pfandbriefbank AG, Bayerische Landesbank and Landesbank Berlin AG. The loan is repayable at maturity on August 16, 2017.

### *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, 2012, the Group was dependent on three lessees who collectively represented approximately 63% of total rental income received in 2012 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 receives financing in the form of a single bank loan taken out with a pool of four banks.

Notes 5.11 and 5.24 contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. At December 31, 2012, the Group complied with all financial covenants.

### *Note 4.7 Interest rate risk*

At December 31, 2012, the Group's financing consisted of a fixed-rate loan for EUR 400,000k maturing in August 2017. The interest rate is 3.40% when the occupancy rate is below 90% (as is the case at December 31, 2012) and 3.15% when the occupancy rate exceeds this threshold.

## 2.5.5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2012 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, 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
Indemnity received				
Subsequent expenditure			1,815	1,815
Disposals				
Change in fair value	(300)	1,500	8,185	9,385
Dec. 31, 2012	168,400	387,000	310,000	865,400

#### MAIN FAIR VALUE ASSUMPTIONS

The real estate valuer's estimation of the fair value of the buildings at December 31, 2012 is indicated below, along with the supporting information:

Building	Estimated value at December 31, 2012 (net of taxes)		Theoretical effective rate of return	Gross leasable area <sup>(1)</sup> at December 31, 2012		Annual rent (net of taxes) <sup>(2)</sup>	
	in millions of euros	%	%	m <sup>2</sup>	%	In thousands of euros	%
Europlaza (1999 <sup>(3)</sup> )	387	45	6.5	49,321	39	26,966	44
Arcs de Seine (2000 <sup>(3)</sup> )	310	36	6.0	45,152	36	21,883	36
Rives de Bercy (2003 <sup>(3)</sup> )	168	19	7.0	31,942	25	12,509	20
Total	865	100		126,415	100	61,357	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, 2012 and market rent, as estimated by valuers, in relation to vacant premises (EUR 1,983k for Europlaza and EUR 8,627k 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, 2012	Dec. 31, 2011
Benefits granted to lessees (non-current portion)	14,401	9,068
Non-current loans and receivables	14,401	9,068

"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, 2012	Dec. 31, 2011
Trade accounts receivable	12,043	6,314
Provision for impairment of trade accounts receivable	(19)	(19)
Trade accounts receivable, net	12,024	6,295

### Note 5.4 Other operating receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2012	Dec. 31, 2011
Rental expenses	1,222	1,056
Benefits granted to lessees (current portion)		2,760
Input VAT	500	528
Supplier accounts in debit and other receivables	40	160
Liquidity account/treasury shares	138	71
Other operating receivables	1,899	4,575

"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 20,921k.

**Note 5.6 Ageing analysis of receivables**

The ageing analysis of receivables at December 31, 2012 is as follows:

In thousands of euros

	Receivables (net of impairment) 31/12/12	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
<b>Non-current receivables</b>						
Non-current loans and receivables	14,401	14,401				
<b>Total non-current receivables</b>	<b>14,401</b>	<b>14,401</b>	-	-	-	-
<b>Current receivables</b>						
Trade accounts receivable <sup>(1)</sup>	12,024	10,032	1,992	1,986	-	6
Other operating receivables	1,899	1,899				
Prepaid expenses	41	41				
<b>Total current receivables</b>	<b>13,964</b>	<b>11,972</b>	<b>1,992</b>	<b>1,986</b>	-	<b>6</b>
<b>Total receivables</b>	<b>28,366</b>	<b>26,373</b>	<b>1,992</b>	<b>1,986</b>	-	<b>6</b>

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 12,024k and is detailed in Note 5.24.

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

In thousands of euros

	Receivables (net of impairment) 31/12/11	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
<b>Non-current receivables</b>						
Non-current loans and receivables	9,068	9,068				
<b>Total non-current receivables</b>	<b>9,068</b>	<b>9,068</b>	-	-	-	-
<b>Current receivables</b>						
Trade accounts receivable	6,295	5,824	471	468		4
Other operating receivables	4,575	4,575				
Prepaid expenses	2,167	2,167				
<b>Total current receivables</b>	<b>13,038</b>	<b>12,566</b>	<b>471</b>	<b>468</b>	-	<b>4</b>
<b>Total receivables</b>	<b>22,106</b>	<b>21,634</b>	<b>471</b>	<b>468</b>	-	<b>4</b>

**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, 2012	Dec. 31, 2011
Financial assets at fair value through profit or loss		
Held-to-maturity investments		
Loans and receivables		
Non-current loans and receivables	14,401	9,068
Current receivables	13,924	10,870
Available-for-sale financial assets		
Cash and cash equivalents	20,921	16,963
<b>Total financial assets</b>	<b>49,247</b>	<b>36,901</b>
Financial liabilities at fair value through profit or loss		
Financial liabilities measured at amortized cost		
Non-current liabilities	397,362	399,643
Current liabilities	10,315	6,876
<b>Total financial liabilities</b>	<b>407,677</b>	<b>406,519</b>

**Note 5.9 Changes in impairment of financial assets**

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

In thousands of euros

Rubriques	Dec. 31, 2012	Additions	Reversals	Dec. 31, 2011
<b>Impairment</b>				
On trade accounts receivable	19			19
<b>Total impairment</b>	<b>19</b>	-	-	<b>19</b>



### Note 5.10 Consolidated equity

Composition of and changes in shareholders' equities

	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, 2011	13,372,500	12	160,470	49,333	266,668
Dividends paid					
Appropriation of net income for 2011				(9,176)	9,176
Net income for the year					16,860
Change in treasury shares held					66
Shareholders' equity at Dec. 31, 2012	13,372,500	12	160,470	40,157	292,770

Consolidated reserves comprise Cegereal SA reserves for a negative EUR 31,690k, IFRS adjustments (non-distributable items) of EUR 172,118k and the revaluation reserve in the amount of EUR 152,342k.

Dividends paid

In euros

	Recommended dividend for 2012	Paid in 2012 (excluding treasury shares)
Total dividend paid	8,692,125	
Net dividend per share in euros	0.65	

The total amount of dividends paid for the 2012 fiscal year is shown in the table based on the number of shares comprising the share capital at December 31, 2012. Dividends to be paid in respect of 2012 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 a dividend of EUR 0.65 per share be paid.

Dividends paid by SIICs between January 1 and December 31, 2013 are exempt from the 3% tax on dividend payments.

Treasury shares

In euros

	Amount at Dec. 31, 2012	Amount at Dec. 31, 2011	Change
Acquisition cost	425,372	608,827	(183,455)
Number of treasury shares at reporting date	25,649	29,316	(3,667)

### Note 5.11 Non-current borrowings

Until November 15, 2012, the Group financed its activities through a loan repayable at maturity on March 2, 2013. This loan was 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%
<b>Total</b>	<b>398,892</b>			

Under the amortized cost method, the effective interest rate of the loan (Tranches A and B) was 4.30%. The weighted average cost of the tranche of the loan used to finance the exit tax for the year ended December 31, 2012 was 1.41%. The gross interest expense incurred on this loan totaled EUR 14,111k for 2012.

The Group repaid the loan in advance on November 15, 2012. The accounting treatment of the costs incurred by this refinancing is described in Note 1.1.

On July 26, 2012, the Group took out a bank loan repayable at maturity on August 16, 2017. The loan was drawn on November 15, 2012 with a pool of four banks comprising Aareal Bank AG, Deutsche Pfandbriefbank AG, Bayerische Landesbank and Landesbank Berlin AG. The interest rate is 3.40% when the occupancy rate is below 90% (as is the case at December 31, 2012) and 3.15% when the occupancy rate exceeds this threshold.

At December 31, 2012, the bank loan, measured at the amortized cost of the consideration received less directly attributable transaction costs amounted to EUR 394,690k.

Under the amortized cost method, the effective interest rate of the loan is 3.73%.

The gross annual interest expense totals around EUR 1,776k for 2012.

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, 2012, 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 bank loan at December 31, 2012 can be analyzed as follows:

In thousands of euros

	Dec. 31, 2012		Dec. 31, 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loan	400,000	402,899		
Bank loan – Tranche A			196,400	200,456
Bank loan – Tranche B			180,000	183,717
Bank loan – Tranche C			22,492	22,492
<b>Total</b>	<b>400,000</b>	<b>402,899</b>	<b>398,892</b>	<b>406,665</b>

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 5.15 Maturity schedule for liabilities with undiscounted contractual values**

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

In thousands of euros

in thousands of euros

	Carrying amount at Dec. 31, 2012	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	
<b>Non-current liabilities</b>					
Non-current borrowings	394,690	400,000		400,000	
Other non-current borrowings and debt	2,672				2,672
Non-current corporate income tax liability					
<b>Total non-current liabilities</b>	<b>397,362</b>	<b>400,000</b>	<b>-</b>	<b>400,000</b>	<b>2,672</b>
<b>Current liabilities</b>					
Current borrowings	1,776	1,776	1,776		
Other current borrowings and debt					
Trade accounts payable	3,101	3,101	3,101		
Corporate income tax liability					
Other operating liabilities	5,438	5,438	5,438		
<b>Total current liabilities</b>	<b>10,315</b>	<b>10,315</b>	<b>10,315</b>	<b>-</b>	<b>-</b>

Other non-current borrowings and debt corresponds to security deposits paid by lessees. Their maturity date is more than five years because it is the Group's policy to extend leases when they expire.

**Note 5.16 Prepaid expenses and revenue**

At December 31, 2011, prepaid expenses consisted mainly of interest paid on the bank loan for the first quarter of 2012. Interest on the new loan is payable in arrears.

Prepaid revenue consists of rents billed in advance for the first quarter of 2013.

**Note 5.14 Other operating liabilities**

These can be broken down as follows:

In thousands of euros

	Dec. 31, 2012	Dec. 31, 2011
Personnel		(4)
Accrued VAT, other taxes and social security charges	2,081	1,843
Accrued rental expenses rebilled to lessees	1,917	925
Advance payments by lessees	148	43
Miscellaneous	0	8
<b>Other operating liabilities</b>	<b>4,146</b>	<b>2,816</b>
Amounts due to fixed asset suppliers	1,291	2,032
<b>Amounts due to fixed asset suppliers</b>	<b>1,291</b>	<b>2,032</b>
<b>Other liabilities</b>	<b>5,438</b>	<b>4,848</b>

"Accrued rental expenses rebilled to lessees" includes an amount of EUR 695k corresponding to the balance of lessees' contributions to the financing of large items of shared equipment.

**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

	2012	2011
Europlaza	22,725	21,422
Arcs de Seine	4,691	2,338
Rives de Bercy	11,217	10,795
<b>Total</b>	<b>38,633</b>	<b>34,555</b>

### **Note 5.18 Income from other services**

Income from other services can be analyzed as follows:

In thousands of euros

	2012	2011
Rental expenses rebilled to lessees	5,082	3,910
Real estate taxes rebilled to lessees	3,589	2,942
Other amounts rebilled to lessees and miscellaneous income	102	463
<b>Income from other services</b>	<b>8,773</b>	<b>7,315</b>

### **Note 5.19 Building-related costs**

These can be broken down as follows:

In thousands of euros

	2012	2011
Rental expenses	4,924	2,250
Taxes	4,697	4,535
Fees	4,052	3,183
Maintenance costs	431	326
Expenses on vacant premises	2,187	3,065
Other expenses	90	60
<b>Building-related costs</b>	<b>16,382</b>	<b>13,418</b>

Fees mainly comprise asset management fees with Commerz Real Investmentgesellschaft, which amounted to EUR 3,029k in 2012 and EUR 2,990k in 2011. 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 11,808k of which EUR 8,671k was rebilled.

### **Note 5.20 Administrative costs**

Administrative costs mainly comprise professional fees and also include payroll expenses for EUR 512k.

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

	2012	2011
Financial income	113	181
Financial expenses	(20,816)	(16,856)
Interest on bank borrowings	(16,917)	(16,856)
Breakage costs on previous loan	(3,899)	
<b>Net financial expense</b>	<b>(20,704)</b>	<b>(16,675)</b>

### **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, 2012, i.e., 25,649. 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 the same.

### **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 credit 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;
- assignment of rent receivables under the Dailly Law mechanism on all of the Group's existing real estate assets;
- to ensure that the interest coverage ratio (ICR) (available income/[projected interest + agency fees]) remains above 150%. Non-compliance with this ratio (calculated quarterly on each interest payment date) results in an obligation to repay the outstanding loan in the amount required for the ratio to be complied with;
- to ensure that the loan-to-value ratio (LTV) (outstanding loan/market value of real estate assets) remains below 70%. Non-compliance with this ratio (calculated quarterly on each publication of the valuation reports) results in an obligation to repay the outstanding loan in the amount required for the ratio to be complied with;
- to provide the agency with accounting and financial documents, valuation reports, financial ratio calculations and other information relating to the buildings described in the credit agreement;
- to allow the agency to carry out audits and visits as set out in the credit agreement;
- to take out insurance as set out in the credit agreement;
- not to take out any other loans;
- not to grant any loans apart from those set out in the credit agreement;
- not to grant liens on these assets, rights or income other than security interests;
- not to acquire any new real estate assets (excluding financing using equity) or interests;
- to distribute dividends to the sole shareholder under the conditions set out in the credit agreement;
- to only acquire investments set out in the credit agreement for cash flow needs;

- in the event that the Group no longer benefits from the SIIC regime, to show that the Group has sufficient equity to pay all the taxes and indemnities for which it may be liable and that the fact of no longer benefiting from the regime will not lead to an effective payment of corporate income tax during the term of the loan resulting in a materially unfavorable event;
- repaying the loan in advance, which would give rise to breakage costs and an early repayment indemnity.

Following the partial asset transfer, Cegereal SA 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 196,911k) under shareholders' equity for the same period, unless this restriction is waived in the event that the company has surplus cash.

## COMMITMENTS RECEIVED

With the arrival of new lessees in the Arcs de Seine building, security deposits received from lessees amounted to EUR 11,162k at December 31, 2012.

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, 2012, the minimum annual rental income (excluding VAT, rebilling of taxes and expenses, and rent decreases agreed after the end of the reporting period), 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	
	31/12/12	31/12/11
2013	41,638	34,210
2014	42,286	30,248
2015	28,651	13,793
2016	17,919	7,860
2017	13,721	4,892
2018	6,653	
2019	4,701	
2020	4,701	
2021	3,516	

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 (renamed Hypothekbank Frankfurt AG on October 9, 2012), are identified as related-party transactions.

The main transactions with related parties comprise the credit agreement entered into with Eurohypo AG (which was repaid in advance on November 15, 2012) and the asset management agreement (see Note 5.19).

In thousands of euros

	2012	2011
Impact on operating income		
Building-related costs: Asset management fees	3,029	2,990
Administrative costs: Fees	25	228
Impact on net financial expense		
Financial expenses	18,010	16,856
Total impact on statement of comprehensive income	21,064	20,074

Impact on assets	
Prepaid expenses	2,102
Total impact on assets	- 2,102

Impact on liabilities	
Non-current borrowings	398,217
Trade accounts payable	779
Total impact on liabilities	779 398,953

### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

- Compensation of the Chairman of the Board of Directors  
The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2011 and EUR 25k for 2012. The compensation for 2012 was paid in December.
- Compensation of key management personnel

In thousands of euros

Categories of employee benefits	2012	2011
Short-term employee benefits	280	300
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		
Share-based payment		
Total	280	300



(iii) Directors' fees

Directors' fees of EUR 68k were paid for 2012, the same amount as for 2011.

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

None

(v) Transactions entered into with executives

None

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

The Group has key management personnel in common with CRI, namely certain directors.

## TRANSACTIONS WITH OTHER RELATED PARTIES

Until November 15, 2012, the Group financed its activities through a EUR 398,892k loan from Eurohypo AG bank (renamed Hypothekenbank Frankfurt AG on October 9, 2012), which is considered a related party. The loan generated interest in an amount of EUR 14,111k and breakage costs in an amount of EUR 3,899k in 2012.

### Note 5.26 Personnel

The Group had three employees at December 31, 2012. 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 the Statutory Auditors for the years ended December 31, 2012 and 2011 were as follows:

In thousands of euros

	Amount (net of taxes)		%	
	2012	2011	2012	2011
Statutory audit of the financial statements	272	174	100	93
Advisory services and services directly related to the statutory audit engagement		13		7
Total	272	188	100	100

### Note 5.28 Subsequent events

Crédit Foncier renewed its lease in advance in January 2013, extending the term by an additional seven years to December 2021.

## 2.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

*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 160,470,000

## STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2012

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, 2012, 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, 2012 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, 2012 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 in section 2.5.1 to the consolidated financial statements regarding refinancing, Cegereal repaid its previous loan in advance in 2012 and procured a new loan.

As part of our assessment of the rules and accounting principles, we reviewed the accounting treatment applied to this refinancing operation and the overall presentation in the notes to the consolidated financial statements.

– Notes 2.3 and 2.4 in section 2.5.2 to the notes to the consolidated financial statements describe the accounting method and valuation methods used to measure investment property. Investment property is measured at fair value, as 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, ensuring that the notes to the consolidated financial statements contain the appropriate disclosures and assessing the procedures used by Executive Management to approve these estimations

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 14, 2013

**KPMG Audit FS I**

Denjean et Associés  
Partner



**Régis Chemouny**

Thierry Denjean  
Partner

**Denjean**  
Associés

# 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, 2012 were prepared in accordance with French generally accepted accounting principles applicable to individual financial statements.

### FINANCIAL POSITION/STATUTORY FINANCIAL STATEMENTS

At December 31, 2012, shareholders' equity stood at EUR 351,538k compared with opening shareholders' equity of EUR 352,978k.

At December 31, 2012, cash and cash equivalents stood at EUR 1,985k, increasing by the same amount as at December 31, 2011. The main changes during the year ended December 31, 2012 contributing to this increase were as follows:

In thousands of euros

SOURCES	
Funds from operations	
Net increase in working capital	3,487
Other changes	
Decrease in fixed assets	117
<b>Total sources of funds</b>	<b>3,604</b>
USES	
Funds from operations (negativ)	1,619
Funds used in operations	
Decrease in bank debt	
Increase in fixed assets	
<b>Total uses of funds</b>	<b>1,619</b>
<b>Net change in cash and cash equivalents</b>	<b>1,985</b>

### NET INCOME CAN BE ANALYZED AS FOLLOWS BY KEY INDICATOR

Cegereal's rental activity was transferred to its subsidiary Prothin within the scope of the partial asset transfer of December 22, 2011 with retroactive effect from July 1, 2011. Accordingly, Cegereal acted as the holding company for Prothin's shares throughout 2012 whereas in 2011 it also had a rental activity for the first six months.

In euros

	2012	2011
Net revenue		20,784
Other operating revenue	67	24
<b>Total operating revenue</b>	<b>67</b>	<b>20,808</b>
Other purchases and external charges	(1,109)	(6,488)
Taxes, duties and other levies	(47)	(2,365)
Wages and salaries	(344)	(348)
Fixed assets: depreciation and amortization		(12,777)
Other operating expenses	(68)	(69)
<b>Total operating expenses</b>	<b>(1,568)</b>	<b>(22,047)</b>
<b>Operating loss</b>	<b>(1,501)</b>	<b>(1,239)</b>
Total financial income	276	197
Total financial expenses	(98)	(8,222)
<b>Net financial income/(expense)</b>	<b>179</b>	<b>(8,025)</b>
<b>Net non-recurring expense</b>	<b>(117)</b>	<b>(23)</b>
<b>Net loss</b>	<b>(1,440)</b>	<b>(9,287)</b>

### 3.2 APPROPRIATION OF CEGEREAL SA NET LOSS FOR THE YEAR ENDED DECEMBER 31, 2012

#### APPROPRIATION OF NET LOSS

The Annual General Shareholders' Meeting will be asked to approve the appropriation of the 2012 net loss as follows:

Source:

- 2012 net loss: EUR 1,439,977
- Retained earnings: EUR 0

Appropriation:

- Loss of EUR 1,439,977 to "Retained earnings", bringing the total amount recorded under "Retained earnings" to a negative EUR 1,439,977.

#### 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 euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate
	Dividends	Other income distributed	
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
Dec. 31, 2011	-		-

#### NON TAX-DEDUCTIBLE EXPENSES (ARTICLE 39-4 OF THE FRENCH TAX CODE)

The General Shareholders' Meeting will be asked to approve the total amount of EUR 4,325 of expenses and charges referred to in Article 39-4 of the French Tax Code as well as the related tax.

#### INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS AND CUSTOMERS OF CEGEREAL SA

Amounts outstanding with respect to suppliers amounted to EUR 448k, including EUR 4k due at December 31, 2012 and EUR 444k in accrued expenses not yet due. Trade accounts payable totaled EUR 665k at December 31, 2011, of which EUR 29k 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, 2012.

## 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, 2012	Dec. 31, 2011
<b>Uncalled subscribed capital</b>					
<b>Intangible fixed assets</b>					
Start-up costs					
Research and development costs					
Licenses, patents and similar concessions					
Goodwill					
Other intangible fixed assets					
Advances/down payments on intangible assets					
<b>Property, plant and equipment</b>					
Land					
Buildings					
Plant, machinery and equipment					
Other property, plant and equipment					
Property, plant and equipment in progress					
Advances and down payments					
<b>Financial fixed assets</b> <b>5.1</b>					
Receivables from controlled entities		349,301,810		349,301,810	349,301,810
Other long-term investments					
Loans					
Other financial fixed assets		562,896		562,896	501,710
<b>FIXED ASSETS</b>		<b>349,864,706</b>	<b>-</b>	<b>349,864,706</b>	<b>349,803,520</b>
<b>Inventories and work in progress</b>					
Raw materials and other supplies					
Manufactured products in progress					
Services in progress					
Semi-finished and finished goods					
Goods held for resale					
<b>Advances/down payments on orders</b>					
<b>Receivables</b>					
Trade accounts receivable	<b>5.4</b>	22,344	18,683	3,661	3,661
Other receivables	<b>5.4</b>	209,388		209,388	5,707,674
Subscribed capital, called up but not paid					
<b>Short-term investment securities</b>					
<b>Cash and cash equivalents</b> <b>5.3</b>		<b>1,985,094</b>		<b>1,985,094</b>	
<b>CURRENT ASSETS</b>		<b>2,216,826</b>	<b>18,683</b>	<b>2,198,143</b>	<b>5,711,336</b>
<b>Prepaid expenses</b> <b>5.7</b>		<b>19,520</b>		<b>19,520</b>	<b>24,651</b>
<b>Adjustment accounts</b>					
<b>TOTAL ASSETS</b>		<b>352,101,052</b>	<b>18,683</b>	<b>352,082,369</b>	<b>355,539,505</b>



In euros

EQUITY AND LIABILITIES	Notes	Dec. 31, 2012	Dec. 31, 2011
<b>Capital</b>			
Share capital (including paid-up capital: 160,470,000)	5.8	160,470,000	160,470,000
Additional paid-in capital		24,110,276	33,285,900
Revaluation reserve	5.10	152,341,864	152,341,864
<b>Reserves</b>			
Legal reserve		16,047,000	16,047,000
Statutory or contractual reserves			
Regulated reserves			
Other reserves		8,423	8,423
<b>Income</b>			
Retained earnings			111,611
Net loss for the year		(1,439,977)	(9,287,235)
<b>Investment subsidies</b>			
<b>Regulated provisions</b>			
<b>SHAREHOLDERS' EQUITY</b>	5.9	351,537,587	352,977,563
<b>Income from the issue of equity instruments</b>			
<b>Contingent advances</b>			
<b>OTHER EQUITY</b>			
<b>Contingency provisions</b>			
<b>Loss provisions</b>			
<b>LOSS AND CONTINGENCY PROVISIONS</b>			
<b>Non-current borrowings and debt</b>			
Convertible bonds			
Other bonds			
Bank borrowings			
Miscellaneous borrowings and debt			
<b>Trade accounts payable and other current liabilities</b>			
Advances/down payments received on orders in progress			
Trade accounts payable	5.4	448,245	664,623
Tax and social liabilities	5.4	79,423	1,720,395
Amounts owed to fixed asset suppliers			
Other liabilities	5.4	17,114	176,923
Prepaid revenue			
<b>LIABILITIES</b>		544,782	2,561,941
<b>Adjustment accounts</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>		352,082,369	355,539,505

## Income statement – French GAAP

In euros

	France	Exports	Notes	2012 Total	2011 Total
Sales of goods for resale					
Sales of manufactured products					
Sales of services			5.11		20,784,100
<b>NET REVENUE</b>	-	-		-	20,784,100
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				66,710	24,012
Other revenue				4	1
<b>Total operating revenue</b>				66,714	20,808,112
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			5.12	1,108,900	6,487,837
Taxes, duties and other levies				46,947	2,364,813
Wages and salaries				237,072	246,753
Social security charges				106,901	101,528
Fixed assets: depreciation and amortization					12,776,876
Fixed assets: provisions for impairment					
Current assets: provisions for impairment					
Loss and contingency provisions					
Other expenses				68,003	69,223
<b>Total operating expenses</b>				1,567,822	22,047,031
<b>OPERATING LOSS</b>				(1,501,108)	(1,238,918)
Allocated income or transferred loss					
Loss incurred or transferred income					
Financial income from controlled entities					
Income from other securities and receivables					
Other interest income				37,776	181,371
Reversal of provisions for impairment, other provisions and expense transfers				238,298	15,258
Foreign exchange gains					23
Net income on sale of short-term investment securities					
<b>Total financial income</b>				276,074	196,652
Depreciation, amortization, provisions for impairment and other provisions				59,673	180,850
Interest expenses				37,831	8,041,560
Foreign exchange losses					
Net expenses on sales of short-term investment securities					
<b>Total financial expenses</b>				97,504	8,222,410
<b>NET FINANCIAL INCOME/(EXPENSE)</b>				178,570	(8,025,758)
<b>RECURRING LOSS BEFORE TAX</b>				(1,322,538)	(9,264,676)

In euros

	Notes	2012	2011
Non-recurring income on management transactions			
Non-recurring income on capital transactions			50,594
Reversal of provisions for impairment, other provisions and expense transfers			
Total non-recurring income		-	50,594
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions		117,438	73,153
Depreciation, amortization and provisions for impairment			
Total non-recurring expenses		117,438	73,153
NET NON-RECURRING EXPENSE	5.13	(117,438)	(22,558)
Employee profit sharing			
Corporate income tax			
TOTAL INCOME		342,788	21,055,359
TOTAL EXPENSES		1,782,764	30,342,594
NET LOSS		(1,439,977)	(9,287,236)

### 3.5 NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2012

#### 3.5.1 BACKGROUND

##### *Note 1.1 Stock market listing*

The Company's shares have been quoted on the Eurolist market (compartment B) 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, 2012.

##### *Note 1.3 Presentation of comparative financial information*

The information presented in the annual financial statements for the year ended December 31, 2012 includes comparative data in relation to the year ended December 31, 2011.

#### 3.5.2 SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2012 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, 2012 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.

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
Façades	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.

#### **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 credit 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 revenue or in non-recurring income depending on how the expenses concerned are recognized in the accounts.

### **Note 5.1 Statement of financial fixed assets**

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

In euros

	Gross value at Jan. 1, 2012	Increases	Decreases	Gross value at Dec. 31, 2012
Equity investments	349,301,810			349,301,810
Treasury shares	608,827	284,396	467,851	425,372
Cash used in the liquidity agreement	71,057	235,860	169,393	137,524
<b>Total financial fixed assets</b>	<b>349,981,694</b>	<b>520,257</b>	<b>637,244</b>	<b>349,864,706</b>

At December 31, 2012, Cegereal held 25,649 of its own shares out of a total of 13,372,500 shares, representing an amount of EUR 425,372. During the year, 17,883 shares were purchased and 21,550 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 5.2 Provisions for impairment**

Changes in this item were as follows:

In euros

	Amount at Jan. 1, 2012	Additions	Reversals	Amount at Dec. 31, 2012
On treasury shares	178,175	59,673	237,848	-
On trade accounts receivable	18,683			18,683
<b>Total provisions for impairment</b>	<b>196,857</b>	<b>59,673</b>	<b>237,848</b>	<b>18,683</b>

### **Note 5.3 Cash and cash equivalents**

Cash and cash equivalents can be analyzed as follows:

In euros

	Dec. 31, 2012	Dec. 31, 2011
Cash and cash equivalents		
Bank accounts	1,985,094	
Time deposits		
Accrued interest receivable		
<b>Total</b>	<b>1,985,094</b>	

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	448,245	448,245		
Tax and social liabilities	79,423	79,423		
Amounts due to fixed asset suppliers				
Other liabilities	17,114	17,114		
<b>Total payables</b>	<b>544,782</b>	<b>544,782</b>	<b>-</b>	<b>-</b>

### **3.5.3 MANAGEMENT OF FINANCIAL RISKS**

At December 31, 2012, the risks incurred by Cegereal SA relate to the equity interests held in its subsidiary, Prothin SAS.

### **3.5.4 CHANGE IN ACCOUNTING POLICIES**

There was no change in accounting policies in 2012 compared to 2011.

### **3.5.5 NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT AND OTHER INFORMATION**

### **Note 5.4 Statement of receivables and payables by maturity**

Receivables and payables at December 31, 2012 can be analyzed as follows by maturity:

In euros

Receivables	Gross amount	Due in 1 year or less	Due in more than 1 year
<b>Receivables related to current assets</b>			
Trade accounts receivable	22,344	22,344	
Other receivables	209,388	209,388	
<b>Total receivables</b>	<b>231,732</b>	<b>231,732</b>	<b>-</b>

**Note 5.5 Accrued income and expenses**

At December 31, 2012, accrued income and expenses can be analyzed as follows:

In euros

Accrued income	Dec. 31, 2012	Dec. 31, 2011
Other receivables	68,533	
Cash and cash equivalents		
<b>Total</b>	<b>68,533</b>	<b>-</b>

Accrued expenses	Dec. 31, 2012	Dec. 31, 2011
Trade accounts payable	444,364	635,972
Tax and social liabilities	18,939	33,509
<b>Total</b>	<b>463,303</b>	<b>669,482</b>

**Note 5.6 Transactions with related parties**

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

**TRANSACTIONS WITH RELATED COMPANIES****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 (renamed Hypothekenbank Frankfurt AG on October 9, 2012), are identified as related-party transactions.

The main transactions with related parties comprise the credit agreement entered into with Eurohypo AG (which was repaid in advance on November 15, 2012) and the asset management agreement (until December 22, 2011, in light of its transfer to Prothin as part of the partial asset transfer).

In euros

	2012	2011
<b>Impact on operating income</b>		
Rental expenses rebilled (by the Company)	82,958	
Rental expenses rebilled (to the Company)	(70,000)	
Asset management fees		(1,495,234)
Fees		(228,000)
<b>Impact on net financial expense</b>		
Interest paid	(37,831)	(8,041,560)
Interest received	34,030	
<b>Total impact on income statement</b>	<b>3,801</b>	<b>(9,764,794)</b>
<b>Impact on assets</b>		
Other receivables	29,984	5,532,277
Prepaid expenses		
<b>Total impact on assets</b>	<b>29,984</b>	<b>5,532,277</b>
<b>Impact on liabilities</b>		
Dividends		
Miscellaneous borrowings and debt		
Trade accounts payable	13,953	
<b>Total impact on liabilities</b>	<b>13,953</b>	<b>-</b>

**Note 5.9 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 loss
Jan. 1, 2012	160,470,000	33,285,900	168,508,898	(9,287,235)	352,977,563
Appropriation of net loss for the previous year		(9,175,624)	(111,611)	9,287,235	0
Net loss for the year				(1,439,977)	(1,439,977)
<b>Dec. 31, 2012</b>	<b>160,470,000</b>	<b>24,110,276</b>	<b>168,397,287</b>	<b>(1,439,977)</b>	<b>351,537,587</b>

**TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2011 and EUR 25k for 2012.

In accordance with a decision by the Board of Directors, the amounts paid to members of management totaled EUR 202,794 for the year ended December 31, 2012.

At the General Shareholders' Meeting of June 28, 2012, the shareholders set the maximum total annual directors' fees for all Board members at EUR 120k. In December 2012, directors' fees of EUR 68k were paid for the year ended December 31, 2012.

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 5.7 Prepaid expenses and revenue**

At December 31, 2012, prepaid expenses and revenue can be analyzed as follows:

In euros

	Expenses	Revenue
Operating revenue/expenses	19,520	
Financial income/expenses		
Non-recurring income/expenses		
<b>Total income statement impact</b>	<b>19,520</b>	<b>-</b>

Prepaid expenses consist mainly of trade dues relating to a period after December 31, 2012.

**Note 5.8 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.

The General Shareholders' Meeting of June 28, 2012:

- authorized the Board to implement a share buyback program under Article L.225-209 of the French Commercial Code;
- authorized the Board to cancel any shares bought back by the Company under Article L.225-209 of the French Commercial Code;

#### Note 5.10 Revaluation reserve

At December 31, 2012, 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
<b>Total</b>	<b>246,423,770</b>	<b>(89,967,360)</b>	<b>25,459,816</b>	<b>(29,574,363)</b>	<b>152,341,863</b>	<b>3,036,576</b>

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.

#### Note 5.11 Breakdown of revenue

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

In euros

	2012	2011
Rental income	-	17,213,940
Rental expenses rebilled to lessees	-	1,976,380
Real estate taxes rebilled to lessees	-	1,520,958
Termination indemnities	-	-
Other revenue	-	72,822
<b>Total</b>	<b>-</b>	<b>20,784,100</b>

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 5.12 Breakdown of certain income statement items

At December 31, 2012, other purchases and external charges can be analyzed as follows:

In euros

	2012	2011
Expenses rebilled to lessees		1,080,705
Rental expenses	9,591	44,412
Maintenance and repair of buildings		210,552
Expenses on vacant premises <sup>(a)</sup>		1,572,307
Fees <sup>(b)</sup>	478,759	3,146,194
Publications	372,086	228,509
Sundry expenses	248,464	205,158
	<b>1,108,900</b>	<b>6,487,837</b>

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

(b) Asset management fees with Commerz Real Investmentgesellschaft amounted to EUR 1,495,233 in 2011. These fees were based on the estimated value of the buildings owned.

- 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.

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

#### Note 5.13 Net non-recurring income

Net non-recurring income for the year ended December 31, 2012 corresponds to capital gains and losses on the sale of treasury shares.

#### Note 5.14 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, 2012. 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

- 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).
- 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 that the beneficiary is a company that has an obligation to distribute all dividends it receives.

### **Note 5.15 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 loss	Dividends received by the Company in 2012
<b>Subsidiaries (more than 50%-owned)</b>									
- Prothin SAS	151,870,350	197,431,460	100	349,301,810	0	0	47,407,241	(21,605,162)	0
<b>Investments (between 10% and 50%-owned)</b>									

### **Note 5.16 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 SA 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 196,911k) under shareholders' equity for the same period, unless this restriction is waived in the event that the company has surplus cash.

### **Note 5.17 Recommended appropriation of net income**

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that a dividend of EUR 0.65 per share be paid.

### **Note 5.18 Headcount**

The employment contracts for Cegereal's employees were transferred to Prothin SAS in 2011 within the scope of the partial asset transfer. The Company therefore had no employees in 2012.

### **Note 5.19 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, 2012 and 2011:

In euros

	Amount (net of taxes)		%	
	2012	2011	2012	2011
Statutory audit of the financial statements	77,679	156,355	100	92
Advisory services and services directly related to the statutory audit engagement		13,280	0	8
<b>Total</b>	<b>77,679</b>	<b>169,635</b>	<b>100</b>	<b>100</b>

### **Note 5.20 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: €160,470,000

#### **Statutory Auditors' report on the annual financial statements**

Year ended December 31, 2012

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, 2012, 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, 2012 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, 2012 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.

- Note 2.2 in section 3.5.2 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 14, 2013

#### **KPMG Audit FS I**

Denjean & Associés  
Partner



Régis Chemouny  
Thierry Denjean  
Partner

Denjean  
Associés



### 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 on related-party agreements and commitments 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: €160,470,000

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

General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2012

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 the 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 given to us is consistent with the underlying documents.

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

We were not informed of any agreement or commitment entered into during the year to be submitted for approval at the Annual General Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

#### **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, 2012.

#### **Memorandum of Understanding to ensure Commerz Real Investmentgesellschaft mbH's (CRI) 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 have any impact on the financial statements for the year ended December 31, 2012.

The Statutory Auditors

Paris-La Défense and Levallois-Perret, February 14, 2013

#### **KPMG Audit FS I**

Denjean et Associés

Partner



#### **Régis Chemouny**

Thierry Denjean

Partner







# 03

## LEGAL INFORMATION



# III. LEGAL INFORMATION

## 1. General shareholders' meeting of June 26, 2013

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

The Board of Directors has convened an Ordinary and Extraordinary Shareholders' Meeting on June 26, 2013 to report on the Company's activity in the course of the year that began on January 1, 2012 and ended on December 31, 2012, and to submit that year's annual and consolidated financial statements to the shareholders for approval. The meeting has 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 26, 2013 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 1,439,977 and net income of EUR 16,860,348 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 2012 net loss*

The fourth resolution proposes the appropriation of the net loss for the year as follows: EUR 1,439,977 to "Retained earnings".

Source:

- 2012 net loss: EUR 1,439,977
- Retained earnings: EUR 0

Appropriation:

- Net loss of EUR 1,439,977 to "Retained earnings", bringing the total amount recorded under "Retained earnings" to a negative EUR 1,439,977.

#### *Exceptional distribution of a merger premium*

The fifth resolution proposes an exceptional distribution of a merger premium amounting to a total of EUR 8,692,125, i.e., EUR 0.65 per share.

If this proposal is adopted, the distribution will take place on July 18, 2013.

#### *Related party agreements*

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

#### *Directors' fees*

The seventh resolution relates to directors' fees. The shareholders are being asked to set the amount of such fees at EUR 120,000 for the 2013 fiscal year.

#### *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 28, 2013. 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 would terminate the authorization that the Ordinary Shareholders' Meeting granted the Board of Directors at the June 28, 2012 meeting.

The buy-backs may be carried out with the following aims:

- to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;
- to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article L.225-209, paragraph 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/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;
- 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 transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 53,490,000.

The ninth resolution allows the Company to cancel the shares bought back 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: Delegation of authority to increase the Company's share capital by capitalizing reserves, profits and/or additional paid-in capital.

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

This authority would terminate the authority that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting in its nineteenth resolution, which expires on August 29, 2013.

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

The amount of the capital increase resulting from issues carried out under this delegation of authority may not exceed a nominal amount of EUR 300,000,000.

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

The delegations of authority to increase the capital through a cash payment with or without pre-emptive subscription rights expire on August 29, 2013. The Board has not used these delegations of authority.

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

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

In the event of a transaction involving the share capital, the Board of Directors favors maintaining the pre-emptive subscription rights for existing shareholders. However, some circumstances or opportunities may require the cancellation of these rights as part of a public offer or private placement for qualified investors or a limited pool of investors.

These authorities would terminate the authorities that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting, which expire on August 29, 2013.

(b) Eleventh resolution: Delegation of authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities, with pre-emptive subscription rights.

We propose to set the maximum total nominal amount of shares authorized for issue pursuant to this delegation of authority at EUR 300,000,000.

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

The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

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

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

- to limit the issue to the amount subscribed provided that it equals at least three quarters of the issue authorized,
- to distribute without restrictions all or part of the unsubscribed securities;
- to float all or part of the unsubscribed securities.

(c) Twelfth resolution: Delegation of authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a public offer.

Under this delegation of authority, the issues are offered to the public.

Pre-emptive subscription rights for existing shareholders to ordinary shares and/or securities granting access to the share capital are canceled, but the Board of Directors may grant existing shareholders a priority subscription right.

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

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

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

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

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

- to limit the issue to the amount subscribed provided that it equals at least three quarters of the issue authorized,
- to distribute without restrictions all or part of the unsubscribed securities.

(d) Thirteenth resolution: Delegation of authority to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a private placement

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

Pre-emptive subscription rights for existing shareholders to ordinary shares and/or securities granting access to the share capital are canceled.

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

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

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

(e) Fourteenth resolution: Determination of the terms and conditions for setting the subscription price in the event of the cancellation of pre-emptive subscription rights within the limit of 10% of the capital per year.

In compliance with Article L.225-136-1°, paragraph 2, of the French Commercial Code, we propose to authorize the Board of Directors' meeting which decides on the issuance of ordinary shares or securities granting access to the share capital without pre-emptive subscription rights through a public offer and/or private placement, to waive the terms and conditions for setting the subscription price indicated above, within the limit of 10% of the share capital per year, and to set the issue price of the equity securities to be issued in accordance with the following terms and conditions:

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

This exceptional pricing rule may be explained by the discount at which the Cegereal share is trading compared with its NAV.

(f) Fifteenth resolution: Authorization to increase the amount of shares issued in the event of over-subscription.

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

(g) Sixteenth resolution: Delegation of authority to increase the share capital in consideration of contributions of shares or securities.

This authority would terminate the authority that the General Shareholders' Meeting granted the Board of Directors at the June 29, 2011 meeting, which expires on August 29, 2013.

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

This delegation of authority would be granted for 26 months.

The total nominal amount of ordinary shares authorized for issue pursuant to this delegation of authority may not exceed 10% of the share capital. This amount is independent from any other limits provided for in the other delegations of authority to increase the share capital.

(h) Seventeenth resolution: Authorization to use these powers during a public offer period under the reciprocity exception.

The shareholders are being asked to authorize the Board of Directors, for a period of 18 months, to use the delegations of authority and/or authorizations to be granted during a public offer period in the event that the Company's securities are concerned by such an 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 28, 2012 meeting in its tenth resolution, which expires on December 28, 2013.

(i) Eighteenth resolution: Delegation of authority to issue 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 authority would terminate the authority that the General Shareholders' Meeting granted the Board of Directors at the June 28, 2012 meeting in its eleventh resolution, which expires on December 28, 2013.

(j) Nineteenth resolution: Authorization to be granted to the Board of Directors for the purpose of granting stock subscription options or stock purchase options to employees and/or certain corporate officers.

The shareholders are being asked to authorize the Board of Directors, for a period of 38 months, to grant stock subscription or stock purchase options to all or some employees, or certain categories of employees, and/or to corporate officers, as defined by law, either of the Company or of economic interest groups related to the Company in accordance with the provisions of Article L.225-180 of the French Commercial Code.

The total number of options that may be granted by the Board of Directors under this authorization may not entitle beneficiaries to purchase or subscribe to more than 2% of the share capital outstanding on the first grant date.

The subscription or purchase price of the shares shall be set on the day on which the options are granted by the Board of Directors and may not be lower than the average trading price for the twenty trading days prior to the grant date.

The term of the options set by the Board shall not exceed ten years from the grant date.

The Board of Directors shall have full powers, within the limits set above, to determine the other terms and conditions for the grant and exercise of these options, including the conditions under which the options shall be granted, the list or categories of beneficiaries as set out above, the exercise period(s) of the options granted, and to accomplish, or have accomplished, all the procedures and formalities required to complete the resulting capital increases, where applicable, amend the bylaws accordingly and carry out any other necessary steps.

(k) Twentieth resolution: Delegation of authority to increase the share capital by issuing shares without pre-emptive subscription rights in favor of members of a company savings plan (Articles L.225-129-6, L.225-138-1 of the French Commercial Code and L.3332-18 et seq. of the French Labor Code).

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

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

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

The maximum nominal amount of the increase(s) in share capital that could be carried out by means of this delegation of authority is 1% of the amount of the share capital at the time of the Board of Directors' decision to carry out the increase.

This delegation of authority is granted for 26 months.

In compliance with Article L.3332-19 of the French Labor Code, the price of the shares to be issued may not be over 20% (or 30% if the lock-up period provided for by the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more), lower than the average of the opening price of the share during the 20 trading days prior to the Board of Directors' decision to increase the share capital and issue the corresponding shares; nor may it be higher than said average.

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

Obviously, the completion of such a reserved capital increase remains subject to a company savings plan having been set up by the Company.

Consequently, owing to the Company's particular situation, the Board requests that shareholders purely and simply reject this resolution and vote against the proposed increase in share capital that will be submitted to them only to satisfy legal provisions.

## 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, 2012,
- Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2012,
- Approval of the annual financial statements for the year ended December 31, 2012, approval of non tax-deductible expenses,
- Approval of the consolidated financial statements for the year ended December 31, 2012,
- Discharge to the directors,
- Appropriation of net loss,
- Exceptional distribution of a merger premium,
- Statutory Auditors' special report on related party agreements and commitments and approval of such agreements,
- Setting of the directors' fees to be allocated to the Board of Directors,
- 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.

## Extraordinary resolutions:

- Authorization to be granted to the Board of Directors for the purpose of cancelling 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 (share buy-back program), period of validity of the authorization, ceiling,
- Delegation of authority to the Board of Directors to increase the Company's share capital by capitalizing reserves, profits, and/or additional paid-in capital, period of validity of the delegation, maximum nominal amount of the increase in share capital, fractional shares,
- Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities with pre-emptive subscription rights, period of validity of the delegation, maximum nominal amount of the increase in share capital, option of floating unsubscribed shares,
- Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a public offer and/or as payment for securities as part of a public exchange offer, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, option of limiting the issue to the amount subscribed or of distributing unsubscribed securities,
- Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a private placement, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, option of limiting the issue to the amount subscribed or of distributing unsubscribed securities,
- Authorization, in the event of the cancellation of pre-emptive subscription rights, to set the issue price, within the limit of 10% of the share capital per year and according to the conditions determined by the General Shareholders' Meeting,
- Authorization to increase the amount of shares issued in the event of over-subscription,
- Delegation of authority to the Board of Directors to increase the share capital, within the limit of 10% and without pre-emptive subscription rights, in consideration of contributions of shares or securities granting access to capital, period of validity of the delegation,
- Authorization to be granted to the Board of Directors to use delegations of authority and/or authorizations during a public offer period under the reciprocity exception, period of validity of the authorization,
- Delegation of authority to issue share subscription warrants and grant them to shareholders during a public offer period under the reciprocity exception, maximum nominal amount of the increase in share capital, maximum number of warrants authorized for issue, period of validity of the delegation, exercise price and other characteristics,
- Authorization to be granted to the Board of Directors for the purpose of granting stock subscription options and/or stock purchase options to employees and/or certain corporate officers of the Company or related companies, waiver by shareholders of their pre-emptive subscription right, period of validity of the authorization, ceiling, exercise price, maximum period of validity of the option,

- Delegation of authority to the Board of Directors to increase the share capital by issuing shares without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 et seq. of the French Labor Code, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, possibility to grant free shares in accordance with Article L.3332-21 of the French Labor Code,
- Powers for formalities.

## PROPOSED RESOLUTIONS

## Ordinary resolutions

First resolution (ordinary) – Approval of the annual financial statements for the year ended December 31, 2012

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2012, the General Shareholders' Meeting approves the financial statements for 2012 as presented, i.e., showing a net loss of EUR 1,439,977.

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

The General Shareholders' Meeting approves in particular the total amount of EUR 4,325 of expenses and charges referred to in Article 39 (4) of the French Tax Code as well as the related tax.

Second resolution (ordinary) – Approval of the consolidated financial statements for the year ended December 31, 2012

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2012, the General Shareholders' Meeting approves the consolidated financial statements for 2012 as presented, i.e., showing attributable net income of EUR 16,860,348.

Third resolution (ordinary) – Discharge to the directors

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2012, the General Shareholders' Meeting grants the directors full and unconditional discharge for the performance of their duties during that period.

Fourth resolution (ordinary) – Appropriation of net loss

On the recommendation of the Board of Directors, the General Shareholders' Meeting decides to appropriate the net loss for the year ended December 31, 2012 as follows:

## Source:

- 2012 net loss: EUR 1,439,977
- Retained earnings: EUR 0

## Appropriation:

- Net loss of EUR 1,439,977 to "Retained earnings", bringing the total amount recorded under "Retained earnings" to a negative EUR 1,439,977.



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, 2008	21,623,046		4,453,329
Dec. 31, 2009	21,663,450		1,069,800
Dec. 31, 2010	13,773,674		936,075
Dec. 31, 2011	-		-

#### Fifth resolution (ordinary) – Approval of an exceptional distribution of a merger premium

Deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, the General Shareholders' Meeting decides to make an exceptional distribution of a merger premium for an amount of EUR 8,692,125, deducted from the "Merger premium" account, namely an amount of EUR 0.65 per share.

The balance of the "Merger premium" account is therefore reduced from EUR 18,620,105 to EUR 9,927,890.

The amount distributed will be paid on July 18, 2013.

From a tax standpoint, the dividend will be treated as the reimbursement of a contribution not subject to personal income tax in France.

#### Sixth resolution (ordinary) – Statutory Auditors' special report on related party agreements and commitments and approval of such agreements

Having reviewed the Statutory Auditors' special report mentioning the absence of agreements of the type referred to in Articles L.225-38 et seq. of the French Commercial Code, the General Shareholders' Meeting simply places this fact on record.

This resolution is ..... (adopted or rejected), (depending on the case) and it is noted that the shareholders concerned abstained from voting on this resolution.

#### Seventh resolution (ordinary) – Setting of the directors' fees to be allocated to the Board of Directors

The General Shareholders' Meeting sets the maximum sum allocated to the Board of Directors as directors' fees for 2013 at EUR 120,000.

#### 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 28, 2012 meeting in its eighth 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, paragraph 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/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;
- 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 transaction and the number of shares after the transaction).

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 transactions, 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 cancelling 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 (share buy-back program)

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 26, 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) – Delegation of authority to the Board of Directors to increase the Company's share capital by capitalizing reserves, profits, and/or additional paid-in capital

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

- (1) Grants authority to the Board of Directors to increase the share capital, on one or more occasions at such time and under the terms and conditions it deems appropriate, by capitalizing reserves, profits, additional paid-in capital or other amounts that may be capitalized, by issuing and granting free shares, raising the par value of existing ordinary shares or a combination of these two methods.
- (2) Decides that if the Board of Directors uses this delegation of authority, in compliance with Article L.225-130 of the French Commercial Code, in the event of a capital increase through free share grants, the rights to fractional shares shall not be negotiable or transferable, and the attached shares shall be sold. The amounts received from the sale of these shares shall be allocated to the holders of said rights within regulatory time frames.
- (3) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.
- (4) Decides that the amount of the capital increase resulting from issues carried out under this resolution may not exceed the nominal amount of EUR 300,000,000. This amount does not include the amount required to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions. This amount is independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.
- (5) Grants the Board of Directors full powers to implement this resolution and, more generally, to take any and all measures and perform any formalities required to carry out each capital increase successfully, record the completion of the transaction and amend the bylaws accordingly.
- (6) Acknowledges that this delegation of authority supersedes, as of the date of this General Shareholders' Meeting and in the amount of the unused portion, where applicable, any prior delegation of authority granted to the same effect.

Eleventh resolution (extraordinary) – Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities with pre-emptive subscription rights

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

- (1) Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, in euros, foreign currencies or any other unit of account established based on a currency basket,

- ordinary shares, and/or
- securities granting immediate or deferred access, at any time or on a specified date, to ordinary Company shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other means, and/or
- securities granting access to debt securities.

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

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

The total nominal amount of Company shares authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

The amounts above are independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.

- (4) If the Board of Directors uses this delegation of authority for issues referred to in 1) above:

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

b/ Decides that if the subscriptions to which the shareholders are entitled by way of right, and, if applicable, applications for excess shares, do not absorb the entire issue referred to in 1) above, the Board of Directors has the following options:

- to limit the issue to the amount subscribed, it being specified that, in order for this limit to be applied, the amount subscribed must be equal to at least three quarters of the issue authorized for issues of ordinary shares, or of securities, where the primary security is a share;
- to distribute without restrictions all or part of the unsubscribed securities;
- to float all or part of the unsubscribed securities.

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

(6) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

Twelfth resolution (extraordinary) – Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a public offer

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

(1) Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, through a public offer, on the French market and/or abroad, in euros, foreign currencies or any other unit of account established based on a currency basket,

– ordinary shares, and/or

– securities granting immediate or deferred access, at any time or on a specified date, to ordinary Company shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other means, and/or

– securities granting access to debt securities.

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

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

(2) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

(3) The total nominal amount of ordinary shares authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

This amount is deducted from the capital increase limit set in the thirteenth resolution (relating to issues without pre-emptive subscription rights through a private placement).

The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

This amount is deducted from the nominal amount limit for debt securities set in the thirteenth resolution (relating to issues without pre-emptive subscription rights through a private placement).

(4) Decides to cancel shareholders' pre-emptive subscription rights attached to ordinary shares and securities granting access to the share capital and/or debt securities referred to in this resolution. The Board of Directors shall, however, maintain the option of granting shareholders a priority subscription right, in accordance with legal provisions.

(5) Decides that the sum paid or owed to the Company for each ordinary share issued under this delegation of authority, after taking into account the subscription price of any share subscription warrants issued, is at least equal to the minimum required by the legal and regulatory provisions in force when the Board of Directors implements the delegation of authority.

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

(7) Decides that, if the issue mentioned in point 1) above is undersubscribed, the Board of Directors has the following options:

– to limit the issue to the amount subscribed, it being specified that, in order for this limit to be applied, the amount subscribed must be equal to at least three quarters of the issue authorized for issues of ordinary shares, or of securities, where the primary security is a share;

– to distribute without restrictions all or part of the unsubscribed securities.

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

(9) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

Thirteenth resolution (extraordinary) – Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital and/or debt securities without pre-emptive subscription rights through a private placement

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

(1) Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, on the French market and/or abroad, through an offering defined in Section II of Article L.411-2 of the French Monetary and Financial Code, in euros, foreign currencies or any other unit of account established based on a currency basket:

- ordinary shares, and/or
- securities granting immediate or deferred access, at any time or on a specified date, to ordinary Company shares by subscription, conversion, exchange, redemption, presentation of a warrant or by any other means, and/or
- securities granting access to debt securities.

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

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

This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

This amount is deducted from the capital increase limit set in the twelfth resolution (relating to issues without pre-emptive subscription rights through a public offer).

The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

This amount is deducted from the nominal amount limit for debt securities set in the twelfth resolution (relating to issues without pre-emptive subscription rights through a public offer).

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

(6) Decides that, if the issue mentioned in point 1) above is undersubscribed, the Board of Directors has the following options:

- to limit the issue to the amount subscribed, it being specified that, in order for this limit to be applied, the amount subscribed must be equal to at least three quarters of the issue authorized for issues of ordinary shares, or of securities, where the primary security is a share;
- to distribute without restrictions all or part of the unsubscribed securities

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

(8) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose

Fourteenth resolution (extraordinary) – Determination of the terms and conditions for setting the subscription price in the event of the cancellation of pre-emptive subscription rights within the limit of 10% of the capital

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Article L.225-136-1°, paragraph 2, of the French Commercial Code, the General Shareholders' Meeting authorizes the Board of Directors, when deciding on the issuance of ordinary shares or securities granting access to the share capital in application of the twelfth and thirteenth resolutions (relating to issues without pre-emptive subscription rights through a public offer and private placement), to waive the terms and conditions for setting the subscription price indicated in the above-mentioned resolutions, within the limit of 10% of the share capital per year, and to set the issue price of the equity securities to be issued in accordance with the following terms and conditions:

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

This exceptional pricing rule may be explained by the discount at which the Cegereal share is trading compared with its NAV

Fifteenth resolution (extraordinary) – Authorization to increase the amount of shares issued in the event of over-subscription

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

Sixteenth resolution (extraordinary) - Delegation of authority to the Board of Directors to increase the share capital, within the limit of 10% and without pre-emptive subscription rights, in consideration of contributions of shares or securities granting access to capital

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

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

Seventeenth resolution (extraordinary) – Use of delegations of authority during a public offer period under the reciprocity exception

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 ten, eleven, twelve, thirteen, fourteen, fifteen and sixteen presented at this General Shareholders' Meeting.
- Decides to set the period of validity hereof at 18 months from the date of this General Shareholders' Meeting.
- Decides that the Board of Directors will be granted full powers to implement this authorization, under the terms laid down by law.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 28, 2012 meeting in its tenth resolution.

Eighteenth resolution (extraordinary) – Delegation of authority to issue share subscription warrants and grant them to shareholders during a public offer period under the reciprocity exception

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 delegation of authority, 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 eleventh, twelfth and thirteenth resolutions presented at this General Shareholders' Meeting.

- Grants the Board of Directors full powers to implement this delegation of authority 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 delegation of authority 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 delegation of authority granted in the seventeenth resolution presented at this General Shareholders' Meeting.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 28, 2012 meeting in its eleventh resolution.

Nineteenth resolution (extraordinary) – Authorization to be granted to the Board of Directors for the purpose of granting stock subscription options and/or stock purchase options to employees and/or certain corporate officers

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

- Authorizes the Board of Directors, under the provisions of Articles L.225-177 to L.225-185 of the French Commercial Code, to grant, on one or several occasions, for the benefit of the beneficiaries indicated below, options granting entitlement to subscribe to new shares in the Company to be issued in the form of a capital increase or to purchase existing Company shares resulting from buy-backs carried out in accordance with conditions defined by law.
- Sets the period of validity hereof at 38 months from the date of this General Shareholders' Meeting.
- Decides that these options may only be granted to the following beneficiaries:
  - all or some employees, or certain categories of employees of the Company and, where applicable, economic interests groups related to the Company in accordance with the provisions of Article L.225-180 of the French Commercial Code;
  - corporate officers who meet the criteria set out in Article L.225-185 of the French Commercial Code.
- The total number of options that may be granted by the Board of Directors under this delegation of authority may not entitle beneficiaries to purchase or subscribe more than 2% of the share capital outstanding on the first grant date.
- Decides that the subscription or purchase price of the shares shall be set on the day on which the options are granted by the Board of Directors and may not be lower than the average trading price for the twenty trading days prior to the grant date.
- Decides that no options may be granted:
  - within the ten trading days prior to and following the date of publication of the consolidated financial statements;
  - within the period between the date on which the Company's management bodies are aware of information which, if it were made public, could significantly impact the Company's share price, and the ten trading days following the date when this information is made public;
  - less than twenty trading days after detachment from the shares of a coupon entitling the holder to a dividend or a capital increase.
- Takes note that this authorization includes, in favor of beneficiaries of stock subscription options, the express waiver by shareholders of their pre-emptive subscription right to the shares to be issued when the options are exercised.
- Delegates full powers to the Board of Directors to determine the other conditions and procedures for the allocation and exercise of options, and notably to:
  - determine the conditions under which the options shall be granted and the list or categories of beneficiaries as set out above; set the conditions, where applicable, in terms of length of service that the beneficiaries will have to meet; decide on the conditions under which the price and number of shares may be adjusted, in particular under the circumstances referred to in Articles R.225-137 to R.225-142 of the French Commercial Code.

- determine the exercise period(s) for the options granted, it being specified that the term of the options may not exceed a period of ten years, from the date on which they are granted;
- provide for the capacity to temporarily suspend the exercise of options for a maximum of three months in the event of financial transactions involving the exercise of a right attached to the shares;
- accomplish or have accomplished all procedures and formalities required to complete the capital increase(s) which could, where applicable, be carried out pursuant to the authorization to be granted under this resolution; amend the bylaws accordingly and carry out any other necessary steps;
- charge, if it deems it appropriate and at its discretion, the costs of the capital increase to paid-in capital relating thereto and deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase.
- Acknowledges that this authorization supersedes any previous authorizations with the same purpose.

Twentieth resolution (extraordinary) – Delegation of authority to the Board of Directors to increase the share capital by issuing shares without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 et seq. of the French Labor Code

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting deciding pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-18 et seq. of the French Labour Code:

- (1) Authorizes the Board of Directors, if it deems it appropriate and at its discretion, to increase the share capital on one or several occasions by issuing ordinary cash shares and, where applicable, by granting free ordinary shares or other securities granting access to the share capital, reserved for the employees and managers of the Company and of related companies within the meaning of Article L.225-180 of the French Commercial Code, who are members of a company savings plan;
- (2) Cancels, in favor of the above persons, the shareholders' pre-emptive subscription rights to the shares that could be issued pursuant to this delegation of authority;
- (3) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting;
- (4) Limits the maximum nominal amount of the increase(s) in share capital that could be carried out by means of this delegation of authority to 1% of the amount of the share capital at the time of the Board of Directors' decision to carry out the increase. This amount is independent from any other limits provided for in the delegation of authority to increase the share capital;
- (5) Decides that the price of the shares to be issued, pursuant to paragraph 1) of this delegation of authority, may not be over 20% (or 30% if the lock-up period provided for pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more), lower than the average opening price of the shares during the 20 trading days prior to the Board of Directors' decision to increase the share capital and issue the corresponding shares; nor may it be higher than said average;
- (6) Grants full powers to the Board of Directors to implement this authorization, take any and all measures and perform all the required formalities.



#### Twenty-first resolution (ordinary) – Powers for formalities

The General Shareholders' Meeting grants full powers to the bearer of an original, a copy, or an extract of these minutes for the purposes of performing all the filing and public-notice formalities required by law.

### 1.3. STATUTORY AUDITORS' REPORT ON THE EXTRAORDINARY RESOLUTIONS

#### **Cegereal S.A.**

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

Share capital: EUR 160,470,000

#### **STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL TRANSACTIONS SPECIFIED IN THE NINTH, ELEVENTH AND TWENTIETH RESOLUTIONS TABLED AT THE SHAREHOLDERS' MEETING OF JUNE 26, 2013**

Shareholders' Meeting of June 26, 2013

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.

#### **2. Issuance of shares and other securities with or without pre-emptive subscription rights (11th, 12th, 13th, 14th, 15th, 16th and 17th resolutions)**

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

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

- delegate authority to the Board of Directors, for 26 months, to decide on the transactions set out below and to set the final conditions of the issues and waive their pre-emptive subscription rights, where applicable:
- the issuance of ordinary shares and/or securities granting access to ordinary shares of the Company or of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital in compliance with Article L.228-93 of the French Commercial Code, and/or to debt securities with pre-emptive subscription rights (11th resolution);
- the issuance of ordinary shares and/or securities granting access to ordinary shares of the Company or of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital in compliance with Article L.228-93 of the French Commercial Code, and/or to debt securities without pre-emptive subscription rights through a public offer. These securities may be issued in consideration of securities that could be contributed to the Company in the framework of a public exchange offer satisfying the conditions set forth in Article L.225-148 of the French Commercial Code (12th resolution);
- the issuance of ordinary shares and/or securities granting access to ordinary shares of the Company or of any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital in compliance with Article L.228-93 of the French Commercial Code, and/or to debt securities, without pre-emptive subscription rights through an offer as defined in Section II of Article L.411-2 of the French Monetary and Financial Code and within the limit of 20% of the share capital per year (13th resolution);
- authorize the Board of Directors in the 14th resolution and under the delegations referred to in the 12th and 13th resolutions, to set the issue price within the limit of 10% of the share capital per year;
- delegate authority to the Board of Directors for 26 months to determine the terms and conditions for the issuance of ordinary shares and/or securities granting access to ordinary shares in consideration of contributions of shares or securities granting access to share capital, within the limit of 10% (16th resolution).

The Board of Directors also proposes in the 17th resolution that it be authorized to use these delegations of authority and/or authorizations in the event of a public offer if paragraph 1 of Article L.233-33 of the French Commercial Code is applicable.

The total nominal amount of the share capital increases to be carried out immediately or in the future may not exceed EUR 300,000,000 under the 11th resolution, and EUR 300,000,000 under the 12th and 13th resolutions. The total nominal amount of debt securities authorized for issue may not exceed EUR 300,000,000 under the 11th resolution, and EUR 300,000,000 under the 12th and 13th resolutions.

The number of shares to be issued under the delegations of authority referred to in the 11th, 12th and 13th resolutions can be increased under the terms of Article L.225-135-1 of the French Commercial Code if the shareholders adopt the 15th resolution.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113 et seq. 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, on the proposed cancelation of pre-emptive subscription rights and on certain other information concerning these transactions, given in the report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures require that we examine the content of the Board of Directors' report concerning these transactions and the terms and conditions for determining the issue price of the new shares.

Subject to a subsequent examination of the conditions of capital increases once they have been decided, we have no matters to report as regards the methods given in the Board of Directors' report to set the issue price under the 12th, 13th and 14th resolutions.

Moreover, since this report does not provide for the terms and conditions used to set the issue price of the shares to be issued in the context of the implementation of the 11th and 16th resolutions, we cannot give our opinion on the method and basis used to calculate the issue price.

Since the final terms and conditions of the issues have not been set, we do not express an opinion on these terms and conditions, or consequently on the cancelation of pre-emptive subscription rights proposed under the 12th, 13th and 14th resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, in the event that these delegations of authority are used by the Board of Directors to issue securities granting access to the share capital and/or granting access to debt securities or to issue shares without pre-emptive subscription rights.

### **3. Proposal to issue share subscription warrants in the event of a public offer (18th 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 in accordance with Articles R.225-113 et seq. 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 information concerning the issuance, given in the report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures require that we examine the content of the Board of Directors' report concerning this transaction.

We have no matters to report in connection with the information relating to the proposed issue of share subscription warrants in the event of a public offer 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 this delegation is used by the Board of Directors.

### **4. Authorization to grant stock subscription options and/or stock purchase options (19th resolution)**

In compliance with the provisions of Articles L.225-177 and R.225-144 of the French Commercial Code, we hereby report to you on the authorization to grant stock subscription options and/or stock purchase options to employees and/or certain corporate officers, which is submitted for your approval.

On the basis of its report, the Board of Directors proposes that the shareholders authorize the Board, for 38 months, to grant stock subscription options and/or stock purchase options.

It is the Board of Directors' responsibility to prepare a report on the reasons for granting these stock subscription options and/or stock purchase options as well as on the proposed terms and conditions for setting the subscription and/or purchase price. It is our responsibility to give our opinion on the proposed terms and conditions for setting the subscription and/or purchase price.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those standards consisted in verifying that the proposed terms and conditions for setting the subscription and/or purchase price of the shares were included in the Board of Directors' report and that they comply with the applicable legal and regulatory texts.

We have no matters to report on proposed terms and conditions for setting the subscription and/or purchase price of the shares.

## 5. Share capital increase reserved for members of a company savings plan (20th resolution)

In compliance with the provisions of Articles L.225-135 et seq. of the French Commercial Code, we hereby report to you on the proposed delegations of authority to the Board of Directors to increase the share capital, on one or several occasions, by issuing ordinary shares without pre-emptive subscription rights, reserved for the employees and managers of the Company and of related companies within the meaning of Article L.225-180 of the French Commercial Code, who are members of a company savings plan, within the limit of 1% of the share capital at the time of the Board of Directors' decision to carry out the increase, which is submitted for your approval.

This share capital increase is submitted for your approval in accordance with Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 et seq. of the French Labor Code.

On the basis of its report, the Board of Directors proposes that the shareholders delegate authority to the Board, for twenty-six months, to increase capital, on one or several occasions, and waive their pre-emptive subscription rights to the securities to be issued. In such an event, it would be the Board's responsibility to determine the final issuance conditions for this transaction.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to give our opinion as to the fair presentation of the calculations made on the basis of the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information concerning the issuance, given in the report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those standards require that we examine the content of the Board of Directors' report concerning this operation and the terms and conditions for determining the issue price of the new shares.

Subject to a subsequent examination of the conditions of capital increases once they have been decided, we have no matters to report on the final terms and conditions for determining the issue price given in the Board of Directors' report.

The Statutory Auditors

Paris-La Défense and Levallois-Perret, February 14, 2013

**KPMG Audit FS I**

Denjean & Associés

Partner



**Régis Chemouny**

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, 2013 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.medef.com](http://www.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.

## 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, 2012, 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 ending December 31, 2016
Klaus Waldherr	Feb. 5, 2008	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Gerry Dietel	Jan. 30, 2009	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Commerz Real Investmentgesellschaft mbH	Dec. 31, 2005	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Carl-Christian Siegel	May 12, 2010	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Jean-Pierre Bonnefond	Feb. 20, 2006	June 28, 2012	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2017
Europroperty Consulting	Feb. 24, 2011		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015
Sabine Röska	May 5, 2011		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015
GMF VIE	June 29, 2010		General Shareholders' Meeting to approve the financial statements for the year ending 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. Pursuant to a decision of the June 28, 2012 Annual General Shareholders' Meeting, Graham Spensley was appointed as non-voting director for a three-year term expiring at the close of the General Shareholders' Meeting convened in 2015 to vote on the financial statements for the year ending December 31, 2014.

### 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 2012, the Board of Directors met eight times, with an attendance rate of 93.06%.

The Chairman was present at each meeting. The Managing Director attended most of 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 14, 2012 Board of Directors' meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2011, and the July 24, 2012 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2012.

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 attended all Board of Directors' meetings, except for the February 14, 2012 meeting following the resignation of Bardo Magel.

The main themes addressed in those meetings were the following:

- approval for issue of the annual financial statements, appropriation of the net loss;
- quarterly and interim financial information;
- marketing of and work on the Arcs-de-Seine building;
- assessment of the Board of Directors;
- status of the terms of office of the Company's directors, senior executives and Statutory Auditors;
- compensation of the Managing Director and allocation of directors' fees;
- share buy-back program;
- delegations of financial authority;
- refinancing of the Group's borrowings;
- marketing of the Rives-de-Bercy building;
- renovation work in the staff cafeteria of the Europlaza building.

## 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 2012, 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 2012, and performed the following work:

- review of the renewal of Jean-Pierre Bonnefond's term of office as director;
- review of the appointment of Raphaël Tréguier as Managing Director and Carl-Christian Siegel as Deputy Managing Director;
- compensation of the Managing Director;
- assessment of the Board of Directors;
- allocation of directors' fees;
- renewal of the terms of office of the committee members

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 did not hold any meetings in 2012.

### 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 transactions or carry out any contractual steps leading to such acts or transactions 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;
2. enter into loan agreements;
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;
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; and
11. more generally, carry out any act or transaction that does not comply with the reasonable prudent management principles.

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 reads 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 28, 2012 General Shareholders' Meeting decided to set the overall amount of directors' fees for 2012 at EUR 120,000.

For the year ended December 31, 2012, the November 13, 2012 Board of Directors' meeting decided to allocate directors' fees as follows:

- Richard Wrigley received EUR 20,000;
- Jean-Pierre Bonnefond received EUR 15,000;
- Europroperty Consulting received EUR 30,000;
- Graham Spensley (non-voting director) received EUR 3,000

CRI, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel, GMF Vie and Sabine Röska waived their right to receive directors' fees in respect of the year ended December 31, 2012

### 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, Managing Director, received annual gross compensation in respect of 2012 of EUR 142,800, paid in twelve monthly installments. On February 14, 2013, the Board of Directors also granted Raphaël Tréguier a performance-related bonus of EUR 60,000 gross (an all-inclusive sum negotiated between the parties) for the quality of his work in 2012, particularly in relation to the marketing of the Arcs-de-Seine building and the refinancing of Prothin. This is a special bonus insofar as it is additional compensation which is not guaranteed beyond 2012. It will be fully paid in March 2013.

Raphaël Tréguier also enjoys benefits-in-kind which represent an annual basis of approximately EUR 19,757 and take the form of a company car and unemployment insurance for company managers.

Raphaël Tréguier's employment contract was transferred to Prothin following the partial asset transfer carried out on December 22, 2011. The Board of Directors' meeting of February 14, 2012 noted that this employment contract was still suspended following Raphaël Tréguier's appointment as Managing Director.

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

However, the Company does not comply with the recommendation in section 19 of the Reference Code whereby the employment contract of an executive employee who becomes a corporate officer of the Company or another Group company must be terminated by way of a mutual agreement or the employee's resignation. This non-compliance is justified on account of Raphaël Tréguier's personal situation.

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, on the third business day before the meeting is held.

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.5.4 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 internal 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 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 the interests of 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 main assignment of the asset manager, Commerz Real, is 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 Executive 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 Executive 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 transactions 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 160,470,000

### 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, 2012

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, 2012.

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, February 14, 2013

Levallois-Perret, February 14, 2013

### KPMG Audit FS I

Denjean & Associés



Régis Chemouny  
Partner



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 2012

None

### Free shares granted to employees in 2012

None

## 1.7. SPECIAL REPORT ON STOCK OPTIONS

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

None

### Options granted to corporate officers in 2012 (Art. 225-184 [2])

None

### Options exercised by corporate officers in 2012 (Art. 225-184 [2]) (225-184 al. 2) :

None

### Options granted to employees in 2012 (Art. 225-184 [3])(225-184 al. 3) :

None

### Options exercised by employees in 2012 (Art. 225-184 [3])

None



## 1.8. FIVE-YEAR FINANCIAL SUMMARY

In euros

	31/12/08	31/12/09	31/12/10	31/12/11	12/31/12
<b>Capital at year end</b>					
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
<b>Operations and income for the year</b>					
Net revenue	70,618,236	67,043,926	63,956,378	20,784,100	
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	37,070,822	41,418,321	34,774,971	3,655,233	(1,618,602)
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	10,874,924	15,540,619	7,329,497	(9,287,235)	(1,439,977)
Income distributed	26,076,375	22,733,250	14,709,750	0	8,692,125
<b>Earnings per share</b>					
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	2.77	3.10	2.60	0.27	(0.12)
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	0.81	1.16	0.55	(0.69)	(0.11)
Dividend paid per share	1.95	1.70	1.10	0.00	0.65
<b>Personnel</b>					
Average headcount during the year	2	2	3	3	0
Average payroll costs <sup>(1)</sup>	265,459	221,188	336,332	246,753	237,072
Social security charges <sup>(1)</sup>	106,213	92,952	140,920	101,528	106,901

(1) These amount correspond to corporate officer's compensation.

## 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 6820B (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 (Code de commerce).

The telephone number for the registered office is: +33 (0)1 42 25 76 36.

## 2.5. SIIC STATUS

### SIIC TAX TREATMENT

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 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.

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 authorities on January 3, 2006.

## 20% WITHHOLDING TAX

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; and
- (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, 2012, the 20% withholding tax was not levied on any of the dividends it distributed.

## WITHHOLDING TAX ON DIVIDEND DISTRIBUTIONS

### Dividend distributions to CRI

Article 6, I of the second amending French Finance Act for 2012 (no. 2012-958) amends Article 119 bis of the French Tax Code in that it eliminates the 30% withholding tax levied in France on dividends paid to foreign property funds (organismes de placement collectif immobilier – OPCI). However, withholding tax at the reduced rate of 15% is applicable on dividends paid out of exempt income of SIICs and their French subsidiaries to French or foreign OPCIs that:

- (i) raise capital with a certain number of investors, which is invested in the interests of those investors in accordance with a defined strategy; and
- (ii) have similar features to a French OPCI (SPPICAV or FPI).

The hausInvest fund in whose name and on whose behalf CRI holds the Cegereal SA shares meets these two conditions. A request for a ruling has been filed with the French tax authorities to obtain confirmation that the dividends distributed by Cegereal to hausInvest following the entry into force of the law will be subject to the following tax treatment, depending on their source:

- continued exemption from withholding tax for dividends paid out of Cegereal SA's non-exempt income;
- eligibility for withholding tax at the reduced 15% rate for dividends paid out of Cegereal SA's exempt income (irrespective of the state of residence of the fund's investors).

### Dividend distributions to other shareholders

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

## ADDITIONAL CORPORATE INCOME TAX CONTRIBUTION (3% OF DISTRIBUTED INCOME)

Article 6, I of the second amending Finance Act for 2012 (2012-958) has introduced an additional corporate income tax contribution amounting to 3% of distributed income.

French and foreign companies that are automatically liable for – or that have elected to pay – corporate income tax on all or part of their business activities (including SIICs) must pay this contribution.

However, a subsidiary of a company that has elected for preferential treatment as a SIIC is not liable for the contribution if it distributes dividends to another SIIC that holds an interest of over 95% in the company.

Consequently, dividends distributed by Prothin to Cegereal are not subject to the 3% contribution.

Article 36 of the third amending Finance Act for 2012 (no. 2012-1510) provides that amounts to be distributed by SIICs in accordance with Article 208 C of the French Tax Code are exempt from the contribution. This exemption applies to amounts paid between January 1, 2013 and December 31, 2013. It may be extended subject to certain conditions pertaining to the funding of new housing.

As Cegereal is in a loss position, this exemption will not apply to amounts distributed by Cegereal in 2013 that are not paid pursuant to the obligation set out in Article 208 C of the French Tax Code. However, as the distribution for 2013 will be paid from the merger premium, it will be considered from a tax standpoint as the reimbursement of a contribution and should not therefore be subject to the contribution.

## 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.

Article 23 of the Finance Act for 2013 introduced a mechanism for limiting the deductibility of interest expenses once they exceed EUR 3,000,000. For fiscal years ending on or after December 31, 2012, only 85% of interest expenses are deductible. The limit is set at 75% for fiscal years beginning on or after January 1, 2014. For companies with SIIC status, this mechanism increases the proportion of their net taxable income that is exempt from corporate income tax and therefore increases the amount of dividends they must pay, without however exceeding their net accounting income. If the amount the company is required to distribute pursuant to tax rules exceeds its net accounting income, the difference is carried forward to future years until it has been fully distributed. Therefore, the only impact of the measure should be that it increases the amount that must be distributed according to tax rules.

## 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)

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 other means of telecommunication that allows for the identification of the directors, guarantees their effective participation in the meeting of the Board and allows for uninterrupted 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 Executive 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 completely neutralize 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 other means of telecommunication 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.

This agreement is referred to in the Statutory Auditors' special report on page 76.

### 3.2. ASSET MANAGEMENT AGREEMENT

On February 8, 2006, the Company entered into an asset management agreement with CRI, which expired 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 the Company's wholly-owned subsidiary Prothin (the Subsidiary) within the scope of the partial asset transfer.

Pursuant to this agreement, CRI provides Prothin 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 3,028,900 for 2012.

## 4. Employees

At December 31, 2012, the Company no longer had any employees, as its three employees were transferred to Prothin 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, 2012.

The Group does not use any external manpower.

No mass layoff plans have been implemented.

Due to the absence of employees, there are no employee representatives in the Company.

### *Employee share ownership and stock options*

At December 31, 2012, 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, 2012, to the best of the Company's knowledge.

Owership structure at December 31, 2012	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,489	59.78%	7,993,489	59.89%
Covéa	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	938,555	7.02%	938,555	7.03%
Free float	2,537,252	18.97%	2,537,252	19.01%
Treasury shares	25,649	0.19%	0	0.00%
<b>Total</b>	<b>13,372,500</b>	<b>100%</b>	<b>13,346,851</b>	<b>100%</b>

Owership structure at December 31, 2012	Shareholder		Shares	
	Number	%	Number	%
Residents	1,326	94.71%	4,288,648	32.13%
Non-residents	74	5.29%	9,058,203	67.87%
<b>Total</b>	<b>1,400</b>	<b>100%</b>	<b>13,346,851</b>	<b>100%</b>

Owership structure at December 31, 2012	Shareholder		Shares	
	Number	%	Number	%
Individual shareholders	1,277	91.21%	356,112	2.67%
Institutional shareholders	123	8.79%	12,990,739	97.33%
<b>Total</b>	<b>1,400</b>	<b>100%</b>	<b>13,346,851</b>	<b>100%</b>

At December 31, 2012, 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:

	Share and voting rights	% of capital	% of voting rights
GMF Vie	943,727	7.06%	7.07%
MAAF Assurance SA	539,533	4.03%	4.04%
MAAF Vie	251,949	1.88%	1.89%
MAAF Vie	43,798	0.33%	0.33%
GMF Assurances	27,060	0.20%	0.20%
MMA Vie SA	9,667	0.07%	0.07%
Fidelia	2,000	0.01%	0.01%
Sub-total Covéa Cooperations <sup>(1)</sup>	1,817,734	13.59%	13.62%
MAAF Santé	59,821	0.45%	0.45%
<b>Total SGAM Covéa</b>	<b>1,877,555</b>	<b>14.04%</b>	<b>14.07%</b>

(1) Covéa Cooperations (14 boulevard Marie et Alexandre Curie, 72000 Le Mans) is a French joint stock corporation (société anonyme) whose capital and voting rights are held in equal stakes by the mutual companies GMF-AM, MAAF and MMA under the umbrella of Covéa group's mutual insurance company (SGAM Covéa).

By letter received on December 31, 2012, supplemented by a letter received on January 18, 2013, Covéa Cooperations SA declared that on December 28, 2012, it had crossed above the thresholds of 5% and 10% of the share capital and voting rights of Cegereal, through the intermediary of companies it controls, and that it held, indirectly, 1,817,734 Cegereal shares, representing as many voting rights, i.e., 13.59% of the Company's capital and voting rights (based on capital divided into 13,372,500 shares, representing as many voting rights, pursuant to paragraph 2 of Article 223-11 of the AMF's General Regulations).

To the Company's knowledge, no other shareholder owns more than 3% 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.

At December 31, 2012 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 of the French Commercial Code).

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, 2011 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 delegations of authority to increase the capital

	Date of the ESM	Expiration of authority	Authorized amount	Amounts used in previous years	Amount used in 2012 and until February 14, 2013	Balance at February 14, 2013
Authority to increase the capital by incorporating reserves, profits or premiums	June 29, 2011	August 29, 2013	€300 000 000	None	None	
Authority to increase the capital with pre-emptive subscription rights	June 29, 2011	August 29, 2013	€300 000 000	None	None	
Authority to increase the capital by means of a public offer without pre-emptive subscription rights	June 29, 2011	August 29, 2013	€300 000 000	None	None	
Authority to increase the capital by private placement without pre-emptive subscription rights	June 29, 2011	August 29, 2013	20% of capital per year	None	None	
Authority to increase the capital in favor of company savings plan (PEE) members, without pre-emptive subscription rights						
Authority to increase capital in favor of (category of staff or names of beneficiaries), without pre-emptive subscription rights						
Authority to issue free share subscription warrants and grant them during a public offer period under the reciprocity exception	June 28, 2012	December 28, 2013				
Authority to increase the capital in consideration for securities	June 29, 2011	August 29, 2013	10% of the share capital		None	
Authorization to issue stock 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, 2012	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,489	59.78%	7,993,489	59.89%
Covéa	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	938,555	7.02%	938,555	7.03%
Free float	2,537,252	18.97%	2,537,252	19.01%
Treasury shares	25,649	0.19%	0	0.00%
Total	13,372,500	100%	13,346,851	100%

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, 2010	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.91%
Covéa	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	939,780	7.03%	939,780	7.04%
Free float	2,528,748	18.91%	2,528,748	18.95%
Treasury shares	32,922	0.25%	0	0.00%
Total	13,372,500	100%	13,339,578	100%

## 5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of June 28, 2012 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: 17,747;
- Average purchase price: EUR 15.976 (gross);
- Number of shares sold: 21,815;
- Average sale price: EUR 16,339 (gross);
- Reasons for the acquisitions: market stimulation (100%).

At December 31, 2012, the Company held 25,649 treasury shares with a market value of EUR 19.6 (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 26, 2013.

### *Breakdown, by objective, of the treasury shares held at December 31, 2012*

- Number of treasury shares directly or indirectly held: 25,649 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 26, 2013

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.

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

Objectives (in decreasing order of priority):

- 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, paragraph 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/or free share grant plans (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or Group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;
- 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 the next General Shareholders' Meeting on June 26, 2013 in its ninth resolution (extraordinary).

Term of the program: 18 months from the General Shareholders' Meeting to be held on June 26, 2013, i.e., until December 26, 2014, subject to the authorization to be granted by said General Shareholders' Meeting in its ninth resolution (extraordinary).

This Registration Document is available on the Company's Internet site ([www.cegereal.com](http://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 delegations of authority 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 Chartis 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 2012 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, 2012 (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 <sup>(1)</sup>
Chairman of the Board of Directors			
<b>Richard Wrigley<sup>(2)</sup></b>	Chairman of the Board of Directors and director	<p>First appointment by the Board of Directors on December 31, 2005</p> <p>Renewal by the Board of Directors on June 29, 2011</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016</p>	<p>Legal manager CPI SARL SCI Galopinvest SCI Le Barragiste SCI Hume Bureaux Buref SARL Trike SARL Wicklow SARL Resam Vendome SARL Director SVPV SA Novaxia Immo Opportunité 2 Chairman Apollonis Montrouge SAS</p>
Managing Director			
<b>Bardo Magel</b>	Managing Director (resigned on February 14, 2012)	<p>First appointment by the Board of Directors on February 17, 2010</p> <p>Renewal by the Board of Directors on June 29, 2011</p> <p>Resignation on February 14, 2012</p>	<p>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.</p> <p>Managing Director City Garden Brüssel GmbH</p> <p>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</p>
<b>Raphaël Tréguier</b>	Managing Director	Termination of duties as Deputy Managing Director and first 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.	<p>Legal manager SCI Pianissimmo</p> <p>Chairman Prothin SAS</p>

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held <sup>(1)</sup>
Deputy Managing Director			
<b>Carl-Christian Siegel</b>	Deputy Managing Director and director	<p>First appointment as Deputy Managing Director on February 14, 2012</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017</p> <p>First appointment as a director on May 12, 2010</p> <p>Renewal by the General Shareholders' Meeting of June 29, 2011</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016</p>	<p>Corporate officer</p> <p>Commerz Real Western Europe GmbH</p> <p>Commerz Real Southern Europe GmbH</p> <p>Commerz Real Spezialfondsgesellschaft mbH</p> <p>Eurologistik 1 Freehold BVBA</p> <p>Montitail - Gestao de Retail Park, Sociedade Unipessoal Lda.</p> <p>Forum Almada - Gestao de Centro Comercial, Sociedade Unipessoal Lda.</p> <p>Forum Montijo - Gestao de Centro Comercial, Sociedade Unipessoal Lda.</p> <p>Forum Algarve - Gestao de Centro Comercial, Sociedade Unipessoal Lda.</p> <p>CR – Montijo Retail Park S.A.</p>
Director			
<b>CRI</b> Permanent representative: Erich Seeger	Director	<p>First appointment on December 31, 2005</p> <p>Renewal at the General Shareholders' Meeting of June 29, 2011</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016</p>	<p>Director</p> <p>Commerz Real AG</p> <p>Joint legal manager</p> <p>Commerz Real Investmentgesellschaft mbH</p>
<b>Jean-Pierre Bonnefond<sup>(2)</sup></b>	Director	<p>First appointment on February 20, 2006</p> <p>Renewal at the General Shareholders' Meeting of June 28, 2012</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017</p>	<p>Chairman</p> <p>JPB &amp; A</p> <p>Chairman of the Supervisory Board</p> <p>SCPI Hoche Placement Pierre</p>
<b>Klaus Waldherr</b>	Director	<p>First appointment on February 5, 2008</p> <p>Renewal at the General Shareholders' Meeting of June 29, 2011</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016</p>	<p>Corporate officer</p> <p>CGG Canada Grundbesitz GmbH</p> <p>Forum Algarve – Gestao de Centro comercial, Sociedade Unipessoal Lda.</p> <p>CG Japan GmbH</p> <p>Lacerta Immobiliare S.R.L.</p> <p>Alfa S.R.L.</p> <p>CRI 1 Sp.oz.o.</p> <p>Charles Square Center s.r.o.</p> <p>CGI Metropole s.r.o.</p> <p>Espacio Leon Propco S.L.U.</p> <p>Commerz Grundbesitz Gestao de Centros Comerciais, Sociedade Unipessoal Lda.</p> <p>Forum Almada – Gestao de Centro Comercial</p> <p>Sociedade Unipessoal Lda.</p> <p>CGI Victoria Square Limited</p> <p>CG Choongmuro Building Securitization Speciality LLC</p> <p>CG-78 Shenton Way Singapore Private Limited</p> <p>CR – Montijo Retail Park S.A.</p> <p>CGI Victoria Square Nominees Limited</p> <p>Kiinteistö Oy Lintulahdenvuori</p> <p>Tulipan House 1 Sp. zo.o.</p> <p>CR - 71 Robinson Road Singapore Private Limited</p> <p>Life Science Center Leilaniemi Oy</p> <p>Montitail - Gestao de Retail Park Sociedade Unipessoal Lda</p>
<b>Gerry Dietel</b>	Director	<p>Appointment on January 30, 2009</p> <p>Renewal on June 29, 2011</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016</p>	<p>Managing Director</p> <p>Prothin SAS</p>
<b>GMF VIE</b> Permanent representative: Olivier Le Borgne	Director	<p>Appointment on June 29, 2010</p> <p>Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015</p>	<p>Director</p> <p>UNIVERS MUTUALITÉ</p> <p>CSE ICO</p> <p>CSE INSURANCE SERVICES</p> <p>CSE SAFEGUARD</p> <p>GMF FINANCIAL</p> <p>AME LIFE LUX (SA)</p> <p>Permanent representative</p> <p>Covéa Finance, director of Fidelia Services SA</p> <p>ASSISTANCE PROTECTION JURIDIQUE, MEMBER OF THE SUPERVISORY BOARD OF COVÉA FINANCE SAS</p> <p>GMF VIE, DIRECTOR OF FONCIÈRE DES 6ÈME ET 7ÈME ARR. DE PARIS (SA), OF COFITEM</p> <p>COFIMUR AND OF FONCIÈRE PARIS FRANCE</p> <p>LA SAUVEGARDE, DIRECTOR OF AZUR-GMF-BF</p> <p>Member of the Supervisory Board of GMF Inter</p> <p>Entreprise</p> <p>Chairman of the Audit Committee of Foncière Paris France</p>

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held <sup>(1)</sup>
<b>Europroperty Consulting</b> Director Permanent representative: Alec Emmott <sup>(2)</sup>	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 SILIC Advisory committee: City Hold Weinberg Real Estate Partners WREP# 1&2
<b>Sabine Röska</b>	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.

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

Name of corporate officer	Directorships and positions held in the last five years (expired) <sup>(1)</sup>
<b>Bardo Magel</b>	None
<b>Raphaël Tréguier</b>	None
<b>Richard Wrigley</b>	Legal manager CPI Massy PRINCETON FRANCE SNC FONCIÈRE MEUDON STAMFORD HOLDINGS
<b>CRI</b> Permanent representative: Erich Seeger	Joint legal manager - Forum Algarve – Gestão de Centro - Comercial Sociedade Unipessoal - Lda. II & Comandita - Forum Almada – Gestão de Centro Comercial - Sociedade Unipessoal - Lda. II & Comandita
<b>Jean-Pierre Bonnefond</b>	Chairman of Baratte et A
<b>Klaus Waldherr</b>	Corporate officer HOUSTON MAIN GP LLC Manmall LLC
<b>Gerry Dietel</b>	Legal manager Forum Almada Lda Forum Algarve Lda Brafero Sociedade Imobiliária SA Forum Montijo Lda
<b>Carl-Christian Siegel</b>	None
<b>GMF VIE</b> Permanent representative: Olivier Le Borgne	Permanent representative of GMF Vie, member of the Supervisory Board of Anthemis (SAS) and COVÉA FINANCE (SAS) and director of BARRIÈRE FRÈRES  Permanent representative of GMF Assurances, director of COFITEM-COFIMUR and of FONCIÈRE MALESHERBES COURCELLES  Permanent representative of LA SAUVEGARDE, director of GRANDS MILLESIMES DE FRANCE  Director of ASSURANCES MUTUELLES D'EUROPE LUX SA  Member of the Management Committee of SCE CHÂTEAU BEAUMONT and of SC CHÂTEAU BEYCHEVELLE
<b>Europroperty Consulting</b> Director Permanent representative: Alec Emmott	Société Foncière Lyonnaise Catella France Crown Stone European Properties
<b>Sabine Röska</b>	None

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

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).

## 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 November 13, 2012 Board of Directors' meeting decided to allocate directors' fees as follows:

- Richard Wrigley received EUR 20,000;
- Jean-Pierre Bonnefond received EUR 15,000;
- Europroperty Consulting received EUR 30,000;
- Graham Spensley received EUR 3,000.

The June 28, 2012 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 2011	Amounts paid during 2012
<b>Jean-Pierre Bonnefond</b>		
Directors' fees	20,500	15,000
Other compensation	-	-
<b>CRI</b>		
Directors' fees	-	-
Other compensation	-	-
<b>Klaus Waldherr</b>		
Directors' fees	-	-
Other compensation	-	-
<b>Gerry Dietel</b>		
Directors' fees	-	-
Other compensation	-	-
<b>Carl-Christian Siegel</b>		
Directors' fees	-	-
Other compensation	-	-
<b>Alec Emmott<sup>(1)</sup></b>		
Directors' fees	15,000	-
Other compensation	-	-
<b>Andreas Muschter<sup>(2)</sup></b>		
Directors' fees	-	-
Other compensation	-	-
<b>GMF VIE</b>		
Directors' fees	-	-
Other compensation	-	-
<b>Europroperty Consulting<sup>(3)</sup></b>		
Directors' fees	35,000	30,000
Other compensation	-	-
<b>Sabine Röska<sup>(4)</sup></b>		
Directors' fees	-	-
Other compensation	-	-
<b>Graham Spensley<sup>(5)</sup></b>		
Directors' fees	-	3,000
Other compensation	-	-
<b>TOTAL</b>	<b>70,500</b>	<b>48,000</b>

(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.

(5) Non-voting director appointed by the General Shareholders' Meeting on June 28, 2012.



### 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, 2011	Dec. 31, 2012
<b>Richard Wrigley</b> Chairman of the Board of Directors		
Compensation payable for the year (broken down in Table 2 below)	45,000	45,000
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
<b>TOTAL</b>	<b>45,000</b>	<b>45,000</b>
<b>Bardo Magel</b> Managing Director <sup>(1)</sup>		
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	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Raphaël Tréguier</b> Managing Director <sup>(2)</sup>		
Compensation payable for the year (broken down in Table 2 below)	195,244	222,557
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
<b>TOTAL</b>	<b>195,244</b>	<b>222,557</b>
<b>Carl-Christian Siegel</b> Deputy Managing Director <sup>(3)</sup>		
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	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

(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.

(3) Appointment as Deputy 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, 2012		Dec. 31, 2011	
	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>
Fixed compensation <sup>(1)</sup>	25,000	25,000	25,000	25,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	20,000	20,000	20,000	37,500
Benefits-in-kind	-	-	-	-
<b>TOTAL</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>62,500</b>

Bardo Magel Managing Director <sup>(2)</sup>	Dec. 31, 2012		Dec. 31, 2011	
	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Raphaël Tréguier Managing Director <sup>(2)</sup>	Dec. 31, 2012		Dec. 31, 2011	
	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>
Fixed compensation <sup>(1)</sup>	142,800	143,037	137,800	137,800
Variable compensation	-	-	-	-
Exceptional compensation <sup>(3)</sup>	60,000	40,000	40,000	60,600
Directors' fees	-	-	-	-
Benefits-in-kind <sup>(6)</sup>	19,757	19,757	17,444	17,444
<b>TOTAL</b>	<b>222,557</b>	<b>202,794</b>	<b>195,244</b>	<b>215,844</b>

Carl-Christian Siegel Deputy Managing Director <sup>(7)</sup>	Dec. 31, 2012		Dec. 31, 2011	
	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>	Amounts payable <sup>(4)</sup>	Amounts paid <sup>(5)</sup>
Fixed compensation <sup>(1)</sup>	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation <sup>(3)</sup>	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind <sup>(6)</sup>	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(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 was 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. On February 14, 2013, the Board of Directors decided to grant Raphaël Tréguier an exceptional bonus of EUR 60k, gross before tax, in respect of the year ended December 31, 2012. This bonus will be paid in March 2013. The decision to grant this exceptional bonus was taken in view of the quality of his work in 2012, particularly in relation to the marketing of the Arcs-de-Seine building and the refinancing of Prothin.

(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

(7) He was appointed as Deputy Managing Director on February 14, 2012.

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

**Compensation of Raphaël Tréguier for his duties as Managing Director in 2013**

Having reviewed the report on the work of the Appointments and Compensation Committee, the February 14, 2013 Board of Directors' meeting decided to implement the following recommendations of the Committee:

1. increase Raphaël Tréguier's fixed annual compensation for his duties as Managing Director to EUR 150,000 gross with effect from January 1, 2013;

2. grant Raphaël Tréguier variable compensation for his duties as Managing Director, with effect from January 1, 2013. For 2013, his variable compensation will be determined as follows:

The variable compensation breaks down into two separate portions:

- a quantitative portion based on the achievement of an annual objective and capped at EUR 60,000;
- a qualitative portion based on the achievement of individual objectives and capped at EUR 40,000;

For 2013, the quantitative objective has been set as consolidated recurring cash flow in the amount of EUR 24 million, with the variable compensation being determined as follows:

Rate of achievement of objective	Variable portion allocated
120% and above	EUR 60.000
Between 100% and 120%	EUR 50.000
Between 80% and 100%	EUR 40.000
Between 60% and 80%	EUR 20.000
Less than 60%	EUR 0

3. approve the decision to grant Raphaël Tréguier, in his capacity as Managing Director, stock subscription and/or purchase options or free shares, subject to authorization being given to the Board of Directors by the General Shareholders' Meeting.

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

***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
<b>Richard Wrigley</b> Chairman June 29, 2011 AGSM 2017		X		X		X		X
<b>Bardo Magel<sup>(1)</sup></b> Managing Director June 29, 2011 AGSM 2017		X		X		X		X
<b>Raphaël Tréguier<sup>(1)</sup></b> Managing Director February 14, 2012 Managing Director's term of office AGSM 2017		X		X		X		X
<b>Carl-Christian Siegel<sup>(2)</sup></b> Deputy Managing Director February 14, 2012 Managing Director's term of office AGSM 2017		X		X		X		X

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

(2) Carl-Christian Siegel was appointed as Deputy Managing Director to replace Raphaël Tréguier.

## 6.4. OTHER INFORMATION

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."*

There are no family ties between the corporate officers of the Company.

For the purposes of their terms of office, the members of the Board of Directors and Executive Management are domiciled at the Company's registered office.

To the Company's knowledge and on the date of preparation hereof, over the last five years, no member of the Board of Directors or Executive Management has been:

- convicted for fraud;
- involved in a bankruptcy, receivership or liquidation;
- the subject of an indictment or official public sanction handed-down by a statutory or regulatory authority;
- barred by a court order from serving as a director or member of a management or supervisory body or from participating in the management or running of a company's business.

### **Conflicts of interest at the level of the Board of Directors and Executive Management**

To the Company's knowledge and on the date of preparation hereof, there is no conflict of interest between the duties of any of members of the Board of Directors or Executive Management with regard to the Company regarding their positions as corporate officers and their private interests or other duties.

To the Company's knowledge and on the date of preparation hereof, no arrangement or agreement exists with the main shareholders, customers or suppliers under which a member of the Board of Directors or Executive Management has been appointed.

To the Company's knowledge and on the date of preparation hereof, no restrictions have been agreed to by members of the Board of Directors or Executive Management with regard to the disposal of their holdings in the Company's share capital.

The corporate officers are not party to any services agreements.

## 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.

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;
- they 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 9.2bn at December 31, 2012.

#### 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 1.2 billion at December 31, 2012, i.e., 10.4% of the gross value of the Fund.

However, further to the amendment of the German Investment Act in 2011:

- redemption requests for amounts exceeding EUR 30,000 per half-year may only be submitted at the end of a minimum 24-month holding period and are subject to 12 months' prior notice;
- the Fund manager is required to distribute at least 50% of the Fund's net income to unit holders, unless this income needs to be reinvested in future repair work on the Fund's assets.

#### 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.

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. This percentage will be reduced to 30% with effect from January 1, 2015.

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 – on a quarterly basis since January 1, 2013 – the real estate assets held by CRI on behalf of the Fund. 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.

### 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 real estate valuation companies (*Association Française des Sociétés d'Expertise Immobilière* – AFREXIM) and signee of the French Real Estate Valuation Charter, was appointed for a one-year period from September 19, 2011 and an additional six-month period from September 18, 2012 for the September 2012 and December 2012 valuations. The related agreements were signed by Raphaël Tréguier, representing Cegereal SA in his capacity as 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 convention and contract.

This assignment represents 0.2% of BNP Paribas Real Estate Valuation France's annual revenues.

No conflicts of interest have been identified in relation to this assignment.

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, 2012

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

### Value of entire property:

EUR 865,400,000 excluding expenses and transfer duties

EUR 919,054,800 including expenses and transfer duties

### Value of property held:

EUR 865,400,000 excluding expenses and transfer duties

EUR 919,054,800 including expenses and transfer duties

These estimates are based on the assumptions of market stability and absence of significant modifications to the buildings between the valuation date and the value date.

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 February 4, 2013

BNP Paribas Real Estate Valuation France

Jean-Claude Dubois

Chairman



# ADDITIONAL INFORMATION







# IV. 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>).

In accordance with the applicable legislation, the following documents can be consulted at the Company's registered office:

- (i) the articles of incorporation, bylaws, minutes of General Shareholders' Meetings, reports and other Company documents;
- (ii) 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 and of which any part is included or referred to in this Registration Document;
- (iii) historical financial information related to the Company and its subsidiary for each of the two fiscal years preceding the publication of this Registration Document.

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 129, 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 63 and 75 in this report.

Paris, February 20, 2013

Raphaël Tréguier

Managing Director

## 3. Historical financial information

The IFRS financial statements for the year ended December 31, 2011 and the related Statutory Auditors' report presented on pages 54 to 72 and pages 72 and 73, respectively, of the 2011 Registration Document filed with the AMF on April 16, 2012 under no. D. 12-0348, are incorporated by reference into this document.

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, 2012. Its most recent consolidated financial statements are those prepared in accordance with IFRS for the year ended December 31, 2012.

## 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, 92923 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. 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	
	§	Pages
1. Persons responsible		
1.1 Persons responsible for the Registration Document	IV.2	126
1.2 Attestation by the persons responsible for the Registration Document	IV.2	126
2. Statutory Auditors	II.2.5 note 5.27, II.3.5 note 5.19 and IV.4	63, 74 and 127
3. Selected financial information	I.5, II.1, II.3.1 and IV.3	10, 42, 64, 126
4. Risk factors	I.9 and II.1	18 and 44
4.1 Legal risks	II.1 and II.2.5.4 note 4.4	46 and 56
4.2 Industrial and environmental risks	II.1	44
4.3 Credit and/or counterparty risk	II.2.5.4 note 4.5	56
4.3 Liquidity risk	II.1 and II.2.5.4 note 4.6	44 and 56
4.4 Interest rate risk	II.1 and II.2.5.4 note 4.7	45 and 56
4.5 Foreign exchange risk	II.1	45
4.6 Risk on equities	II.1	45
4.7 Credit derivatives	N/A	N/A
4.8 Insurance	II.1	47
5. Information relating to the issuer		
5.1 History and development of the issuer	III.2	101
5.2 Investments		
5.2.1 Period covered by historical information	I.4	8
5.2.2 In progress	II.1	42
5.2.3 Future	I.4	8
6. Business overview		
6.1 Principal activities	I.1, I.10 and I.15	1, 22 and 38
6.2 Principal markets	I.10	22
6.3 Exceptional factors	I.4	8
6.4 Patents, licenses	III.8	122
6.5 Competitive position	I.10	22
7. Organizational structure		
7.1 Brief description of the Group	I.6	12
7.2 List of significant subsidiaries	II.1, II.3.5 note 5.15 and III.5.1.3	42, 74 and 108
8. Real estate property, plant and equipment		
8.1 Real estate property, plant and equipment	I.5, I.11 to I.15	10, 24 to 39
8.2 Environmental impact of the issuer's utilization of the property, plant and equipment	I.4 and I.12	8 and 26
9. Operating and financial review		
9.1 Financial position	II.1 and II.3.1	42 and 64
9.2 Operating results		
9.2.1 Significant events	I.4, II.1 and II.2.5.1 note 1.1	8, 42 and 51

9.2.2 Changes	N/A	N/A
9.2.3 External factors	III.7	119
10. Capital resources		
10.1 Issuer's capital resources	III.5	108
10.2 Cash flows	II.1 and II.2.3	42 and 50
10.3 Funding	II.1	42
10.4 Restrictions on the use of funds	II.1	42
10.5 Sources of funds	II.1	42
11. Research and development, patents and licenses	III.8	122
12. Trend information		
12.1 Trends	I.4 and II.3.3	8 and 65
12.2 Uncertainties relating to trends	N/A	N/A
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, III.1.4 and III.6	15, 93 and 112
14.2 Conflicts of interest at the level of the Board of Directors and Executive Management	III.1.4 and III.6.4	93 and 119
15. Compensation and benefits		
15.1 Compensation paid	III.6.3	114
15.2 Provisions	III.6.3	114
16. Details of the management and executive structures		
16.1 Terms of office	III.6.1 and III.6.2	112 and 114
16.2 Information on service agreements between the directors and the Company	N/A	N/A
16.3 Board of Directors' Committees	I.8 and III.1.4	17 and 93
16.4 Corporate governance	III.1.4 and III.6.4	93 and 119
17. Employees		
17.1 Number of employees	III.4	108
17.2 Employee profit-sharing	III.4	108
17.3 Employee shareholding in the capital	III.4	108
18. Main shareholders		
18.1 Crossing of thresholds	III.5.1.3	108
18.2 Different voting rights	N/A	N/A
18.3 Control	I.5.1.3	108
18.4 Shareholders' agreements	III.5.3	111
19. Related-party transactions	III.3	106
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
20.1 Historical financial information	IV.3	126
20.2 Pro forma financial information	N/A	N/A
20.3 Statutory financial statements	II.2 and II.3	48 and 64
20.4 Auditing of historical annual financial information	IV.3	126
20.5 Age of latest financial information	IV.3	126
20.6 Interim and other financial information	N/A	N/A
20.7 Dividend policy	I.1 and I.3	1 and 6
20.8 Legal and arbitration proceedings	II.1	47
20.9 Significant change in the issuer's financial or trading position	II.1 and II.3.3	42 and 65
21. Additional information		
21.1 Information concerning share capital		
21.1.1 Issued capital	III.5.1.1	108
21.1.2 Other shares	III.5.1.2	108
21.1.3 Shares held by the issuer	III.5.2	110
21.1.4 Securities	III.5.1.4	109
21.1.5 Terms of acquisition	III.2.6	103
21.1.6 Options or agreements	III.5.1.6	109
21.1.7 History of share capital	III.5.1.3	108
21.2 Articles of incorporation and bylaws		
21.2.1 Corporate purpose	III.2.6	103
21.2.2 Management and supervisory bodies	III.2.6	103
21.2.3 Rights, privileges and restrictions attached to shares	III.2.6	104
21.2.4 Rights of shareholders	III.2.6	105
21.2.5 General Shareholders' Meetings	III.2.6	105
21.2.6 Provisions entailing a change in control	III.5.1.3	108
21.2.7 Share ownership threshold	III.5.1.3	108
21.2.8 Conditions governing statutory changes	III.2.6	105
22. Material contracts	III.3	106
23. Information provided by third parties, expert appraisal reports and declarations of any interest	III.9	122
24. Documents on display	IV.1	126
25. Information on holdings	II.1	42

## 6. 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 June 26 2013.

Information required in the board's report to the general shareholders' meeting	Location in the Registration Document	
	Section	Page
<b>1. Cegereal and Group activity in 2012</b>		
Situation for the year under review (Group and Company)		
<i>Group information</i>	II.1 and II.2	42 and 48
<i>Company information</i>	II.3	64
Forseeable developments/Future prospects (Group and Company)		
<i>Group information</i>	I.4	8
<i>Company information</i>	I.4	8
Results of the Company and the subsidiaries		
<i>Group information</i>	II.1	42
<i>Company information</i>	II.3	64
Objective and exhaustive analysis of the business developments, results, financial position of the Company and all the consolidated companies, in particular its indebtedness situation with respect to business volume and complexity including, where applicable, the key performance indicators, whether financial or not, relating to the Company's and the consolidated companies' specific activities, notably in relation to environmental and personnel issues		
<i>Group information</i>	II.1 and II.2	42 and 48
<i>Company information</i>	I.5 and II.3	10 and 48
Environmental and employment information - Social commitments to sustainable development		
<i>Group information</i>	I.4, I.15 and III.4	8, 38 and 108
<i>Company information</i>	I.4, I.15 and III.4	8, 38 and 108
Research and development activities		
<i>Group information</i>	III.8	122
<i>Company information</i>	III.8	122
Progress made/Difficulties encountered		
<i>Group information</i>	I.4 and II.1	8 and 42
<i>Company information</i>	I.4 and II.1	8 and 42
Main risks and uncertainties		
<i>Group information</i>	I.9 and II.1	18 and 44
<i>Company information</i>	I.9 and II.1	18 and 44
Significant events subsequent to year-end		
<i>Group information</i>	II.2.5.5 note 5.28	63
<i>Company information</i>	II.3.5.5 note 5.20	74
Activity per line of business		
<i>Group information</i>	II.1 and II.3	42 and 64
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers		
<i>Company information</i>	III.5.1.3	108
Changes in the presentation of the annual financial statements and the valuation methods used		
<i>Company information</i>	II.3.1	64
Dividends distributed in the previous three years		
<i>Company information</i>	II.3.2	65
Non tax-deductible expenses		
<i>Company information</i>	II.3.2	65
Information on supplier payment terms		
<i>Company information</i>	II.3.2	65
Where applicable, injunctions or financial sanctions imposed by the French competition council ( <i>Conseil de la concurrence</i> ) for antitrust practices		
<i>Company information</i>	N/A	N/A

Information required in the board's report to the general shareholders' meeting	Location in the Registration Document	
	Section	Page
<b>2. Information relating to the Company's share capital</b>		
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	110
Statement of employee share ownership	III.4	108
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	III.5.3	111
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	108
Items that could have an impact in the event of a public offer	III.5.4	111
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	110
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
<b>3. Cegereal's corporate officers</b>		
Compensation	III.6.3	114
List of offices	III.6.1 and III.6.2	112 and 114
Senior executive share transactions	III.5.5	112
Choice made between the two types of corporate governance in the event of a change	III.1.4	93
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
<b>Attached documents</b>		
Chairman's report relating to corporate governance and internal control	III.1.4	93
Five-year financial summary	III.1.8	101
Summary table of currently valid authorities to increase share capital and the use made of such authorities during the year by Cegereal	III.5.1.5	109

## 7. 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	Page
1. Annual financial statements	II.3	64
2. Consolidated financial statements	II.2	48
<b>3. "Management report" in accordance with Article 222-3-3° of the General Regulations of the AMF</b>		
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.5, II.1, II.2 and II.3	10, 42, 48 and 64
3.2 Table of the delegations of authority to increase share capital	III.5.1.5	109
3.3 Information that could have an impact in the event of a public offer	III.5.4	111
3.4 Information regarding the share buy-back program during the fiscal year	III.5.2	110
4. Declaration by the persons responsible for the annual financial report	IV.2	126
5. Statutory Auditors' reports on the annual and consolidated financial statements	II.2.6 and II.3.6	63 and 75

Other documents presented or submitted to the General Shareholders' Meeting	Location in the Registration Document	
	Section	Page
1. Financial statements for the year ended December 31, 2012	II.3	64
2. Statutory Auditors' report on the annual financial statements	II.3.6	75
3. Consolidated financial statements for the year ended December 31, 2012	II.2	48
4. Statutory Auditors' report on the consolidated financial statements	II.2.6	63
5. Statutory Auditors' reports on related-party agreements	II.3.7	76
6. Five-year financial summary	III.1.8	101
7. Statutory Auditors' report on the extraordinary resolutions	III.1.3	91
8. Statutory Auditors' report on the Chairman's report on internal control and corporate governance	III.1.5	100



## 8. 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. However, in light of the Group's position, the majority of said sections are not applicable due to the limited number of employees.

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
<b>Corporate information</b>		
Total headcount, new hires, potential recruitment difficulties, layoffs and their grounds, overtime, external manpower	III.4	108
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 ( <i>Code du travail</i> ) 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
<b>Environmental information</b>		
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	II.1	42
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.3 and I.4	6 and 8
The measures taken, where applicable, to ensure that the Company's activities comply with legislative and regulatory provisions in force relating to environmental protection	II.1	42
Expenditure incurred to prevent the Company's activities from having a negative impact on the environment	I.12	26
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	N/A	N/A
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

## 9. Glossary

### CAPITALIZATION 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 "TOPPED-UP" NET INITIAL YIELD (NIY)

EPRA "topped-up" NIY corresponds to the EPRA NIY adjusted for rent-free periods or other incentives due to expire.

### EPRA NET INITIAL YIELD (NIY)

EPRA NIY (unlike rental income recognized under IFRS), is the annual rental income calculated on the basis of the net monthly rent applicable at the end of the reporting period, less non-recoverable property operating expenses, divided by the gross estimated 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, 2012.

### 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.

### 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, 2012 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, 2012 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, 2012. The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at December 31, 2012.

### POTENTIAL RATE OF RETURN

An asset's potential rate of return corresponds to the sum of the market rental values divided by the estimated value of the property.

### REIT

Real Estate Investments 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.

### 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.

### THEORETIC EFFECTIVE RATE OF RETURN

An asset's theoretic effective rate of return 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.

<b>I. ANNUAL REPORT</b>	<b>01</b>
<b>1. PROFILE</b>	<b>01</b>
<b>2. STRATEGIC STRENGTHS</b>	<b>02</b>
<b>3. INTERVIEW WITH MANAGEMENT TEAM</b>	<b>06</b>
<b>4. REVIEW OF THE YEAR</b>	<b>08</b>
<b>5. LONG-TERM PERFORMANCE AND EPRA PERFORMANCE</b>	<b>10</b>
5.1. LONG-TERM PERFORMANCE	10
5.2. EPRA PERFORMANCE	10
<b>6. SHARE PERFORMANCE</b>	<b>12</b>
<b>7. MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS</b>	<b>14</b>
<b>8. GOVERNANCE</b>	<b>16</b>
<b>9. RISK MANAGEMENT</b>	<b>18</b>
<b>10. MARKET REVIEW</b>	<b>22</b>
<b>11. RENTAL STRATEGY</b>	<b>24</b>
<b>12. ARCS DE SEINE</b>	<b>26</b>
<b>13. EUROPLAZA</b>	<b>30</b>
<b>14. RIVES DE BERCY</b>	<b>34</b>
<b>15. THE PORTFOLIO</b>	<b>38</b>
<b>II. FINANCIAL INFORMATION</b>	<b>40</b>
<b>1. CONSOLIDATED RESULTS AND FINANCIAL POSITION</b>	<b>42</b>
<b>2. CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>48</b>
2.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012	48
2.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2012	49
2.3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012	50
2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012	51
2.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	51
2.5.1 BACKGROUND AND MAIN ASSUMPTIONS USED TO PREPARE THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012	51
<i>Note 1.1 Operational context</i>	51
<i>Note 1.2 Presentation of comparative financial information</i>	52
<i>Note 1.3 Regulatory context</i>	52
2.5.2 SIGNIFICANT ACCOUNTING POLICIES USED TO PREPARE THE 2012 CONSOLIDATED FINANCIAL STATEMENTS	52
<i>Note 2.1 Presentation of the consolidated financial statements</i>	52
<i>Note 2.2 Segment reporting</i>	53
<i>Note 2.3 Investment property</i>	53
<i>Note 2.4 Estimates of the fair value of investment property</i>	53
<i>Note 2.5 Financial instruments – classification and measurement of non-derivative financial assets and liabilities</i>	53
<i>Note 2.6 Share capital</i>	54
<i>Note 2.7 Treasury shares</i>	54
<i>Note 2.8 Election for tax treatment as an SIIC</i>	54
<i>Note 2.9 Employee benefits</i>	55
<i>Note 2.10 Bank borrowings</i>	55
<i>Note 2.11 Rental income</i>	55
<i>Note 2.12 Rental expenses and rebilling of expenses to lessees</i>	55
<i>Note 2.13 Discounting of deferred payments</i>	55
<i>Note 2.14 Earnings per share</i>	55
<i>Note 2.15 Presentation of the financial statements</i>	55

2.5.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS	55
2.5.4 MANAGEMENT OF FINANCIAL RISKS	56
<i>Note 4.1 Risk relating to refinancing</i>	56
<i>Note 4.2 Risk related to the valuation of real estate assets</i>	56
<i>Note 4.3 Risk related to changes in market rent levels for office premises</i>	56
<i>Note 4.4 Risk related to the regulatory framework applicable to leases</i>	56
<i>Note 4.5 Counterparty risk</i>	56
<i>Note 4.6 Liquidity risk</i>	56
<i>Note 4.7 Interest rate risk</i>	56
2.5.5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2012 AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR THEN ENDED	56
<i>Note 5.1 Investment property</i>	57
<i>Note 5.2 Non-current loans and receivables</i>	57
<i>Note 5.3 Trade accounts receivable</i>	57
<i>Note 5.4 Other operating receivables</i>	57
<i>Note 5.5 Cash and cash equivalents</i>	57
<i>Note 5.6 Ageing analysis of receivables</i>	58
<i>Note 5.7 Fair value of financial assets</i>	58
<i>Note 5.8 Financial assets and liabilities</i>	58
<i>Note 5.9 Changes in impairment of financial assets</i>	58
<i>Note 5.10 Consolidated equity</i>	59
<i>Note 5.11 Non-current borrowings</i>	59
<i>Note 5.12 Fair value of financial liabilities</i>	60
<i>Note 5.13 Other non-current borrowings and debt</i>	60
<i>Note 5.14 Other operating liabilities</i>	60
<i>Note 5.15 Maturity schedule for liabilities with undiscounted contractual values</i>	60
<i>Note 5.16 Prepaid expenses and revenue</i>	60
<i>Note 5.17 Rental income</i>	60
<i>Note 5.18 Income from other services</i>	61
<i>Note 5.19 Building-related costs</i>	61
<i>Note 5.20 Administrative costs</i>	61
<i>Note 5.21 Financial income and expenses</i>	61
<i>Note 5.22 Corporate income tax and tax proof</i>	61
<i>Note 5.23 Earnings per share</i>	61
<i>Note 5.24 Off-balance sheet commitments and security provided</i>	61
<i>Note 5.25 Transactions with related parties</i>	62
<i>Note 5.26 Personnel</i>	63
<i>Note 5.27 Statutory Auditors</i>	63
<i>Note 5.28 Subsequent events</i>	63
2.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012	63
<b>3. ANNUAL FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP</b>	<b>64</b>
3.1 RESULTS AND FINANCIAL POSITION OF CEGEREAL SA	64
3.2 APPROPRIATION OF CEGEREAL SA NET LOSS FOR THE YEAR ENDED DECEMBER 31, 2012	65
3.3 SIGNIFICANT CHANGE IN FINANCIAL OR COMMERCIAL POSITION	65
3.4 BALANCE SHEET AND INCOME STATEMENT PREPARED IN ACCORDANCE WITH FRENCH GAAP	66
3.5 NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2012	69

3.5.1 BACKGROUND	69
<i>Note 1.1 Stock market listing</i>	69
<i>Note 1.2 Fiscal year</i>	69
<i>Note 1.3 Presentation of comparative financial information</i>	69
3.5.2 SIGNIFICANT ACCOUNTING POLICIES	69
<i>Note 2.1 Property, plant and equipment</i>	69
<i>Note 2.2 Long-term investments</i>	70
<i>Note 2.3 Treasury shares</i>	70
<i>Note 2.4 Receivables</i>	70
<i>Note 2.5 Revenue recognition</i>	70
<i>Note 2.6 Rental expenses and rebilling of expenses to lessees</i>	70
<i>Note 2.7 Financial expenses</i>	70
<i>Note 2.8 Property restoration costs</i>	71
3.5.3 MANAGEMENT OF FINANCIAL RISKS	71
3.5.4 CHANGE IN ACCOUNTING POLICIES	71
3.5.5 NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT AND OTHER INFORMATION	71
<i>Note 5.1 Statement of financial fixed assets</i>	71
<i>Note 5.2 Provisions for impairment</i>	71
<i>Note 5.3 Cash and cash equivalents</i>	71
<i>Note 5.4 Statement of receivables and payables by maturity</i>	71
<i>Note 5.5 Accrued income and expenses</i>	72
<i>Note 5.6 Transactions with related parties</i>	72
<i>Note 5.7 Prepaid expenses and revenue</i>	72
<i>Note 5.8 Composition of share capital</i>	72
<i>Note 5.9 Statement of changes in equity</i>	73
<i>Note 5.10 Revaluation reserve</i>	73
<i>Note 5.11 Breakdown of revenue</i>	73
<i>Note 5.12 Breakdown of certain income statement items</i>	73
<i>Note 5.13 Net non-recurring income</i>	73
<i>Note 5.14 Taxable income</i>	73
<i>Note 5.15 Statement of subsidiaries and investments</i>	74
<i>Note 5.16 Off-balance sheet commitments and security provided</i>	74
<i>Note 5.17 Recommended appropriation of net income</i>	74
<i>Note 5.18 Headcount</i>	74
<i>Note 5.19 Statutory Auditors</i>	74
<i>Note 5.20 Subsequent events</i>	74
3.6 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS	75
3.7 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS	76
<b>III. LEGAL INFORMATION</b>	<b>78</b>
<b>1. GENERAL SHAREHOLDERS' MEETING OF JUNE 26, 2013</b>	<b>80</b>
1.1. REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING	80
1.2. AGENDA AND TEXTS OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS	83
1.3. STATUTORY AUDITORS' REPORT ON THE EXTRAORDINARY RESOLUTIONS	91
1.4. CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE	93
1.5. STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE	100
1.6. SPECIAL REPORT ON THE GRANTS OF FREE SHARES	100
1.7. SPECIAL REPORT ON STOCK OPTIONS	100
1.8. FIVE-YEAR FINANCIAL SUMMARY	101



<b>2. GENERAL INFORMATION REGARDING THE ISSUER</b>	<b>101</b>
2.1. CORPORATE NAME	101
2.2. TRADE AND COMPANIES REGISTRY	101
2.3. COMPANY INCORPORATION AND TERM OF EXISTENCE	101
2.4. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION	101
2.5. SIIC STATUS	101
2.6. ARTICLES OF INCORPORATION AND BYLAWS	103
<b>3. RELATED-PARTY TRANSACTIONS</b>	<b>106</b>
3.1. MEMORANDUM OF UNDERSTANDING WITH CRI	106
3.2. ASSET MANAGEMENT AGREEMENT	106
<b>4. EMPLOYEES</b>	<b>108</b>
<b>5. SHARE CAPITAL</b>	<b>108</b>
5.1. INFORMATION ON THE SHARE CAPITAL	108
5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES	110
5.3. AGREEMENTS RELATING TO CONTROL OF THE COMPANY	111
5.4. ITEMS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER	111
5.5. TRANSACTIONS INVOLVING SHARES OWNED BY CORPORATE OFFICERS, SENIOR MANAGERS AND THEIR KIN IN THE PREVIOUS FISCAL YEAR	112
<b>6. OTHER INFORMATION ON THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT</b>	<b>112</b>
6.1. LIST OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE YEAR	112
6.2. SUMMARY OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE LAST FIVE FISCAL YEARS	114
6.3. COMPENSATION AND BENEFITS OF THE CORPORATE OFFICERS	114
6.4. OTHER INFORMATION	119
<b>7. IMPACTS OF GERMAN LEGISLATION ON THE GROUP'S ACTIVITY AND STRUCTURE</b>	<b>119</b>
7.1. GERMAN LEGAL FRAMEWORK APPLICABLE TO OPEN-ENDED INVESTMENT FUNDS AND THEIR MANAGERS	119
7.2. IMPACTS OF GERMAN LEGISLATION ON THE COMPANY'S ACTIVITY AND STRUCTURE	121
<b>8. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES</b>	<b>122</b>
<b>9. INFORMATION PROVIDED BY THIRD PARTIES, EXPERT VALUATION REPORTS</b>	<b>122</b>
<b>IV. ADDITIONAL INFORMATION</b>	<b>124</b>
<b>1. DOCUMENTS ON DISPLAY</b>	<b>126</b>
<b>2. PERSON RESPONSIBLE</b>	<b>126</b>
<b>3. HISTORICAL FINANCIAL INFORMATION</b>	<b>126</b>
<b>4. STATUTORY AUDITORS</b>	<b>127</b>
<b>5. REGISTRATION DOCUMENT CONCORDANCE TABLE</b>	<b>127</b>
<b>6. CONCORDANCE TABLE OF THE BOARD OF DIRECTORS' REPORT</b>	<b>129</b>
<b>7. CONCORDANCE TABLE OF THE ANNUAL FINANCIAL REPORT</b>	<b>130</b>
<b>8. CSR CONCORDANCE TABLE</b>	<b>131</b>
<b>9. GLOSSARY</b>	<b>132</b>

Cegereal is member of:



The French version of this Registration Document was filed with the French financial markets authority (Autorité des Marchés Financiers – AMF) on February 20, 2013. 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 responsibility of its signatories.

Consulting, design, creation, writing & production: TERRE DE SIENNE Paris | [www.terredesienne.com](http://www.terredesienne.com)  
Photo credits: Emile Luider / La Company, Thierry Borredon, Mgp-Michel Gantner, Getty Images, Shutterstock



In a responsible development rationale, Cegereal made the choice to print this document on paper manufactured in a FSC certified plant, made with wood fibres from forests planted and exploited according to the same rationale. This paper is manufactured in a plant also ISO 14001 certified (environmental performance norm) and inked on FSC and Imprim'vert certified equipment.

