INTERIM FINANCIAL REPORT

SIX-MONTH PERIOD ENDED JUNE 30, 2017

CeGeREAL

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A French *société anonyme* (joint-stock corporation) with share capital of EUR 66,862,500
Registered office: 42, rue Bassano, 75008 Paris
422 800 029 RCS Paris
SIRET No. 422 800 029 00031

Interim financial report
Six-month period ended June 30, 2017

(Article L.451-1-2 III of the French Monetary and Financial Code *[Code monétaire et financier]*,
Articles 222-4 et seq. of the General Regulations of the French financial markets authority
[Autorité des marchés financiers – AMF])

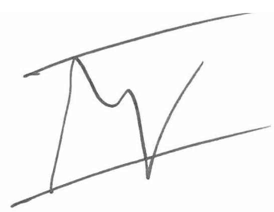
Interim financial report for the six-month period ended June 30, 2017 prepared in accordance
with the provisions of Article L.451-1-2 III of the French Monetary and Financial Code
and Articles 222-4 et seq. of the General Regulations of the AMF.
This report has been distributed in accordance with the provisions of Article 221-3 of the
General Regulations of the AMF. It can also be consulted on the Company's website at www.cegereal.com

1. Attestation by the person responsible for the 2017 interim report

"I certify that to my knowledge, the full consolidated financial statements for the six-month period ended June 30, 2017 have been prepared in accordance with the 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 attached interim activity report includes a fair review of the material events of the first six months of the year and their impact on the interim financial statements, the principal related-party transactions, as well as a description of the main risks and uncertainties for the remaining six months of the year."

Paris, July 20, 2017

Raphaël Tréguier
Chief Executive Officer



2. Interim activity report

2.1. COMMENTS ON ACTIVITY

2.1.1 RENTAL ACTIVITY

During the first half of 2017, Cegereal's rental activity was active with new leases signed for 11,300 sq.m of office space.

Huawei strengthened its presence in the heart of the TMT Valley by leasing an additional area of 6,500 sq.m in the Arcs de Seine building for a minimum term of 6 years (effective from July 3rd, 2017 for 5,000 sq.m), making a total of 11,700 sq.m. RT France, the international news channel network, also joined the campus, signing a firm 9-year lease for 1,800 sq.m.

GE Capital will vacate the space it occupies in the Europlaza building at the end of August, while at the same time My Money bank will take up an additional 3,000 sq.m. In 2018, the vacated area (17% of the rental space) will form a separate complex of over 8,000 sq.m in the upper floors of the building at La Défense, Europe's largest business center.

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 June 30, 2017.

The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at June 30, 2017.

Unless otherwise specified, the occupancy rates referred to in this report correspond to physical occupancy rates.

The table below shows the physical and financial occupancy rates for the Group's portfolio over the past three years.

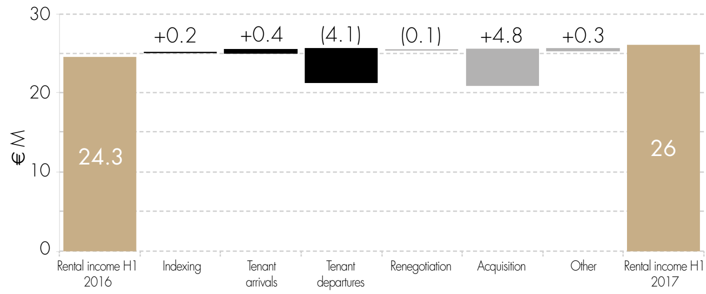
Cegereal portfolio	June 30, 2017	Dec. 31, 2016	Dec. 31, 2015
Physical occupancy rate	90%	87%	93%
Financial occupancy rate	90%	87%	93%

The physical and financial occupancy rates for each property at June 30, 2017 can be analyzed as follows:

June 30, 2017	Europlaza	Arcs de Seine	Rives de Bercy	Hanami Campus	Total
Physical occupancy rate	84%	87%	100%	92%	90%
Financial occupancy rate	84%	87%	100%	92%	90%

At June 30, 2017, the occupancy rate of Arcs de Seine includes the surface areas made available in advance to Huawei (1,500 sq.m) and RT France.

Change in rental income (June 30, 2016 – June 30, 2017)



2.1.2 NET INCOME BY KEY INDICATOR FOR THE PERIOD

in thousands of euros

Statement of comprehensive income caption	Amount	Breakdown
Net rental income	22,344	Net rental income corresponds to rental income for the period (EUR 25,975k) and rental expenses rebilled to lessees (EUR 10,675k), less building-related costs (EUR 14,306k). During the first half of 2017, net rental income rose 1.64% compared to net rental income for 2016 prorated over six months, mainly as a result of the departure of Boursorama (50% rent increase, and various payments in a total amount of EUR 2.43m) which was offset by the acquisition of Hanami.
Administrative costs	(2,518)	Administrative costs chiefly comprise fees, insurance premiums and personnel costs.
Other operating income	716	Other operating income corresponds to the change in fair value of share subscription warrants.
Change in fair value of investment property	14,095	The value of the real estate portfolio increased from EUR 1,124m at December 31, 2016 to EUR 1,144m at June 30, 2017. This change breaks down into EUR 14m of changes in fair value and EUR 5.5m of work (subsequent expenditure).
Operating income	34,636	
Financial income and expenses	(4,898)	Net financial expense is primarily made up of financial expenses in the amount of EUR,5,102k.
Net income	29,738	

2.2. FINANCIAL RESOURCES

Structure of net debt at June 30, 2017

Debt stood at EUR 586m at June 30, 2017, versus EUR 584m at end-2016.

PROTHIN

Prothin refinanced in full the credit agreement of July 26, 2012, signed with (i) Aareal Bank AG, Deutsche Pfandbriefbank Aktiengesellschaft, Bayerische Landesbank, and Landesbank Berlin AG, and (ii) Cegereal, which represented a principal amount of EUR 405m (the "Initial Loan").

In this respect, on July 26, 2016, Prothin entered into a credit agreement (the "Prothin Credit Agreement") with Aareal Bank AG, Natixis, and Natixis Pfandbriefbank AG (the "Banks") for a principal amount of EUR 525m, which enabled it in particular to pay back the Initial Loan and finance certain work and expenditures. The initial due date is December 15, 2021.

Early repayment in the event of a change in control

The Prothin Credit Agreement provides for mandatory early repayment in the event of a change in control of Prothin and/or Cegereal.

Early repayment indemnity

Under the Prothin Credit Agreement, should Prothin make any (x) voluntary early repayments of all or part of the outstanding loan, or (y) mandatory, in certain cases, early repayments of all or part of the outstanding loan, or cancel all or part of the available amount, Prothin will have to pay, in addition to breakage costs, an early repayment indemnity equal to:

- one percent (1%) of any loan amounts repaid or cancelled between the date of signature and the first anniversary of the date of signature; then
- zero point seventy-five percent (0.75%) of any loan amounts repaid or cancelled between the first anniversary of the date of signature and the second anniversary of the date of signature;
- zero point fifty percent (0.50%) of any loan amounts repaid or cancelled between the second anniversary of the date of signature and the third anniversary of the date of signature.

No early repayment indemnity will be payable in the case of amounts repaid as of the third anniversary of the date of signature.

HANAMI RUEIL SCI

Following the acquisition of Hanami Rueil SCI, Cegereal entered into a credit agreement for EUR 100m on December 15, 2016. The loan matures on December 15, 2021.

The main guarantees given in the credit agreements are as follows:

- exclusive senior pledge in favor of the banks of the credit balance of bank accounts;
- assignment of professional receivables under the Dailly Law mechanism;
- mortgage collateral;
- exclusive senior pledge of the shares held in the capital of Prothin and Hanami Rueil; and
- pledge of subordinated loan receivables.

Early repayment indemnity

Under the Hanami Rueil Credit Agreement, should Hanami Rueil make any (x) voluntary early repayments of all or part of the outstanding loan (with the exception, where applicable, of any amortizing payments made in accordance with the Credit Agreement), or (y) mandatory early repayments of all or part of the outstanding loan, Hanami Rueil will have to pay, in addition to breakage costs, an early repayment indemnity equal to:

- one percent (1%) of any loan amounts repaid between the date of signature and the first anniversary of the date of signature; then
- zero point seventy-five percent (0.75%) of any loan amounts repaid between the first anniversary of the date of signature and the second anniversary of the date of signature;
- zero point twenty-five percent (0.25%) of any loan amounts repaid between the second anniversary of the date of signature and the third anniversary of the date of signature.

No early repayment indemnity will be payable in respect of this article in the case of amounts repaid as of the third anniversary of the date of signature and any early repayment indemnities payable in relation to amounts repaid following a change in control will be reduced by fifty percent (50%).

Main financial ratios

Cegereal's financial position at June 30, 2017 satisfies the various limits that could affect the conditions set out in the different credit agreements relating to interest and early repayment clauses.

The table below presents the main financial ratios set out in the credit agreements.

	June 30, 2017	Dec. 31, 2016	Dec. 31, 2015
Gearing ratio			
Non-current borrowings/ adjusted net assets	51.2%	52.1%	43.0%
Interest coverage ratio			
Projected net rental income/ interest expenses	468%	513%	298%

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, upkeeping, 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.

Other financing arrangements

There are no plans to put in place other investment financing with respect to which the management bodies have made firm commitments.

As of the date of this interim financial report, the Company's investment capacity is estimated to be in the region of EUR 100m. Provided that the Company maintains a debt structure as described above, it will quickly have the investment capacity to implement its industrial and commercial policies. In the event that the Company fails to identify any investment opportunities that correspond to the risk/return profiles it is seeking, it could consider distributing these amounts to its shareholders.

2.3. CHANGES IN NET ASSET VALUE (NAV)

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.

2.3.1 EPRA EARNINGS

in thousands of euros

	June 30, 2017	Dec. 31, 2016	June 30, 2016
Net income under IFRS	29,738	41,265	32,623
Restatement of the changes in fair value of investment property	(14,095)	(20,392)	(19,531)
Other restatements of changes in fair value	(733)	997	741
Restatement of loan breakage costs	0	6,334	0
EPRA earnings	14,910	28,204	13,833

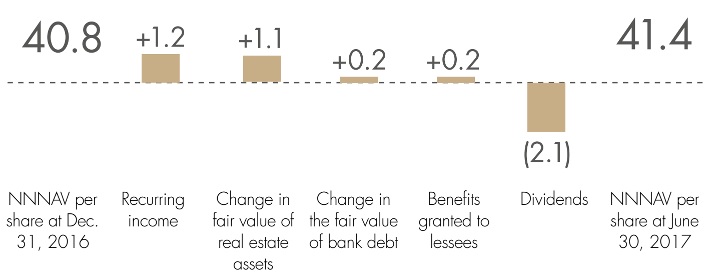
2.3.2 EPRA NAV & EPRA NNNAV

in thousands of euros, except per share data

	June 30, 2017	Dec. 31, 2016	June 30, 2016
Shareholders' equity under IFRS	584,847	583,048	574,192
Portion of rent-free periods	(26,865)	(29,732)	(31,773)
Restatement of the changes in fair value of financial instruments	0	0	741
Elimination of fair value of interest rate caps	34	(25)	0
Elimination of fair value of interest rate swaps	0	205	0
Elimination of fair value of share subscription warrants	0	716	0
EPRA NAV	558,016	554,210	543,160
Market value of the loan	(583,372)	(585,977)	(411,080)
Carrying amount of the loan*	578,547	578,071	403,254
Add-back of the changes in fair value of financial instruments	0	0	(741)
Revaluation to fair value of interest rate caps	(34)	25	0
Revaluation to fair value of interest rate swaps	0	(205)	0
Revaluation to fair value of share subscription warrants	0	(716)	0
EPRA NNNAV	553,157	545,410	534,593
Number of shares (excl. treasury shares)	13,358,601	13,357,581	13,359,055
NAV per share	41.4	40.8	40.0

* Reflects the balance sheet amount of the loan under IFRS.

ANR triple net EPRA
in euros per share



2.4. SIGNIFICANT EVENTS BETWEEN THE DATE ON WHICH THE 2016 FINANCIAL STATEMENTS WERE APPROVED AND JUNE 30, 2017

The main significant events since the date on which the 2016 financial statements were approved are stated in Note 5.29 to the interim consolidated financial statements.

2.5. DESCRIPTION OF THE MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

There was no change in the Company's risk factors during the first six months of the year.

Consequently, reference should be made to the Company's Registration Document filed with the AMF on March 24, 2017 under no. D.17-0219.

3. Interim consolidated financial statements
for the six-month period ended June 30, 2017

Consolidated statement of comprehensive income for the six-month period ended June 30, 2017

in thousands of euros, except per share data

	Notes	June 30, 2017	Dec. 31, 2016	June 30, 2016
		6 months	*12 months*	*6 months*
Rental income	5.18	25,975	47,196	24,354
Income from other services	5.18	10,675	13,991	10,597
Building-related costs	5.19	(14,306)	(17,221)	(11,396)
Net rental income		**22,344**	**43,965**	**23,555**
Sale of building				
Administrative costs	5.20	(2,513)	(3,663)	(1,849)
Net additions to provisions & depreciation and amortization expense		(5)		(4)
Other operating expenses	5.21	0	(716)	(741)
Other operating income		716	9	8
Increase in fair value of investment property		14,095	34,292	37,561
Decrease in fair value of investment property			(13,900)	(18,030)
Total change in fair value of investment property	5.1	*14,095*	*20,392*	*19,531*
Net operating income		34,636	59,987	40,500
Financial income		204	53	0
Financial expenses		(5,102)	(17,972)	(7,074)
Net financial expense	5.22	**(4,898)**	**(17,919)**	**(7,074)**
Corporate income tax	5.23	**0**	**(802)**	**(802)**
CONSOLIDATED NET INCOME		29,738	41,265	32,623
of which attributable to owners of the Company		***29,738***	***41,265***	***32,623***
of which attributable to non-controlling interests		***0***	***0***	***0***
Other comprehensive income				
TOTAL COMPREHENSIVE INCOME		29,738	41,265	32,623
of which attributable to owners of the Company		***29,738***	***41,265***	***32,623***
of which attributable to non-controlling interests		***0***	***0***	***0***
Basic earnings per share (in euros)		2.23	3.09	2.44
Diluted earnings per share		2.04	2.95	2.44

Consolidated statement of financial position at June 30, 2017

in thousands of euros

	Notes	June 30, 2017	Dec. 31, 2016	June 30, 2016
Non-current assets				
Property, plant and equipment		56	61	66
Investment property	5.1	1,143,700	1,124,100	967,300
Non-current loans and receivables	5.2	15,359	22,949	26,416
Financial instruments		101	184	
Total non-current assets		**1,159,216**	**1,147,294**	**993,781**
Current assets				
Trade accounts receivable	5.3	10,808	16,539	11,823
Other operating receivables	5.4	16,065	12,709	7,039
Prepaid expenses		247	354	193
Total receivables		**27,120**	**29,602**	**19,054**
Cash and cash equivalents	5.5	42,321	18,634	26,346
Total cash and cash equivalents		**42,321**	**18,634**	**26,346**
Total current assets		**69,441**	**48,236**	**45,400**
TOTAL ASSETS		1,228,657	1,195,530	1,039,182
Shareholders' equity				
Share capital		66,863	66,863	160,470
Legal reserve and additional paid-in capital		77,600	115,043	21,436
Consolidated reserves and retained earnings		410,646	359,877	359,663
Net attributable income		29,738	41,265	32,623
Total shareholders' equity	5.10	**584,847**	**583,048**	**574,192**
Non-current liabilities				
Non-current borrowings	5.11	577,061	576,951	403,254
Other non-current borrowings and debt	5.13	5,374	4,605	4,058
Non-current corporate income tax liability		0		
Financial instruments		(1)	920	
Total non-current liabilities		**582,435**	**582,476**	**407,312**
Current liabilities				
Current borrowings		3,160	2,224	1,591
Trade accounts payable		2,880	5,832	2,525
Corporate income tax liability				802
Other operating liabilities	5.14	39,250	7,985	37,968
Other financial liabilities	5.12			750
Prepaid revenue	5.16	16,086	13,966	14,041
Total current liabilities		**61,376**	**30,007**	**57,678**
Total liabilities		**643,811**	**612,483**	**464,990**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,228,657	1,195,530	1,039,182

Consolidated statement of cash flows for the six-month period ended June 30, 2017

in thousands of euros

	June 30, 2017	Dec. 31, 2016	June 30, 2016
OPERATING ACTIVITIES			
Consolidated net income	29,738	41,265	32,623
Elimination of items related to the valuation of buildings:			
Fair value adjustments to investment property	(14,095)	(20,392)	(19,531)
Reversal of depreciation and amortization			
Indemnity received from lessees for the replacement of components	-	-	
Elimination of other income/expense items with no cash impact:			
Depreciation of property, plant and equipment (excluding investment property)	5	9	4
Free share grants not vested at the reporting date	103	102	
Fair value of financial instruments (share subscription warrants, interest rate caps and swaps)	(838)	895	741
Adjustments for loans at amortized cost and fair value of embedded derivatives	957	2,949	590
Cash flows from operations before tax and changes in working capital requirements	15,870	24,828	14,427
Change in shareholder debt	28,082		26,746
Other changes in working capital requirements	12,216	376	6,574
Working capital adjustments to reflect changes in the scope of consolidation		134	
Change in working capital requirements	40,298	511	33,320
Net cash flows from operating activities	56,168	25,339	47,747
INVESTING ACTIVITIES			
Acquisition of fixed assets	(5,505)	(161,717)	(5,777)
Net increase in amounts due to fixed asset suppliers	207	621	2,314
Net cash flows used in investing activities	(5,297)	(161,096)	(3,464)
FINANCING ACTIVITIES			
Increase in share capital	0	0	0
Change in bank debt	(375)	181,000	0
Issue of financial instruments (share subscription warrants)	0	9	9
Refinancing transaction costs	(106)	(8,542)	
Purchases of hedging instruments	0	(168)	
Net increase in current borrowings			(35)
Net decrease in current borrowings	571	(523)	
Net increase in other non-current borrowings and debt	769	654	107
Net decrease in other non-current borrowings and debt	0	0	
Purchases and sales of treasury shares	40	(43)	5
Dividends paid	(28,082)	(26,720)	(26,746)
Net cash flows from (used in) financing activities	(27,184)	145,668	(26,660)
Change in cash and cash equivalents	23,687	9,911	17,623
Cash and cash equivalents at beginning of the period*	18,634	8,723	8,723
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	42,321	18,634	26,346

* There were no cash liabilities for any of the periods presented above.

Consolidated statement of changes in equity for the six-month period ended June 30, 2017

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, 2015	160,470	21,436	(217)	386,620	568,309	-	568,309
Comprehensive income	0	0	0	41,501	41,501	0	41,501
- Net income for the period				*41,265*	*41,265*		*41,265*
- Other changes				*236*	*236*		*236*
- Other comprehensive income							
Capital transactions with owners	(93,608)	93,608	(43)	(26,720)	(26,763)	0	(26,763)
- Dividends paid (2.00 per share)				*(26,720)*	*(26,720)*		*(26,720)*
- Decrease in nominal share capital	*(93,608)*	*93,608*			*0*		*0*
- Change in treasury shares held			*(43)*		*(43)*		*(43)*
Shareholders' equity at Dec. 31, 2016	66,862	115,044	(259)	401,401	583,048	-	583,048
Comprehensive income	0	0	0	29,842	29,842	0	29,842
- Net income for the period				*29,738*	*29,738*		*29,738*
- Other changes				*103*	*103*		*103*
- Other comprehensive income							
Capital transactions with owners	0	0	40	(28,082)	(28,043)	0	(28,043)
- Dividends paid (2.00 per share)				*(28,082)*	*(28,082)*		*(28,082)*
- Decrease in nominal share capital					*0*		*0*
- Change in treasury shares held			*40*		*40*		*40*
Shareholders' equity at June 30, 2017	66,862	115,044	(220)	403,161	584,847	-	584,847

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1. Background and main assumptions used to prepare the consolidated financial statements for the six-month period ended June 30, 2017

1.1. OPERATIONAL CONTEXT

The Group, made up of Cegereal SA and its subsidiaries Prothin SAS and the OPPCI K Rueil, did not experience any change in its operating environment during the six-month period ended June 30, 2017.

The Group did not acquire or dispose of any real estate assets during the year ended December 31, 2016.

RENTAL ACTIVITY

During the first half of 2017, Cegereal's rental activity was active with new leases signed for 11,300 sq.m of office space.

Huawei strengthened its presence in the heart of the TMT Valley by leasing an additional area of 6,500 sq.m in the Arcs de Seine building for a minimum term of 6 years (effective from July 3rd, 2017 for 5,000 sq.m), making a total of 11,700 sq.m. RT France, the international news channel network, also joined the campus, signing a firm 9-year lease for 1,800 sq.m.

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Financial occupancy rate	84%	87%	100.0%	92%	90%

At June 30, 2017, the occupancy rate of Arcs de Seine includes the surface areas made available in advance to Huawei (1,500 sq.m) and RT France.

1.2. PRESENTATION OF COMPARATIVE FINANCIAL INFORMATION

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the six month period ended June 30, 2017 includes:

- the IFRS consolidated financial statements for the year ended December 31, 2016; and
- the IFRS consolidated financial statements for the six-month period ended June 30, 2016.

1.3. REGULATORY CONTEXT

The Group's consolidated financial statements for the six-month period ended June 30, 2017 were prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) applicable to accounting periods ended June 30, 2017, 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.

In addition, Cegereal is required to comply with certain dividend payment obligations in accordance with its election for tax treatment as an SIIC (see Note 2.8).

The interim consolidated financial statements were adopted by the Board of Directors on July 20, 2017.

2. Significant accounting policies used to prepare the consolidated financial statements for the six-month period ended June 30, 2017

2.1. PRESENTATION OF THE IFRS FINANCIAL STATEMENTS

ACCOUNTING STANDARDS

The Group's consolidated financial statements for the six-month period ended June 30, 2017 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 June 30, 2017 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2016 were also 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.

This interim financial report was prepared in accordance with IAS 34 "Interim Financial Reporting".

The new published standards, amendments and interpretations effective for accounting periods beginning on or after June 30, 2017 have no impact on the Company's first-half 2017 interim consolidated financial statements.

In accordance with the amendment to IAS 1 "Presentation of Financial Statements", aimed at complementing the financial information relating to the statement of comprehensive net income and gains and losses recognized directly in equity, items in "Other comprehensive income" in the statement of comprehensive income may be grouped into sub-totals depending on whether or not they are subsequently reclassified.

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 manage the relevant activities, is exposed to or is entitled to the variable returns generated by such activities, and has the power to influence such returns.

At June 30, 2017, no entities were jointly controlled or significantly influenced by the Group.

SCOPE OF CONSOLIDATION

At June 30, 2017, the scope of consolidation included the following entities:

	Siren no.	% control	% interest	Basis of consolidation	Period taken into account
Cegereal SA	422,800,029	100%	100%	Full consolidation	January 1 to June 30, 2017
Prothin SAS	533,212,445	100%	100%	Full consolidation	January 1 to June 30, 2017
K RUEIL OPPCI	814,319,513	100%	100%	Full consolidation	January 1 to June 30, 2017
HANAMI RUEIL SCI	814,254,512	100%	100%	Full consolidation	January 1 to June 30, 2017

All entities included in the scope of consolidation close their accounts at December 31.

CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS

Business combinations are accounted for in accordance with IFRS 3. A business combination is where the acquirer acquires a controlling interest in one or several businesses. IFRS 3 defines a business as a combination of the three following elements:

- economic resources that create, or have the ability to create outputs;
- any process that, when applied to the resources, creates or has the ability to create outputs;
- the outputs resulting from the processes applied to the resources that provide or have the ability to provide the expected return.

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 recorded 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.

The OPPCI K Rueil and Hanami Rueil SCI entered the scope of consolidation with effect from December 15, 2016. The acquisition does not meet the definition of a business combination within the meaning of IFRS 3 and is therefore treated as the acquisition of a group of assets. The acquisition cost relating to the group of assets has been allocated to the identifiable assets acquired and liabilities assumed in proportion to their respective fair value at the acquisition date. No goodwill has been recognized.

2.2. SEGMENT REPORTING

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

IFRS 8 states that operating segments may be aggregated if they are similar in each of the following respects:
- the nature of the products and services;
- the nature of 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.

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.

On acquisition, investment property is measured at the acquisition price including transaction costs (legal fees, transfer duties, etc.) in accordance with IAS 40.

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 in 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.

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 twice a year in accordance with the benchmark treatment in IAS 40.

In accordance with the recommendations of the Committee of European Securities Regulators (CESR) of July 2009, the Group appointed real estate valuation firms BNP Paribas Real Estate, Catella Valuation and Cushman & Wakefield to appraise four commercial properties.

It is common practice to change real estate valuer every three years in order to obtain a new analysis of an asset's qualities and market value. In the first half of 2016, the Company appointed BNP Paribas Real Estate and Catella Valuation to replace DTZ Valuation France as external real estate valuers for (i) Europlaza and Rives de Bercy, and (ii) Arcs de Seine, respectively. Cushman & Wakefield is the external real estate valuer of the Hanami property acquired in December 2016.

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 its real estate valuer are required to review these estimates and appraisals on an ongoing basis in light of past experience and other factors deemed of material importance with regard to economic conditions. The amounts reported in future financial statements may differ from these estimates as a result of changes in assumptions or circumstances.

The values of investment property measured by the real estate valuers represent the best estimates at June 30, 2017, 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. The market value of the property is measured using its estimated rental value and the Discounted Cash Flow (DCF) and capitalization methods.

ESTIMATED RENTAL VALUE

The rental value is determined by comparing the rental value per square meter of the most recent transactions involving properties of similar type and location, in order to determine a market value per square meter for the different types of premises (offices, staff cafeterias, car parks, etc.). This rental value is subject to a reversion rate to take account of the specific features of the real estate assets.

MARKET VALUE

The results of applying two traditional methods (the DCF method and the capitalization method) are combined to estimate the market value.

A discount is applied to the gross value to take account of transfer duties and registration costs, which are estimated at the rate of 7.50%.

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

Capitalization approach
This method consists of capitalizing the annual income generated by an asset with a capitalization rate defined by reference to the market. The rate used reflects the quality of the financial covenants as well as the long-term risks related to the property.

FAIR VALUE HIERARCHY UNDER IFRS 13

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions.

IFRS 13 uses a three-level fair value hierarchy to classify the inputs used as a basis to measure the assets and liabilities concerned.

The three levels are as follows:

Level 1: fair value corresponds to the unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2: fair value is determined, either directly or indirectly, using observable inputs;
Level 3: fair value is determined directly using unobservable inputs.

The categorization of the Group's investment property in accordance with IFRS 13 is presented in Note 5.1.

2.5. FINANCIAL INSTRUMENTS – CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

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

• *Loans and receivables*

Loans and receivables include the non-current portion of 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 the lease premiums paid to lessees in accordance with IAS 17 and interpretation SIC 15.

• *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 rate 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.

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

The timing difference between the billing date and the end of the reporting period is eliminated by recognizing rent billed for future periods and not yet due under "Prepaid revenue" (see Note 5.17).

• *Non-derivative financial liabilities*

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

• *Derivative financial instruments*

Cegereal has not opted for hedge accounting. Derivative financial instruments are therefore measured at fair value at the end of each reporting period with any gains or losses recognized in income.

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions (see Note 2.4).

The categorization of the Group's derivative financial instruments in accordance with IFRS 13 is presented in Note 5.13.

Hybrid financial instruments
A hybrid financial instrument is a non-derivative financial contract (host contract) containing one (or more) derivative instrument(s) (embedded derivative(s)).

When the embedded derivative is not closely related to the host contract, it is accounted for separately. Otherwise, it is accounted for as part of the host contract.

Hybrid instruments are measured:

- under the fair value option when measured as a whole; or
- when the fair value option is not chosen, the host contract is measured at amortized cost.

The Group has not chosen to use the fair value option to measure hybrid financial instruments.

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.

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.

Within the scope of these liquidity agreements, the Company owned 13,899 treasury shares (representing 0.10% of its total issued shares) for a total amount of EUR 444k at June 30, 2017.

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".

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 SA's 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 June 30, 2017. 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.

In addition, K Rueil is a SPPICAV and is therefore not subject to corporate income tax. Hanami Rueil SCI is transparent for tax purposes, within the meaning of Article 8 of the French Tax Code.

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 95% 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 60% 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 they choose to leave the SIIC tax regime at any time, the SIICs and their subsidiaries must add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts.

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 from tax-exempt income 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 due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

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 June 30, 2017.

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.

When the agreement contains derivative instruments, it is accounted for as described in the section on "Hybrid financial instruments" in Note 2.5.

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 and restoration indemnities received from former lessees are recognized under "Miscellaneous services" in operating income.

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 "Building-related costs".

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.

Rental expenses include building-related taxes (property tax, tax on office premises and tax on parking areas).

Pursuant to IFRIC 21, the interpretation of IAS 37, property tax, tax on office premises and tax on parking areas are recognized in full at January 1 of each reporting period, i.e., the date of the obligating event. The same applies to taxes rebilled in advance to lessees.

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.

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. Treasury shares are not considered as outstanding and are therefore not included in the calculation of earnings per share.

Diluted earnings per share is calculated based on income attributable to holders of ordinary shares and the weighted average number of shares existing during the year, adjusted to reflect the impact of potentially dilutive ordinary shares.

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.

3. Critical accounting estimates and judgments

To prepare the interim 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 and financial instruments. The fair value of the Group's real estate assets is measured on the basis of valuations carried out by an external real estate valuer using the methodology described in Note 2.4.

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 valuers could vary significantly according to changes in the rate of return, based on observations of the rates prevailing in the real estate market.

in millions of euros

			Changes in potential rate of return								
Building	Market rental value	Potential rate of return	0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
Europlaza	20.7	5.24%	335.9	343.4	351.2	359.4	368.0	377.0	386.4	396.4	406.8
Arcs de Seine	21.6	4.70%	386.4	395.9	405.9	416.4	427.5	439.2	451.5	464.6	478.4
Rives de Bercy	11.8	5.63%	179.6	183.3	187.2	191.3	195.5	199.9	204.6	209.4	214.5
Campus Hanami	10.0	5.50%	140.1	143.1	146.1	149.4	152.7	156.2	159.9	163.7	167.8
Total	64.2	5.27%	1,042.0	1,065.7	1,090.4	1,116.5	1,143.7	1,172.4	1,202.4	1,234.2	1,267.5
Impact on portfolio value			(8.90)%	(6.83)%	(4.66)%	(2.38)%	0.00%	2.50%	5.13%	7.91%	10.82%

Source: BNP Paribas Real Estate, Catella Valuation and Cushman & Wakefield

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.

Regarding hedging instruments, which are analyzed in Note 4.7, a change in interest rates would result in the following values:

in thousands of euros

Hedging instrument	Nominal amount	Hedged rate	Fixed rate	-1%	-0.5%	Value at June 30, 2017	+0.5%	+1%
Cap	320,000	6-month Euribor	1.50%	0	8	64	291	880
Cap	15,000	3-month Euribor	1.50%	4	13	33	69	123
Cap	25,000	3-month Euribor	2.00%	(1,160)	(583)	(22)	523	1,053
Swap	15,000	3-month Euribor	0.10%	0	0	3	13	40
Total				(1,156)	(562)	78	896	2,096

4. Management of financial risks

4.1. RISK RELATED TO REFINANCING

On July 26, 2016, Cegereal renegotiated the EUR 405m loan and entered into a new credit agreement authorizing the Group to borrow EUR 525m. The five-year loan consists of two tranches of (i) EUR 445m and (ii) EUR 80m, repayable at maturity on July 26, 2021. The agreement also provides for an optional two-year extension.

The first tranche was drawn down in full on July 26, 2016 and the second tranche was drawn down in an amount of EUR 41m on December 12, 2016.

Following the acquisition of Hanami Rueil SCI, Cegereal entered into a credit agreement for EUR 100m on December 15, 2016. The agreement provides for a five-year loan, 0.375% of the principal amount of which is repayable at each due date and the remainder on maturity at December 15, 2021.

4.2. RISK RELATED TO THE VALUATION OF REAL ESTATE ASSETS

The Group's real estate portfolio is valued by external real estate valuers. 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 economic climate has sparked 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.

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.

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.

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 June 30, 2017, the Group was dependent on five lessees who collectively represented approximately 55% of the total rental income collected during the first half of 2017 and individually more than 7%. 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.

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 has purchased four hedges:

in thousands of euros

Financial institution	Commonwealth Bank of Australia	Commonwealth Bank of Australia	Société Générale	Société Générale
Type of hedge	Cap	Cap	Cap	Swap
Nominal amount (In thousands of,euros)	320,000	15,000	15,000	25,000
Fixed rate	1.5%	1.5%	2%	0.1%
Hedged rate	6-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor
Start date	10/15/2016	12/15/2016	10/15/2019	12/15/2016
Maturity	10/15/2019	10/15/2019	12/15/2021	12/15/2021

The Group's loans were taken out with bank pools.

Notes 5.11 and 5.25 contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. The Group complied with its covenants at the most recent due date.

4.7. INTEREST RATE RISK

On July 26, 2016, Cegereal refinanced its debt following repayment of the loan taken out on July 26, 2012. The new loan agreement authorizes the Group to borrow EUR 525m and consists of two tranches of (i) EUR 445m (tranche A) and (ii) EUR 80m (tranche B). Tranche A was drawn down in full on July 26, 2016 and a first drawdown of EUR 41m made on tranche B on December 12, 2016.

94% of tranche A is subject to a fixed rate of 1.35% if the occupancy rate is greater than 75%, and 1.50% if it is not. The remaining balance of tranche A (i.e., 6%) is subject to a variable interest rate (6-month Euribor with a floor of 0%) plus a margin of 1.35% if the occupancy rate is greater than 75%, and 1.50% if it is not. The Euribor rate was below 0% during the first half of 2017.

Tranche B is subject to the same conditions as the portion of tranche A that is subject to a variable rate.

Following the acquisition of Hanami Rueil SCI, Cegereal entered into a credit agreement for EUR 100m on December 15, 2016. The loan comprises three tranches: one in an amount of EUR 50m at a fixed rate of 1.52%, including a 1.45% margin, one in an amount of EUR 25m at a variable 3-month Euribor rate with a floor of 0%, and one in an amount of EUR 25m at a variable 3 month Euribor rate with a floor of -0.4%. The two variable-rate tranches also have a 1.45% margin.

5. Notes to the consolidated statement of financial position at June 30, 2017 and to the consolidated statement of comprehensive income for the period then ended

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	Hanami Campus	Total
Dec. 31, 2015	202,000	361,000	379,000		942,000
Indemnity received	0	0	0		0
Subsequent expenditure	0	5,630	139		5,769
Disposals	0	0	0		0
Change in fair value	(7,600)	(10,430)	37,561		19,531
June 30, 2016	194,400	356,200	416,700	-	967,300
Acquisitions	0	0	0	153,881	153,881
Indemnity received	0	0	0	0	0
Subsequent expenditure	0	189	1,870	0	2,059
Disposals	0	0	0	0	0
Change in fair value	400	5,611	(3,270)	(1,881)	861
Dec. 31, 2016	194,800	362,000	415,300	152,000	1,124,100
Acquisitions	0	0	0	0	0
Indemnity received	0	0	0	0	0
Subsequent expenditure	0	329	4,889	287	5,505
Disposals	0	0	0	0	0
Change in fair value	700	5,671	7,311	413	14,095
June 30, 2017	195,500	368,000	427,500	152,700	1,143,700

• *Main fair value assumptions*

The real estate valuers' estimation of the fair value of the buildings at June 30, 2017 is indicated below, along with the information used in the calculation:

Building	Estimated value at June 30, 2017 (net of taxes)		Rate of return	Gross leasable area[1] at June 30, 2017		Annual rent (net of taxes)[2]	
	in millions of euros	%	%	sq.m	%	in thousands of euros	%
Europlaza (1999[3])	368,000	32	5.0 - 5.3	49,321	32	23,302	35
Arcs de Seine (2000[3])	427,500	37	4.7	45,167	29	21,244	32
Rives de Bercy (2003[3])	195,500	17	5.2	29,850	19	11,776	18
Hanami Campus (2016)	152,700	13	5.5	30,035	19	10,009	15
Total	1,143,700	100		154,373	100	66,331	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 June 30, 2017 and market rent, as estimated by valuers, in relation to vacant premises.
(3) Year of construction or restoration.

In light of the nature of the French real estate market and the relative lack of publicly-available data, real estate assets have been categorized within Level 3 of the IFRS 13 fair value hierarchy.

5.2. NON-CURRENT LOANS AND RECEIVABLES

This item can be broken down as follows:

in thousands of euros

	June 30, 2017	Dec. 31, 2016	June 30, 2016
Security deposits paid	24	23	23
Benefits granted to lessees (non-current portion)	15,335	22,926	26,393
Non-current loans and receivables	15,359	22,949	26,416

Non-current benefits granted to lessees concern rent-free periods, rent discounts and lease premiums paid to lessees recognized over the firm term of the lease in accordance with the accounting policies stated in Note 2.11.

5.3. TRADE ACCOUNTS RECEIVABLE

This item can be broken down as follows:

in thousands of euros

	June 30, 2017	Dec. 31, 2016	June 30, 2016
Trade accounts receivable	10,808	16,539	11,823
Provision for impairment of trade accounts receivable	0	0	0
Trade accounts receivable, net	10,808	16,539	11,823

5.4. OTHER OPERATING RECEIVABLES

This item can be broken down as follows:

in thousands of euros

	June 30, 2017	Dec. 31, 2016	June 30, 2016
Benefits granted to lessees (current portion)	11,529	6,806	5,381
VAT	1,429	0	1,168
Supplier accounts in debit and other receivables	2,820	5,656	196
Liquidity account/treasury shares	286	247	294
Other operating receivables	16,065	12,709	7,039

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.

Current bank account balances recorded in this caption represent EUR 42,321k.

5.6. AGEING ANALYSIS OF RECEIVABLES

The ageing analysis of receivables at June 30, 2017 is as follows:

in thousands of euros

	Receivables (net of impairment) June 30, 2017	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
Non-current receivables						
Non-current loans and receivables	15,359	15,359	0	0	0	0
Total non-current receivables	15,359	15,359	0	0	0	0
Current receivables						
Trade accounts receivable*	10,808	6,271	4,537	4,329	208	0
Other operating receivables	16,065	16,065	0	0	0	0
Prepaid expenses	247	247	0	0	0	0
Total current receivables	27,119	22,583	4,537	4,329	208	0
Total receivables	42,479	37,942	4,537	4,329	208	-

* The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR,10,808k at June 30, 2017 and is detailed in Note,5.25.

The ageing analysis of receivables at December 31, 2016 was as follows:

in thousands of euros

	Receivables (net of impairment) Dec. 31, 2016	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
Non-current receivables						
Non-current loans and receivables	22,949	22,949	0	0	0	0
Total non-current receivables	22,949	22,949	0	0	0	0
Current receivables						
Trade accounts receivable*	16,539	15,842	697	682	15	0
Other operating receivables	12,709	12,709	0	0	0	0
Prepaid expenses	354	354	0	0	0	0
Total current receivables	29,602	28,905	697	682	15	0
Total receivables	52,551	51,854	697	682	15	-

* The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR,16,539k at December 31, 2016 and is detailed in Note,5.25.

5.7. FAIR VALUE OF FINANCIAL ASSETS

The fair value of financial assets at June 30, 2017 can be analyzed as follows:

in thousands of euros

	June 30, 2017		Dec. 31, 2016		Fair value hierarchy(**)
	Carrying amount	Fair value	Carrying amount	Fair value	
Interest rate cap (*)	101	101	184	184	Level 2
Total non-current assets	101	101	184	184	

(*) Derivative financial instruments.
(**) Classification under IFRS 13 (see Note 2.4).

The characteristics of non-current assets are described in Note 4.6 and Note 5.12.
The fair value of other financial assets, which primarily comprise receivables, corresponds to their carrying amount.

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	June 30, 2017	Dec. 31, 2016	June 30, 2016
Financial assets at fair value through profit or loss	101	184	0
Held-to-maturity investments	0	0	0
Loans and receivables			
Non-current loans and receivables	15,359	22,949	26,416
Current receivables	26,873	29,248	18,861
Available-for-sale financial assets	0	0	0
Cash and cash equivalents	42,321	18,634	26,346
Total financial assets	84,654	71,016	71,623
Financial liabilities at fair value through profit or loss		920	
Financial liabilities measured at amortized cost			
Non-current liabilities	582,435	581,556	407,312
Current liabilities	45,290	16,041	43,636
Total financial liabilities	627,726	598,517	450,949

5.9. CHANGES IN IMPAIRMENT OF FINANCIAL ASSETS

No impairment was recognized against financial assets in the period.

5.10. CONSOLIDATED EQUITY

Composition of and changes in shareholders' equity:

	Number of shares	Par value of shares	Share capital	Legal reserve and additional paid-in capital	Consolidated reserves and retained earnings
		in euros	in thousands of euros	in thousands of euros	in thousands of euros
Shareholders' equity at Dec. 31, 2016	13,372,500	5	66,863	115,043	401,142
Dividends paid	0	0	0	(28,082)	0
Other changes	0	0	0	0	103
Other comprehensive income	0	0	0	0	0
Decrease in the legal reserve	0	0	0	(9,361)	9,361
Net income for the period	0	0	0	0	29,738
Decrease in nominal share capital	0	0	0	0	0
Change in treasury shares held	0	0	0	0	39
Shareholders' equity at June 30, 2017	13,372,500	5	66,863	77,600	440,384

Treasury shares

in euros

	Amount at June 30, 2017	Amount at Dec. 31, 2016	Amount at June 30, 2016
Acquisition cost	443,844	479,153	376,825
Number of treasury shares at reporting date	13,899	14,919	13,445

5.11. NON-CURRENT BORROWINGS

The maturity schedule of loans taken out by the Group, valued at amortized cost less transaction costs, is as follows:

in thousands of euros	Bank loan	Due in 1 year or less	Due in 1 to 2 years	Due in 2 to 5 years	Due in more than 5 years
Bank borrowings					
Fixed rate	466,328	743	732	464,853	-
Variable rate	119,297	743	732	117,822	-
Accrued interest not yet due	1,673	1,673	-	-	-
Bank fees to spread at effective interest rate	(7,078)	(2,005)	(3,983)	(1,090)	-
Total at June 30, 2017	580,221	1,154	(2,519)	581,586	-

The Group complied with the ratios described in Note 5.25, which were calculated on April 15, 2017. The loan characteristics are described in Notes 4.1 and 4.7.

5.12. FINANCIAL INSTRUMENTS

The table below presents a summary of financial instruments:

in thousands of euros

	June 30, 2017	Dec. 31, 2016
Interest rate cap	101	184
Assets	101	184
Share subscription warrants	0	716
Interest rate swap	0	205
Liabilities	0	920

The characteristics of the cap and swap agreements are described in Note 4.6.

The share subscription warrants and the swap are considered to be derivative financial instruments and are measured at fair value at the end of each reporting period with any gains or losses recognized in income (see Note 2.5).

On April 14, 2016, Cegereal issued 865,000 share subscription warrants to Northwood Investors France Asset Management SAS at a unit price of EUR 0.01. These warrants were subscribed in a total amount of EUR 8,650 as at April 22, 2016 and must be exercised no later than June 30, 2022. Each share subscription warrant entitles the holder to subscribe to one new share in the Company. The subscription price for one share will be calculated based on the volume-weighted average share price during the 20 trading days prior to the exercise date.

5.13. FAIR VALUE OF FINANCIAL LIABILITIES

The fair value of financial liabilities at June 30, 2017 can be analyzed as follows:

in thousands of euros

	June 30, 2017		Dec. 31, 2016		June 30, 2016		Fair value hierarchy (**)
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Bank loan	578,547	583,372	578,071	585,977	403,254	411,080	Level 2
Interest rate swap(*)	0	0	205	205	0	0	Level 2
Share subscription warrants(*)	0	0	716	716	750	750	Level 1
Total non-current liabilities	578,547	583,372	578,992	586,897	404,004	411,830	

(*) Derivative financial instruments.
(**) Classification under IFRS 13 (see Note 2.4).

The characteristics of non-current liabilities are described in Note 4.6 and Note 5.12. There was no difference between the carrying amounts and fair values of financial liabilities other than those mentioned above.

5.14. 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.

5.15. OTHER OPERATING LIABILITIES

These can be broken down as follows:

in thousands of euros

	June 30, 2017	Dec. 31, 2016	June 30, 2016
Personnel	183	322	242
Directors' fees	70	159	0
Accrued VAT, other taxes and social security charges	7,246	2,379	6,047
Accrued rental expenses rebilled to lessees	1,192	1,177	1,094
Advance payments by lessees - miscellaneous	1,136	2,693	1,005
Shareholders	28,082	60	26,746
Other operating liabilities	37,909	6,789	35,134
Amounts due to fixed asset suppliers	1,341	1,195	2,834
Amounts due to fixed asset suppliers	1,341	1,195	2,834
Other liabilities	39,250	7,985	37,968

"Accrued rental expenses rebilled to lessees" corresponds to the balance of lessees' contributions to the financing of large items of shared equipment.

5.16. MATURITY SCHEDULE FOR LIABILITIES WITH UNDISCOUNTED CONTRACTUAL VALUES

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

Other liabilities

			Undiscounted contractual value		
	Carrying amount at June 30, 2017	Undiscounted contractual value	Due in 1 year or less	Due in more than 1 year but less than 5 years	Due in more than 5 years
Non-current liabilities					
Non-current borrowings	577,061	585,625	1,486	584,139	-
Other non-current borrowings and debt	5,374	5,374	-	-	5,374
Non-current corporate income tax liability	-	-	-	-	-
Total non-current liabilities	582,435	590,999	1,486	584,139	5,374
Current liabilities					
Current borrowings	3,160	3,160	3,160		
Trade accounts payable	2,880	2,880	2,880		
Corporate income tax liability	-	-	-		
Other operating liabilities	39,250	39,250	39,250		
Other financial liabilities	-	-	-		
Total current liabilities	45,290	45,290	45,290	-	

Other non-current borrowings and debt correspond 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.

5.17. PREPAID REVENUE

Prepaid revenue consists of rents billed in advance for the third quarter of 2017.

5.18. RENTAL INCOME

Including the impact of benefits granted to lessees, rental income can be broken down by building as follows:

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Europlaza	9,203	19,183	9,479
Arcs de Seine	6,995	17,747	9,951
Rives de Bercy	4,954	9,847	4,924
Hanami Campus	4,823	419	
Total rental income	25,975	47,196	24,354

Invoiced rent amounted to EUR 29,983k, corresponding to IFRS rental income (EUR 25,975k) plus front-end incentives (EUR 4,008k).

Income from other services

Income from other services can be analyzed as follows:

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Rental expenses rebilled to lessees	4,319	6,323	3,605
Real estate taxes rebilled to lessees	6,127	4,599	4,535
Other amounts rebilled to lessees and miscellaneous income	229	463	2,457
Indemnities	0	2,606	0
Income from other services	10,675	13,991	10,597

Pursuant to IFRIC 21, real estate taxes rebilled to lessees correspond to rebillings for the entire year.

Other amounts rebilled to lessees and miscellaneous income mainly include indemnities in an amount of EUR 125k.

5.19. BUILDING-RELATED COSTS

These can be broken down as follows:

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Rental expenses	4,494	6,744	3,636
Taxes	6,641	5,034	4,942
Fees	2,265	4,281	2,212
Maintenance costs	192	136	104
Expenses on vacant premises	670	968	458
Other expenses	44	59	45
Building-related costs	14,306	17,221	11,396

Pursuant to IFRIC 21, income tax expenses correspond to corporate income tax for the entire year.

Fees mainly comprise asset management fees with Northwood Investors Asset Management SAS, which amounted to EUR 2,068k in first-half 2017 compared with EUR 3,975k in 2016. These fees are calculated based on the Group's net asset value.

The impact of vacant premises in first-half 2017 amounted to EUR 1,024k.

5.20. ADMINISTRATIVE COSTS

Administrative costs mainly comprise professional fees for EUR 786k and payroll expenses for EUR 673k.

5.21. OTHER OPERATING INCOME

Other operating income corresponds to changes in the fair value of the share subscription warrants described in Note 5.12.

5.22. FINANCIAL INCOME AND EXPENSES

Financial income and expenses can be broken down as follows:

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Financial income	204	53	0
Financial expenses	(5,102)	(17,972)	(7,074)
Interest on bank borrowings	*(5,102)*	*(13,141)*	*(7,074)*
Financial income and expenses	(4,898)	(17,919)	(7,074)

5.23. 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 or the SPPICAV tax regime for companies investing predominantly in real estate with a variable share capital, and are not liable for corporate income tax in respect of their property rental activities.

Income tax expense for the reporting period can be broken down as follows:

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Corporate income tax(1)	0	0	0
Additional corporate income tax contribution(2)	0	802	802
Corporate income tax	-	802	802

(1) Corporate income tax on other taxable activities (other than property rental activities).
(2) Additional corporate income tax contribution on amounts distributed in the form of dividends.

5.24. EARNINGS PER SHARE

Earnings per share is calculated by dividing consolidated net income attributable to owners of Cegereal SA by the number of ordinary shares net of treasury shares at June 30, 2017, i.e., EUR 2.23.

Pursuant to IAS 33, the potential shares (warrants) were considered to be dilutive at June 30, 2017. Diluted earnings per share came out at EUR 2.04.

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months
Net attributable income (in thousands of euros)	29,738	41,265
Weighted average number of shares before dilution	13,358,601	13,359,055
Earnings per share (in euros)	2.23	3,09
Net attributable income, including impact of dilutive shares (in thousands of euros)	29,022	41,972
Weighted average number of shares after dilution	14,223,601	14,224,055
Diluted earnings per share (in euros)	2.04	2.95

5.25. 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*

Credit agreement

Pursuant to the credit agreement of July 26, 2016, the amounts provided shall be used solely to:
- repay the initial loan of EUR 405m as well as the related interest and expenses (i.e., EUR 412m);
- and, in a maximum amount of EUR 120m:
    - finance certain work/expenses,
    - repay a portion of the issue or merger premium,
    - repay any existing or future intragroup loans,
    - refund shareholders in the event of a capital reduction.

In accordance with the EUR 525m credit agreement of July 26, 2016, the Group is also required to comply with the following main commitments:
- registration of contractual mortgages carried out on Prothin's real estate assets;
- assignment of rent receivables relating to Prothin's real estate assets under the Dailly Law mechanism;
- senior pledge of Prothin's bank accounts. The Group agrees not to close these accounts or open bank accounts other than those identified in the credit agreement;
- pledge of Prothin Shares from the securities account held in Cegereal's name;
- pledge of receivables relating to the current account agreement between Cegereal and Prothin;
- to ensure that the loan-to-value ratio (LTV) (outstanding loan/market value of real estate assets) remains below 70% (65% in the event that the credit agreement is extended until July 21, 2021). Non compliance with this ratio (calculated on each drawdown date and on July 26 of each year) results in an obligation to repay the outstanding loan in the amount required for the ratio to be below 60%;
- when the LTV ratio is above 65% (60% if the agreement is extended), to repay the loan in advance, on each Interest Payment Date, in tranches of 0.50% of the loan while the LTV ratio is above 60%;
- to ensure that the ISC ratio (available income/[projected interest + agency fees]) remains above 200%. Non compliance with this ratio (calculated on each drawdown date and 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;
- not to grant liens on these assets, rights or income other than security interests;
- 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;
- to set up a hedge;
- not to take out any borrowings other than those provided for in the credit agreement;
- not to grant any loans apart from those set out in the credit agreement;
- (applicable to Prothin only) not to acquire any new real estate assets (except by means of equity financing) or interests;
- to repay some or all of the loan in advance in the event of a change of control of the Company or the total or partial sale of one of the buildings, expropriation or a major incident;
- to repay the loan in advance, which would give rise to breakage costs and an early repayment indemnity;
- 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.

Under the EUR 100m credit agreement of December 15, 2016, the amounts borrowed should be used solely to refinance in full the amounts due under the previous loan. The Group's main commitments under the agreement are as follows:
- registration of contractual mortgages on Hanami Rueil SCI's real estate assets;
- assignment of rent receivables relating to Hanami Rueil SCI's real estate assets under the Dailly Law mechanism;
- senior pledge of Hanami Rueil SCI's bank accounts. The Group agrees not to close these accounts or open bank accounts other than those identified in the credit agreement;
- pledge of Hanami Rueil SCI shares from the securities account held in the name of K Rueil and Cegereal;
- pledge of receivables relating to subordinate loans granted by K Rueil or Cegereal;
- to ensure that the loan-to-value ratio (LTV) (outstanding loan/market value of real estate assets) remains below 70%;
- to ensure that the debt service coverage ratio (DSC) (available income/[interest expenses + agency fees + principal repaid]) remains above 115%;
- not to grant liens on these assets, rights or income other than security interests;
- 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;
- to set up hedges;
- not to take out any borrowings other than those provided for in the credit agreement;
- not to grant any loans apart from those set out in the credit agreement;
- (applicable to Hanami Rueil SCI only) not to acquire any new real estate assets (except by means of equity financing) or interests;
- early repayment of all or part of the loan in the event of a change of control of the Company or the total or partial sale of one of the buildings, expropriation or a major incident;
- repaying the loan in advance, which would give rise to breakage costs and an early repayment indemnity;
- Hanami Rueil SCI undertakes to remain transparent for tax purposes, within the meaning of Article 8 of the French Tax Code, and not to elect for corporate income tax liability.

Advisory Services Agreement

Under the Advisory Services Agreement entered into by Northwood Investors France Asset Management SAS (the "Advisor") and Prothin, effective January 1, 2016 for an initial term of six years and amended on December 23, 2016 (the "Prothin ASA"), an incentive fee is paid to encourage the Advisor to create value for the shareholders ("Value Growth").

Value Growth is determined on the basis of growth in the Group's EPRA NNNAV over a period of three years adjusted upwards for dividend distributions and downwards for capital increases made over that period (the calculation only includes the proportion of net asset value that Prothin represents relative to that of Cegereal and its subsidiaries or affiliates). The incentive fee is equal to a maximum of 10% of Value Growth, provided that an annualized IRR of at least 6% is achieved (the "Initial Hurdle"). A catch-up clause divides the proportion of Value Growth in excess of the Initial Hurdle equally between the Advisor and Prothin until the point that the incentive fee reaches 10% of Value Growth. Beyond that hurdle, the total incentive fee is 10% of Value Growth.

No incentive fee was recorded in the financial statements for first-half 2017, as the different elements used to calculate the amount of the incentive fee and its high sensitivity to the portfolio value meant it was not possible to produce a reliable estimate of this amount by the date on which the financial statements were approved.

• *Commitments received*

Security deposits received from lessees amounted to EUR 26,589k at June 30, 2017.

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.

Until the entry into force of Act no. 2014-626 of June 18, 2014 on craftspeople, small traders and micro businesses (the "Pinel Act"), the parties could contractually override this three-year termination period. This possibility is now limited in certain cases for leases signed on or after September 1, 2014 (the date on which the Pinel Act came into effect).

Rents are generally payable quarterly in advance and are indexed annually.

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. Pursuant to Article R.145-35 of the French Commercial Code, some of these charges cannot be rebilled.

Minimum guaranteed rental income from current operating leases:

At June 30, 2017, the minimum annual rental income (excluding VAT, rebilling of taxes and expenses, and rent decreases agreed after end-2016) due to the Group until the earliest possible termination dates of the different operating leases was as follows:

These rents represent amounts to be invoiced, excluding the impact of staggering the benefits granted to lessees with respect to earlier periods.

in thousands of euros

	Minimum annual rental income		
	June 30, 2017	Dec. 31, 2016	June 30, 2016
Second-half 2016			25,226
2017	25,347	55,085	45,990
2018	49,655	50,196	39,667
2019	47,064	46,414	36,330
2020	42,164	37,116	29,111
2021	38,470	29,825	24,330
2022	22,148	8,291	2,879
2023	18,814	7,217	1,695
2024	16,330	4,591	
2025	15,762		

5.26. TRANSACTIONS WITH RELATED PARTIES

• *Transactions with related companies*

On November 5, 2015, the Northwood Concert became the Group's majority shareholder. Accordingly, transactions with the Northwood Concert and Northwood Investors France Asset Management SAS are considered related party transactions.

Transactions with related parties mainly comprise the asset management agreements entered into with Northwood Investors France Asset Management SAS (Note 5.20).

Northwood Investors France Asset Management SAS subscribed for 865,000 share subscription warrants, at a unit price of EUR 0.01 in a total amount of EUR 8,650 (see Note 5.12).

in thousands of euros

	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Impact on operating income			
Building-related costs: Asset management fees	2,068	3,975	1,973
Administrative costs: Fees	11	0	0
Total impact on income statement	2,079	3,975	1,973
Impact on assets			
Prepaid expenses	0	0	0
Other receivables	6	0	0
Total impact on assets	6	-	-
Impact on liabilities			
Non-current borrowings	0	0	0
Trade accounts payable	0	200	0
Total impact on liabilities	-	200	-

• *Transactions with key management personnel*

Compensation of the Chairman of the Board of Directors

The Chairman of the Board of Directors does not receive any compensation.

Compensation of key management personnel

in thousands of euros

Categories of employee benefits	June 30, 2017 6 months	Dec. 31, 2016 12 months	June 30, 2016 6 months
Short-term employee benefits	300	600	314
Post-employment benefits	0	0	0
Other long-term employment benefits	0	0	0
Termination benefits	0	0	0
Share-based payment	103	102	0
Total	403	702	314

At its meeting on July 7, 2016, the Board of Directors granted Raphaël Tréguier 5,349 free shares.

Non-compete, non-solicitation, non-disparagement and confidentiality agreement

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non-compete, non-solicitation, non disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:
- his last fixed monthly compensation; and
- 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:
- release him from his non-compete agreement, in which case the corresponding non-compete benefits shall not be due; or
- reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

Directors' fees

Directors' fees of EUR 194,522 were paid for 2016.

Directors' fees of up to EUR 200k were allocated for 2017.

Loans and securities granted to or on behalf of executives

None

Transactions entered into with executives

None

Entities having key management personnel in common with the Group

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

5.27. PERSONNEL

At June 30, 2017, the Group had three employees, unchanged from December 31, 2016.

5.28. STATUTORY AUDITORS

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92066 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017.

Denjean et associés
35 avenue Victor Hugo
75116 Paris
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of April 20, 2017.

Fees paid to the Statutory Auditors for the six-month period ended June 30, 2017 were as follows:

in thousands of euros

	Amount (net of taxes)			%		
	June 30, 2017	Dec. 31, 2016	June 30, 2016	June 30, 2017	Dec. 31, 2016	June 30, 2016
Statutory audit of the financial statements	156	223	112	96	69	72
Advisory services and services not related to the statutory audit engagement	7	57	43	4	31	28
Total	162	280	156	100	100	100

5.29. SUBSEQUENT EVENTS

GE Capital has signed a termination agreement for its lease and will leave at the end of August 2017.

4. Statutory Auditors’ review report

Cegereal S.A.
Registered office: 42, rue de Bassano - 75008 Paris
Share capital: €66,862,500

Statutory Auditors’ review report on the 2017 interim financial information

For the six months ended June 30, 2017

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders’ Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

• the review of the accompanying interim consolidated financial statements of Cegereal S.A. for the six months ended June 30, 2017;
• the verification of the information contained in the interim management report.

These interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France.
A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group at June 30, 2017 and of the results of its operations for the period then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union.

II – SPECIFIC VERIFICATION

We have also verified the information given in the interim management report on the interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the interim consolidated financial statements.

Paris-La Défense, July 21, 2017

KPMG Audit FS I

Regis Chemouny
Partner

Denjean & Associés

Thierry Denjean
Associé

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