Arcs de Seine - Boulogne

Annual Results 2011

15th February 2012

CeGeREAL

CeGeREAL is well positioned in the IDF market

- 100% offices in the 1st ring of Paris
- Recent (acquired under developer's 10-year guarantee) and large properties (greater than €50 million) offering high value-added services
- Rental income secured by first-class tenants

EUROPLAZA
50,000 m² in La Défense

Capgemini
CONSULTING.TECHNOLOGY.OUTSOURCING

ARCS DE SEINE
45,000 m² in Boulogne

Boursorama

CRÉDIT FONCIER

RIVES DE BERCY
30,000 m² in Charenton

CeGeREAL properties, spaces for life and work - Europlaza

Europlaza at a glance – 2012 starts with the signing of a new lease

Yxime: an important new tenant

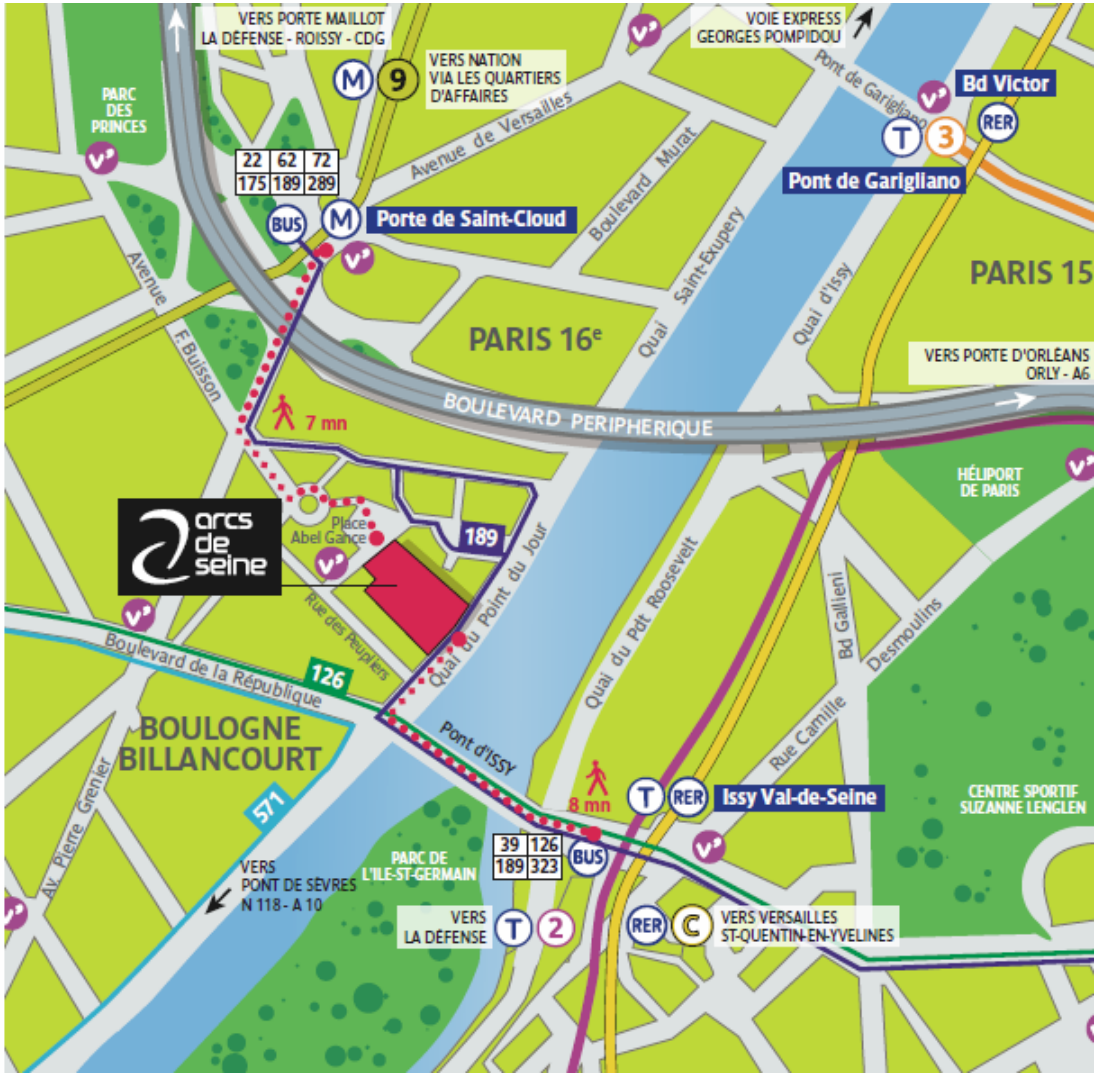
Yxime, Cegereal's property manager has chosen to set up its office base in Europlaza. As from April 2012, the property management company will occupy the tower's 4th floor. Yxime's decision is of symbolic importance for Cegereal. As the manager of 3 million m² in the Paris region, Yxime's decision to choose Europlaza is a strong statement of its recognition of the high quality offered.

Arcs de Seine: The new Green campus at the entrance of Paris

A unique offer in Boulogne : a dividable campus with value-added services

- Co-mandates extended to a 3rd broker : Jones Lang LaSalle, CBRE and Keops
- Refurbished premises strongly support the marketing
- More than 13,000m2 under advanced negotiations

Arcs de Seine: 45,000 m² top end office property on the Seine banks



Excellent visibility

Well-established office district

Well-served by public transport:

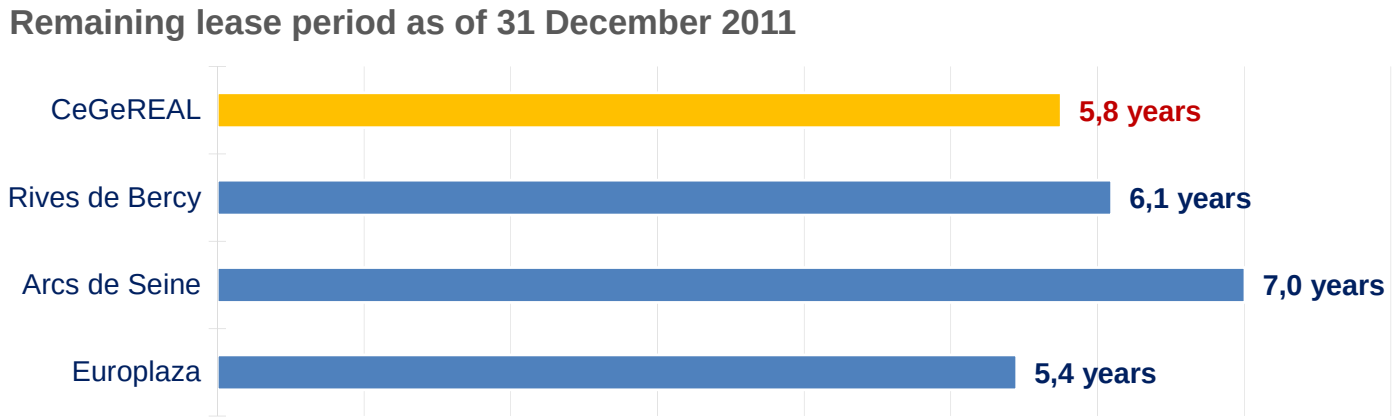
- 600 m / 7 mn by foot from Metro Line 9 (Porte de St Cloud)
- 600 m / 7 mn by foot from the RER C and T2

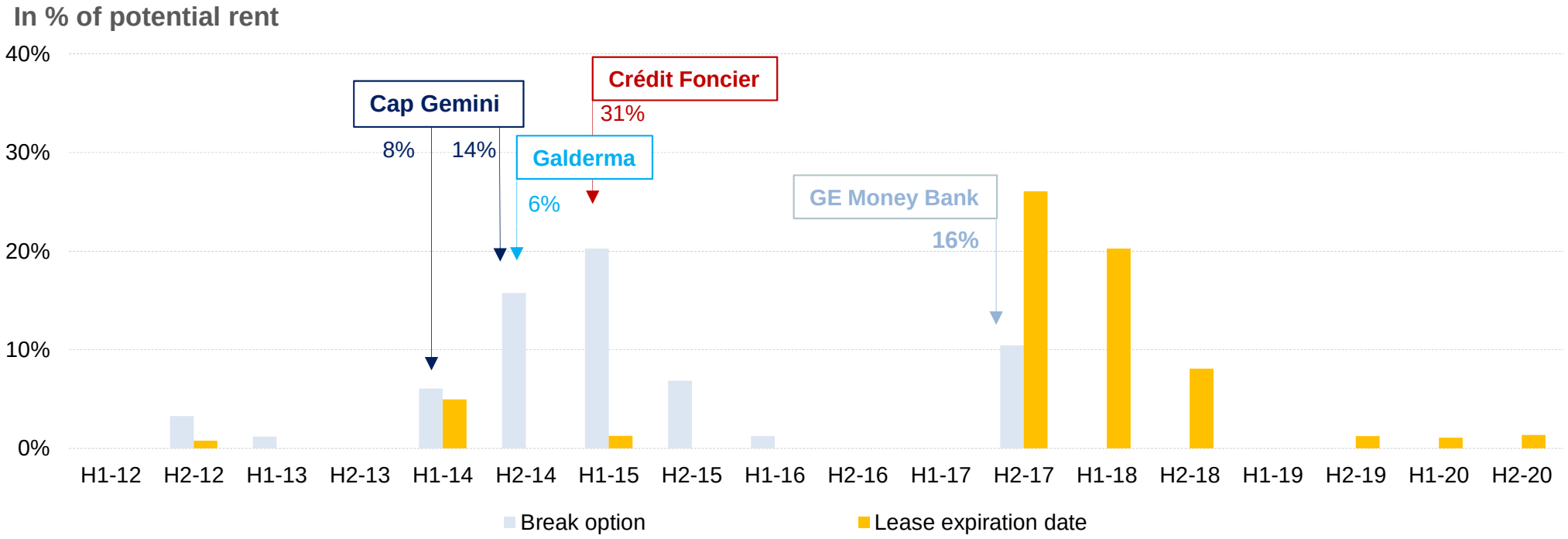
Easy automobile access:

- Seine banks / Paris ring road

2011: a year of renovation and enhancement works for Arcs de Seine

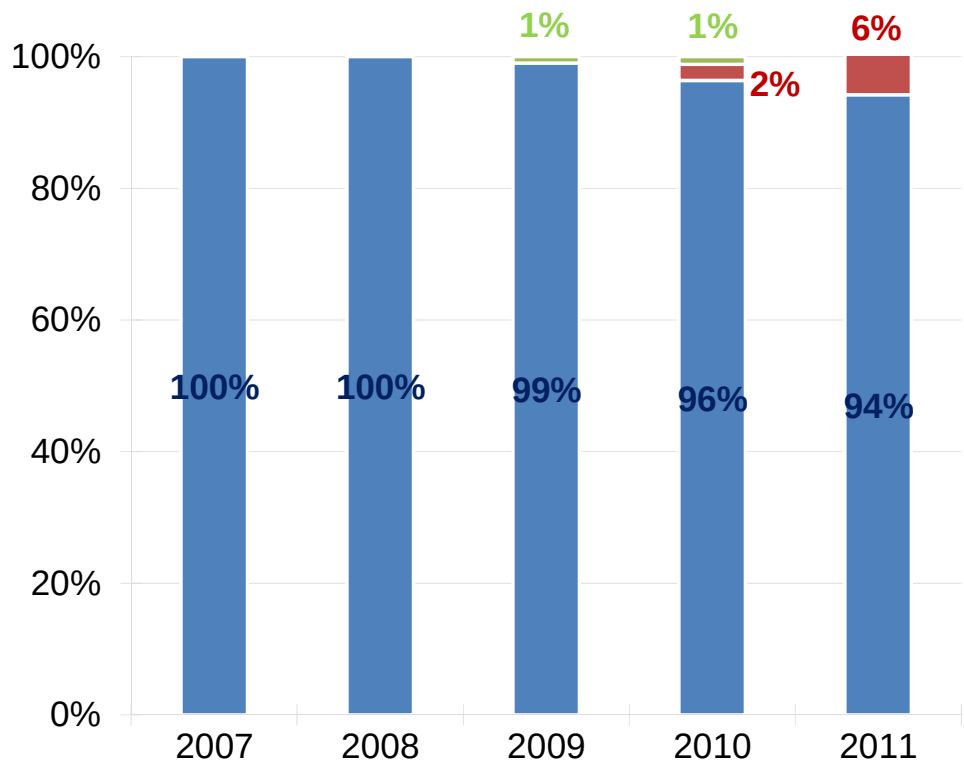
Rental schedule





First-rank tenants

Quality of tenant signature since 2007

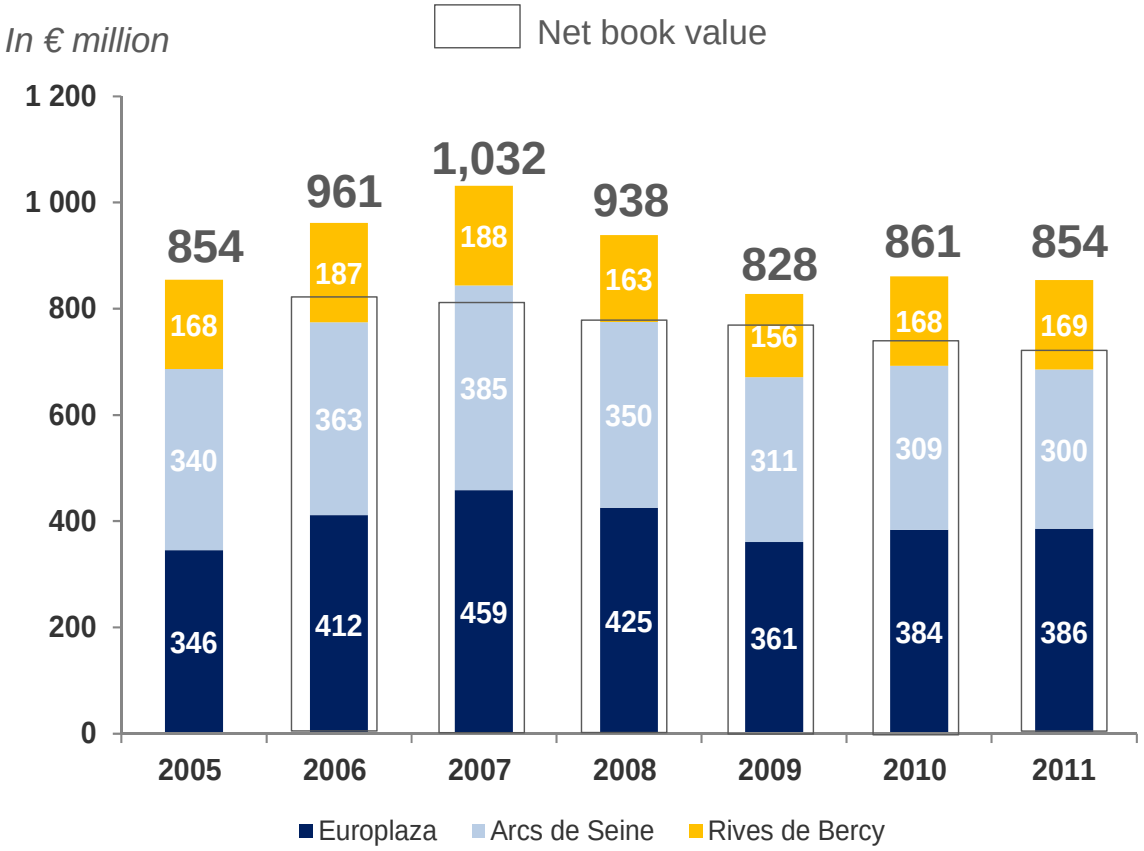


Source: Dun & Bradstreet ratings

Good potential of future gains amid crisis

Good tank of unrealised gains ↑ +130 mios euros

Limited decrease in appraisal values ↓ -1.1%



Arcs de Seine Bât C – Boulogne Billancourt

Overview 2011 – Finance

Arcs de Seine – Boulogne-Billancourt

Key figures – IFRS

	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011
Portfolio valuation	€ 938 M	€ 828 M	€ 861 M	€ 854 M
Loan to value	40,50%	48.6 %	46.4 %	46.7 %
EPRA NAV per share	€ 40.0	€ 31.6	€ 34.7	€ 34.2

	2008	2009	2010	2011
Rental income	€ 58.5 M	€ 57.0 M	€ 54.7 M	€ 34.6 M
Funds from operations	€ 37.1 M	€ 41.5 M	€ 34.8 M	€ 8.4 M
EPRA earnings	€ 34.5 M	€ 40.2 M	€ 30.1 M	€ 7.8 M
Net result	€ (59.2) M	€ (70.9) M	€ 63.3 M	€ 0.2 M

Cash flow from operations

In thousands euros	2008	2009	2010	2011
IFRS rents	58 460	57 039	54 687	34 555
Recovered real estate expenses	12 158	10 135	10 236	7 315
Real estate expenses	-12 543	-10 638	-12 110	-10 428
Net rents	**58 075**	**56 536**	**52 813**	**31 442**
Asset management fees	-3 284	-2 896	-3 014	-2 990
Other management costs	-3 107	-2 760	-2 828	-1 983
Restructuring	-	-	-	-2 010
Other operating income	450	101	1	1
Received indemnities (*)	-	6 850	4 068	0
Operating income	**52 134**	**57 831**	**51 040**	**24 460**
Net financial interests	-15 049	-16 283	-16 264	-16 082
Cash flow from operations	**37 085**	**41 548**	**34 776**	**8 378**

(*) Grant of easement (Carpe Diem) in 2009 and indemnity from Bouygues Telecom in 2010

Real Estate Ownership expenses

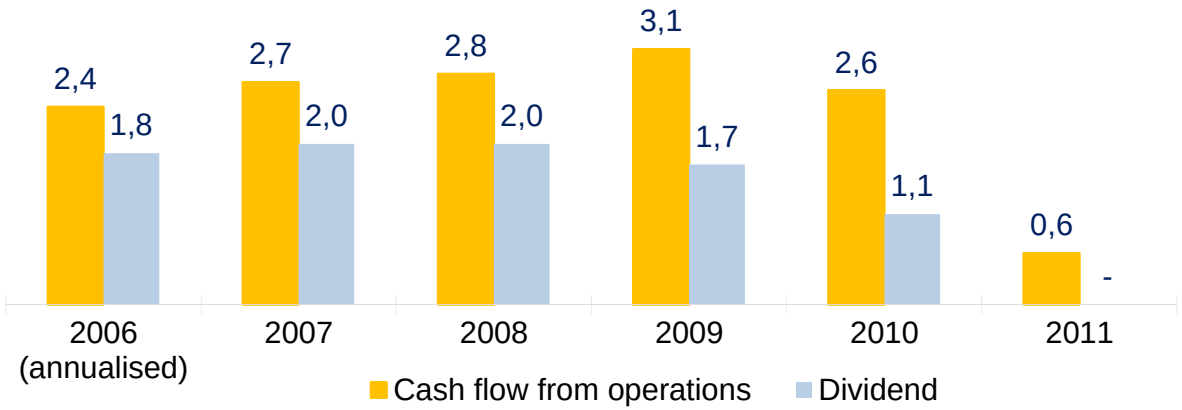
In thousands euros	2008	2009	2010	2011
Maintenance of buildings	2 102	158	1 587	326
Vacancy costs	281	833	973	3 065
Asset management fees	3 284	2 896	3 014	2 990
Letting fees	454	295	257	193
Personnel expenses	371	314	477	541
Other overhead expenses	2 825	2 528	2 122	1 502
Management expenses	**9 317**	**7 024**	**8 430**	**8 616**

Cash flow from operations / share: €0.6

Rives de Bercy- Charenton Le Pont

	2010	2011
Cash Flow from operations (€k)	**34 776**	**8 378**
Total number of shares	**13 372 500**	**13 372 500**
Cash Flow from operations per share (€)	**2,6**	**0,6**

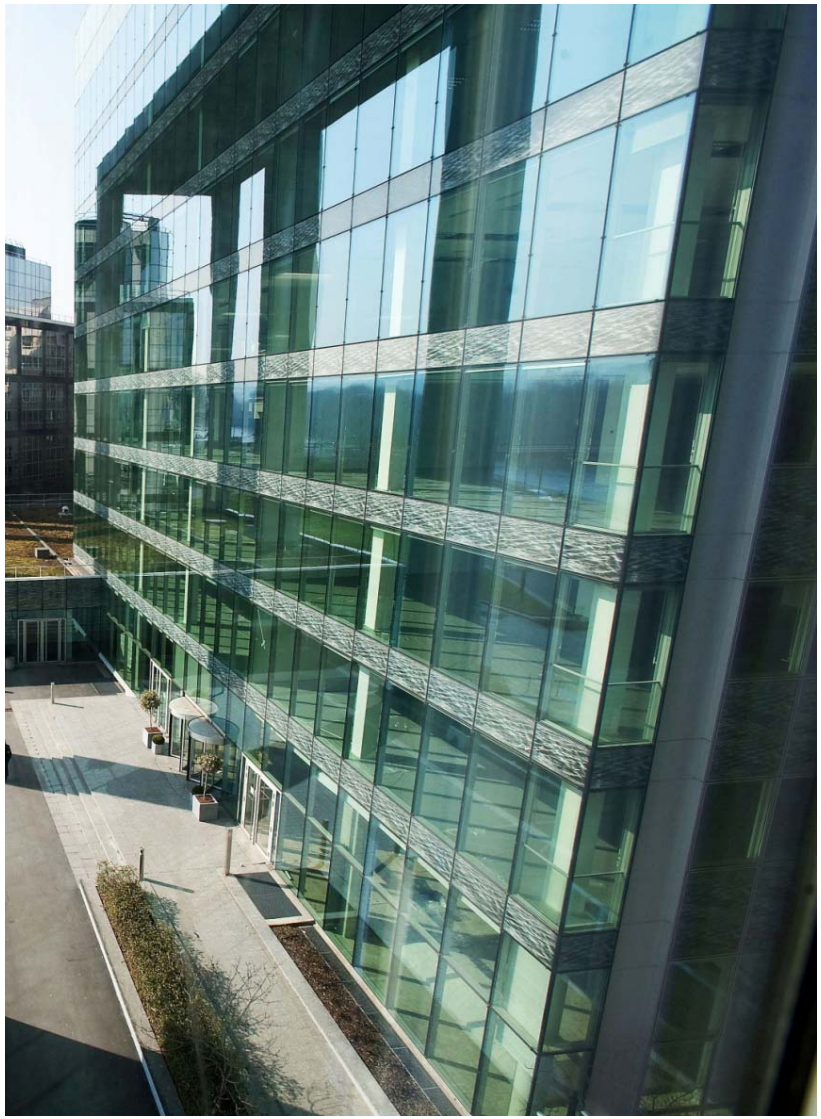
Historical distribution by share



Distribution policy

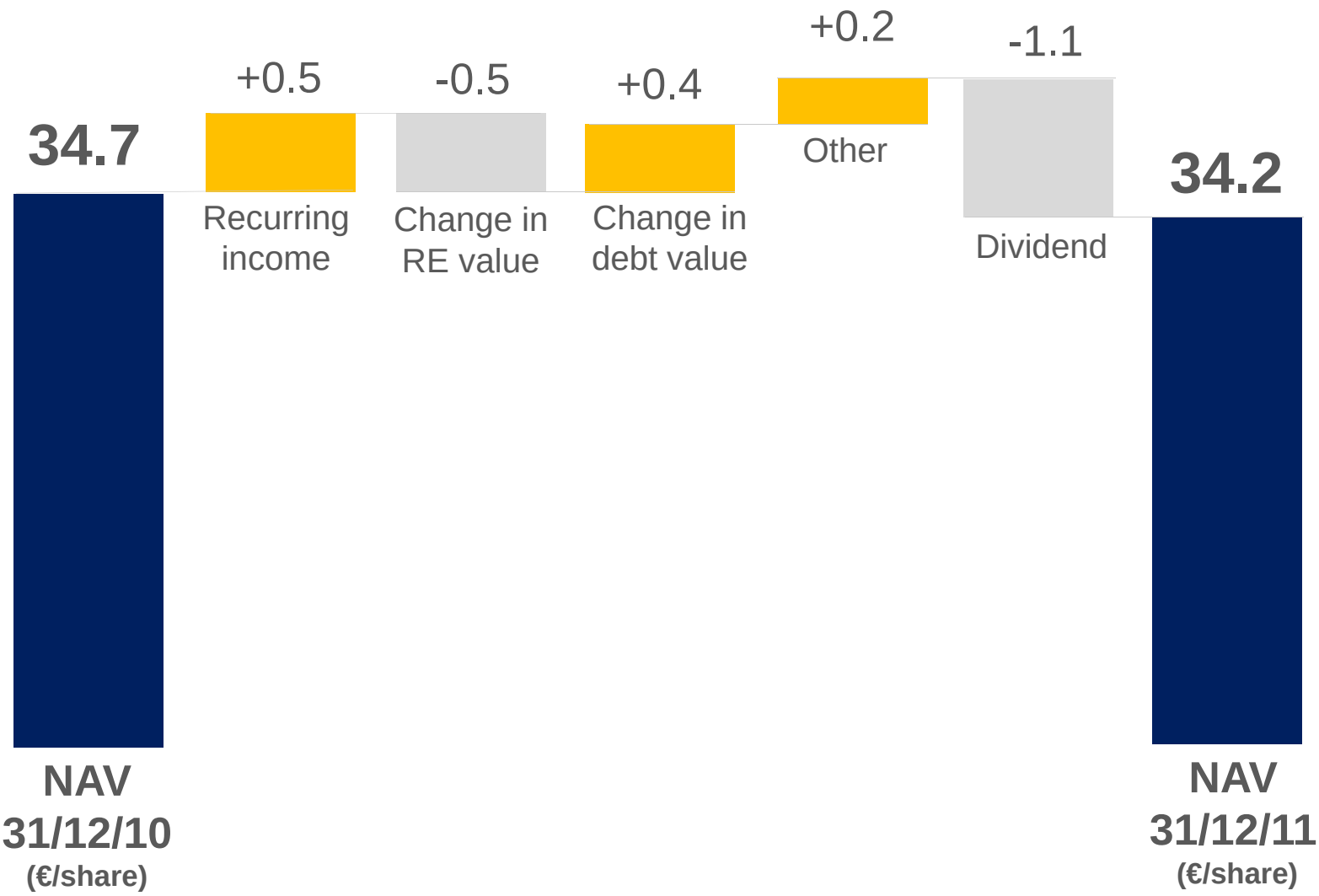
- Faced with:
  - The current vacancy of the Arcs de Seine property
  - And the lack of short-term visibility as to the demand of major office users

- CeGeREAL will propose to the General Meeting of Shareholders on 28th June 2012 to not serve a dividend for 2011 so as to keep its entire financial flexibility



Arcs de Seine – Boulogne Billancourt

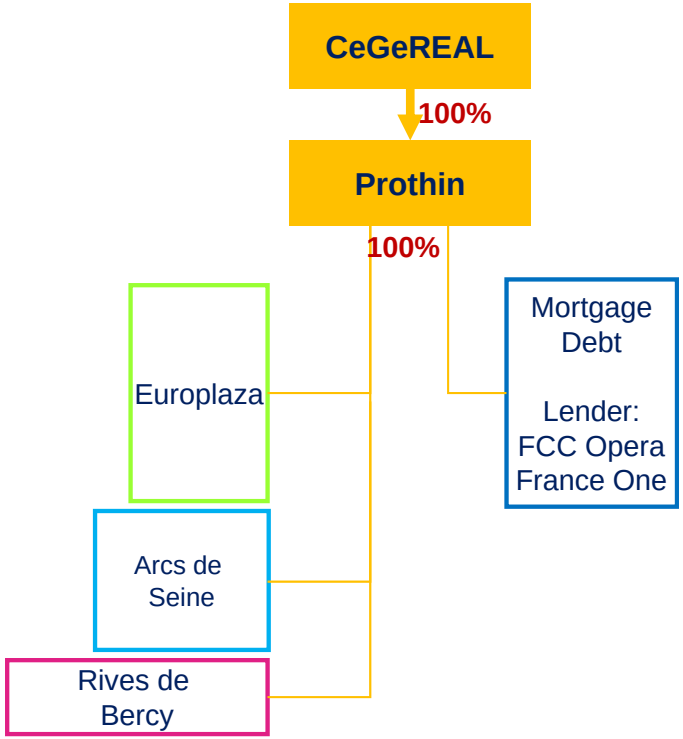
EPRA Triple NAV remained fairly stable over the period



Restructuring: Business contribution

On December 22nd 2011, the General Meeting of CeGeREAL's shareholders unanimously approved the transfer of its entire activity to its wholly owned subsidiary Prothin. The scope of this transfer includes its three properties, their financings and all the means related to their management.

A more "bank friendly" structure



A confirmed highly secured profile

List of main commitments taken by Cegereal so that the Rating Agencies confirmed quality of the bonds (Fitch 'AAA' / S&P 'AA') issued by FCC Opera France One, a dedicated mutual debt fund, which refinanced Eurohypo in August 2006:

- It will not sell the shares of Prothin over the next 3 years
- It will acquire new assets subject to the following conditions:
  - * Office type assets located in France
  - * Only through SPV owned by 100%
  - * Max Loan To Value: 60%

Stable Loan To Value

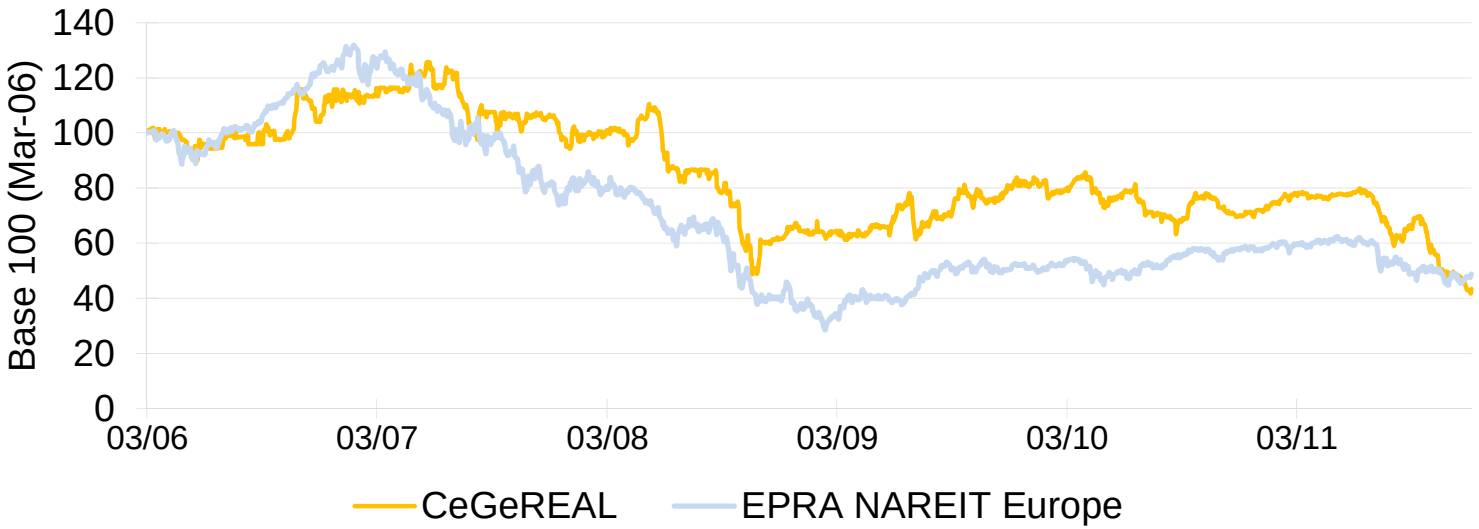
Total amount of debt: €398.9m	Financial ratios
Current LTV	**46.7%** versus 46.4% at 31/12.2010
Forward-looking ICR (12 months)	**224%** versus 212% at 31/12/2010

NB: only signed leases are included in the forecasts

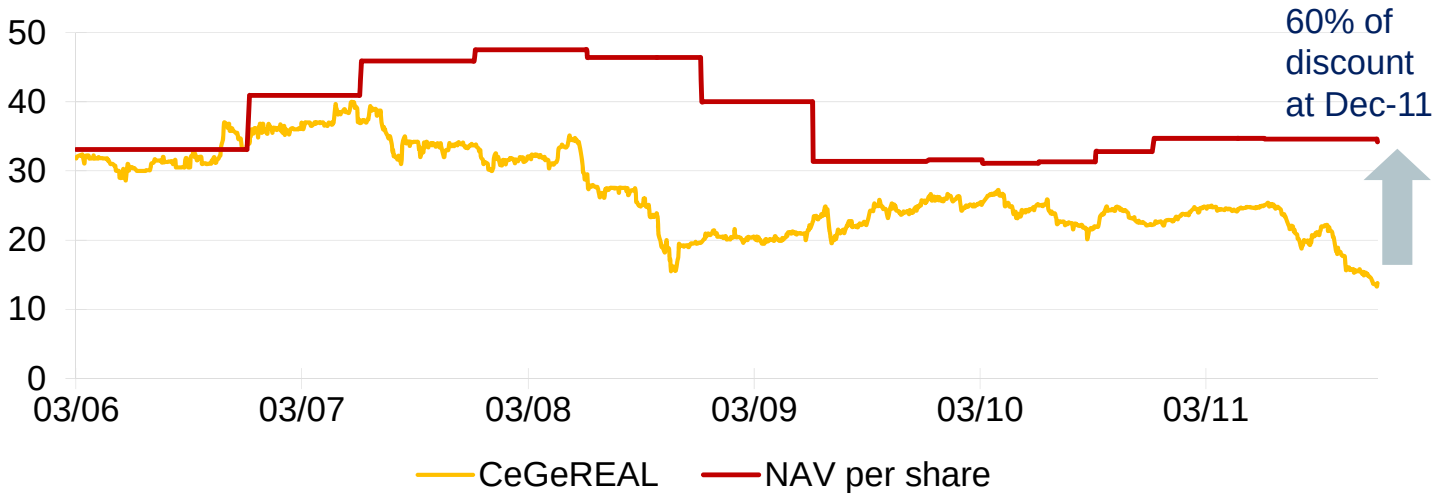
		Tranches A & B	Tranche C
Main terms & conditions			
Amount		376,400,000 €	22,500,000 €
Interest rate		4.15%	E3M + 60 bps
Maturity		March 2013	March 2013
Ranking		pari passu	
Covenants			
LTV thresholds			
	60%	*Amortisation of 1% p.a. + 10 bps additional margin*	
	70%	*Event of default*	
ICR thresholds			
	180%	*Amortisation of 1% p.a.*	
	150%	*Event of default*	

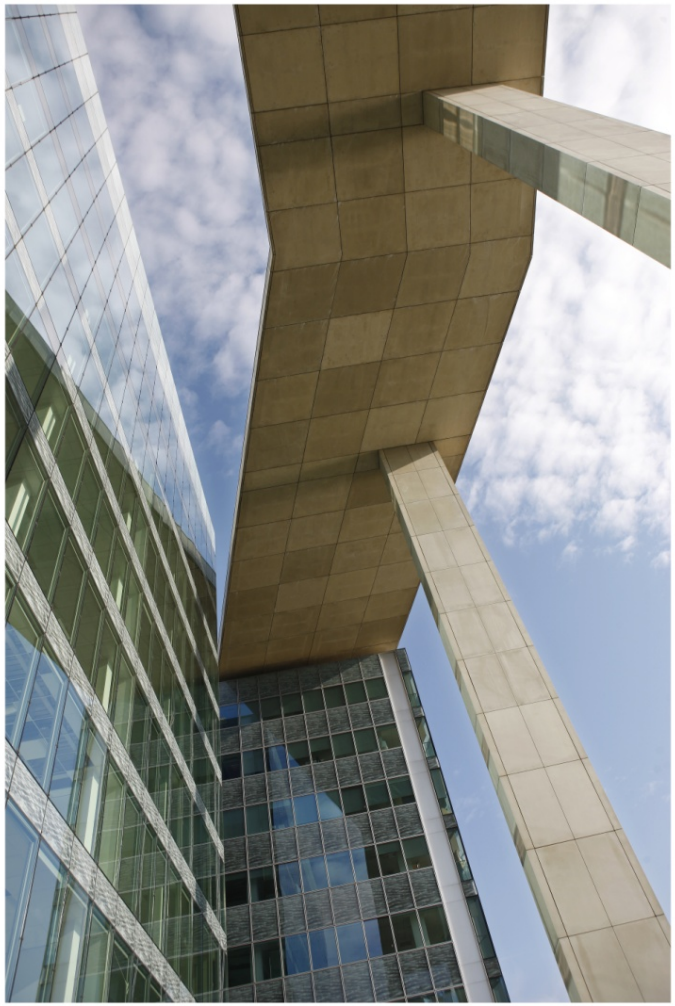
CeGeREAL share price performance since the IPO (Mar-06)

Share price versus EPRA index



Share price compared to NAV

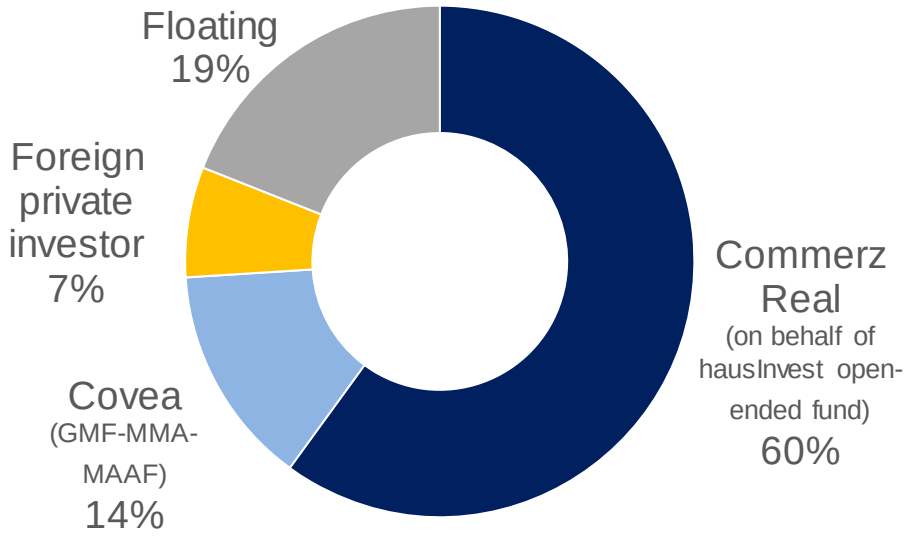




A model supported by leading shareholders

CeGeREAL shareholding structure

at 31 December 2011



Commerz Real, representing 400K unitholders

COMMERZ REAL AG -Management company-

- Commerz Real (CR) is Commerz Bank's real estate asset management company.
- With over 32 billion Euros of property assets under management, it is one of the leading property management companies in the world.

HAUSINVEST -German Open Ended Fund-

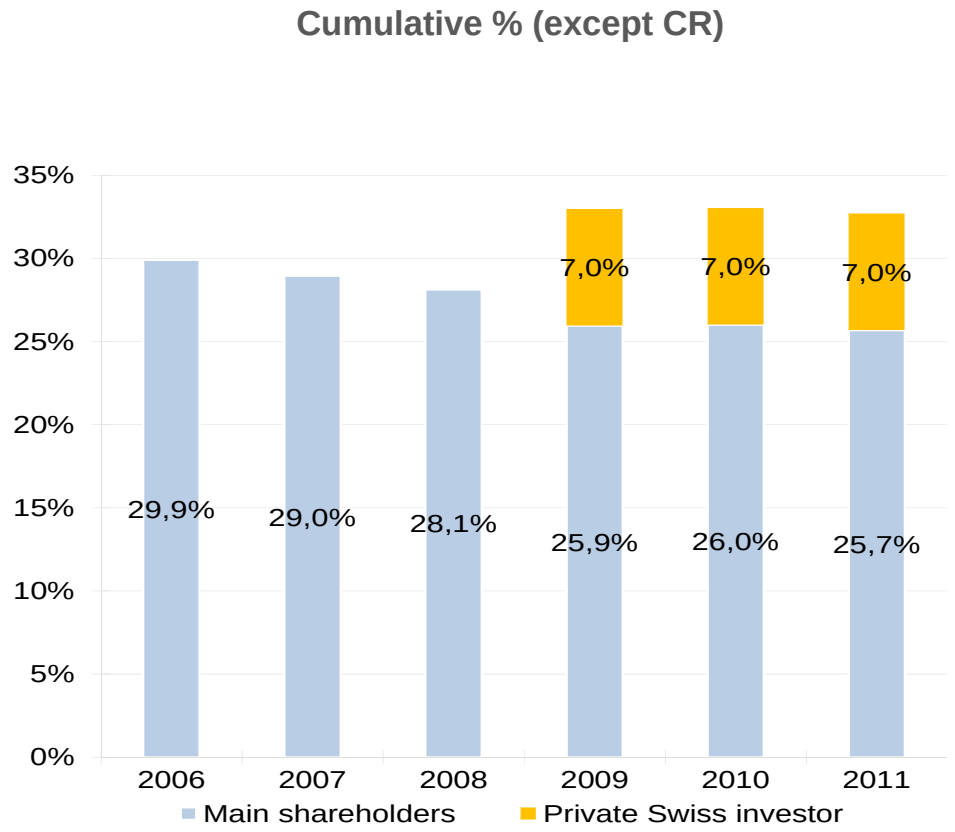
- Savings product created in 1972 which is managed by Commerz Real for over 400,000 German unit holders.
- With 14 billion Euros in assets, HI is the no.1 German open end fund.
- Thanks to its solid balance sheet, HI has never blocked the redemption of units since its creation.
- As of December 31th: financial leverage of 28%.

A model supported by leading shareholders

Main changes in shareholding structure

- Since the IPO in 2006, Covea performed several buy-backs and increased its stake from 5% to 14%.
- In 2009, Commerz Real sold a block of 7% of CeGeREAL's share capital to a foreign private investor to get below 60% (new maximum level for an investor in the same French listed REIT since 2009)
- Since 2006, the number of shareholders has almost doubled and the portion of share capital held by retail investors has been multiplied by 3.

12 main longstanding shareholders



Objectives 2012

- **Letting of vacant premises in Arcs de Seine**
  - Finalizing negotiations with potential tenants (13,000m2)
  - Finding one or several tenants for the other plates (27,000m2)
  - 20% occupancy will automatically trigger the obtaining of the High Quality Environmental standard certification
- **Anticipating the refinancing**
- **Seize acquisition opportunities**

Appendices

Shareholders agenda

Q1 2012 Turnover
11th May 2012

General Meeting
28th June 2012

Half-year results
24nd July 2012

Q3 2012 Turnover
14th Nov. 2012

Stock ID

Nom	CeGeREAL SA
NYSE	Euronext Paris
ISIN	FR0010309096
Mnemo	CGR
CFI	ESVUFB
Type	REIT
Size	Eurolist compartiment B
Indices	CAC All Shares
	IEIF SIIC France
Securities services	BNPP Securities Services

Shareholders – Investor Relations

21-25, rue de Balzac
75008 Paris
Tel. : +33 (0)1 42 25 76 36
Email : info@cegereal.com

Securities services

BNPP Securities Services
Grands Moulins de Pantin
9 rue du Débarcadère
93 761 Pantin Cedex
Tel : +33 (0)1 55 77 98 38

IFRS Consolidated Income statement

in thousands of euros, except per share data

	2011	2010
Rental income	34 555	54 687
Income from other services	7 315	10 236
Building-related costs	(13 418)	(15 124)
Net rental income	**28 452**	**49 799**
Sale of building		
Administrative costs	(3 993)	(2 828)
Other operating expenses	1	1
Other operating income		
Increase in fair value of investment property	2 500	35 200
Decrease in fair value of investment property	(10 048)	(2 000)
Total change in fair value of investment property	*(7 548)*	*33 200*
Net operating income	**16 912**	**80 173**
Financial income	181	70
Financial expenses	(16 856)	(16 931)
Net financial expense	**(16 675)**	**(16 861)**
Corporate income tax	**0**	**0**
CONSOLIDATED NET INCOME	**238**	**63 313**
of which attributable to owners of the Company	***238***	***63 313***
of which attributable to non-controlling interests		
Basic and diluted earnings per share (in euros)	**0,02**	**4,75**

IFRS consolidated Balance sheet

in thousands of euros

	déc. 31, 2011	déc. 31, 2010
Non-current assets		
Investment property	854 200	860 700
Non-current loans and receivables	9 068	11 597
Total non-current assets	**863 268**	**872 297**
Current assets		
Trade accounts receivable	6 295	6 137
Other operating receivables	4 575	4 560
Prepaid expenses	2 167	2 183
Total receivables	**13 038**	**12 880**
Cash and cash equivalents	16 963	25 544
Total cash and cash equivalents	**16 963**	**25 544**
Total current assets	**30 001**	**38 423**
TOTAL ASSETS	**893 269**	**910 721**

	déc. 31, 2011	déc. 31, 2010
Shareholders' equity		
Share capital	160 470	160 470
Legal reserve and additional paid-in capital	49 333	50 269
Consolidated reserves and retained earnings	266 429	216 753
Net attributable income	238	63 313
Total shareholders' equity	**476 471**	**490 805**
Non-current liabilities		
Non-current borrowings	398 217	397 624
Other non-current borrowings and debt	1 426	1 905
Total non-current liabilities	**399 643**	**399 529**
Current liabilities		
Trade accounts payable	2 028	3 609
Other operating liabilities	4 848	6 871
Prepaid revenue	10 281	9 907
Total current liabilities	**17 157**	**20 388**
Total liabilities	**416 799**	**419 917**
TOTAL EQUITY AND LIABILITIES	**893 269**	**910 721**

IFRS consolidated Cash Flow

in thousands of euros

	2011	2010
OPERATING ACTIVITIES		
Consolidated net income	238	63 313
buildings:		
Fair value adjustments to investment property	7 548	(33 200)
Indemnity received from lessees for the replacement of components		4 068
cash impact:		
Adjustments for loans at amortized cost	592	597
Cash flows from operations before tax and changes in working capital requirements	**8 378**	**34 778**
Other changes in working capital requirements	(1 056)	4 655
Change in working capital requirements	**(1 056)**	**4 655**
Net cash flows from operating activities	**7 322**	**39 433**
INVESTING ACTIVITIES		
Acquisition of fixed assets	(1 048)	(4 068)
Net cash flows used in investing activities	**(1 048)**	**(4 068)**
FINANCING ACTIVITIES		
Change in bank debt		(3 500)
debt		337
debt	(479)	
Purchases and sales of treasury shares	316	(153)
Dividends paid	(14 692)	(22 703)
Net cash flows used in financing activities	**(14 855)**	**(26 019)**
Change in cash and cash equivalents	**(8 582)**	**9 345**
Cash and cash equivalents at beginning of year*	25 544	16 200
CASH AND CASH EQUIVALENTS AT END OF YEAR	**16 963**	**25 544**

Statutory net income key indicators

Comprehensive analysis of the retroactive effect of the asset transfer to Prothin SAS

in thousands of euros

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

(*) The pro forma information is presented for information purposes only in order to show CeGeREAL's position excluding the partial asset transfer. (except. costs re to the asset transfer included in this presentation)

Income statement – French GAAP (CeGeREAL SA)

in euros

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

in euros

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

Balance sheet – French GAAP (CeGeREAL SA)

in euros

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

in euros

EQUITY AND LIABILITIES	Dec. 31, 2011	Dec. 31, 2010
Capital		
Share capital (including paid-up capital: 160,470,000)	160 470 000	160 470 000
Additional paid-in capital	33 285 900	34 221 976
Revaluation reserve	152 341 864	158 777 952
Reserves		
Legal reserve	16 047 000	16 047 000
Statutory or contractual reserves		
Regulated reserves		
Other reserves	8 423	8 423
Income		
Retained earnings	111 611	102 099
Net income/(loss) for the year	(9 287 235)	7 329 497
Investment subsidies		
Regulated provisions		
SHAREHOLDERS' EQUITY	**352 977 563**	**376 956 947**
Income from the issue of equity instruments		
Contingent advances		
OTHER EQUITY		
Contingency provisions		
Loss provisions		
LOSS AND CONTINGENCY PROVISIONS		
Non-current borrowings and debt		
Convertible bonds		
Other bonds		
Bank borrowings		398 891 840
Miscellaneous borrowings and debt		1 904 537
Trade accounts payable and other current liabilities		
Advances/down payments received on orders in progress	-	-
Trade accounts payable	664 623	3 616 665
Tax and social liabilities	1 720 395	1 715 340
Amounts owed to fixed asset suppliers		4 333 620
Other liabilities	176 923	959 892
Prepaid revenue		9 907 494
LIABILITIES	**2 561 941**	**421 329 387**
Adjustment accounts	-	-
TOTAL EQUITY AND LIABILITIES	**355 539 505**	**798 286 334**

Cash Flow – French GAAP (CeGeREAL SA)

SOURCES	31/12/2011	31/12/2010
Funds from operations	3 655 233	34 775 936
Available cash flow	**3 655 233**	**34 775 936**
Increase in shareholders' equity and current account balance		30 388
Decrease in fixed assets	735 078 295	4 221 664
Increase in bank debt		
Increase in other debt (security deposits received from lessees)		337 393
Total sources of funds	**738 733 528**	**35 143 717**
USES		
Dividends paid	14 692 149	22 733 250
Increase in fixed assets	349 301 810	4 221 664
Decrease in debt (security deposits paid back to lessees)	1 904 537	
Decrease in debt (bank borrowings)	398 891 840	3 500 000
Total uses of funds	**764 790 336**	**30 454 914**
Net change in working capital	**(26 056 808)**	**4 688 803**

CHANGE IN OPERATING WORKING CAPITAL	31/12/2011 Uses	31/12/2011 Sources	31/12/2011	31/12/2010
Change in operating assets				
Trade accounts receivable		6 246 655	6 246 655	8 440 390
Other receivables		10 213 513	10 213 513	(221 886)
Adjustment accounts and prepaid expenses		2 023 878	2 023 878	21 567
Change in operating liabilities			-	-
Trade accounts payable	2 952 042		(2 952 042)	1 319 875
Tax and social liabilities (excluding exit tax)		5 055	5 055	(1 419 913)
Other liabilities	782 968		(782 968)	(129 806)
Adjustment accounts and prepaid revenue	9 907 494		(9 907 494)	(7 175 262)
Net change in operating working capital	**13 642 504**	**18 489 101**	**4 846 598**	**834 965**
CHANGE IN NON-OPERATING WORKING CAPITAL				
Change in other receivables				
Due to shareholders		-	-	
Change in other payables				
Amounts owed to fixed asset suppliers	4 333 620		(4 333 620)	3 820 237
Tax and social liabilities (exit tax)			-	-
Net change in non-operating working capital	**4 333 620**	**-**	**(4 333 620)**	**3 820 237**
Increase or decrease in working capital	**17 976 123**	**18 489 101**	**512 978**	**4 655 202**
Change in cash on hand	25 543 830		(25 543 830)	9 344 005
Net change in cash and cash equivalents	**25 543 830**	**-**	**(25 543 830)**	**9 344 005**
Net change in working capital	**(7 567 707)**	**18 489 101**	**(26 056 808)**	**4 688 803**