

Paris, March 27, 2007

## Annual results at December 31, 2006

### Very good performance and promising outlook

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CeGeREAL Board of Directors convened on March 26, 2007 to close its accounts for the nine-month financial year that ended December 31, 2006.

Key figures are as follow:

2006 ANNUAL RESULTS			
(in Million euros)	12/31/2006 (9 months)	03/31/2006 (3 months)	12/31/2005 (proforma 9 months)
Valuation of properties (excluding duties)	963.0	867.6	855.0
Rental income (IFRS)	40.1	13.4	39.7
Net result (IFRS)	117.4	98.1	41.9
Net result (French Gaap)	32.4	(3.6)	n/a
NAV (IFRS, excluding duties)	546.5	443.0	425.7
Result per share (French Gaap - in €)	2.42	(0.27)	n/a
NAV per share (IFRS, excluding duties - in €)	40.89	33.13	31.83

*“The results demonstrate the company’s financial solidity and the quality of its office properties. These are reflected in the share price increase since its Initial Public Offering, and in the favourable outlook for 2007”,* said Richard Wrigley, Chairman of the Board of Directors of CeGeREAL

**Rents** for financial year 2006 totalled €40.1 million, compared to €39.7 million in the pro forma accounts at December 31, 2005. This figure meets expectations, given the lack of significant vacancy rate during this period in the three property assets owned by the company.

#### Property assets value

The company’s total property assets (excluding duties) at December 31, 2006 were valued at €963 million and break down as follows:

- Rives de Bercy      €188 million
- Europlaza          €412 million
- Arcs de Seine      €363 million

The fair market value of these properties rose by €95.4 million during the period of April 1, 2006 to December 31, 2006, compared to €40.6 million during the same period in 2005.

## **Dividend**

The Board will propose to the General Shareholders' meeting to set a dividend of €1.84 per share for the financial year that ended December 31, 2006.

This amount corresponds to 4.5% of the revalued net asset (IFRS, excluding duties) and is in line with the strategy presented when the company was first listed on the stock exchange.

## **Comments on key events and business development**

In line with announcements, the company opted for the SIIC regime which was applicable as of April 1, 2006. To benefit from this option, the company paid an 'exit tax' of 16.5% on existing unrealised gains at April 1, 2006 on its property assets. This exit tax totals €90 million, payable in four batches on December 15 of each year, starting from December 2006.

Vacancy rate was not significant for the properties during the financial year that ended December 31, 2006. Leases signed with national and internationally known tenants last an average of nine years.

With 2.9 million sq. m. of office space marketed, 2006 was an excellent year for office buildings. This outstanding figure is 30% higher than that of 2005. The mainstream business sectors and Paris' inner suburbs benefited the most from this performance, although investors are increasingly interested in well-established business districts such as La Défense and the western reaches of Paris. More than two thirds of our investments in France are concentrated in these latter two sectors alone, where CeGeREAL has two of its three buildings. This means that the available stock of large high-quality spaces has contracted, with a positive effect on rental growth as a consequence.

In Boulogne, where CeGeREAL has its Arcs de Seine property rented mainly to Bouygues Telecom and TF1, the town's vast renovation and development scheme will deliver advantages to all growing districts and can only render this area more attractive for a large number of head offices.

The east of Paris, where CeGeREAL owns the Rives de Bercy building occupied by Crédit Foncier, appears to be increasingly attractive to real estate decision-makers. Many companies are setting up offices there (including Natixis, CDC, Accenture, and Altadis), leading to the creation of a new business hub.

Companies seeking new buildings have had to shorten their decision times, as shown by the substantial shrinkage of average transformation schedules. During the last quarter of 2006 these averaged about four months compared to six months at the beginning of the year. This environment has naturally pushed up rents and reduced the commercial advantage agreed upon during negotiations.

## **Strategy and outlook\***

By focusing its business on Ile-de-France, CeGeREAL has chosen a solid, major market, and its large-scale offices (from 30,000 to 50,000 sq. m.) perfectly match the current requirements of large businesses.

The Group's strategy is clear and constant: deliver a high level of regular dividends to shareholders while seeking to maximise its value over the long term.

The trends observed in 2006 should be continued in 2007. The overall current remains favourable: whereas transaction activity is likely to fall slightly in the second half of the year, there will continue to be a scarcity of latest-generation properties built to international standards in the most coveted neighbourhoods. As a result, premium rents should rise again in 2007, underwriting CeGeREAL's decision to position itself at the top end of this market.

\* Source: *CB Richard Ellis*

## **About CeGeREAL**

CeGeREAL is a real estate company that specialises in the management of premium office property assets. Its main tenants are major French and international corporations, such as General Electric, Cap Gemini, TF1, Bouygues Telecom and Crédit Foncier de France.

The Company has developed a position in the office property investment market as an operator specializing in top-flight properties. The Company's assets consist of three important properties located in the inner suburbs of Paris. As of December 31, 2006, their estimated total value, as determined by the independent appraiser CB Richard Ellis Valuation, is approximately €963 million (excluding duties).

CeGeREAL opted in June 2006 for the French SIIC tax regime (*Sociétés d'Investissements Immobiliers Cotées*), with retroactive effect as of April 1, 2006.

On September 1, 2006, CeGeREAL's share was introduced in the Euronext index-IEIF "SIIC France" and joined the SBF 250 index on December 28, 2006.

[www.cegeREAL.com](http://www.cegeREAL.com)



*Arcs de Seine*



*Tour Europlaza*



*Rives de Bercy*

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