



## Cegereal – Annual Results

### 2014: Strong growth in operating performance (+24%)

- **Solid operating performance**

In 2014, EPRA earnings rose by 24% to €23.7 million, up from €19.1 million in 2013. This solid performance is mainly driven by a 12.9% growth in net rental income and an increase in the occupancy rate to 90%, leading to a fall in finance costs.

- **Creation of the first Garden Tower in La Défense**

With its unique Garden Tower project in the heart of La Défense, Cegereal is reinventing the relationship between green spaces and office buildings by offering Europlaza users, as from spring 2015, an exceptional outdoor space and fully remodelled ground-floor common areas. Europlaza will give tenants and their visitors the opportunity to enjoy a more than 3,000-sq.m. private garden, as well as two internal gardens, all designed by architect Juan Trindade.

The interior creations, to be located in the building's entrance hall, are in the final phases of their development, while the outdoor space remodeling is on going.

- **Successful completion of the Go Green program, start of Upgreen Your Business**

Cegereal completed its Go Green project, launched in 2012, thus becoming France's first fully "green" REIT with a portfolio that has been entirely certified for its environmental qualities.

Cegereal's environmentally responsible approach recently earned its Green Star status in the Global Real Estate Sustainability Benchmark (GRESB). The GRESB recognized Cegereal in its first appearance in the ranking as a benchmark property company in the areas of responsible management and sustainable development.

In January 2015, Cegereal demonstrated its continued commitment to CSR with the launch of the "Upgreen Your Business" collaborative program.

- **Increase in net rental income (up 12.9%)**

In 2014, rental income calculated in accordance with IFRS totaled €44.7 million, up 3.3% compared with 2013. Expense recoveries and penalties received from tenants rose 25% on 2013 at €13.2 million. Building-related costs slightly decreased and amounted to €16.3 million. Overall, the net rental income increased from 36.8 million to 41.6 million.

The portfolio's overall occupancy rate was 90% at December 31, 2014, compared with 89% at end-2013.

#### Arcs de Seine: 97% occupancy rate

In 2014, Cegereal kept up its marketing strategy for Arcs de Seine, the standout property in Paris's Telecommunication Valley. Located on the banks of the Seine on Quai du Point du Jour in Boulogne-Billancourt, Arcs de Seine was entirely renovated in 2012.

In that year, 22,220 sq.m. were leased, followed by a further 7,800 sq.m. in 2013. In 2014:

- a new lease on 7,00 sq.m. was signed with a new tenant, BBC, which came into effect during the second quarter;
- Sagem leased an additional 700 sq.m. of space in April, bringing its leased surface area to 5,600 sq.m.;
- in September, Huawei leased an additional 1,400 sq.m. of space, increasing to 5,200 sq.m. the total surface area occupied by this fast-growing tenant.

In January 2015, Cegereal signed two new six-year leases on 4,200 sq.m. of office space. Amgen will occupy 2,800 sq.m. of space and Exclusive Networks 1,400 sq.m.

These new signings raise the property's occupancy rate to 97% at December 31, 2014 (compared with 81% at December 31, 2013), leaving just 1,400 sq.m. of the building's 45,000 sq.m. on the market.

#### Rives de Bercy: HQE and BREEAM In-Use Very Good certification

The new nine-year lease signed as part of the Go Green program in January 2013 with Crédit Foncier, the building's long-standing sole tenant, includes stringent mutual undertakings by the owner and the tenant to meet environmental targets.

In December 2014, Rives de Bercy (32,000 sq.m.) was officially granted HQE Exploitation environmental performance certification by Certivéa, an independent organization.

On January 20, 2015, the building also received the BREEAM In-Use International Very Good certification.

#### Eurolplaza: a buoyant rental activity

During the period, three tenants renewed their leases, with two of them leasing additional surface area, and two new tenants moved in:

- Galderma's lease on 4,000 sq.m. was renewed with effect from January 1, 2014 and a further 800 sq.m. were leased during the second quarter.
- The lease with Crédit Agricole/BforBank on 1,700 sq.m. was also renewed, with a further 1,300 sq.m. leased in the second quarter.
- The lease with NTT Europe on almost 1,300 sq.m. was renewed in May.
- 900 sq.m. were leased to Gas Natural, effective from May, and 600 sq.m. to Heinz France from July.

The Eurolplaza occupancy rate stood at 77% at December 31, 2014 versus 89% at end-2013.

Following the departure of Cap Gemini from the building's lower floors, Eurolplaza currently has 10,800 sq.m. of office space available for lease. This space overlooks the new gardens, which will be completed in spring 2015.

#### • **A healthy financial position**

Cegereal refinanced all of its debt in 2012 and does not have any repayment obligations until August 2017. Its loan to value is stable at 46.5%.

This debt was refinanced at the competitive rate of 3.40%, reducing finance costs by around 20%. The rate is reduced to 3.15% as soon as the occupancy rate exceeds 90%.

#### • **Amount to be distributed in dividends in 2015: €1.65 per share**

At the Annual Shareholders' Meeting on April 15, 2015, Cegereal intends to recommend paying a total of €1.65 in dividends per share in 2015. It will be paid on July 16, 2015, subject to shareholders' approval.

- **Key indicators**

<i>in millions of euros</i>	<b>2014</b>	<b>2013</b>	<b>Change</b>
IFRS rental income	44.7	43.3	+3.3%
IFRS turnover	57.9	53.8	+7.7%
IFRS net rental income	41.6	36.8	+12.9%
IFRS net income	42.4	1.9	N/A
EPRA earnings	23.7	19.1	+24.1%
EPRA NNAV per share excluding transfer costs (in €)	34.8	34.1	+2.1%
NAV per share including transfer costs (in €)	39.3	38.0	+3.4%
Portfolio value (excluding transfer costs)	871	849	+2.6%
Dividend (in € per share)	1.65	1.50	+10.0%

The portfolio was valued by DTZ Eurexi at €871 million excluding transfer costs (€928 million including transfer costs) as of December 31, 2014 versus €849 million excluding transfer costs as of December 31, 2013.

The three properties' appraisal values, excluding transfer costs, are as follows:

- Arcs de Seine: €347 millions
- Europlaza: €333 millions
- Rives de Bercy: €191 millions

EPRA NNAV excluding transfer costs stood at €34.8 per share at December 31, 2014, compared with €34.1 per share at the 2013 year-end. The decline over the period reflected dividend distributions (negative impact of €1.5 per share), consolidated earnings growth (positive impact of €1.6 per share), changes in the properties' appraisal values (positive impact of €1.6 per share), rent-free periods granted to new tenants (negative impact of €0.7 per share) and changes in the fair value of bank debt (negative impact of €0.4 per share).

Raphaël Tréguier, Cegereal's Chief Executive Officer, said:

*"In 2014, we outperformed our targets with more than 20% growth in recurring net income per share. In addition to this achievement, we are delighted to report on the success of the Go Green program and the launch of Europlaza's transformation into a Garden Tower, both of which are central to our development. 2015 is set to be a promising year for Cegereal, as we look to actively engage in arbitrage opportunities and acquisition operations."*

Cegereal's Board of Directors met on February 12, 2015 to approve the audited consolidated financial statements for the year ended December 31, 2014.

The annual results presentation and video can be viewed on the Company's website: [www.cegereal.com](http://www.cegereal.com).

### **Investor Calendar**

- April 15, 2015            Annual Shareholders' Meeting
- April 16, 2015            First-quarter 2015 revenue
- July 16, 2015             Payment of the 2014 dividend
- July 24, 2015             First-half 2015 results
- October 22, 2015        Third-quarter 2015 revenue

**About Cegereal (NYSE Euronext Paris – Compartment B - CGR)**

Cegereal is a REIT-style property company ("SIIC") that invests in very large prime office properties. Its portfolio currently comprises three office buildings located in the near suburbs of Paris. The portfolio's appraisal value, as estimated by independent valuers DTZ Eurexi as of December 31, 2014, is €928 million including transfer costs.

Listed on Euronext since 2006, in compartment B, its market capitalization as of February 9, 2015 totaled €377 million.

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

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## APPENDICES

### IFRS Income Statement (consolidated)

*In thousands of euros, except per share data*

	2014	2013
Rental income	44,746	43,303
Income from other services	13,173	10,462
Building-related costs	(16,341)	(16,927)
<b>Net rental income</b>	<b>41,579</b>	<b>36,838</b>
Sale of building		
Administrative costs	(3,057)	(2,754)
Other operating expenses	0	(4)
Other operating income		
Increase in fair value of investment property	42,637	15,386
Decrease in fair value of investment property	(23,933)	(32,531)
<i>Total change in fair value of investment property</i>	<i>18,704</i>	<i>(17,145)</i>
<b>Net operating income</b>	<b>57,226</b>	<b>16,935</b>
Financial income	17	0
Financial expenses	(14,533)	(14,994)
<b>Net financial expense</b>	<b>(14,515)</b>	<b>(14,994)</b>
Corporate income tax	(312)	0
<b>CONSOLIDATED NET INCOME</b>	<b>42,398</b>	<b>1,940</b>
<i>of which attributable to owners of the Company</i>	<i>42,398</i>	<i>1,940</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
<b>Other comprehensive income</b>		
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>42,398</b>	<b>1,940</b>
<i>of which attributable to owners of the Company</i>	<i>42,398</i>	<i>1,940</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
<b>Basic and diluted earnings per share (in euros)</b>	<b>3.18</b>	<b>0.15</b>

## IFRS Balance Sheet (consolidated)

*In thousands of euros*

	Dec. 31, 2014	Dec. 31, 2013
<b><u>Non-current assets</u></b>		
Investment property	871,000	849,000
Non-current loans and receivables	30,941	29,331
<b>Total non-current assets</b>	<b>901,941</b>	<b>878,330</b>
<b><u>Current assets</u></b>		
Trade accounts receivable	6,469	12,508
Other operating receivables	6,276	261
Prepaid expenses	107	68
<b>Total receivables</b>	<b>12,852</b>	<b>12,837</b>
Cash and cash equivalents	23,499	16,018
<b>Total cash and cash equivalents</b>	<b>23,499</b>	<b>16,018</b>
<b>Total current assets</b>	<b>36,351</b>	<b>28,856</b>
<b>TOTAL ASSETS</b>	<b>938,292</b>	<b>907,186</b>
<b><u>Shareholders' equity</u></b>		
Share capital	160,470	160,470
Legal reserve and additional paid-in capital	21,436	31,465
Consolidated reserves and retained earnings	284,831	292,754
Net attributable income	42,398	1,940
<b>Total shareholders' equity</b>	<b>509,135</b>	<b>486,629</b>
<b><u>Non-current liabilities</u></b>		
Non-current borrowings	401,889	395,797
Other non-current borrowings and debt	4,166	3,469
Non-current corporate income tax liability	0	0
<b>Total non-current liabilities</b>	<b>406,055</b>	<b>399,266</b>
<b><u>Current liabilities</u></b>		
Current borrowings	1,716	1,776
Trade accounts payable	2,148	1,479
Corporate income tax liability	295	0
Other operating liabilities	5,045	3,762
Prepaid revenue	13,898	14,275
<b>Total current liabilities</b>	<b>23,102</b>	<b>21,292</b>
<b>Total liabilities</b>	<b>429,157</b>	<b>420,557</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>938,292</b>	<b>907,186</b>

## IFRS Statement of Cash Flows (consolidated)

*In thousands of euros*

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Consolidated net income	42,398	1,940
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	(18,704)	17,145
Indemnity received from lessees for the replacement of components		
<i>Elimination of other income/expense items with no cash impact:</i>		
Adjustments for loans at amortized cost	1,091	1,107
<b>Cash flows from operations before tax and changes in working capital requirements</b>	<b>24,785</b>	<b>20,192</b>
Other changes in working capital requirements	(629)	(15,393)
<b>Change in working capital requirements</b>	<b>(629)</b>	<b>(15,393)</b>
<b>Net cash flows from operating activities</b>	<b>24,156</b>	<b>4,799</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(3,296)	(745)
Net increase/(decrease) in amounts due to fixed asset suppliers	874	(1,045)
<b>Net cash flows used in investing activities</b>	<b>(2,422)</b>	<b>(1,790)</b>
<b>FINANCING ACTIVITIES</b>		
Increase in share capital		
Change in bank debt	5,000	
Refinancing transaction costs		
Net increase in current borrowings	(60)	
Net increase in other non-current borrowings and debt	697	796
Net decrease in other non-current borrowings and debt		
Purchases and sales of treasury shares	134	(35)
Dividends paid	(20,025)	(8,674)
<b>Net cash flows used in financing activities</b>	<b>(14,254)</b>	<b>(7,914)</b>
<b>Change in cash and cash equivalents</b>	<b>7,480</b>	<b>(4,904)</b>
Cash and cash equivalents at beginning of year*	16,018	20,921
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>23,499</b>	<b>16,018</b>

\*including 2014 interim dividend the of €0.75 per share paid by Cegereal (representing a total amount of €10,029 thousand euros).

## French GAAP Income Statement

In euros

	France	Exports	2014	2013
			Total	Total
Sales of goods for resale				
Sales of manufactured products				
Sales of services				
<b>NET REVENUE</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
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			21,208	37,757
Other revenue			1	39
<b>Total operating revenue</b>			<b>21,209</b>	<b>37,796</b>
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			1,488,996	1,406,634
Taxes, duties and other levies			50,810	51,165
Wages and salaries			258,734	265,545
Social security charges			121,105	111,548
Fixed assets: depreciation and amortization				
Fixed assets: provisions for impairment				
Current assets: provisions for impairment				
Loss and contingency provisions				
Other expenses			127,967	92,898
<b>Total operating expenses</b>			<b>2,047,612</b>	<b>1,927,789</b>
<b>OPERATING LOSS</b>			<b>(2,026,403)</b>	<b>(1,889,993)</b>
Allocated income or transferred loss				
Loss incurred or transferred income				
Financial income from controlled entities			68,300,000	
Income from other securities and receivables			0	
Other interest income			4,797	
Reversal of provisions for impairment, other provisions and expense transfers				
Foreign exchange gains				
Net income on sale of short-term investment securities				
<b>Total financial income</b>			<b>68,304,797</b>	<b>-</b>
Depreciation, amortization, provisions for impairment and other provisions			5,956	
Interest expenses			499,078	140,647
Foreign exchange losses				
Net expenses on sales of short-term investment securities				
<b>Total financial expenses</b>			<b>505,034</b>	<b>140,647</b>
<b>NET FINANCIAL INCOME/(EXPENSE)</b>			<b>67,799,763</b>	<b>(140,647)</b>
<b>RECURRING INCOME/(LOSS) BEFORE TAX</b>			<b>65,773,360</b>	<b>(2,030,640)</b>

*In euros*

	2014	2013
Non-recurring income on management transactions		
Non-recurring income on capital transactions	78,336	153,570
Reversal of provisions for impairment, other provisions and expense transfers		
<b>Total non-recurring income</b>	<b>78,336</b>	<b>153,570</b>
Non-recurring expenses on management transactions		
Non-recurring expenses on capital transactions		
Depreciation, amortization and provisions for impairment		
<b>Total non-recurring expenses</b>	<b>-</b>	<b>-</b>
<b>NET NON-RECURRING INCOME</b>	<b>78,336</b>	<b>153,570</b>
Employee profit sharing		
Corporate income tax	312,460	
<b>TOTAL INCOME</b>	<b>68,404,342</b>	<b>191,365</b>
<b>TOTAL EXPENSES</b>	<b>2,865,106</b>	<b>2,068,436</b>
<b>NET INCOME/(LOSS)</b>	<b>65,539,236</b>	<b>(1,877,070)</b>

## French GAAP Balance Sheet

*In euros*

ASSETS	Gross amount	Depr., amort. & prov.	Dec. 31, 2014	Dec. 31, 2013
<b>Uncalled subscribed capital</b>				
<b>Intangible fixed assets</b>				
Start-up costs				
Research and development costs				
Licenses, patents and similar concessions				
Goodwill				
Other intangible fixed assets				
Advances/down payments on intangible assets				
<b>Property, plant and equipment</b>				
Land				
Buildings				
Plant, machinery and equipment				
Other property, plant and equipment				
Property, plant and equipment in progress				
Advances and down payments				
<b>Financial fixed assets</b>				
Receivables from controlled entities	387,709,685		387,709,685	349,301,810
Other long-term investments				
Loans				
Other financial fixed assets	794,802		788,846	716,466
		5,956		
<b>FIXED ASSETS</b>	<b>388,504,487</b>	<b>5,956</b>	<b>388,498,531</b>	<b>350,018,276</b>
<b>Inventories and work in progress</b>				
Raw materials and other supplies				
Manufactured products in progress				
Services in progress				
Semi-finished and finished goods				
Goods held for resale				
<b>Advances/down payments on orders</b>				
<b>Receivables</b>				
Trade accounts receivable				
Other receivables	21,067		21,067	77,127
Subscribed capital, called up but not paid				
<b>Short-term investment securities</b>				
<b>Cash and cash equivalents</b>	460,028		460,028	1,580,482
<b>CURRENT ASSETS</b>	<b>481,095</b>	<b>-</b>	<b>481,095</b>	<b>1,657,609</b>
<b>Prepaid expenses</b>	87,792		87,792	23,691
<b>Adjustment accounts</b>				
<b>TOTAL ASSETS</b>	<b>389,073,374</b>	<b>5,956</b>	<b>389,067,418</b>	<b>351,699,576</b>

*In euros*

<b>EQUITY AND LIABILITIES</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2013</b>
<b>Capital</b>		
Share capital (including paid-up capital: 160,470,000)	160,470,000	160,470,000
Additional paid-in capital	5,388,776	15,418,151
Revaluation reserve	152,341,864	152,341,864
<b>Reserves</b>		
Legal reserve	16,047,000	16,047,000
Statutory or contractual reserves	0	
Regulated reserves	0	
Other reserves	0	8,423
<b>Income</b>		
Retained earnings	(3,256,815)	(1,422,072)
Net income/(loss) for the year	65,539,236	(1,877,070)
Interim dividend	(10,029,375)	
<b>Investment subsidies</b>		
<b>Regulated provisions</b>		
<b>SHAREHOLDERS' EQUITY</b>	<b>386,500,686</b>	<b>340,986,296</b>
<b>Income from the issue of equity instruments</b>		
<b>Contingent advances</b>		
<b>OTHER EQUITY</b>	<b>-</b>	<b>-</b>
<b>Contingency provisions</b>		
<b>Loss provisions</b>		
<b>LOSS AND CONTINGENCY PROVISIONS</b>	<b>-</b>	<b>-</b>
<b>Non-current borrowings and debt</b>		
Convertible bonds		
Other bonds		
Bank borrowings		
Miscellaneous borrowings and debt	1,806,957	10,174,731
<b>Trade accounts payable and other current liabilities</b>		
Advances/down payments received on orders in progress		
Trade accounts payable	357,837	444,399
Tax and social liabilities	401,938	93,397
Amounts owed to fixed asset suppliers		
Other liabilities		752
Prepaid revenue		
<b>LIABILITIES</b>	<b>2,566,732</b>	<b>10,713,280</b>
<b>Adjustment accounts</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>389,067,418</b>	<b>351,699,576</b>