

IFRS NET INCOME UP A SHARP 51.2%

“2017 was a particularly active year for Cegereal, with leases signed for 41,000 sq.m of office space, and the remaining space at the Hanami campus taken up. We also continued to pay special attention to improving returns on our assets, and are continuing to invest, in order to anticipate our tenants’ new expectations. Backed by institutional investors, Cegereal is ready to pursue its growth strategy and carry out further acquisitions, said Cegereal’s Chief Executive Officer, Jérôme Anselme.

- KEY INDICATORS

<i>In millions of euros</i>	2017	2016	Change
IFRS rental income	51.3	47.2	+8.6%
IFRS net income	62.4	41.3	+51.2%
EPRA earnings	32.7	28.2	+15.9%
Net cash flows from operations	35.8	34.8	+3.0%
Portfolio value (excluding transfer costs)	1,169	1,124	+4.0%
Occupancy rate	91.4%	87.0%	+4.4 pts
Debt ratio	53.4%	52.1%	+1.2 pt
EPRA NNNNAV per share excluding transfer duties (in €)	43.8	40.8	+7.3%
Replacement NAV per share including transfer duties (in €)	50.4	47.1	+7.0%
Ordinary dividend per share (in €)	2.2	2.1	+4.8%
Special dividend per share (in €)	1.9		
Total Share Return over the last 12 months	12.5%	9.2%	+3.3 pts

The Total Share Return over the last 12 months came to 12.5%, with NAV growth of 7.3% and a distribution ratio of 5.1%.

EPRA NNNNAV was up 7.3%, primarily driven by an increase in the portfolio value. The indicator stood at €43.8 per share, reflecting the rise in fair value of properties (positive impact of €3.4 per share), dividend distributions (negative impact of €2.1 per share), consolidated earnings growth (positive impact of €1.3 per share), rent-free periods granted to new tenants (positive impact of €0.2 per share) and changes in the fair value of bank debt (positive impact of €0.2 per share).

In 2017, rental income totaled €51.3 million, up 8.6% from €47.2 million in 2016, of which €9.5 million was contributed by the Hanami property.

EPRA earnings for the year amounted to €32.7 million, up 15.9% like for like from €28.2 million in 2016, with Hanami accounting for €5.2 million of the total.

Net cash flows from operations climbed 3% to €35.8 million, fueled by the strong performance of Cegereal's rental activity. The Hanami property represented €3.8 million of the total.

IFRS net income amounted to €62.4 million in 2017, up a sharp 51.2% from €41.3 million in 2016, thanks to improvements in the cost of debt in 2016 and 4.0% growth in the portfolio value.

- A RECORD YEAR FOR RENTAL ACTIVITY

Cegereal's rental business enjoyed strong momentum in 2017, with extensions, renewals and new leases signed for 41,000 sq.m, or nearly 25%, of the total portfolio.

The most notable signings were as follows:

- Arcs de Seine: Huawei leased additional space in the building for a minimum term of six years, offsetting the early departure of Boursorama and bringing the total office space leased by Huawei to 11,700 sq.m. The building's occupancy rate stood at 98.4% at the year-end.
- Europlaza: My Money Bank took up a portion of the space vacated by GE Capital during the year (3,000 sq.m), and KPMG signed a firm nine-year lease for 2,500 sq.m of space in the building's "garden floors". Cegereal is currently in discussions regarding the 8,000 sq.m of soon-to-be-renovated vacant space in the upper floors of the tower, which is expected to be leased in the near future. The building's occupancy rate stood at 73.7% at December 31, 2017.
- Hanami: Axens signed a firm six-year lease for the eighth and final building at the Hanami campus, representing 2,900 sq.m of office space. The office complex, Cegereal's most recent acquisition, is now fully leased.

Thanks to its marketing initiatives during the year, Cegereal's occupancy rate stood at 91.4% at December 31, 2017, up from 87% at end-2016. The impact of the additional revenue generated by the rental activity will be fully felt in 2018.

In 2018, Cegereal will continue to offer its tenants optimized office space featuring premium amenities and a commitment to the highest environmental standards.

- RECOGNITION AND AWARDS FOR CEGEREAL'S CSR PERFORMANCE

Cegereal once again received recognition for the excellence of its financial and non-financial reporting. The Company won two Gold Awards at the annual conference of the European Public Real Estate Association (EPRA) and, for the third year in a row, was positioned among the top 3 in the Global Real Estate Sustainability Benchmark (GRESB) ranking, coming in at second in the "listed office property companies in Europe" category.

- A HEALTHY BALANCE SHEET

At December 31, 2017, Cegereal's debt ratio stood at 53.4%, compared with 52.1% at end-December 2016. Thanks to the refinancing carried out in 2016, Cegereal reduced the average cost of its debt to 1.4% at December 31, 2017.

- SPECIAL DIVIDEND DISTRIBUTION IN 2018: €4.1 PER SHARE

In light of its strong performance, at the Annual Shareholders' Meeting to be held in April 2018, Cegereal intends to recommend paying a total dividend of €4.1 per share, comprising an ordinary dividend of €2.2 per share and a special dividend of €1.9 per share.

Cegereal's Board of Directors met on February 15, 2018 to approve the audited consolidated financial statements for the year ended December 31, 2017.

The annual results presentation can be viewed on the Company's website:

www.cegereal.com

Investor Calendar

- April 24, 2018 Annual Shareholders' Meeting
- April 25, 2018 First-quarter 2018 revenue
- May 4, 2018 Payment of the 2017 dividend
- July 26, 2018 First-half 2018 results

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About Cegereal

Created in 2006, Cegereal is a commercial property company that invests in prime office properties in Greater Paris. The portfolio's appraisal value is estimated at €1,257 million at December 31, 2017 (replacement value).

From an environmental point of view, Cegereal's portfolio benefits from the "Green Star" rating in the international GRESB benchmark.

Cegereal is a REIT listed on Euronext Paris since 2006, in compartment B (ISIN: FR0010309096). The Company had a market capitalization of €505 million on February 15, 2018.

www.cegereal.com

APPENDICES

IFRS Income Statement (consolidated)

In thousands of euros, except per share data

	2017 12 months	2016 12 months
Rental income	51 259	47 196
Income from other services	16 166	13 991
Building-related costs	(29 416)	(17 221)
Net rental income	38 008	43 965
Sale of building	0	0
Administrative costs	(4 765)	(3 663)
Other operating expenses	(10)	(716)
Other operating income	175	9
Increase in fair value of investment property	41 978	34 292
Decrease in fair value of investment property	(4 800)	(13 900)
<i>Total change in fair value of investment property</i>	<i>37 178</i>	<i>20 392</i>
Net operating income	70 587	59 987
Financial income	597	53
Financial expenses	(10 542)	(17 972)
Net financial expense	(9 945)	(17 919)
Corporate income tax	1 765	(802)
CONSOLIDATED NET INCOME	62 408	41 265
<i>of which attributable to owners of the Company</i>	<i>62 408</i>	<i>41 265</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
Other comprehensive income		
TOTAL COMPREHENSIVE INCOME	62 408	41 265
<i>of which attributable to owners of the Company</i>	<i>62 408</i>	<i>41 265</i>
<i>of which attributable to non-controlling interests</i>	<i>0</i>	<i>0</i>
<i>Basic earnings per share (in euros)</i>	<i>4,67</i>	<i>3,09</i>
<i>Diluted earnings per share (in euros)</i>	<i>4,37</i>	<i>2,95</i>

IFRS Balance Sheet (consolidated)

In thousands of euros

	Dec. 31, 2017	Dec. 31, 2016
<u>Non-current assets</u>		
Property, plant and equipment	56	61
Investment property	1 169 400	1 124 100
Non-current loans and receivables	21 591	22 949
Financial instruments	31	184
Total non-current assets	1 191 078	1 147 294
<u>Current assets</u>		
Trade accounts receivable	18 481	16 539
Other operating receivables	10 200	12 709
Prepaid expenses	347	354
Total receivables	29 029	29 602
Cash and cash equivalents	61 718	18 634
Total cash and cash equivalents	61 718	18 634
Total current assets	90 747	48 236
TOTAL ASSETS	1 281 825	1 195 530
<u>Shareholders' equity</u>		
Share capital	66 863	66 863
Legal reserve and additional paid-in capital	77 600	115 043
Consolidated reserves and retained earnings	410 662	359 877
Net attributable income	62 408	41 265
Total shareholders' equity	617 532	583 048
<u>Non-current liabilities</u>		
Non-current borrowings	616 043	576 951
Other non-current borrowings and debt	5 929	4 605
Non-current corporate income tax liability		
Financial instruments	548	920
Total non-current liabilities	622 519	582 476
<u>Current liabilities</u>		
Current borrowings	2 979	2 224
Trade accounts payable	11 589	5 832
Corporate income tax liability	0	
Other operating liabilities	9 644	7 985
Prepaid revenue	17 561	13 966
Total current liabilities	41 774	30 007
Total liabilities	664 293	612 483
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 281 825	1 195 530

IFRS Statement of Cash Flows (consolidated)

In thousands of euros

	2017	2016
OPERATING ACTIVITIES		
Consolidated net income	62 408	41 265
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	(37 178)	(20 392)
<i>Elimination of other income/expense items with no cash impact:</i>		
Depreciation of property, plant and equipment (excluding investment property)	9	9
Free share grants not vested at the reporting date	-	102
Fair value of financial instruments (share subscription warrants, interest rate caps and swaps)	(219)	895
Adjustments for loans at amortized cost	1 752	2 949
Contingency and loss provisions	-	
Corporate income tax paid	(1 765)	
Penalty interest	(165)	
Cash flows from operations before tax and changes in working capital requirements	24 841	24 828
Other changes in working capital requirements	14 380	376
Working capital adjustments to reflect changes in the scope of consolidation		134
Change in working capital requirements	14 380	511
Net cash flows from operating activities	39 221	25 339
INVESTING ACTIVITIES		
Acquisition of fixed assets	(8 126)	(161 717)
Net increase in amounts due to fixed asset suppliers	493	621
Net cash flows used in investing activities	(7,633)	(161,096)
FINANCING ACTIVITIES		
Change in bank debt	37 875	181 000
Issue of financial instruments (share subscription warrants)		9
Refinancing transaction costs	(508)	(8 542)
Purchases of hedging instruments		(168)
Net increase in current borrowings	729	
Net decrease in current borrowings		(523)
Net increase in other non-current borrowings and debt	1 323	654
Purchases and sales of treasury shares	130	(43)
Dividends paid	(28 053)	(26 720)
Net cash flows from financing activities	11 496	145 668
Change in cash and cash equivalents	43 084	9 911
Cash and cash equivalents at beginning of the period	18 634	8 723
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	61 718	18 634

French GAAP Income Statement

In euros

	2017 12 months	2016 12 months
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Sales of services	85 544	70 000
NET REVENUE	85 544	70 000
Reversal of depreciation and amortization charges, provisions for impairment and expense transfers	58 434	30 141
Total operating revenue	143 978	100 141
Purchases of raw materials and other supplies	49	0
Other purchases and external charges	1 769 653	2 130 369
Taxes, duties and other levies	41 960	2 611 034
Wages and salaries	871 904	792 428
Social security charges	367 612	334 152
Fixed assets: depreciation and amortization	189	0
Contingency and loss provisions	235 610	20 347
Other expenses	175 512	194 550
Total operating expenses	3 462 489	6 082 881
OPERATING LOSS	(3 318 511)	(5 982 740)
Financial income from controlled entities	1 332 000	0
Other interest income	165 006	29 933
Foreign exchange gains	432	0
Total financial income	1 497 438	29 933
Interest expenses	34 619	12 599
Foreign exchange losses	852	3
Total financial expenses	35 471	12 602
NET FINANCIAL INCOME	1 461 967	17 331
RECURRING LOSS BEFORE TAX	(1 856 544)	(5 965 409)
Non-recurring income on capital transactions	19 982	83 162
Total non-recurring income	19 982	83 162
Non-recurring expenses on management transactions	1 680	
Non-recurring expenses on capital transactions	4 178	281
Total non-recurring expenses	5 858	281
NET NON-RECURRING INCOME	14 125	82 881
Employee profit sharing		
Corporate income tax	(1,765,185)	802 365
TOTAL INCOME	1 661 398	213 235
TOTAL EXPENSES	1 738 632	6 898 129
NET LOSS	(77 234)	(6 684 893)

French GAAP Balance Sheet

In euros

ASSETS	Gross amount	Depr., amort. & prov.	Dec. 31, 2017	Dec. 31, 2016
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				
Buildings				
Plant, machinery and equipment				
Other property, plant and equipment	3 996	189	3 807	
Property, plant and equipment in progress				
Advances and down payments				
Financial fixed assets				
Receivables from controlled entities	299 050 733		299 050 733	326 405 364
Other long-term investments				
Loans				
Other financial fixed assets	673 967		673 967	725 947
FIXED ASSETS	299 728 696	189	299 728 507	327 131 311
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				
Other receivables	2 103 079		2 103 079	3 046 532
Subscribed capital, called up but not paid				
Short-term investment securities				
Cash and cash equivalents	998 862		998 862	3 748 046
CURRENT ASSETS	3 101 941	-	3 101 941	6 794 577
Prepaid expenses	52 460		52 460	44 035
Adjustment accounts				
TOTAL ASSETS	302 883 097	189	302 882 908	333 969 924

In euros

EQUITY AND LIABILITIES	Dec. 31, 2017	Dec. 31, 2016
Capital		
Share capital (including paid-up capital: 66,862,500)	66 862 500	66 862 500
Additional paid-in capital	70 922 676	99 004 926
Revaluation reserve	152 341 864	152 341 864
Reserves		
Legal reserve	6 686 250	16 047 000
Statutory or contractual reserves		
Regulated reserves		
Other reserves	2 711 437	10 670
Retained earnings		
Retained earnings	29 421	24 910
Net loss for the year	(77 234)	(6 684 893)
Interim dividend		
Investment subsidies		
Regulated provisions		
SHAREHOLDERS' EQUITY	299 476 914	327 606 977
Income from the issue of equity instruments		
Contingent advances		
OTHER EQUITY	-	-
Contingency provisions		
Loss provisions	235 610	20 347
CONTINGENCY AND LOSS PROVISIONS	235 610	20 347
Non-current borrowings and debt		
Convertible bonds		
Other bonds		
Bank borrowings		
Miscellaneous borrowings and debt	2 112 261	2 079 134
Trade accounts payable and other current liabilities		
Advances/down payments received on orders in progress		
Trade accounts payable	718 155	3 769 534
Tax and social liabilities	338 969	493 932
Amounts owed to fixed asset suppliers	999	
Other liabilities		
Prepaid revenue		
LIABILITIES	3 170 384	6 342 600
Adjustment accounts		
TOTAL EQUITY AND LIABILITIES	302 882 908	333 969 924