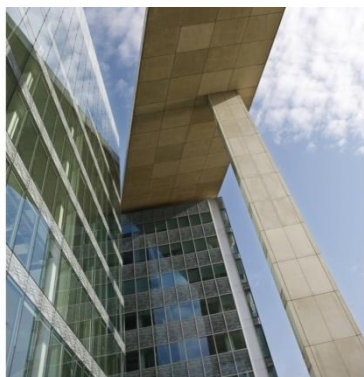


## Cegereal – Annual Results

### 2013: A Year of Consolidation and “Green” Certifications

**Key indicators:**

- IFRS rental income: €43.3m (up 12.1%)
- Recurring net income<sup>1</sup>: €19.1m (up 48%)
- Portfolio value: €849m excluding transfer costs
- EPRA NNAV: €34.1 per share
- Total distribution in 2014: €1.50 per share

**2013 Business Performance:**

- Leases renewed on approximately 40% of the portfolio
- New leases signed on 7,800 sq.m. in Arcs de Seine
- Go Green program: third and fourth office buildings in France to obtain both “HQE Exploitation” and BREEAM In-Use certification

**Outlook:**

- Recurring net income expected to rise by around 15% in 2014
- Occupancy rate should exceed 90%
- Final stage of the Go Green program: 100% of portfolio green-certified by end-2014
- Europlaza: a future “garden tower” for La Défense

Cegereal's Board of Directors met on February 13, 2014 to approve the audited consolidated financial statements for the year ended December 31, 2013.

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

*“In 2013, we continued the strategy to improve our portfolio, notably by moving forward with the Go Green program and earning “HQE Exploitation” in-use environmental certification for Europlaza and Arcs de Seine. Our success in marketing vacant units and renewing the leases on nearly half of the portfolio attests to our properties’ appeal. In all, the portfolio’s occupancy rate currently stands at 89%. Over the seven years since its IPO, Cegereal has lived up to expectations by delivering an average return on NNAV of 4.50%<sup>2</sup> while respecting its objectives of sustainable performance.”*

Cegereal sets the standard in the ownership and management of prime office properties on the outskirts of Paris let over the long term to first-class companies looking for facilities that offer high value added amenities. Listed on Euronext since 2006, in compartment B, its market capitalization as of February 11, 2014 totaled €325 million.

<sup>1</sup> EPRA Earnings excluding non-recurring costs (such as refinancing transaction costs cf. p.7)

<sup>2</sup> Total dividends paid during the period plus the unrealized gain on NNAV expressed as a percentage of the IPO price.

## BUSINESS REVIEW

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- **Ongoing improvement in the portfolio's rental status in a lackluster environment**
  - Leases on 39% of the portfolio renewed during the year
  - New leases signed on 7,800 square meters
  - Average life of the leases extended by 2.2 years

### Arcs de Seine: a further 7,800 sq.m. let during the year

Cegereal kept up its marketing strategy for Arcs de Seine, offering prospective tenants the opportunity to lease smaller units rather than whole floors, and highlighting features such as the high ratio of private underground parking spaces (1 for 3 users), the property's proximity to Paris and its dual in-use environmental certification (HQE Exploitation and BREEAM In-Use Very Good).

After securing tenants for 22,220 sq.m. in 2012, new leases were signed on a further 7,800 sq.m. in 2013, lifting the building's occupancy rate to 81% at December 31 from 63% a year earlier:

- Hewlett Packard, which moved into the building in 2012, took up an additional 1,400 sq.m. and extended its lease by three years, giving it a lease on a total of 6,600 sq.m. expiring at end-July 2021.
- Sagem Défense Sécurité, a member of the Safran Group, took up 5,000 sq.m. for its headquarters in April 2013, under a six-year lease.
- Sonepar, the world leader in B-to-B distribution of electrical products and related services, took up 1,400 sq.m. under a six-year lease.

As at December 31<sup>st</sup>, there remained just 8,400 sq.m. of available areas.

### Rives de Bercy: lease on 31,900 sq.m. with Crédit Foncier renewed for nine years

In January 2013, a new nine-year "green" lease was signed with the building's long-standing sole tenant, Crédit Foncier, expiring in 2021.

This triple net lease sets a new standard by including stringent undertakings by the owner and the tenant to meet certain environmental targets. It is a practical demonstration of Cegereal's commitment to improving environmental performance embodied in the Go Green project.

### Europlaza: the "loyalty" operation continues

In July 2013, Cap Gemini's lease on 7,400 sq.m. was renewed for a further six years. At end-2013, the occupancy rate at Europlaza was 89%.

After the year-end, in January 2014, the lease with Galderma was also renewed for six years on a total 4,825.sq.m. versus 4,000 sq.m. previously.

- **Go Green program: in-use environmental certification already earned for 75% of the portfolio**

As part of the strategy to enhance and lock in the value of the portfolio, audits have been performed since 2012 on all of the properties, with a view to having their environmental performance certified.

So far, the Arcs de Seine and Europlaza properties have both been certified to HQE Exploitation and BREEAM In-Use Very Good standards, making them only the third and fourth buildings in France to earn the two distinctions.

An environmental audit is currently underway at Rives de Bercy and the entire portfolio should be certified to HQE Exploitation standards by the end of 2014.

All of the properties are also now part of the Green Rating association benchmark.

- **A portfolio totaling over 130,000 sq.m., with an appraisal value of €849 million excluding transfer costs**

The marketing programs and the measures to preserve the properties' value over the long term have helped to lock in their appraisal values despite a mixed macro-economic environment. The portfolio's total appraisal value excluding transfer costs stood at €849 million at December 31, 2013 versus €865 million at the previous year-end.

The overall occupancy rate was 89% at December 31, 2013, up 7 points from 83% at the end of 2012.

## **IFRS FINANCIALS (consolidated)**

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- **Key indicators:**

- IFRS rental income: €43.3m
- Current cash flows: €19.4m
- EPRA earnings: €19.1m

In 2013, rental income calculated in accordance with IFRS totaled €43.3 million, up 12.1% compared with 2012. Expense recoveries and penalties received from tenants were more or less unchanged from 2012 at €10.4 million. Building-related costs rose slightly to €16.9 million, due to increased occupancy.

Cash flows from operations amounted to €19.4 million versus €4.02 million in 2012.

EPRA earnings (which exclude fair value adjustments to investment property) came in at €19.1 million.

- **A healthy financial position**

Cegereal refinanced all of its debt in 2012 and does not have any repayment obligations until August 2017. The debt was refinanced at the competitive rate of 3.40%, reducing finance costs by around 20%. The rate will be reduced to 3.15% as soon as the occupancy rate exceeds 90%.

- **EPRA NNAV: €454.5m or €34.1/share**

The Company's EPRA NNAV excluding transfer costs declined by €21.80 million in 2013 to €454.47 million at the year-end, representing €34.1 per share versus €35.7 at end-2012. The net year-on-year change resulted from earnings per share (+€1.4), fair value adjustments to investment property (-€1.2), dividend payments (-€0.7) and other impacts (-€1.1).

- **Total amount to be distributed in dividends in 2014: €1.50 per share**

Cegereal intends to recommend paying a total of €1.50 in dividends per share in 2014, comprising a 2 step distribution: €0.75 per share to be approved by the Annual Shareholders' Meeting and €0.75 per share to be approved by the Board of Directors in December.

The first part of the dividend will be paid on July 17, 2014, subject to shareholders approval.

- **Outlook**

Cegereal's goals for 2014 are as follows:

- Around 15% growth in recurring net income per share
- A future-proofed portfolio, following completion of the Go Green program
- Launch of the Europlaza "garden tower" project, with work scheduled to start in 2014

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

### **Investor Calendar**

- |                     |                              |
|---------------------|------------------------------|
| - May 15, 2014      | First-quarter revenue        |
| - June 25, 2014     | Annual Shareholders' Meeting |
| - July 24, 2014     | First-half results           |
| - July 17, 2014     | Payment of the 2013 dividend |
| - November 13, 2014 | Third-quarter 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 inner suburbs of Paris. The portfolio's appraisal value, as estimated by independent valuers BNPP Real Estate as of December 31, 2013, was €849 million excluding transfer costs.

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

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## APPENDICES

### IFRS Income Statement (consolidated)

*in thousands of euros, except per share data*

	2013	2012
Rental income	43 303	38 633
Income from other services	10 462	8 773
Building-related costs	(16 927)	(16 382)
<b>Net rental income</b>	<b>36 838</b>	<b>31 024</b>
Sale of building		
Administrative costs	(2 754)	(2 845)
Other operating expenses	(4)	0
Other operating income		
Increase in fair value of investment property	15 386	9 685
Decrease in fair value of investment property	(32 531)	(300)
<i>Total change in fair value of investment property</i>	<i>(17 145)</i>	<i>9 385</i>
<b>Net operating income</b>	<b>16 935</b>	<b>37 564</b>
Financial income	0	113
Financial expenses	(14 994)	(20 816)
<b>Net financial expense</b>	<b>(14 994)</b>	<b>(20 704)</b>
<b>Corporate income tax</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED NET INCOME</b>	<b>1 940</b>	<b>16 860</b>
<i>of which attributable to owners of the Company</i>	<i>1 940</i>	<i>16 860</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>1 940</b>	<b>16 860</b>
<i>of which attributable to owners of the Company</i>	<i>1 940</i>	<i>16 860</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>0,15</b>	<b>1,26</b>

## IFRS Balance Sheet (consolidated)

*in thousands of euros*

	Dec. 31, 2013	Dec. 31, 2012
<b><u>Non-current assets</u></b>		
Investment property	849 000	865 400
Non-current loans and receivables	29 331	14 401
<b>Total non-current assets</b>	<b>878 330</b>	<b>879 802</b>
<b><u>Current assets</u></b>		
Trade accounts receivable	12 508	12 024
Other operating receivables	261	1 899
Prepaid expenses	68	41
<b>Total receivables</b>	<b>12 837</b>	<b>13 965</b>
Cash and cash equivalents	16 018	20 921
<b>Total cash and cash equivalents</b>	<b>16 018</b>	<b>20 921</b>
<b>Total current assets</b>	<b>28 856</b>	<b>34 886</b>
<b>TOTAL ASSETS</b>	<b>907 186</b>	<b>914 688</b>
<b><u>Shareholders' equity</u></b>		
Share capital	160 470	160 470
Legal reserve and additional paid-in capital	31 465	40 157
Consolidated reserves and retained earnings	292 754	275 910
Net attributable income	1 940	16 860
<b>Total shareholders' equity</b>	<b>486 629</b>	<b>493 397</b>
<b><u>Non-current liabilities</u></b>		
Non-current borrowings	395 797	394 690
Other non-current borrowings and debt	3 469	2 672
Non-current corporate income tax liability	0	0
<b>Total non-current liabilities</b>	<b>399 266</b>	<b>397 362</b>
<b><u>Current liabilities</u></b>		
Current borrowings	1 776	1 776
Trade accounts payable	1 479	3 101
Corporate income tax liability	0	0
Other operating liabilities	3 762	5 438
Prepaid revenue	14 275	13 614
<b>Total current liabilities</b>	<b>21 292</b>	<b>23 928</b>
<b>Total liabilities</b>	<b>420 557</b>	<b>421 290</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>907 186</b>	<b>914 688</b>

## IFRS Statement of Cash Flows (consolidated)

*in thousands of euros*

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Consolidated net income	1 940	16 860
<i>Elimination of items related to the valuation of buildings:</i>		
Fair value adjustments to investment property	17 145	(9 385)
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	1 107	823
<b>Cash flows from operations before tax and changes in working capital requirements</b>	<b>20 192</b>	<b>8 299</b>
Other changes in working capital requirements	(15 393)	(525)
<b>Change in working capital requirements</b>	<b>(15 393)</b>	<b>(525)</b>
<b>Net cash flows from operating activities</b>	<b>4 799</b>	<b>7 774</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(745)	(1 815)
Net decrease in amounts due to fixed asset suppliers	(1 045)	(741)
<b>Net cash flows used in investing activities</b>	<b>(1 790)</b>	<b>(2 556)</b>
<b>FINANCING ACTIVITIES</b>		
Increase in share capital		
Change in bank debt		1 108
Refinancing transaction costs		(5 458)
Net increase in current borrowings		1 776
Net increase in other non-current borrowings and debt	796	1 247
Net decrease in other non-current borrowings and debt		
Purchases and sales of treasury shares	(35)	66
Dividends paid	(8 674)	
<b>Net cash flows used in financing activities</b>	<b>(7 914)</b>	<b>(1 262)</b>
<b>Change in cash and cash equivalents</b>	<b>(4 904)</b>	<b>3 957</b>
Cash and cash equivalents at beginning of year*	20 921	16 963
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>16 018</b>	<b>20 921</b>

## French GAAP Income Statement

*in euros*

	France	Exports	2013	2012
			Total	Total
Sales of goods for resale				
Sales of manufactured products				
Sales of services				
<b>NET REVENUE</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			37 757	66 710
Other revenue			39	4
<b>Total operating revenue</b>			<b>37 796</b>	<b>66 714</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			1 406 634	1 108 900
Taxes, duties and other levies			51 165	46 947
Wages and salaries			265 545	237 072
Social security charges			111 548	106 901
Fixed assets: depreciation and amortization				
Fixed assets: provisions for impairment				
Current assets: provisions for impairment				
Loss and contingency provisions				
Other expenses			92 898	68 003
<b>Total operating expenses</b>			<b>1 927 789</b>	<b>1 567 822</b>
<b>OPERATING LOSS</b>			<b>(1 889 993)</b>	<b>(1 501 108)</b>
Allocated income or transferred loss				
Loss incurred or transferred income				
Financial income from controlled entities				
Income from other securities and receivables				
Other interest income				37 776
Reversal of provisions for impairment, other provisions and expense transfers				238 298
Foreign exchange gains				
Net income on sale of short-term investment securities				
<b>Total financial income</b>			<b>-</b>	<b>276 074</b>
Depreciation, amortization, provisions for impairment and other provisions				59 673
Interest expenses			140 647	37 831
Foreign exchange losses				
Net expenses on sales of short-term investment securities				
<b>Total financial expenses</b>			<b>140 647</b>	<b>97 504</b>
<b>NET FINANCIAL INCOME/(EXPENSE)</b>			<b>(140 647)</b>	<b>178 570</b>
<b>RECURRING LOSS BEFORE TAX</b>			<b>(2 030 640)</b>	<b>(1 322 538)</b>



*in euros*

	2013	2012
Non-recurring income on management transactions		
Non-recurring income on capital transactions	153 570	
Reversal of provisions for impairment, other provisions and expense transfers		
<b>Total non-recurring income</b>	<b>153 570</b>	<b>-</b>
Non-recurring expenses on management transactions		
Non-recurring expenses on capital transactions		117 438
Depreciation, amortization and provisions for impairment		
<b>Total non-recurring expenses</b>	<b>-</b>	<b>117 438</b>
<b>NET NON-RECURRING INCOME/(EXPENSE)</b>	<b>153 570</b>	<b>(117 438)</b>
Employee profit sharing		
Corporate income tax		
<b>TOTAL INCOME</b>	<b>191 365</b>	<b>342 788</b>
<b>TOTAL EXPENSES</b>	<b>2 068 436</b>	<b>1 782 764</b>
<b>NET LOSS</b>	<b>(1 877 070)</b>	<b>(1 439 977)</b>

## French GAAP Balance Sheet

*in euros*

ASSETS	Gross amount	Depr., amort. & prov.	Dec. 31, 2013	Dec. 31, 2012
<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	349 301 810		349 301 810	349 301 810
Other long-term investments				
Loans				
Other financial fixed assets	716 466		716 466	562 896
<b>FIXED ASSETS</b>	<b>350 018 276</b>	<b>-</b>	<b>350 018 276</b>	<b>349 864 706</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				3 661
Other receivables	77 127		77 127	209 388
Subscribed capital, called up but not paid				
<b>Short-term investment securities</b>				
<b>Cash and cash equivalents</b>	<b>1 580 482</b>		<b>1 580 482</b>	<b>1 985 094</b>
<b>CURRENT ASSETS</b>	<b>1 657 609</b>	<b>-</b>	<b>1 657 609</b>	<b>2 198 143</b>
<b>Prepaid expenses</b>	<b>23 691</b>		<b>23 691</b>	<b>19 520</b>
<b>Adjustment accounts</b>				
<b>TOTAL ASSETS</b>	<b>351 699 576</b>	<b>-</b>	<b>351 699 576</b>	<b>352 082 369</b>

*in euros*

<b>EQUITY AND LIABILITIES</b>	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2012</b>
<b>Capital</b>		
Share capital (including paid-up capital: 160,470,000)	160 470 000	160 470 000
Additional paid-in capital	15 418 151	24 110 276
Revaluation reserve	152 341 864	152 341 864
<b>Reserves</b>		
Legal reserve	16 047 000	16 047 000
Statutory or contractual reserves		
Regulated reserves		
Other reserves	8 423	8 423
<b>Income</b>		
Retained earnings	(1 422 072)	
Net loss for the year	(1 877 070)	(1 439 977)
<b>Investment subsidies</b>		
<b>Regulated provisions</b>		
<b>SHAREHOLDERS' EQUITY</b>	<b>340 986 296</b>	<b>351 537 586</b>
<b>Income from the issue of equity instruments</b>		
<b>Contingent advances</b>		
<b>OTHER EQUITY</b>		
<b>Contingency provisions</b>		
<b>Loss provisions</b>		
<b>LOSS AND CONTINGENCY PROVISIONS</b>		
<b>Non-current borrowings and debt</b>		
Convertible bonds		
Other bonds		
Bank borrowings		
Miscellaneous borrowings and debt	10 174 731	
<b>Trade accounts payable and other current liabilities</b>		
Advances/down payments received on orders in progress		
Trade accounts payable	444 399	448 245
Tax and social liabilities	93 397	79 423
Amounts owed to fixed asset suppliers		
Other liabilities	752	17 114
Prepaid revenue		
<b>LIABILITIES</b>	<b>10 713 280</b>	<b>544 782</b>
<b>Adjustment accounts</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>351 699 576</b>	<b>352 082 369</b>