Annual Report 2013

CeGeREAL

CONTENTS

PROFILE

Prime office buildings in the Paris region
Cegereal is a property company that invests in top-end office buildings in the Paris region. Its unique portfolio comprises three large office complexes located in the region's most dynamic business districts. Offering a combination of functionality and top rated amenities that make them great places to work, the properties are closely aligned with the expectations of first-class tenants and provide Cegereal with high quality rental revenues.

From the outset, Cegereal's growth strategy has been guided by the principles of social responsibility and environmental stewardship. Because its buildings are used by several thousand employees and visitors a day, they play an important role in enhancing their district's business appeal. Cegereal has an ongoing commitment to improving the quality and performance of its properties by ensuring the well-being of their users.

With its positioning in a buoyant market segment and its low loan-to-value ratio, the Company offers shareholders the prospect of high yields and solid rates of capital appreciation over the long term.

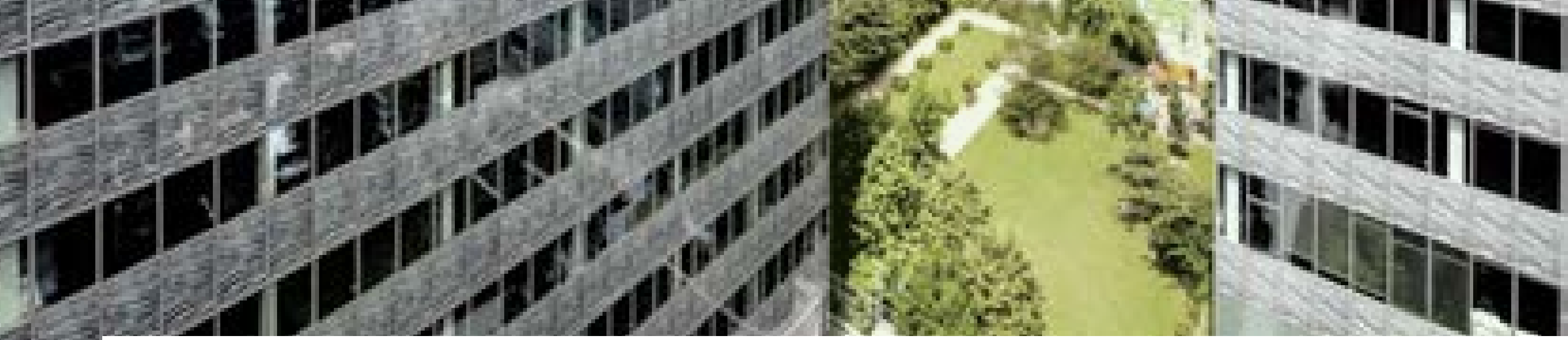
Cegereal has been listed on compartment B of NYSE Euronext Paris since March 2006, and has opted for a REIT-style tax structure (SIIC).

€19.1m
2013 EPRA earnings

€34.1
NNNAV per share at December 31, 2013

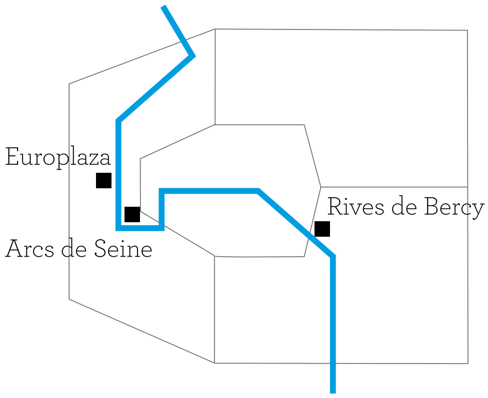
€849m
Portfolio value at December 31, 2013

€43.3m
Rental income in 2013



4 Strengths THAT MAKE A DIFFERENCE

Cegereal's strategy consists of building a portfolio of high-quality properties occupied by first-class tenants in France and financed by a moderate level of debt, in order to deliver attractive returns over the long term.



High quality property assets

Strategically located in the heart of the most sought-after business districts in Paris's western and eastern suburbs, Cegereal's three property complexes are unique products that are at once prestigious and appealing as office premises. With their contemporary styling, divisible floor plans and wide range of amenities, they are living buildings designed to enhance the performance of tenant companies.

Strict governance

Based on a stringent risk management strategy, Cegereal's governance system is organized around a Board of Directors, highly active committees and a senior management team that is close to shareholders. Its focus is on protecting the interests of all stakeholders by upholding strict rules of transparency and independence.

A stable shareholder base

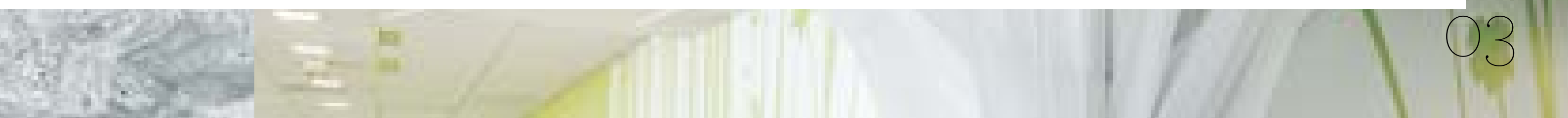
Since its stock market listing in 2006, Cegereal has enjoyed the support of a high-quality, stable shareholder base, mainly comprising long-term institutional investors. HausInvest, a German property mutual fund managed by Commerzbank, remains the majority shareholder with a 59.8% stake, while the Covéa insurance group (GMF-MMA-MAAF) holds 13.97% of the shares, having increased its holding by 9% between 2006 and 2008.

Selective rental and financial management

Cegereal targets first-class tenants with solid financial resources and retains them by nurturing long-term relationships built on trust and close-to-the-user services. This selective rental strategy guarantees secure revenue streams over the long term and allows the Company to raise financing on attractive terms.

over 120,000 sq.m.

Office portfolio at December 31, 2013



7 years OF **ACHIEVEMENT**

When it was listed on the stock market in 2006, Cegereal made a commitment to shareholders to provide a total return of 4.5% while preserving the value of their investment over the long term. Over the past seven years, and despite the financial crisis, its teams steadily improved the Company's fundamentals by successfully rising to a variety of real estate and financial challenges. The following is a summary of Cegereal's first seven years as a listed property company in facts and figures.

A future-**proof** portfolio

To meet the market's future needs and retain existing tenants, Cegereal has continuously upgraded each of its complexes, with a particular emphasis on comfort, amenities and environmental performance. In 2014, thanks to the Go Green project, it expects to become one of the first 100% green property companies by the end of 2014.

Europlaza:

€850,000
project to refurbish the inter-company restaurant in 2012.

Start-up of works to re-design the property as a "garden tower" in 2014-2015.

The third building
in France certified to both "HQE exploitation"(1) and BREEAM In-Use International Very Good standards.

Arcs de Seine:

€7.5 million
project in 2011 to renovate the reception area, workspaces and amenities for improved comfort and energy performance.

€420,000
project in 2013 to refurbish common areas, including the inter-company restaurant/snack bar, terrace/sunroom.

The fourth building
in France certified to both "HQE exploitation"(1) and BREEAM In-Use International Very Good standards.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

Rives de Bercy:

€1 million
refurbishment project in 2014.
A Cegereal and Crédit Foncier commitment.

A portfolio **refinanced** on attractive terms

Cegereal's sound balance sheet and limited leverage have enabled it to refinance its debt on the best possible terms and secure its financial position through 2017.

- €400 million in debt refinanced in July 2012 for five years at the competitive rate of 3.40%, reducing finance costs by 20%. The interest rate is reduced to 3.15% as soon as the occupancy rate exceeds 90%.

Leases **renewed** with first-class tenants

In line with its rental strategy based on tenant selection and retention, Cegereal has locked in stable revenue streams by renegotiating or extending leases on a large portion of its portfolio.

- First-class tenants, 96% of which have a Dun & Bradstreet risk rating of 1 or 2.
- Average residual lease maturity of 6.6 years.
- Overall occupancy rate of nearly 90% at December 31, 2013.
- Double the number of leases, leading to reduced risk concentration.

Commitments **honored**

Positioned exclusively in the prime office segment, Cegereal focuses on delivering high yields to shareholders by enhancing the value of its portfolio and distributing regular dividends.

- Value of property assets held firm despite the five-year economic crisis.
- NNNAV of €34,1 per share, up by an average of 1% per annum over the last eight years.
- Target achieved of 4.5%(2) annual return based on NNNAV at the IPO date

(2) Total dividends paid during the period plus the unrealized gain on NNNAV expressed as a percentage of the IPO price.

01 VISION & AMBITION

Cegereal is continuing to deploy its strategy combining value creation with the sustainable performance of a portfolio of properties where people come first.


8 Questions to Senior Management

Raphaël Tréguier, CEO of Cegereal

2013, a year dedicated to retaining tenants and earning environmental certifications

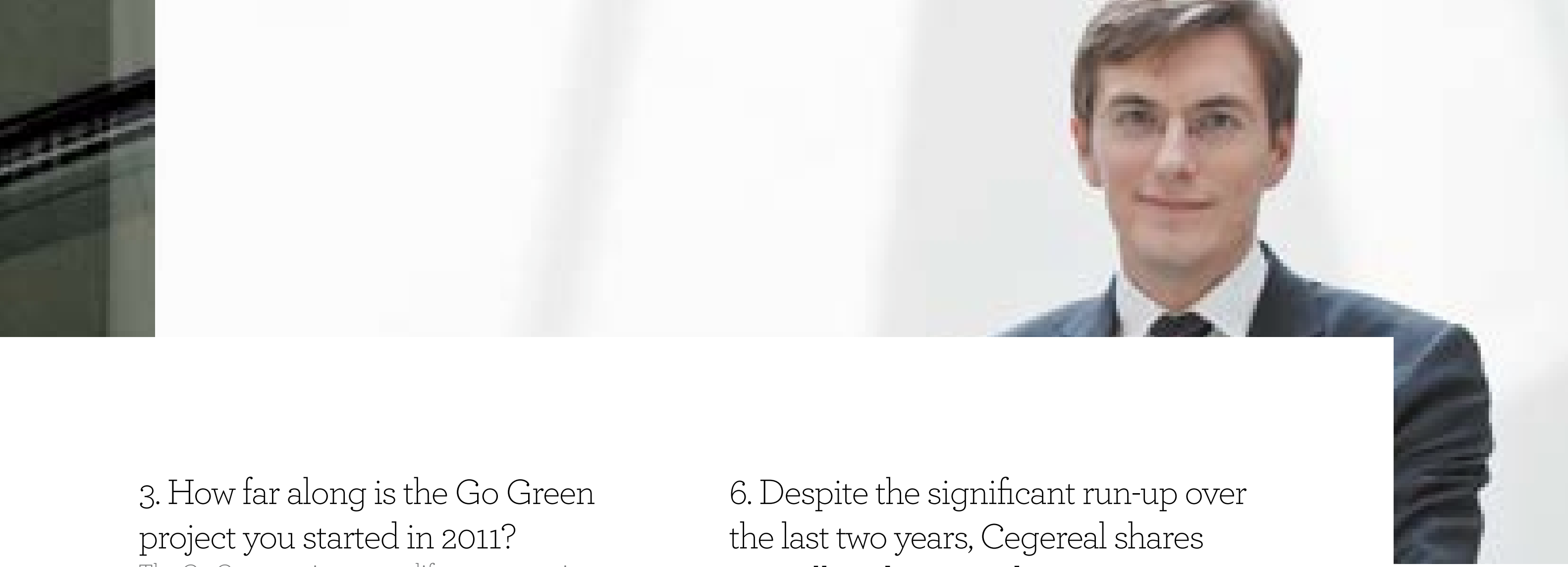
Since 2006, Cegereal has continued to deploy its performance concept. Looking back, Raphaël Tréguier, Chief Executive Officer, reflects on the major milestones achieved in 2013 and takes stock of Cegereal's achievements seven years after its stock market listing.

1. What is your roadmap for Cegereal in the slower property market?

While 2012 was devoted to assertively marketing the Arcs de Seine complex, 2013 was mainly spent building tenant loyalty and getting our properties certified to benchmark standards. In 2014, we want to take advantage of the slower rental market to complete our ongoing refurbishment projects and to launch the very exclusive Europlaza «garden tower" project. This will complete the makeover needed for us to face the coming years with confidence.

2. How did Cegereal perform in 2013?

We continued to actively market refurbished office space in the Arcs de Seine building, whose versatility ensured we were in line with current demand and ready to take on two new first-class tenants. Despite a soft rental market, particularly in the districts where our main properties are located, demand remained strong for modern buildings offering both a rational layout and a warm, personable atmosphere. Clearly illustrating our tenants' satisfaction, leases on 39% of our portfolio were renewed during the year, a notable example being the 31,900-square meter lease renewed with Crédit Foncier until 2021.
We also took advantage of the slowdown in rental activity to step up our strategy to enhance the portfolio's value. For example, at Arcs de Seine we have refurbished the inter-company restaurant and created a relaxation area opening onto the gardens, while at Europlaza we're starting work on the "garden tower" project this year. This will make Europlaza the first office tower in the La Défense district with a closed garden for the exclusive use of its tenants. With nearly 90% of the offices currently let, we are taking decisive steps to enhance the property's value before the rental market picks up again.



3. How far along is the Go Green project you started in 2011?

The Go Green project exemplifies our commitment to acting as a responsible property company. Following on from Arcs de Seine's certification to "HQE exploitation"(1) environmental performance standards in June 2012, Europlaza was similarly certified in November 2013 after a series of technical audits. In addition, we're working closely with Crédit Foncier to bring Rives de Bercy into HQE(1) compliance, in line with our target to be one of the first 100% green listed property companies by the end of 2014. The related audits of our buildings' past and future performances have also enabled us to comply with BREEAM, Green Rating and other standards. Europlaza and Arcs de Seine are among the first four buildings in France to be certified to both "HQE exploitation"(1) and BREEAM In-Use International Very Good standards.

4. When and how do you expect to see the benefits of these efforts?

While the Go Green project will give us a short-term competitive advantage on the marketing front, its positive impact on our properties' value will only be felt over the long term. We are committed to providing shareholders with an overall return of 4.5% to 5% on their investment. Property generates rental revenues, but also requires hard work over time to maintain technical compliance and market appeal, which are the main value drivers. This explains why we have embraced the concept of long-term performance since the outset.

5. How did your shares perform in 2013?

The Cegereal share price ended the year up 23%, outperforming the EPRA index by 16%. The past two years have seen a gain of more than 75%, reflecting the market's recognition of the investments made since 2011 to improve our buildings' performance.

6. Despite the significant run-up over the last two years, Cegereal shares are still trading at a discount to NAV. How do you explain that?

The trading volumes that determine our share price are still low, and the price remains heavily out of touch with our net asset value. The discount is largely technical, and reflects the disconnect in share prices that hit French mid-cap stocks in the wake of the 2008 crisis. Daily liquidity should naturally return once the share price is deemed acceptable to long-standing shareholders, who are confident in the Company's underlying value. In the meantime, there is a real opportunity for investors in the medium term.

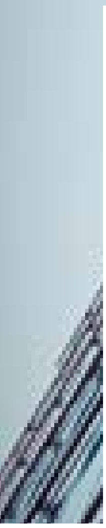
7. Will last year's successful performance allow you to raise the dividend?

Last year, as planned, we paid shareholders a dividend of €0.65 per share in respect of 2012. The additional leases signed during the year have put us in a position to distribute a higher dividend for 2013. In 2014, shareholders will be asked to approve a distribution of €1.50 per share, to be paid in two installments during the year.

8. 2013 also marks the end of an initial seven-year period. Now at the age of reason, can you say that your targets have been met?

Yes. In the past seven years, we have deliberately avoided development projects and growth opportunities that carried a high level of risk or were likely to dilute returns for our long-standing shareholders. For our shareholders, the total return on the IPO NNNAV is 4.50%. Not only this rate is in line with our commitments, but it was achieved despite the recession-hit environment.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).



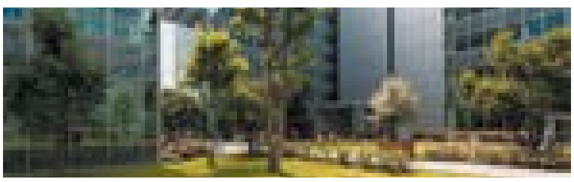
2013 | HIGHLIGHTS

In 2013, average remaining lease terms were extended at all three properties and leases were signed with two new tenants in the Arcs de Seine complex. Attentive to its tenants’ quality of life, Cegereal pursued projects to enhance and secure the value of its portfolio. Refurbishment work on the Arcs de Seine building was completed and the Go Green project was rolled out to all properties.

75%

of the portfolio certified to “HQE exploitation”[1] and BREEAM In-Use Very Good standards

The Go Green project initiated in 2012 continued on schedule with the aim of making Cegereal one of the first 100% green listed property companies by the end of 2014. Following the example set by Arcs de Seine in June 2012, Europlaza was certified to “HQE exploitation”[1] standards in November 2013 by Certivéa. Europlaza and Arcs de Seine are among the first four buildings in France to be certified compliant with both “HQE exploitation”[1] and BREEAM In-Use Very Good standards. The next step is to earn certification for Rives de Bercy, where the process is well underway following satisfactory preliminary technical audits initiated in 2012.



Leases renewed on

48,500 square meters

Satisfied by the quality of their workspaces, several tenants in the three properties extended their leases for firm periods. Crédit Foncier renewed its 31,900-square meter lease at Rives de Bercy and Hewlett Packard its 5,200-square meter lease at Arcs de Seine, in both cases until 2021. At Europlaza, Cap Gemini renewed for 7,400 square meters and Galderma for 4,000 square meters, both until 2019.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

New leases signed on

8,600 square meters

Demand for refurbished Arcs de Seine office space remained strong. The building's four tenants were joined by two new leading companies, Sagem Défense Sécurité, which took up 5,000 square meters for its headquarters, and Sonepar, which leased 1,400 square meters. In addition, Hewlett Packard, which has been a tenant since 2012, leased an additional 1,400 square meters during the year, while in the Europlaza building, Galderma leased an additional 825 square meters.

At December 31, 2013, the Arcs de Seine occupancy rate stood at 81% versus 63% a year earlier, lifting the occupancy rate for Cegereal's entire portfolio to 89% versus 83% at the end of 2012.

€420,000

in common area refurbishments

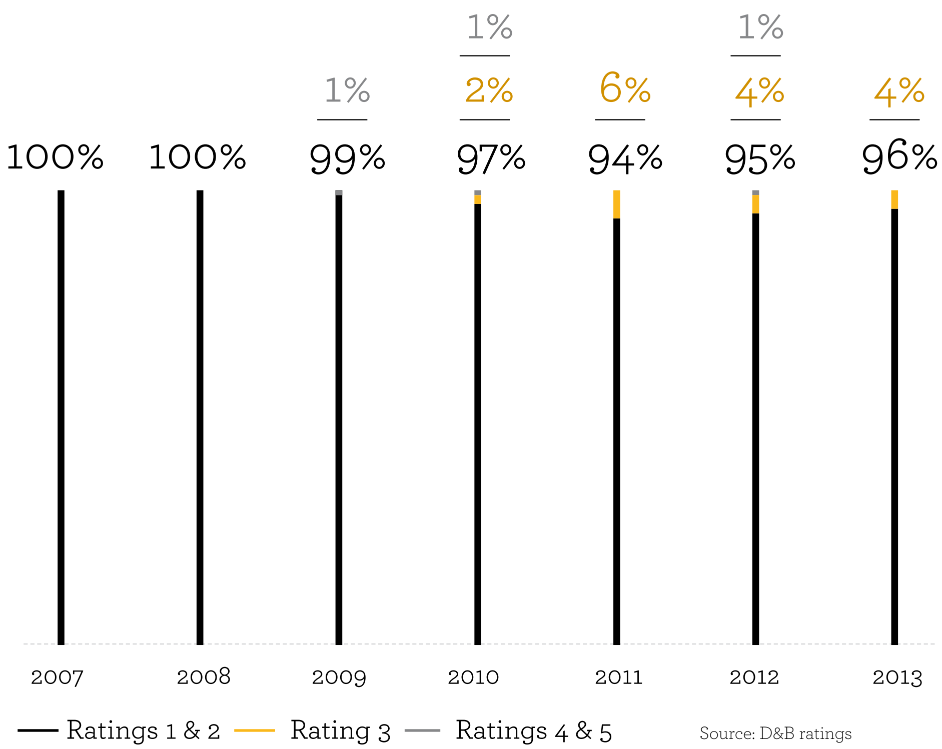
Cegereal finished the project begun in 2011 to modernize Arcs de Seine's restaurant facilities. The inter-company restaurant was refitted and a snack bar was added to the building's river-facing side. To improve user comfort, a terrace was also created on the ground floor, including a sunroom where the building's landscaped garden can be enjoyed from indoors during relaxation periods.

KEY FIGURES

LONG-TERM PERFORMANCE

First-class tenants

96% of tenants have the highest credit ratings
Rental income from companies with a Dun & Bradstreet risk rating of 1 or 2

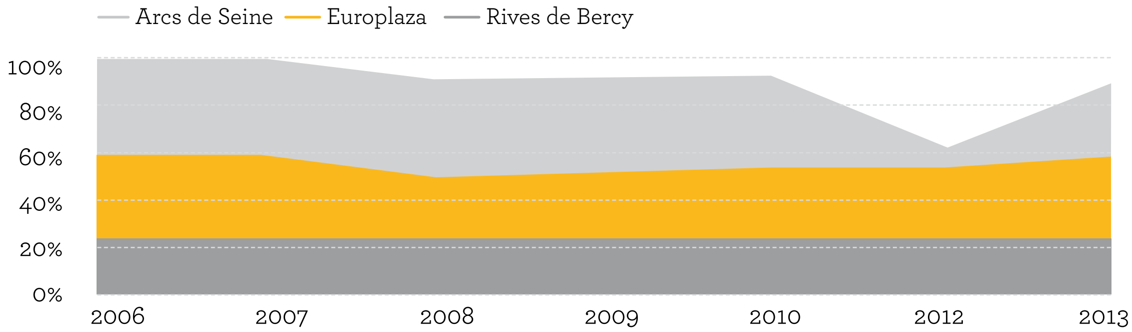


Source: D&B ratings

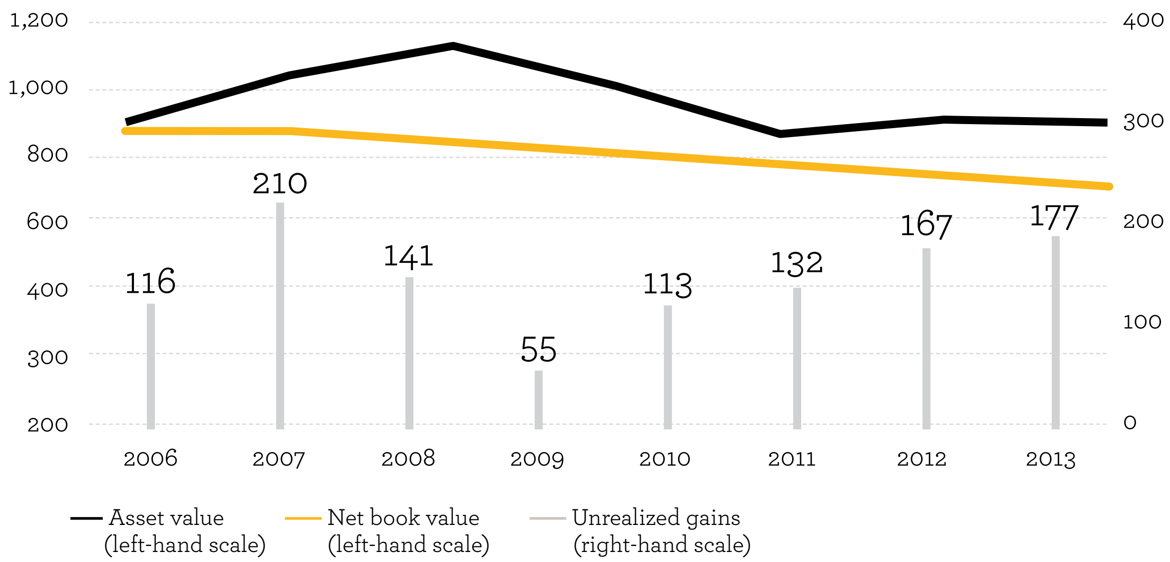
€177m
of unrealised gains
as of December 2013

96%
of tenants have the highest
Dun & Bradstreet credit
ratings of 1 or 2

Occupancy rates since the IPO



Long term ability to distribute dividends (in millions of euros)



EPRA PERFORMANCE

EPRA earnings

In thousands of euros

	2013	2012
Net income under IFRS	1,940	16,860
Restatement of the changes in fair value of investment property	17,145	(9,385)
EPRA Earnings	19,085	7,476

EPRA NAV & EPRA NNNAV

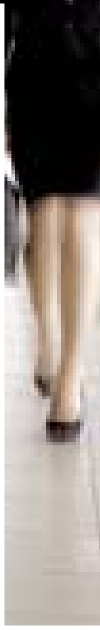
In thousands of euros, except per share data

	2013	2012
Shareholders' equity under IFRS	486,629	493,397
Portion of rent-free periods	(29,331)	(14,220)
EPRA NAV	**457,298**	**479,177**
Market value of the loans	(398,621)	(402,899)
Carrying amount of the loans(1)	395,797	400,000
EPRA NNNAV	**454,474**	**476,279**
Number of shares (excluding treasury shares)	13,345,278	13,346,851
NAV per share	34.1	35.7

(1) The December 31, 2013 figure corresponds to the carrying amount of the loans under IFRS, whereas the December 31, 2012 figure corresponds to their repayment value.

The indicators published by Cegereal are aligned with the recommendations of the European Public Real Estate Association (EPRA), of which Cegereal is a member. EPRA's role is to promote, develop and represent the publicly listed real estate sector.

EPRA notably publishes its Best Practice Recommendations (BPRs) whose purpose is to enhance transparency, uniformity and comparability of financial reporting by real estate companies.



EPRA net initial yield & EPRA "topped-up" net initial yield

In thousands of euros

	2013	2012
Net value of investment property	**849,000**	**865, 400**
Expenses and transfer duties	49,914	53,655
Gross up completed property portfolio evaluation (B)	**898,914**	**919,055**
Annualised net rents (A)	**49,589**	**35,882**
Add: notional rent expiration of rent-free periods or other lease incentives	2,183	9,746
Topped-up net annualised rent (C)	**51,771**	**45,628**
EPRA NIY (A)/(B)	5.5%	3.9%
EPRA "topped-up" NIY" (C)/(B)	5.8%	5.0%

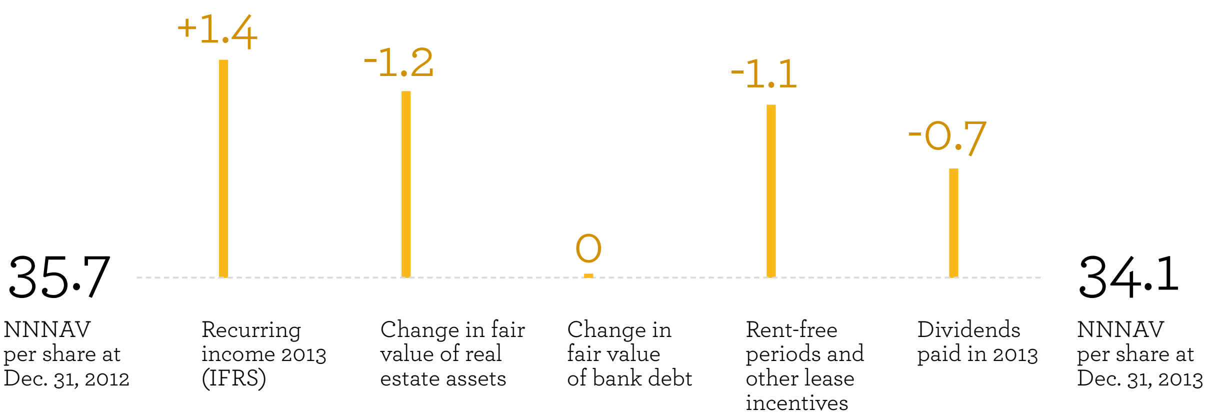
EPRA vacancy rate

In thousands of euros

	2013	2012
Total market rental value	60,478,912	55,047,092
Market rental value of vacant spaces	6,807,544	9,938,546
EPRA vacancy rate	11%	18%

NNNAV per share

In euros per share



SHARE PERFORMANCE

The sustained improvement in the portfolio's value continued to pay off in 2013, when the Cegereal share once again outperformed the main stock market indices.

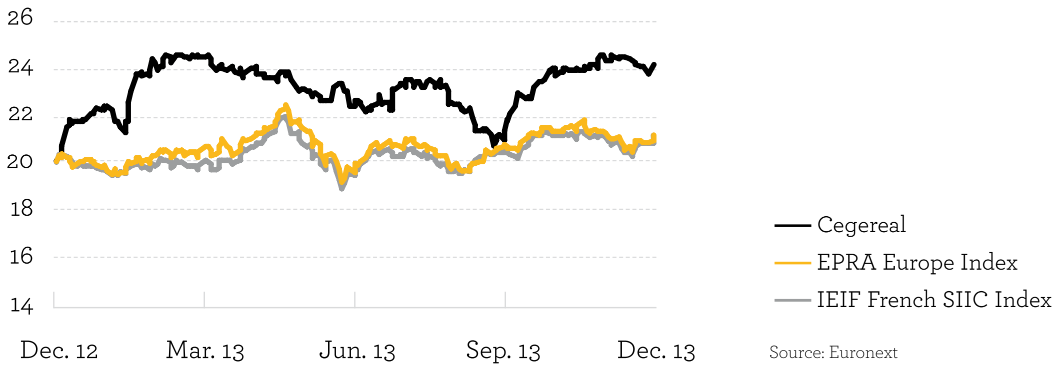
Listing details

Name	Cegereal SA	Type	Eurolist Compartiment B
Market	NYSE Euronext Paris	Indices	CAC all shares
ISIN	FR0010309096		and IEIF SIIC France
Symbol	CGR	Registrar	BNPP Securities Services
CFI	ESVUFB		

Momentum confirmed with a 23% gain

In 2013, the stock markets continued to recover, buoyed as in 2012 by expansionary central bank monetary policies designed to help finance the economy. Paris stock market indices continued to trend upwards despite the lack of improvement in the macro economic situation. The effects of the weakened job market on the office rental market intensified, leading to widely varying outlooks across market segments. In this environment, investors applied more selective asset allocation strategies, an approach that benefited Cegereal thanks to the 12.2% revenue growth delivered by the new leases signed in the past two years. The Cegereal share price gained nearly 23% to end the year at €24.09, whereas the Euronext IEIF SIIC France index rose 5.6% and the CAC 40 increased 18%. Since 2012, the share price has appreciated by almost 75%, reducing the discount relative to NNNAV from 45% to 29% at end-2013.

Share performance compared with the main indices



Source: Euronext

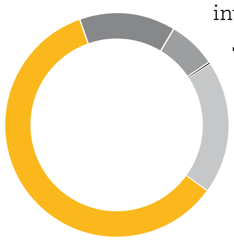
A majority of long-term shareholders

Since it was listed on the stock market in 2006, Cegereal's shareholder base has consisted primarily of loyal institutions investing for the long term. These include German property fund HausInvest, the majority shareholder with 59.8% of the capital, and the Covéa mutual insurance group (comprising the GMF, MMA and MAAF brands), which has 13.97%.

The free float, which represents 19.0% of the outstanding shares, is also held for the most part by institutional investors. They view Cegereal as a means of accessing high-quality revenue streams and a portfolio of exceptional office properties, while pooling the related risks.

Cegereal ownership structure

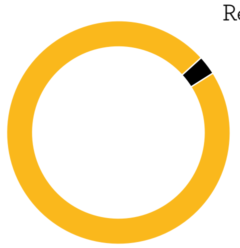
at December 31, 2013



Source: Euroclear

Cegereal free-float

at December 31, 2013



Source: Euroclear

Sustaining relationships through transparent, targeted communication

Cegereal's financial information strategy is based on transparent, targeted communications that give shareholders good visibility and nourish high-quality, long-term relationships.

As well as going out to meet shareholders directly at dedicated investor fairs, such as Actionaria (for retail investors) and Midcap (for institutional investors), and publishing press releases, interim financial reports and annual reports, Cegereal uses the latest technologies to develop more interactive online communications and provide industry and company news on a regular basis. The Company completely overhauled its website in 2013 and is actively leveraging Twitter, webinars and all other available online media to forward these aims.

Higher mandatory dividend payout rate in 2014

As of January 1, 2014, property companies with a REIT-style (SIIC) tax structure are required to increase the share of profit they distribute to shareholders. The mandatory distribution, in the form of dividends, will increase from 85% to 95% of net rental income and from 50% to 60% of net capital gains on property disposals. The new measure will have no impact on Cegereal, which has regularly distributed more than 95% of the fruits of its growth to shareholders since the IPO.

Investor information

www.cegereal.com

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Investor Relations
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Investor calendar

February 14, 2014	2013 results
May 15, 2014	First-quarter 2014 revenue
June 25, 2014	Annual Shareholders' Meeting
July 24, 2014	First-half 2014 results
November 13, 2014	Third-quarter 2014 revenue

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Richard Wrigley,
Independent Director
and Chairman of the Board
of Directors of Cegereal

In accordance with the AFEP-MEDEF corporate governance code for listed companies, the members of the Board of Directors perform a self-assessment every year of the Board's works and the impact of its decisions. The results of this year's self-assessment were positive in every respect. The Board met 10 times in 2013, with an attendance rate of 84%.

2013 was shaped by an enduring disconnect between vigorous investment activity on the one hand, led by major transactions, and a weak rental market on the other. Major organizations generally chose not to move offices during the year, but Cegereal offset the lack of large transactions by leveraging the flexibility of its buildings and its broad palette of high-quality, competitive services, in districts that are growing increasingly attractive to companies. As a result, its overall occupancy rate rose to almost 90%.

Cegereal's resilience also reflects its prudent deployment of a roadmap that creates value by balancing the time required to increase property values with the time needed to market the portfolio. Regular risk analyses performed by the Board of Directors and the committees of the Board confirm that the Company is continuing to manage the portfolio and make decisions in the interest of all its shareholders.

In this regard, in order to remain a benchmark property company, Cegereal is continuing to align its property assets with current demand and prepare them for the recovery expected in the rental market. After completing the Arcs de Seine upgrade this year, the next decisive step will be the Europlaza "garden tower" project. Cegereal's buildings must not just comply with the obligations arising from France's new Grenelle Environment rules, they must meet the market's fundamental demand for pleasant working environments – for spaces that are designed by companies for people, and not the reverse. This is critical to the Company's long-term performance.

Sustainable performance, which is Cegereal's underlying ambition, led to the inclusion of a new section on Corporate Social Responsibility (CSR) in this year's Annual Report. It gives a description and detailed analysis of how the Company's buildings perform and of how CSR commitments are met in the normal course of business. In accordance with Article L. 225-102-1, paragraph 7 of the French Commercial Code and French Government Decree no. 2012-557 of April 24, 2012, the information and documents referred to in the CSR report have been reviewed by an independent auditor.

GOVERNANCE

Effectively defending the interests of the Company and its shareholders

Backed by major institutional investors, Cegereal has set up a governance structure that effectively defends the interests of all its shareholders. The objective is to offer shareholders the security of high investment returns over the long term, by maintaining a portfolio of high quality assets managed by the industry's best experts, and managing risks as effectively as possible, in accordance with the Company's commitments to transparency and independence.

Governance structure

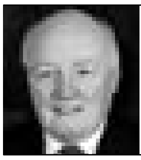
In compliance with the AFEP-MEDEF corporate governance code for listed companies of June 2013, Cegereal's governance is provided at three levels: the Board of Directors, the three committees of the Board and senior management (Raphaël Tréguier and Carl-Christian Siegel).
This structure complies with the governance rules issued by the French and German securities regulators, AMF and Bafin.
Cegereal's bylaws and internal rules can be viewed on the website: www.cegereal.com.

	GOVERNANCE	**OPERATIONAL ORGANIZATION**
	An organization oriented toward transparency and independence	**In order to manage its operations, Cegereal works with external partners, enabling access to the best expertise in the marketplace.**
1	• A **Board of Directors** chaired by an independent director and consisting of 9 members, 3 of whom are independent.	• Cegereal has signed an asset management contract with a world leader in property management for third-party accounts, Commerz Real.
2	• Three **committees** (investment committee, audit committee, appointments and remuneration committee), consisting primarily of independent directors.	• Cegereal entrusts the day-to-day management of its property to Yxime, and legal issues to Fidal. Its certified public accountant is PricewaterhouseCoopers.
3	• The **management team**, corresponding to a CEO and a Deputy CEO.	

The three levels of governance

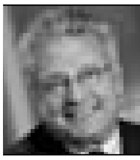
BOARD OF DIRECTORS

Independant administrators



Richard Wrigley

65, a British national, is Chairman of the Board of Directors and an independant director. Formerly Chairman of CBRE Property Management France, until 2009, he holds a BSc in Estate Management from London University and is a Fellow of the Royal Institution of Chartered Surveyors (FRICS).



Jean-Pierre Bonnefond

68, a French national, is an independant director. Formerly Chairman of Groupement Foncier Français, from June 2000 to October 2004, he has worked as an asset strategy consultant since November 2004. He holds a post-graduate degree in Private Law from Patheon-Sorbonne University and is a Chevalier de la Légion d'Honneur.

Alec Emmott

67, a British national, is a permanent representative of Europroperty Consulting. He earned an MA from Trinity College, Cambridge in 1969 and became a member of the Royal Institution of Chartered Surveyors in 1971. He was Managing Director of Société Foncière Lyonnaise from 1997 to 2007, since when he has been principal of Europroperty Consulting.

Shareholder's representatives

Erich Seeger

50, a German national, is a permanent representative of CRI. Appointed to the Management Board of Commerz Real AG in 2008, he previously held various key marketing positions at HVB Group's asset management subsidiary in Munich, notably as head of sales for its Activest fund management company. He holds a marketing degree from the Bavarian Academy of Advertising and Marketing, Munich.

Olivier Le Borgne

46, a French national, is a permanent representative of GMF VIE. He earned a DEUTS Actuarial degree from Institut de Statistiques de l'Université de Paris (ISUP) in 1996 and a three-year business degree from Institut Supérieur de Gestion (ISG), Paris, in 1989. He has been a Director of Financial Strategy for GMF since October 2008.

Klaus Waldherr

49, a German national, is a director. He has been a legal advisor for CRI since 1998. A lawyer with a PhD in Law, he is a graduate of both Nancy 2 University in France and Mainz University in Germany. With former experience as a legal advisor for a German government institution, he specializes in foreign real estate investment.

Gerry Dietel

36, a German national, is a director. He has a degree in Real Estate Economics from HfWU Nürtingen-Geislingen University. In 2005 and 2006 he worked for Investment Property Databank (IDP) in Germany and in 2007 joined Commerz Real, where he is a HausInvest Europa fund manager. He is currently employed by CRI mbH.

Carl-Christian Siegel

47, a German national, is a director. He is Chief Executive Officer and head of Acquisitions and Sales, Europe at Commerz Real AG. He joined CR in Wiesbaden in early 2008 after spending 12 years with the Deutsche Bank Group as a Special Funds portfolio manager. He graduated in management from Konstanz University and has a degree in Real Estate Economics from the European Business School.

Sabine Röska

34, a German national, is a director. She has been Director of Strategy for Commerz Real since 2011. She joined CR in 2008 as Manager of the HausInvest Europa fund, previously serving in various positions at Deutsche Immobilien Chancen KGaA in Frankfurt. She is a graduate of Darmstadt University and of Institut National Polytechnique, Grenoble.

3 INDEPENDENT COMMITTEES OF THE BOARD

The three committees of the Board assist Cegereal's directors in making important decisions concerning investments, financial and accounting issues, and management appointments and remuneration. Three directors sit on each committee, including at least two independent directors.

Investment Committee

Alec Emmott (chairman), independent
Richard Wrigley, independent
Graham Spensley, independent
The Investment Committee assists the Board in reviewing investment and disposal projects, including the sale, purchase, development or large-scale renovation of property assets. It also makes recommendations concerning such projects and the annual investment budget, reviews the strategies behind past investment projects and considers all matters that could have a material impact on investments.
Number of meetings in 2013: 0

Audit Committee

Richard Wrigley, (chairman), independent
Jean-Pierre Bonnefond, independent
Gerry Dietel, Fund Manager Commerz Real
The Audit Committee assists the Board in reviewing and approving the annual and interim financial statements.
It monitors the audit of the accounts and checks the auditors' independence.
The Committee also reviews internal control, internal audit, statutory accounting and management accounting procedures, and verifies the effectiveness of the internal control system, to ensure that the Company has the necessary management resources to prevent the occurrence of risks and errors. Lastly, the Committee oversees the processes for the preparation of financial information.
Number of meetings in 2013: 2
Attendance rate: 100%

Appointments and Remuneration Committee

Jean-Pierre Bonnefond (chairman), independent
Graham Spensley, independent
Alec Emmott, independent
The purpose of this Committee is to prepare Board decisions concerning the remuneration packages of the members of senior management, and to assess their benefits and allowances.
It considers candidates for appointment as Chief Executive Officer or Deputy Chief Executive Officer or for election to the Board. It also assesses whether each director is able to freely exercise his or her judgment and performs regular assessments of Board practices.
Number of meetings in 2013: 2
Attendance rate: 100%

Senior management

Raphaël Tréguier was appointed Group Chief Executive in early 2012. He is assisted in his duties by Carl-Christian Siegel, the Deputy CEO for real estate. The Company is therefore managed by two experts in corporate finance and real estate.

Raphaël Tréguier – Chief Executive Officer
Aged 39, Raphaël Tréguier has solid experience in real estate and corporate finance. Involved in managing acquisitions of listed and unlisted companies and major portfolios, he notably spent seven years from 2001 to 2008 as a member of GE Real Estate France's investment management team.

Carl-Christian Siegel – Deputy Chief Executive Officer for real estate
Aged 47, Carl-Christian Siegel leads Commerz Real AG's Southern Europe real estate teams. He joined the Group in early 2008 after spending 12 years with the Deutsche Bank Group as a Special Funds portfolio manager. He graduated in management from Konstanz University and has a degree in Real Estate Economics from the European Business School.

RISK MANAGEMENT

Cegereal's risk management strategy continues to be based on rigorous internal control, risk planning and risk analysis processes. The main risks identified in 2013 – relating to limited rental demand among major organizations and the need to divide the Company's available offices into smaller units – were effectively anticipated and managed.

Anticipating and analyzing risks

Cash planning, forecasting and analysis tools are in place to ensure that risks are properly identified. In addition, tenant credit reports are updated every quarter and their rent commitments are reviewed. Every month, senior management reports to the Board of Directors on the main developments concerning the Company and any major risks that may arise in the next three years.

Tighter internal control

Cegereal's internal control system, which was strengthened in 2009 with the introduction of a set of written procedures, serves to regularly improve and adjust the methods used to manage inherent business risks that can adversely affect the Group's financial position, results or share price. Given that a significant part of the organization is outsourced, regular controls remain a critical concern for Cegereal.

Annual reviews of the main risk factors

The risks that may affect the Company's business, financial position or results are analyzed and reviewed in detail every year. These risks, as well as their potential consequences and mitigants, are presented on page 60 under II.1 Risk Management.

Managing the main risk factors in 2013

The main risks identified in 2013 concerned the slower economic environment, coupled with the growing tax burden, and the immediately available space in Arcs de Seine at the start of the year.

Business-related risks

Vacancy risks

In 2013, Cegereal continued to actively market its property assets, supported by Commerz Real's asset management teams. Many new leases were signed during the year as a result. With the assistance of CBRE, BNPP Real Estate and Keops, first-class tenants Sagem Défense Sécurité and Sonepar leased 5,000 square meters and 1,400 square meters respectively in Arcs de Seine, and Hewlett Packard leased an additional 1,400 square meters. In the Europlaza building, Galderma renewed its lease for a firm period of six years and took on an additional 825 square meters.
This assertive marketing campaign increased the Arcs de Seine occupancy rate to 81% at end-2013 from 63% a year earlier, lifting the overall occupancy rate to 89% from 83%.
Sustained marketing initiatives in 2014 should drive a further reduction the vacancy rate while also lowering the interest rate on the Company's debt to 3.15% from 3.40% when the occupancy rate rises above 90%.

Risks associated with the concentration of assets and tenants

Cegereal is dependent on its main tenants, due to the leases with the four largest that have one year left to run (representing 48% of the total portfolio at end-2014).
The measures taken to reduce this risk, with the Board of Directors' support, include breaking up the unlet areas in the Arcs de Seine complex into smaller units to make them easier to market and renegotiating certain major leases ahead of their expiry date (for example, the lease with Crédit Foncier at Rives de Bercy has been extended for nine years and that with Cap Gemini at Europlaza for six years).

Market risks

Rental market

The difficult economic environment in 2013 invited companies to postpone or cancel their moving plans and renegotiate the leases on their existing offices. Cegereal responded to the lack of major rental opportunities by breaking up unlet areas into smaller units to meet still buoyant demand for office space of under 5,000 square meters. In all, the number of leases representing annual rental income of over €100,000 nonetheless grew from 12 to 20 between 2006 and 2013.
Cegereal is committed to maintaining buildings to the highest market standards, while taking into account strict sustainable and environmental performance criteria. After upgrading Arcs de Seine's foodservice and common areas last year, the Company is now focusing on transforming Europlaza into the first "garden tower" in 2014.

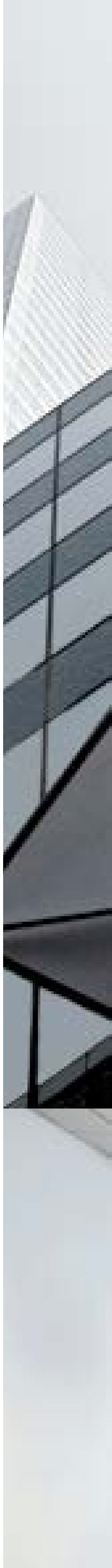
Interest rate risk

Taking advantage of historically low interest rates, Cegereal refinanced all of its loans in 2012, opting for a fixed rate of interest ranging from 3.15% to 3.40% depending on the portfolio's occupancy rate. The choice of a fixed rate protects the Company from any unfavorable change in the yield curve during the period 2013-2017.

A review of the main risks is presented on page 60 of this report.

02 QUALITY & VALUE ENHANCEMENT

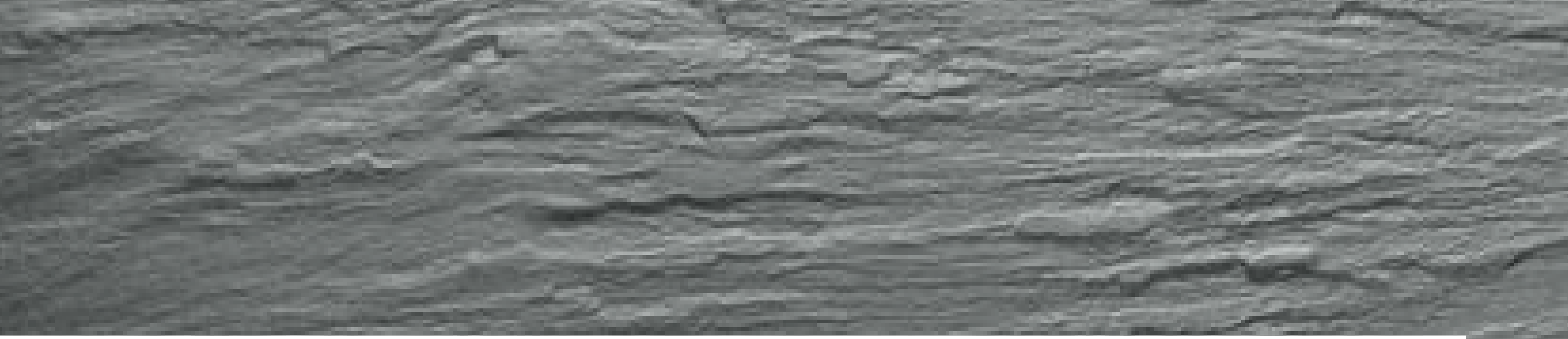
A portfolio of outstanding properties serving major corporations with modern, high quality amenities.




THE PORTFOLIO

ADRESS	**EUROPLAZA** 20, avenue André-Prothin (La Défense 4)	**ARCS DE SEINE** 34, quai du Point du Jour (Boulogne-Billancourt)	**RIVES DE BERCY** 4, quai de Bercy (Charenton-le-Pont)	**TOTAL**
% Holding	100%	100%	100%	n.a.
Value	€355m	€322m	€172m	€849m
Value/sq.m	€6,765/sq.m	€6,819/sq.m	€5,385/sq.m	€6,449/sq.m
Year-on-year change	-8.3%	+3.9%	+2.4%	-1.8%
Capitalisation rate (*)	+6.5%	+5.9%	+6.2%	+6.2%
2013 rent	€21.8m	€11.8m	€9.7m	€43.3m
Occupancy rate	89%	81%	100%	83%
Weighted average residual duration of leases	5.1	7.1	8.0	6.6
Total surface area	52,478 sq.m	47,222 sq.m	31,942 sq.m	131,642 sq.m
of which Offices	*47,131 sq.m*	*44,152 sq.m*	*29,136 sq.m*	*120,419 sq.m*
Service areas	*3,157 sq.m*	*2,041 sq.m*	*2,424 sq.m*	*7,622 sq.m*
Archives	*2,190 sq.m*	*1,029 sq.m*	*382 sq.m*	*3,601 sq.m*
Parking spaces	722	942	657	2,321
Year of acquisition	1999	2000	2003	n.a.
Year of construction	1972	2000	2003	n.a.
Year of refurbishment	1999	2011	n.a.	n.a.
Type of leases	Investor	Investor	Investor	Investor
Main tenants	Cap Gemini	Canal+	Crédit Foncier de France	Crédit Foncier de France
	GE Capital	Hewlett Packard		Cap Gemini
	Galderma	Boursorama		GE Capital

(*) Source: DTZ Real estate valuations
NB: this analysis includes the lease signed in early 2014 with Galderma



Modern and efficient buildings

Cegereal invests regularly in its properties to enhance their value and maintain their performance over the long-term by optimizing the workspace and increasing their appeal for users. In 2013, the main renovation and improvement project concerned the Arcs de Seine foodservice areas, for €420,000.

Arcs de Seine

€322m
Appraisal value at December 31, 2013 (excluding transfer costs)

47,222 sq.m
Total surface area (excluding car park))

Canal+, Hewlett Packard, Boursorama
Main tenants

Europlaza

€355m
Appraisal value at December 31, 2013 (excluding transfer costs)

52,478 sq.m
Total surface area (excluding car park)

Cap Gemini, GE Money Bank, Galderma
Main tenants

Rives de Bercy

€172m
Appraisal value at December 31, 2013 (excluding transfer costs)

31,942 sq.m
Total surface area (excluding car park)

Crédit Foncier
Main tenant

A SELECTIVE LONG-TERM RENTAL STRATEGY

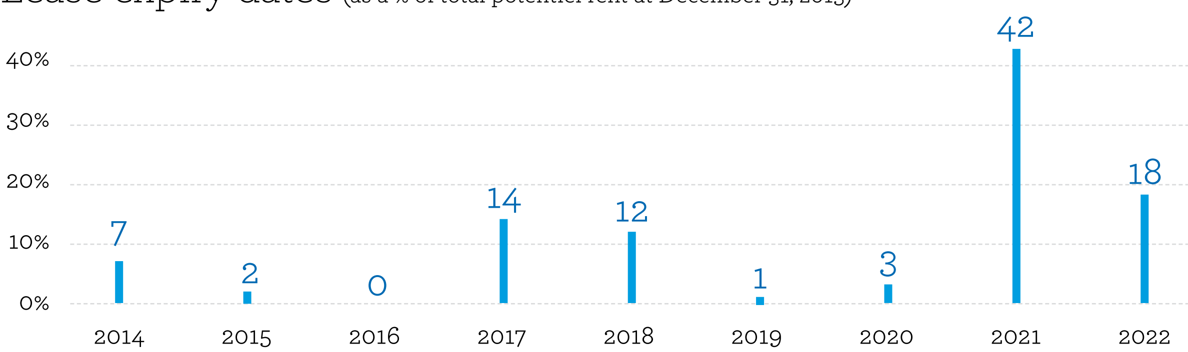
Selectivity and retention are the two core principles underlying Cegereal's rental management strategy, whose aim is to generate stable revenue streams over the long term. This discipline is underpinned by the expertise of property and asset manager Commerz Real, the Company's partner and shareholder from the outset.

First-class tenants

Cegereal's tenants are French or international companies that are leaders in their industries. They decided to move into one of Company's three property complexes for different reasons: to set up their headquarters (Boursorama, Crédit Foncier and Sagem Défense Sécurité), to establish a local hub as part of a global expansion strategy (Galderma, Huawei Technologies and Hewlett Packard), or to expand into modern, comfortable office space (Canal+). These companies all have solid balance sheets – verified by quarterly credit analyses – with the result that the risk of rent defaults is low.

Overall, 96% of leased space at end-2013 was occupied by tenants with a Dun & Bradstreet risk rating of 1 or 2.

Lease expiry dates (as a % of total potentiel rent at December 31, 2013)



A secure revenue stream

Four companies renewed their leases with Cegereal during the year. Crédit Foncier, the sole tenant of Rives de Bercy since 2003, extended its lease by a firm period of nine years expiring in 2021. At Europlaza, Galderma extended its lease for a six-year firm period and took on additional space, while Cap Gemini took a six-year firm extension on half of the already occupied space. For its part, Hewlett Packard both expanded and extended its Arcs de Seine lease for a firm period of nine years.

Cegereal's policy is to negotiate leases with long (six to nine year) maturities. Generally formulated to include indexation clauses, the leases transfer to the tenants all building operating and maintenance costs, as well as property taxes and certain repair costs.

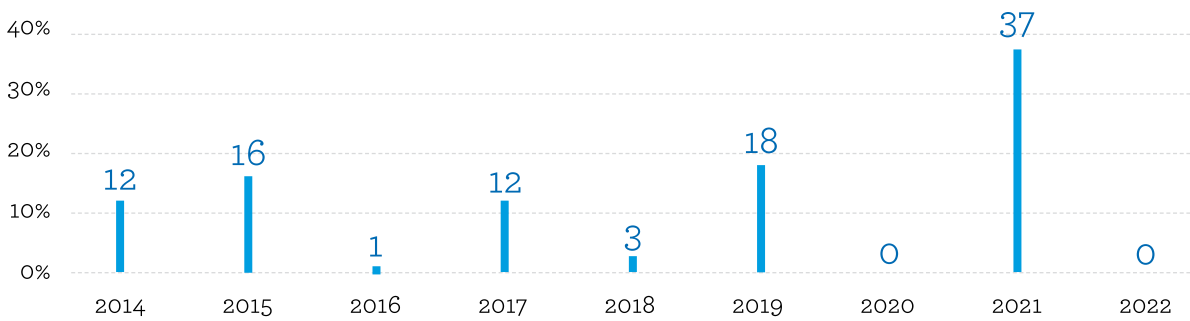
Giving priority to tenant satisfaction

Convinced that satisfaction leads to retention, Cegereal gives central importance to listening to its tenants' needs on an ongoing basis, by scheduling regular meetings and placing building managers at each property location. Annual satisfaction surveys allow the Company to continuously improve the quality of its buildings, taking into account its tenants' operational as well as human concerns.

A day-to-day partner in Commerz Real

With more than 40 years of property and asset management experience and a worldwide asset portfolio valued at €34 billion, Commerz Real is a recognized international property expert. Possessing deep knowledge of the office property market in the Paris area and expertise in both marketing and operating real estate assets, Commerzbank's asset management unit is a partner of choice for Cegereal. Manager of all the assets in the portfolio since the outset through an asset management contract, Commerzbank also manages the German fund HausInvest, Cegereal's majority shareholder.

Earliest break option (as a % of total potential rent at December 31, 2013)



Arcs de Seine

€322m
Appraisal value at December 31, 2013 (excluding transfer costs)

47,222 sq.m
Total surface area (excluding car park)

81%
Occupancy rate at December 31, 2013

€11,8m
2013 rental income

A distinctive building overlooking the Seine

A distinctive building overlooking the Seine on the outskirts of Paris in Boulogne-Billancourt, Arcs de Seine is the fourth building in France to be certified compliant with both “HQE exploitation”[1] and BREEAM In-Use International environmental standards. Renovation work was completed on the building in 2013 and the marketing phase is now almost complete. Most of its tenants have already expanded and extended their leases.

In the heart of the second largest business center in the western Paris suburbs

The Paris region’s largest business center after the capital, Boulogne-Billancourt is home to nearly 13,000 businesses providing jobs for more than 80,000 people, of which 85% in service industries. Arcs de Seine is located here, in what is sometimes called “Telecommunication Valley”, a hub for forefront players in fast-growing communications and technology industries, such as Microsoft, Hewlett Packard, Bouygues Télécom (a tenant for 10 years) and Canal+. Boulogne-Billancourt boasts a number of large international groups and companies that are leaders in their respective industries. It is home to 30% of the top 20 corporate business headquarters in the Hauts de Seine *département*. The neighborhood is also sought after by a growing number of SMEs for its vibrancy and pleasant geographic location on the banks of the Seine. Situated just minutes from Paris, it is easily accessed via a dense, efficient public transport network. These qualities have sustained the rental market’s momentum in Boulogne-Billancourt, where completed lettings increased by 51% in 2013, in sharp contrast to adjacent markets in the Southern Paris Loop, which were down 21% compared with 2012 according to Immostat-IPD.

Nature as inspiration

Visible from the city limit and the *boulevard périphérique* ring road, the Arcs de Seine complex consists of three buildings combining modern lines and arches in a majestic style designed by architecture firm Skidmore, Owings & Merrill (SOM). Bordered by the Seine on one side and by a private garden on the other, the site has exceptional exposure to natural light. The beauty of the natural environment is magnified by materials that use transparency to capture as much light as possible, and by the stone and water-themed decor in the lobby.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

Premium amenities

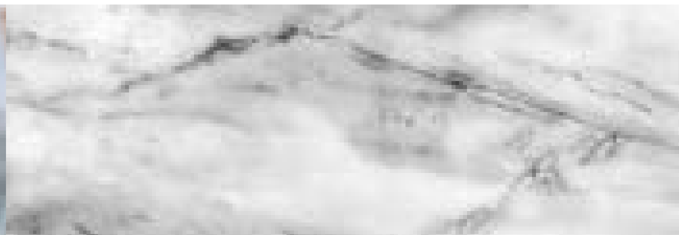
Each of the three Arcs de Seine buildings features functional units of 1,200 to 2,800 square meters, divisible both vertically and horizontally, that can accommodate a total of up to 3,000 users. Office areas have been designed in a friendly, campus-like spirit and an array of shared services and amenities are available, including a reception area, meeting rooms, an auditorium that seats 298, restaurant and snack areas that were refitted in 2013, a 940-space underground car park and a bank branch. On-site building managers are deployed on a continuous basis to maintain technical comfort and site security.

ARCS DE SEINE, A BENCHMARK

In 2013, Cegereal focused on marketing the 16,000 square meters still available at the start of the year in the main building and completing the refurbishment of the intercompany restaurant. Aiming to firmly establish Arcs de Seine as a new benchmark for energy efficiency and workplace comfort, Cegereal also pursued measures to comply with two new standards.

Continued rental success

In 2013, 7,800 square meters of additional space were let, bringing to 35,800 square meters the total surface area that has been let since the office areas were refurbished in 2011.
The main building, which overlooks the Seine, became home to two new tenants during the year. In April 2013, Safran subsidiary Sagem Défense Sécurité decided to set up its headquarters on the first, second and third floors of building A, while Sonepar, a leading global supplier of electrical equipment and related services, moved into a unit on the third floor in December.
These companies joined Boursorama, a tenant since 2009, and three companies that arrived in 2012: Canal+, Huawei Technologies and Hewlett Packard. In 2013, Hewlett Packard expanded its existing office space in order to house its 800-person sales force under one roof.



Ever greener

In June 2012, Arcs de Seine became one of the first properties in the area to earn "HQE Exploitation"(1) environmental certification from Certivéa. The Certivéa label is awarded to existing buildings based on exacting in-use performance standards, attesting to building comfort, energy efficiency and sustainability.

To meet the needs of existing and potential tenants alike, Cegereal initiated the process in 2013 to comply with two new sets of standards, BREEAM and Green Rating. Quickly rewarded for these labors, Arcs de Seine was certified compliant with BREEAM In-Use International standards in early 2014, with a "Very Good" rating for its performance as measured against both Part 1 (Asset) and Part 2 (Building Management) of the standard.

"We wanted to expand into modern, functional offices that would give us access to high-quality services for the sake of our employees' well-being. Arcs de Seine's accessibility and atmosphere immediately attracted us, but its premium amenities and environmentally responsible image are what ultimately made the difference."

Bertrand Donnève,
Director of Property Management and Security, Sonepar

New restaurant, new terrace: new spaces to share

The office areas were refurbished in 2011, after which additional work was done on the relaxation areas in 2013 to thoroughly modernize the complex. The restaurant facilities were remodeled to create a more fluid, esthetic spatial experience while at the same time increasing seating capacity. Several eating options are now available to users. Separate from and shared by all three office buildings, the intercompany restaurant offers complete lunches, with buffet counters serving meals based on different themes, in a room that seats 750 and can serve up to 2,100 meals a day. For a faster, lighter meal, users can visit the cafeteria or the new snack bar, which is specially designed for eating on the go. Providing seats where diners can lunch overlooking the Seine, it also has a menu of takeout options. The icing on the cake, a lounge area decorated with comfortable, cheerful furniture is available for relaxing at any time of day. To offer users a genuine moment of peace and improve their level of comfort, the intercompany restaurant now opens onto a new terrace featuring a sunroom that faces the gardens.

BREEAM

BREEAM (BRE Environmental Assessment Method) is the oldest and most globally recognized set of standards used to describe a building's environmental performance.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

Europlaza

€355m
Appraisal value at December 31, 2013 (excluding transfer costs)

52,478 sq.m
Total surface area (excluding car park)

89%
Occupancy rate at December 31, 2013

€21.8m
2013 rental income

Significant strengths

With its timeless design, top-notch amenities, roughly 90% occupancy rate and diversified tenant risk, Europlaza is firmly positioned to deliver long-term performance in the competitive rental market of La Défense.
Soon to be transformed into a “garden tower”, Europlaza is one of the first four buildings in France to earn both “HQE Exploitation”(1) and BREEAM In-Use International certification.

At the heart of Europe’s largest business district

Home to 3,600 companies employing some 170,000 people, La Défense is Europe’s largest business district and among the top ten in the world. A choice location for the strategic functions and decision-making centers of major French and international groups from a wide range of industries (such as finance, insurance, energy, consulting, corporate services in general, and environmental services), the neighborhood hosts 1,500 corporate headquarters and 15 of the world’s 50 largest companies. The jewel in the crown of the Greater Paris project, since 2006 La Défense has been the focus of a vast urban renewal project to maintain its appeal and competitiveness and to make it a model of sustainable development. The project, which involves redesigning public areas and upgrading the public transport network, is creating a favorable environment for the Europlaza tower.

Optimized surface area

Located close to La Défense’s central esplanade (known as the “parvis”), Europlaza is the remarkable result of France’s first major office tower remodeling project, completed by HRO in 1999. The contemporary-styled complex is built from high-quality materials, with glass used extensively throughout the building, including in the restaurant, which features a glass-roofed extension designed to capture all of the natural light.

Europlaza is an L-shaped complex comprising a 31-floor tower and a smaller building with four floors. Each office floor consists of 1,300-square meter and 2,100-square meter units that can be left as open plan spaces or divided into offices accessed via a central corridor, according to the tenant’s preference.

Giving priority to comfortable workspaces

Along with high quality technical equipment such as air conditioning, security systems and video surveillance systems, Europlaza offers a broad range of premium dedicated amenities. These include a 722-space private car park, an auditorium, meeting rooms that were refitted in early 2013, a fitness club with a relaxation area, sauna and on-site physical therapist, and an intercompany staff restaurant serving up to 1,200 meals a day that was fully renovated in 2012 to reduce congestion and improve the dining experience.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

EUROPLAZA

A FUTURE “GARDEN TOWER” FOR LA DÉFENSE

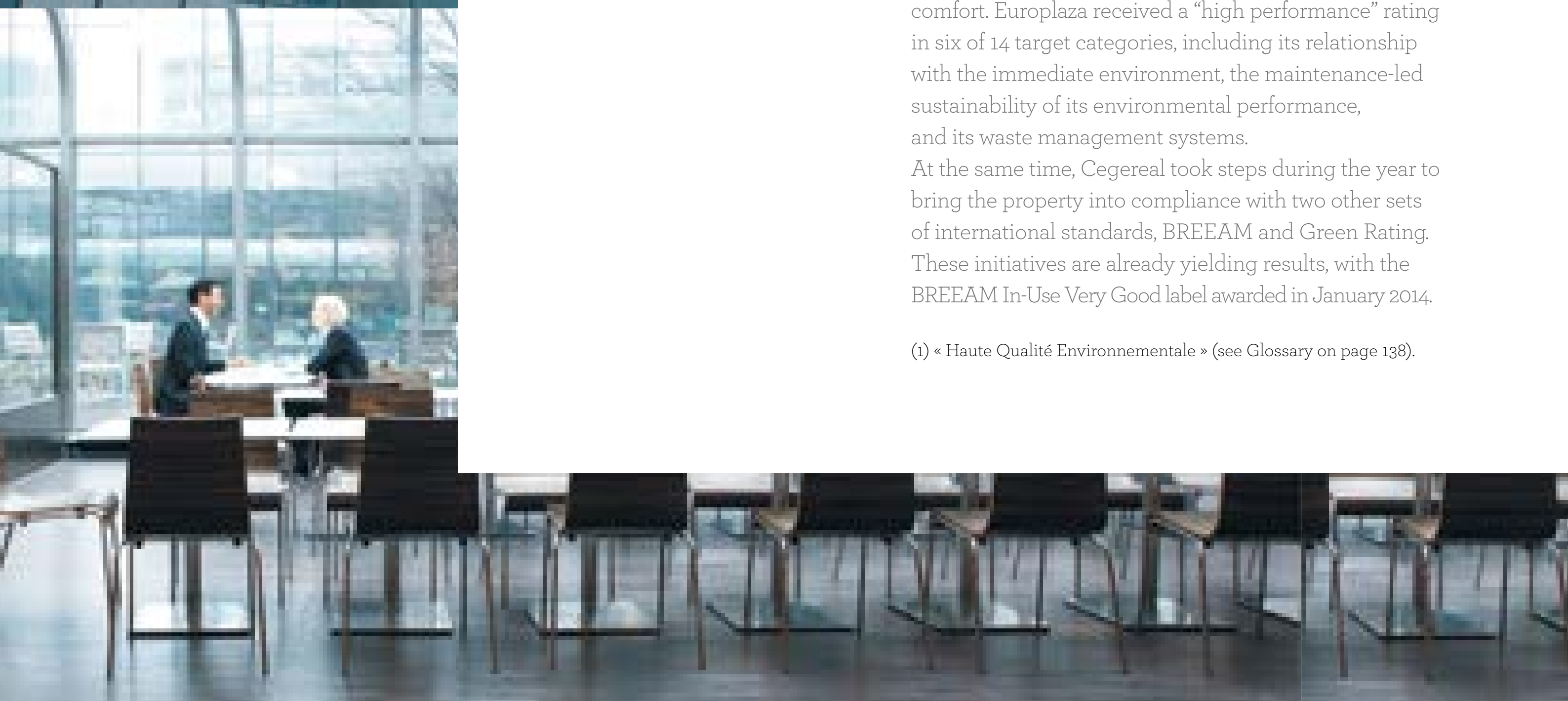
Cegereal has decided to enhance Europlaza’s image with two green projects. The first is to earn energy performance certification for the building and the other is to transform it into a “garden tower”, an innovative concept exemplifying healthy living and environmental quality. Two long-standing tenants renewed their leases in advance this year, confirming the effectiveness of the strategy adopted to increase the value of this exceptional property.

Certified for environmental comfort

Following a preliminary technical audit that was successfully completed in 2012, the Europlaza complex was granted “HQE Exploitation”(1) environmental performance certification by Certivéa in November 2013. The distinction rewards best practices in office space utilization and attests to the complex’s high level of comfort. Europlaza received a “high performance” rating in six of 14 target categories, including its relationship with the immediate environment, the maintenance-led sustainability of its environmental performance, and its waste management systems.

At the same time, Cegereal took steps during the year to bring the property into compliance with two other sets of international standards, BREEAM and Green Rating. These initiatives are already yielding results, with the BREEAM In-Use Very Good label awarded in January 2014.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).



Creating value with a redesign

Stepping up its environmental commitment, Cegereal began a process late in the year to study the feasibility of an innovative “garden tower” concept aligned with the latest trend among new generation sky scrapers to bring workspaces into direct contact with nature.

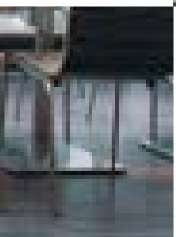
The program involves a vast, transformative redesign of all the horizontal surfaces surrounding the tower, including the esplanade, adjacent gardens, lower-level courtyards and the roof of the smaller building. Rich with plant life, the various tiers of this new landscape will refresh the tower’s image. A further aim is to enhance the outdoor experience by introducing modern services and amenities such as a bicycle park and open-air relaxation areas that may be temporarily or permanently reserved for the use of specific tenants. With this project, Europlaza will become the only complex in La Défense with a private landscaped garden of nearly 3,300 square meters. The lobby will also be remodeled in the same spirit to become a fluid space opening onto nature.

Tenant-approved choices

A total of 13 leading companies have leased space in the Europlaza complex for several years now. Alongside major groups occupying several floors, such as Cap Gemini, GE Money Bank and Galderma, a number of fast-growing SMEs have taken up units of less than 1,000 square meters. They include Intersystems, Storia Enso and BforBank. Diverse in size and industry or expertise, these companies appreciate the complex’s overall quality and the choices made by Cegereal to improve its level of comfort and environmental performance. Most of them responded positively or very positively to the annual tenant satisfaction survey. In addition, long-standing Europlaza tenants Cap Gemini and Galderma both extended their leases in 2013 for another six years, with Galderma expanding its office space as part of the arrangement.

GreenRating

Based on tangible indicators, the Green Rating system measures the intrinsic performance of a given asset and benchmarks its performance against similar European properties.



Rives de Bercy

€172m
Appraisal value at December 31, 2013 (excluding transfer costs)

31,942 sq.m
Total surface area (excluding car park)

100%
Occupancy rate at December 31, 2013

€9.7m
2013 rental income

A major site

With an exceptional façade giving onto the banks of the Seine, and bordering on the Bercy-Charenton neighborhood where BPCE has established a long-term presence, Rives de Bercy is a landmark office complex in the eastern Paris suburbs. As part of an environmental partnership with the building's sole tenant Crédit Foncier, which has just renewed its lease for a firm period of nine years, Cegereal will be completing the last phase of the Go Green project at Rives de Bercy in 2014.

In the heart of an expanding business district

Flanked by the Seine and the Bois de Vincennes, on the eastern outskirts of Paris, Charenton-le-Pont offers a pleasant, economically vibrant work environment. For several years, the neighborhood has benefited from an ongoing development project in and around Bercy-Charenton to create a high-quality urban center and foster the emergence of a service industry hub. Close to the *boulevard périphérique* ring-road and the A4 motorway, and with good bus and metro links to the center of Paris, Charenton-le-Pont is a strategic location for companies looking for high quality workspace at lower rents than in the capital's western suburbs. Over 2,000 businesses have already set up operations in Charenton-le-Pont, including international groups such as Natixis, Crédit Foncier, CSC Peat Marwick, Essilor, Véolia Eau and Docapost.

An optimized natural environment

Rives de Bercy is a prominent site on the Seine riverbank in the eastern Paris suburbs. The building has a total surface area of 31,900 square meters spread over seven floors and arranged in a figure 6. Its majestic, 115-meter curtain wall façade opens onto an exceptionally spacious, elegant lobby decorated by Albert Pinto. Glass is used to maximum effect, ensuring that the building is bathed in light. Combined with an unencumbered view of the Seine on one side and 16,000 square meters of gardens on the other, the wonderfully light-filled environment induces a feeling of calm and serenity.

Leading-edge equipment and services

Each 4,400-square meter floor comprises various units surrounded by greenery that can be divided into dedicated workspaces. These highly modern, functional spaces are equipped with state-of-the-art air conditioning, soundproofing and lighting systems.

As befits a business campus, Rives de Bercy offers a range of top-notch amenities, including a 657-space underground car park, a 100-seat auditorium, a 1,500-square meter restaurant including a cafeteria with views onto a landscaped garden, four club lounges, a large multimedia library and several fitness rooms.

RIVES DE BERCY

NEW LEASE SIGNED IN 2013

Crédit Foncier, the sole tenant of Rives de Bercy since 2003, signed a new lease for a firm period of nine years in early 2013. Demonstrating the tenant's attachment to the property, this latest milestone presented an opportunity to further optimize Rives de Bercy's environmental performance by setting up a partnership with Crédit Foncier as part of the process to obtain "HQE Exploitation"(1) certification.

A new nine-year lease

Ahead of the initial break option in February 2015, Crédit Foncier signed a new nine-year lease on the property in January 2013, extending its tenancy until December 2021.
The new lease attests to the tenant's satisfaction and the wisdom of its decision to leave the capital for the inner suburbs in 2003. Since relocating, Crédit Foncier has invested significantly in the building. Under an investor-type lease, it has assumed financial and operational responsibility for all maintenance and improvements needed to shape the premises in its own image. Rives de Bercy is also a strategic location for Crédit Foncier, situated just a few hundred meters from the headquarters of its parent company BPCE on the banks of the Seine in the Bercy neighborhood, in a pleasant, lively environment to which it has grown attached.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

"HQE Exploitation"(1) certification in progress

Committed to fulfilling its corporate social responsibility and respecting the environment in the normal course of business, Crédit Foncier is naturally interested in preserving the Rives de Bercy property. Its stewardship has already led to various projects to improve the building's energy efficiency. In addition, the company is keenly attuned to its employees' comfort and well-being. For example, Crédit Foncier has significantly expanded the fitness center in order to increase its capacity. Preliminary technical audits to obtain "HQE Exploitation"(1) certification were completed with good results in 2013, and Rives de Bercy is on track to be certified compliant in 2014. As with the other buildings in Cegereal's portfolio, the process to move into compliance with the two green standards, BREEAM and Green Rating, will be undertaken at the same time.

A stronger partnership

These environmental performance certification processes for Rives de Bercy have led Cegereal and Crédit Foncier to deepen their relationship. Embracing a win-win partnership mindset, they are both committed to pursuing the initiative to boost the building's energy efficiency in line with the recommendations of France's Grenelle environmental summit. After investing €100,000 in the building under the previous lease, Cegereal has decided to commit an additional €1 million to ensure that Rives de Bercy remains an exemplary asset.

"HQE exploitation" (High Environmental Quality In-Use) is a set of standards designed to establish the environmental performance of in-use buildings in four cross-functional categories: Energy, Environment, Health and Comfort. Its primary aim is to ensure that building energy use and environmental quality are sustainably managed, with the help of resources set up during construction or renovation.

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(1) « Haute Qualité Environnementale » (see Glossary on page 138).

03 ENGAGEMENT & LEADERSHIP

Cegereal embraces its difference by integrating social responsibility concerns into its growth strategy.

OBJECTIVE

2014

BECOME A 100% GREEN PROPERTY COMPANY

What motivated you to develop a CRS strategy?

As the owner of livable workspaces that host more than 6,000 employees a day, Cegereal views corporate social responsibility as a guiding force for all our strategic actions and for our stakeholders. Our shareholders are naturally increasingly sensitive to the issue. Furthermore, our buildings' environmental performance is a determining factor of choice for existing and potential tenants, and deeply affects their perceived level of comfort. Together, we must put in place a common policy aimed at improving energy consumption.

How is this strategy guiding your operational decisions? Have you made progress on the Go Green program you presented last year?

We are continually improving our ability to incorporate environmental, social and societal criteria into all of our decisions. This process is making a significant contribution to our risk management strategy and our fight against obsolescence by affording better long-term visibility and greater transparency. In this respect, 2013 marked a turning point for Cegereal, an important step toward a model that effectively takes CSR issues into account.
On the environment front, our Go Green strategy should enable us to make Cegereal one of France's first 100% green property companies by the end of 2014.
Initiated in 2011 when Arcs de Seine was certified to "HQE Exploitation"(1) standards, the strategy was rolled out to the rest of the portfolio in 2013 and Europlaza was awarded "HQE Exploitation"(1) certification during the year, with a "high performance" rating in six of the 14 target categories. Both buildings have also been certified to BREEAM In-Use Very Good standards. Only four buildings in France can boast this dual distinction. A feasibility study conducted in early 2013 on the Rives de Bercy property showed that the building and its in-use operations already meet the bulk of the HQE(1) requirements. The proactive certification strategy is helping to win recognition for the many projects undertaken since 2007 to optimize the energy performance of our technical equipment.

How do you communicate about your CSR achievements?

Our achievements have to be easily understood by everyone. They are evaluated both quantitatively and qualitatively, and verified by an independent third party. This year, we accelerated the process to develop a more structured CSR report (see following section), prepared in compliance with Article 225 of France's "Grenelle II" Act and EPRA recommendations. Our goal is to reduce our tenants' energy consumption year on year and improve the reporting process year after year, in order to communicate with greater transparency and precision.
Lastly, we are enhancing our environmental stewardship program by engaging in many social and societal initiatives. In practical terms, this means getting Company employees directly involved in our CSR strategy and maintaining constant dialogue with all of our stakeholders, users, operators, shareholders and professional associations.

Raphaël Tréguier,
Chief Executive Officer

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

2013 A YEAR OF ORGANIZATIONAL CHANGE

2013 was a year of organizational change in which Cegereal focused on applying its CSR strategy. In particular, we stepped up the process to obtain certification for in-use properties and set up a more structured environmental reporting framework.

2013 highlights

As part of the Go Green project, which aims to make Cegereal one of the first 100% green property companies by 2014, significant advances were made in 2013 toward this objective, with the Europlaza building earning "HQE Exploitation"(1) certification during the year. Compliance was achieved largely thanks to the involvement of existing users and the onsite building manager, who implemented an efficient environmental management system. Alongside this distinction, BREEAM In-Use Very Good certification was awarded to the Europlaza and Arcs de Seine properties in January 2014.

FEBRUARY 2013

Energy audit performed on the Rives de Bercy property.

JUNE 2013

"HQE exploitation"(1) certification awarded to Arcs de Seine, with a "high performance" rating in five target areas.

"HQE Exploitation"(1) and BREEAM feasibility studies carried out at Rives de Bercy.

NOVEMBER 2013

"HQE Exploitation"(1) certification obtained for Europlaza, with a "high performance" rating in six target areas.

DECEMBER 2013

ISO 14001 certification earned by our property manager Yxime, attesting to the deployment of an environmental management system in its operations.

CSR report prepared for inclusion in the Annual Report, in compliance with Article 225 (French "Grenelle II" Act) and EPRA recommendations (EPRA sBPR).

JANUARY 2014

BREEAM In-Use Very Good certification obtained for the Europlaza and Arcs de Seine properties.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

CLOSE TIES AND DIALOGUE WITH STAKEHOLDERS

Thierry Dorison,
Chairman, Yxime

How does Yxime act on its environmental commitments as property manager for Cegereal?

Yxime obtained ISO 14001 certification in December 2013. Valid for a three-year period, this distinction attests to the implementation of an environmental management system covering all of our managed properties, including those managed on behalf of Cegereal. It confirms our commitment to a quality and environmental strategy that aims to drive continuous improvements in energy efficiency, sustainable resource use and waste recycling.

How do you involve tenants in your environmental strategy?

Yxime's involvement as building manager at all of Cegereal's property locations allows us to establish an ongoing dialogue with tenants.
We know that users have a role to play, and we teach them best practices for guaranteeing an improvement in each asset's environmental performance, while at the same time maintaining their level of comfort. In addition, we organize annual satisfaction surveys to take into account their opinions and needs.

Hervé Le Huede,
Chief Executive Officer, Arcoba

Through its "Go Green" program, Cegereal aims to become one of the France's first fully "HQE Exploitation"[1] -certified property company in 2014. What's special about that?

In-use environmental certification for an entire portfolio of property assets is an exemplary achievement that many property companies are striving for. Industry players now understand the necessity of involving all stakeholders, operators and tenants alike, to deliver a guaranteed improvement in actual performance.

In your opinion, what practices have enabled Cegereal to obtain certification for two-thirds of its portfolio?

Without a doubt, we can say that Cegereal's close relationships with its tenants and the deep on-site involvement of the property manager have greatly contributed to its ability to earn "HQE Exploitation"[1] certification for the Europlaza and Arcs de Seine properties.

What advantages does such certification bring?

Widely recognized in France, "HQE Exploitation"[1] certification serves mainly to distinguish in-use buildings whose environmental and energy performances correspond to current best practices. It ensures that the building's inherent quality, as measured against the standard, will endure. This naturally entails reducing water and energy use over time, in turn lowering the related expense.
In addition, the standard makes tenant well-being a central property management issue. This makes sense because user comfort and health are key factors in the strategic process of improving a building's environmental quality. Lastly, "HQE Exploitation"[1] certification provides a framework for drawing up an environmental appendix for inclusion in qualifying leases.

(1) « Haute Qualité Environnementale » (see Glossary on page 138).

ENVIRONMENTAL INFORMATION

Minimizing impacts while maximizing user comfort

Cegereal has set ambitious environmental performance targets that are aligned with the goals set by France's Grenelle environmental summit for 2020. The Company has placed the environmental performance of its properties at the heart of its strategy, considering it a fundamental contributor to tenant comfort and satisfaction. The key environmental performance indicators are presented below.

2013 data	EPRA/ GRI CRESS Reference	Measurement unit	Scope 2: management	Scope 3: use	Total consumptions(1)	Total intrinsic consumptions(2)	Market average consumptions(3)
Energy							
Total energy use	EN 3 & 4	MWh_{EF}	14,339	24,358	38,697		
o/w fossil fuels	EN 3	MWh_{EF}	0	0	0		
o/w electricity	EN 4	MWh_{EF}	6,786	21,370	28,156		
o/w urban network	EN 4	MWh_{EF}	7,553	2,988	10,541		
… Per square meter	CRE 1	KWh_{EF}/sq.m			299	161	334
	CRE 1	KWh_{EP}/sq.m			645	340	729
Greenhouse gas emissions							
Total emissions	EN 16	T CO_2e	1,185	2,378	3,563		
o/w direct	EN 16	T CO_2e	0	0	0		
o/w indirect	EN 16	T CO_2e	1,185	2,378	3,563		
… Per square meter	EN 8/CRE 3	kg CO_2e/sq.m.			28.5	21.9	23.0
Water							
Total water use	EN 8	cu.m.		50,743(4)	50,43		
… Per square meter	CRE 2	cu.m./sq.m./year		0.40(4)	0.40	0.27	0.47
… Per person	CRE 2	cu.m./FTE			8.51		
Waste							
Total volume	EN 22	kg		634,572(4)	634,572		
… Per person	-	kg/ETP			110		
% recycled	EN 22	%			n.av		

n.av: not available

(1) Based on normal use by the building's occupants and actual consumption The figures cover all of the properties in Cegereal's portfolio.

(2) The data for "total consumptions" reflect the underlying environmental performance of the building and its amenities; they do not take into account consumption and emissions arising from tenant use of the building. The surface areas used to calculate consumption from own activities are 9,787 sq.m. for Arcs de Seine (Building B only), 57,286 sq.m. for Europlaza and 39,912 sq.m. for Rives de Bercy.

(3) The average energy use presented here corresponds to the average for high rise buildings in France (Source: Sinteo database). For greenhouse gas emissions and water use, the averages are based on data supplied by Observatoire de l'Immobilier Durable (OID). (Source: *Baromètre 2013 de la performance énergétique et environnementale des bâtiments tertiaires, Observatoire de l'Immobilier Durable*).

(4) Tenant water use and waste production is included in Scope 2 "management" for 2013.

NOTE ON REPORTING METHOD

The report presented here is based on the indicators defined in French Decree no. 2012-557 of April 24, 2012, in the version applicable to listed companies.
Cegereal’s report is also based on EPRA’s September 2011 environmental reporting recommendations for European real estate operators. These recommendations have been applied to Cegereal’s entire property portfolio.
Data reported for social indicators only relate to the “Corporate” scope 1.
Data reported for environmental indicators concern Cegereal’s three property assets Arcs de Seine, Europlaza and Rives de Bercy, corresponding to scopes 2 and 3. Environmental data relating to the “Corporate” scope 1 are not material.

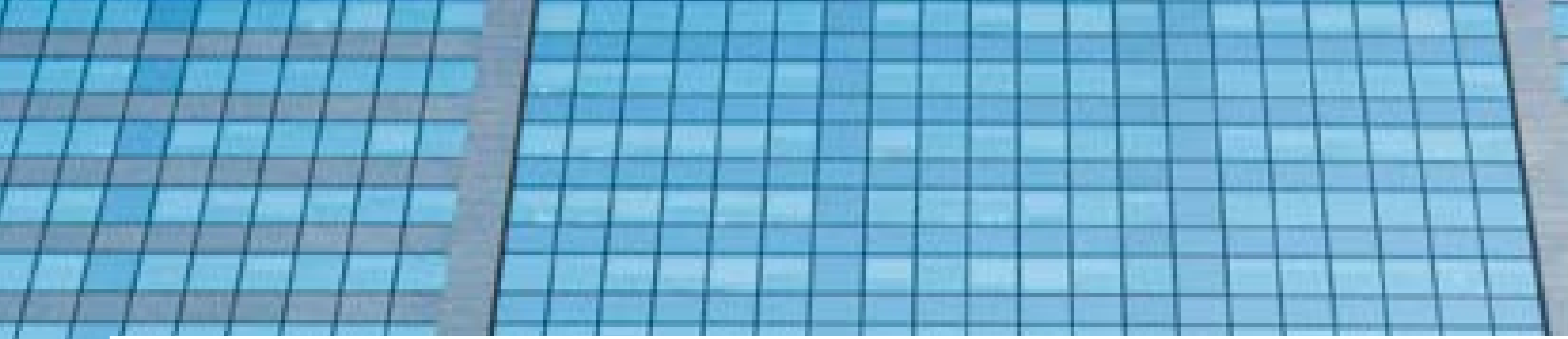
	SCOPE 1: CORPORATE	**SCOPE 2: MANAGEMENT**	**SCOPE 3: USE**
Activities	Headquarters’ activities and Cegereal	Property management by Cegereal’s asset and property manager	Use of buildings by tenants
Indicators	All “Corporate” indicators	All “Property” indicators	
Scope	Headquarters (21-25 rue Balzac)	Common areas of buildings and use of share amenities	Private areas of buildings and private use of the premises by tenants

In 2013, the coverage rate was 100% for the “Management” scope and 73% for the «Usage» scope except for water use and waste production, which were exceptionally included in scope 2.
A detailed guide to the CSR reporting method, drawn up by engineering consultancy Sinteo, is available online on Cegereal’s website.

€3.8m
in renovation work undertaken on the portfolio since 2007 to improve energy or environmental performance

75%
of the useable space in the portfolio is certified to “HQE Exploitation”[1] and BREEAM In-Use standards

(1) « Haute Qualité Environnementale » (see Glossary on page 138).



OTHER ENVIRONMENTAL CHALLENGES

Environmental risk management

The main environmental risks to which a company such as Cegereal could be exposed relate to indoor air quality and the presence of asbestos and lead in its buildings. No such risk has been identified to date in any of Cegereal's properties. In addition, no provisions for environmental risks have been recognized in Cegereal's 2013 financial statements, since any such risks are quickly anticipated and dealt with as part of the Company's building renovation and maintenance strategy.

Indeed, €4 million in renovation work has been undertaken since 2007 to improve building energy or environmental performance. In 2014, Cegereal plans to install a smart lighting management system and replace thermostats and temperature sensors in the Europlaza complex, and to overhaul the air conditioning system at Arcs de Seine.

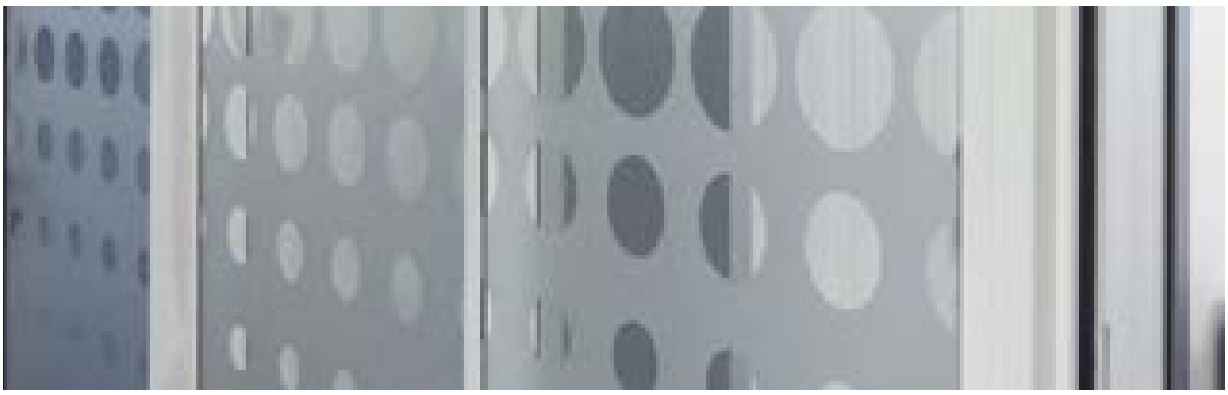
Preventing pollution

To effectively limit pollution caused by its activities, Cegereal advises all of the service providers involved in the technical management of its buildings to include energy efficiency and eco-design among the criteria they use to select materials and technologies.

As an ISO 14001-certified company, the property manager Yxime, which performs work on all of Cegereal's buildings, has a responsibility to take into account the environmental impact and carbon footprint of its refurbishments.

For example, at all three properties in the portfolio, LED lights were installed to sharply reduce energy use and unwanted glare.

The location of the properties, all of them within 10 minutes' walk of a public transport network, significantly contributes to reducing the carbon footprint of their users.



Biodiversity and soil utilization

Cegereal is attached to preserving the biodiversity of urban habitats and knows that providing users with a healthy, natural environment is very important for their well-being. Several initiatives should be noted in this regard. At Arcs de Seine, beehives have been installed in cooperation with one of the tenants, Boursorama, to encourage urban pollination. At Europlaza, which has one of the largest green spaces in the area, a project is in the works to create a garden tower.

Carbon footprint of the property activity

The Bilan Carbone® method developed by the French Environment and Energy Management Agency (ADEME) determines a business's greenhouse gas emissions, particularly those arising from energy and water use, travel and the production of waste. A Bilan Carbone® audit was carried out in 2013. The results show that greenhouse gas emissions from Cegereal's own activities – and not those of its tenants – represented 22TeqCO_2. Greenhouse gas emissions from the properties in Cegereal's portfolio represented 3,563TeqCO_2. See "Environmental Information" for more details.

SOCIAL AND SOCIETAL INFORMATION

Enhancing employee well-being and skills

Cegereal is a property company that operates on a human scale. Enhancing employee well-being and skills has been a core value since the Company's creation. In 2013, for example, Company employees received 100 hours of training. In addition, performance reviews are held every six months to maintain an open dialogue about strategy between management and employees. Detailed information concerning Cegereal's employee policies is presented on page 115 of the Annual Report in the section entitled "Employees".

Maintaining constant dialogue with stakeholders and empowering them to drive the CSR strategy

Geographic, economic and social impacts

One of Cegereal's CSR priorities is to optimally blend its property assets into the city and the immediate neighborhood. For this reason, the Company is committed to limiting the impact of its properties on adjacent communities, for example by participating in user organizations such as Association des Utilisateurs de La Défense (AUDE). The three properties in the portfolio are used by a total of over 6,000 employees and play an important role in enhancing their district's business appeal.

Contractors and suppliers

Cegereal has forged strong, long-term relationships with all of its service providers. Each year, the CSR strategies implemented by its contractors and suppliers are assessed based on an analysis of their social and environmental disclosures.
The assessments are followed up with discussions where necessary. We plan to give structure to this initiative in 2014, with the creation of a CSR audit questionnaire for service providers that will be updated each year.

Partnerships and corporate sponsorship

Attuned to today's real estate industry concerns, Cegereal actively promotes best practices within the profession by engaging in sponsorship activities and participating in a variety of industry organizations, as described below.

The European Public Real Estate Association **(EPRA)**, is a non-profit organization made up of Europe's leading listed property companies. One of its aims is to standardize reporting practices across the industry. Cegereal is an active member of the association and has sponsored the annual EPRA conference for the last three years. Its financial and CSR reports have been prepared in accordance with EPRA's Best Practices Recommendations (BPR).

Fondation Palladio was created in 2008 under the auspices of Fondation de France, by real estate industry players who wanted to incorporate into their business strategy the economic, technological, environmental, demographic and anthropological developments that affect urban construction.

Cegereal has been an active member and patron of the foundation since 2012. Raphaël Tréguier, Cegereal's CEO, is a member of its Society of Auditors.

Cegereal has been a member of the French industry federation Féderation des Sociétés Immobilières et Foncières Françaises **(FSIF)** since 2008. The Company participates in various working groups that examine regulatory issues.

Association des Utilisateurs de La Défense **(AUDE)**, has a membership of more than 60 major property users representing over 68% of the office and retail space in the La Défense business district. Cegereal is an engaged member, helping to factor user requirements into planning and development strategies for La Défense, while preserving its appeal.

Anti-corruption initiatives

Committed to fighting corruption, Cegereal has pledged to abide by the *Code of Ethics* and the *Guide to Preventing Insider Misconduct by Executives of Listed Companies* issued by the French securities regulator (AMF). These hold managers accountable for their actions and serve to protect shareholders and stakeholders against the risks of insider trading. As a member of the FSIF, Cegereal has also pledged to uphold the *Code of Ethics of SIIC Property Companies* in order to guarantee the right of its shareholders and partners to equal treatment and transparent information.

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED ENVIRONMENTAL, LABOR AND SOCIAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

(FOR THE YEAR ENDED DECEMBER 31, 2013)

Cegereal S.A.
Registered office: 21-25 rue de Balzac, 75008 Paris, France

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,
In our capacity as Statutory Auditor of Cegereal SA, appointed as an independent third party, whose certification request has been approved by COFRAC, we hereby report to you on the consolidated environmental, labor and social information presented in the management report, (hereinafter the « CSR Information »), for the year ended December 31, 2013, in accordance with Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

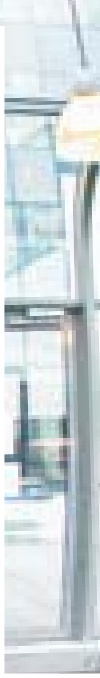
Responsibility of the company
The Board of Directors is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the "Guidelines") available on request from the company's registered office and summarized on the group's website (www.cegereal.com).

Independence and quality control
Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the Statutory Auditor
On the basis of our review, it is our responsibility to:
- certify that the required CSR information is presented in the management report or, in the event that any CSR information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (the "Statement of completeness of CSR information");
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of five people between December 2013 and March 2014. We were assisted in our work by our specialists in corporate social responsibility. We performed our work in accordance with the professional auditing standards applicable in France, with the decree of May 13, 2013 determining the conditions in which the independent third party performs its engagement and for the reasoned opinion on fairness, with ISAE 3000[1].

1. Statement of completeness of CSR Information
We conducted interviews with the relevant heads of department to familiarize ourselves with sustainable development policy, as a function of the labor and environmental impact of the company's activity, of its social commitments and any action or programs related thereto.
We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.
For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.
We ensured that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code.



Based on our work, we attest to the completeness of the required CSR information in the management report.

2. Reasoned opinion on the fairness of the CSR information

Nature and scope of our work

We conducted interviews with the person responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce Information that is exhaustive and consistent, and familiarize ourselves with the internal control and risk management procedures involved in preparing the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and importance of the CSR Information in the light of the nature of the company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important[2]:

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organization, policy, action), verified their consistency and concordance with the other information in the management report, followed analytical procedures and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- at the level of a representative sample of entities selected by us[3] by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents 100% of headcount and 100% of quantitative environmental data.

For the other consolidated CSR Information, we assessed consistency based on our understanding of the company. We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes resulting from our professional judgment, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

Conclusion

Based on our work, no material irregularities came to light that call into question the fact that the CSR Information, taken as a whole, is presented fairly, in all material respects, in accordance with the Guidelines.

Paris-La Défense, April 2, 2014

KPMG Audit FS1

Isabelle Goalec
Partner

Philippe Arnaud
Partner
Climate Change & Sustainable Development Department

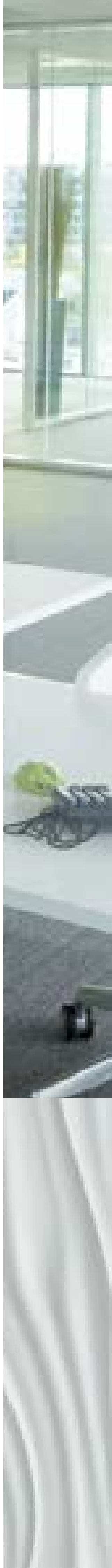
(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

(2) Labor Information: Headcount at year-end; Headcount by age group; Headcount by gender; Number of new hires; Number of layoffs; Total number of training hours; Organization of working hours; Measures taken to promote gender equality. Environmental Information: Electricity consumption; Heating and air conditioning consumption; Water consumption. Social information: Sponsorship and patronage; Integrating social and environmental issues into purchasing policy.

(3) Cegereal registered office to cover the Group's three assets: Arcs de Seine, Europlaza, Rives de Bercy.

04 INFORMATION & TRANSPARENCY

Cegereal nurtures long-term relationships with all of its stakeholders, ensuring clear visibility by transparently providing all the information they need.




II. FINANCIAL INFORMATION

1. Consolidated results and financial position

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the consolidated financial statements which are presented in section II.2.5.

The consolidated financial statements were adopted by the Board of Directors on February 13, 2014 and will be submitted to the Annual General Shareholders' Meeting for approval.

Cegereal SA created the company Prothin SAS ("the subsidiary") which was registered with the Paris Trade and Companies Registry on June 27, 2011. Cegereal SA holds 100% of the capital and voting rights of Prothin SAS. Subsequent references to "the Group" therefore include Cegereal SA and Prothin SAS.

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2013 includes the IFRS financial statements of Cegereal SA for the year ended December 31, 2012.

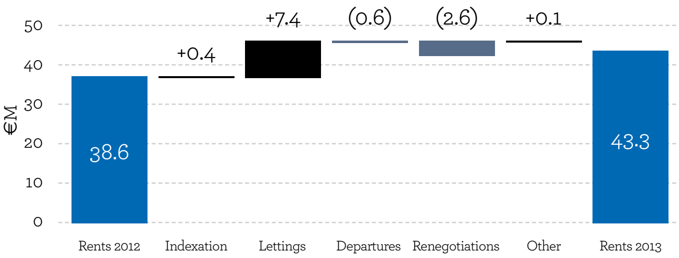
RENTAL ACTIVITY

During 2013, the marketing of the Arcs de Seine building continued. A lease was entered into with Sagem for a total surface area of 4,956 sq.m (lease starting on April 1, 2013) and another with Sonepar for 1,432 sq.m. Sonepar entered the premises on January 1, 2014. HP extended the surface area of its rental agreement by 1,432 sq.m at the end of 2013.

On April 1, 2013, Cap Gemini vacated the 11th floor of the Europlaza tower (1,296 sq.m). On June 28, 2013, a new lease was negotiated in advance by the same lessee for part of the premises currently occupied (7,433 sq.m). After the end of the reporting period, Galderma, also a lessee of the Europlaza tower, extended its rental agreement for a fixed term of six years with an additional surface area of 825 sq.m.

Crédit Foncier, the sole lessee of the Rives de Bercy building, renegotiated its lease in advance of its expiration. It chose to extend the length of its rental agreement by nine years, until December 2021.

Change in rental income (December 31, 2012-December 31, 2013)



Net rental income (2009-2013)

in thousands of euros

	2013	2012	2011	2010	2009
Europlaza	21,812	22,725	21,422	20,288	20,525
Arcs de Seine	11,765	4,691	2,338	24,011	26,382
Rives de Bercy	9,726	11,217	10,795	10,387	10,132
Rental income	43,303	38,633	34,555	54,687	57,039
Rental expenses rebilled to lessees (1)	5,879	5,082	3,910	5,717	5,606
Real estate taxes rebilled to lessees (2)	4,217	3,589	2,942	3,553	3,347
Other amounts rebilled to lessees (3)	327	0	0	0	195
Miscellaneous income	39	102	463	967	987
Income from other services	10,462	8,773	7,315	10,236	10,135
Building-related costs (4)	(16,927)	(16,382)	(13,418)	(15,124)	(13,533)
Net rental income	36,838	31,024	28,452	49,799	53,640

Expenses incurred by the lessor (2009-2013)

in thousands of euros

	2013	2012	2011	2010	2009
Building maintenance	(735)	(431)	(326)	(1,587)	(158)
Expenses on vacant premises	(1,874)	(2,187)	(3,065)	(973)	(833)
Property management fees	(2,972)	(3,029)	(2,990)	(3,014)	(2,896)
Other building-related costs – lessor	(923)	(2,064)	(185)	(281)	(498)
Building-related costs – lessor (4) – (1) – (2) – (3)	(6,504)	(7,711)	(6,566)	(5,855)	(4,385)
Wages and salaries	(576)	(512)	(541)	(477)	(314)
Other overhead costs	(2,096)	(2,111)	(1,442)	(2,042)	(2,446)
Total expenses incurred by the lessor	(9,176)	(10,334)	(8,549)	(8,374)	(7,145)

DEBT

Prothin, as Cegereal's successor in interest in the partial asset transfer, was granted a loan in July 2012 for a maximum principal amount of EUR 400,000,000 with AAREAL BANK AG, DEUTSCHE PFANDBRIEFBANK AKTIENGESELLSCHAFT BAYERRISCHE LANDESBANK and LANDESBANK BERLIN AG in order to repay the historical bank loan and finance the costs and fees incurred in setting up the loan up to the amount of EUR 1,108,160.

The final maturity date of the loan is August 16, 2017.

There are no plans under way to put in place other investment financing with respect to which the management bodies have made firm commitments.

The main provisions of the Loan are as follows:

	New financing (Nov. 15 2012)
Main terms and conditions	
Total amount	€400,000,000
Interest rate	3.15% +25bps if occupancy rate <90%
Maturity	August 2017
Main financial ratios	
LTV thresholds	**60%:** Surplus cash carried over to a reserve account
	70%: Default
ICR thresholds	**190%:** Surplus cash carried over to a reserve account
	150%: Default

MAIN FINANCIAL RATIOS

The gearing and interest coverage ratios are presented below:

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011
Gearing ratio			
Non-current borrowings/ adjusted net assets	47.10%	46.20%	46.70%
Interest coverage ratio			
Projected net rental income/ interest expenses	232%	234%	224%

Projected net rental income designates total projected net rental income for the following 12 months, excluding taxes, less rental income where the risk of non-recovery has been established (notice given, unpaid rent) and operating expenses rebillable to lessees and operating expenses not rebillable to lessees.

Operating expenses comprise expenses (including recoverable expenses) including tax incurred in operating, upkeeping, maintaining, running, managing and administering the buildings (in particular, compensation paid under the Asset Management Agreement and the Property Management Agreement) and administrative expenses incurred by the borrower.

EARLY REPAYMENT INDEMNITIES

Should Prothin make any voluntary early repayments of the outstanding Loan, it will have to pay, in addition to the breakage costs, an early repayment indemnity equal to 1% of any amounts repaid before July 26, 2014, subsequently reduced to 0.5% for any amounts repaid between July 26, 2014 and July 26, 2015.

Should Prothin make any mandatory early repayments of the outstanding Loan, it will have to pay, in addition to the breakage costs, an early repayment indemnity equal to 0.5% of any amounts repaid before July 26, 2014, subsequently reduced to 0.25% for any amounts repaid between July 26, 2014 and July 26, 2015.

RESTRUCTURING

On December 22, 2011, Cegereal's General Shareholders' Meeting authorized a transfer of its activity focusing on the ownership and management of buildings that it owned located at (i) 20 avenue André Prothin, 92400 Courbevoie, known under the name "Europlaza", (ii) Quai du Point du Jour, 92100 Boulogne-Billancourt, known under the name "Arcs de Seine", (iii) 4 Quai de Bercy, 94220 Charenton-Le-Pont, known under the name "Rives de Bercy", as well as the bank liabilities related to these buildings, all guarantees and security granted in respect of these liabilities and all of the assets used to hold, manage and rent these buildings to its subsidiary Prothin, including assets of EUR 764,639,103 and liabilities of EUR 416,257,293, i.e., a net transfer of EUR 348,381,810 ("the partial asset transfer").

The application of the legal regime applicable to spin-offs resulted in a full transfer to Prothin of all rights, assets and obligations of Cegereal in relation to the business transferred. As consideration for this transfer, Cegereal was granted all of the 15,147,035 new shares created with a par value of EUR 10 each, increasing Prothin's capital from EUR 400,000 to EUR 151,870,350. Additional paid-in capital came to EUR 196,911,460.

The transfer took effect from an accounting and tax standpoint on July 1, 2011. As a result, any profits or losses generated by the transferred business since this time have been included in Prothin's taxable income.

As regards corporate income tax, this transfer, which encompasses all the assets and liabilities of the entire business activity within the meaning of Article 210 B of the French Tax Code ("CGI"), was eligible for the preferential tax treatment applicable to mergers pursuant to Article 210 A of the French Tax Code, applicable by reference to Articles 208 C bis and 210 B of said Code. Cegereal therefore undertook, in particular, (i) to keep all the Prothin shares received as consideration for the transfer for a period of three years, (ii) not to agree to any pledge of the shares received as consideration for the transfer, which could result in transferring ownership of these shares during this three-year period, and (iii) to calculate subsequently the capital gains generated from these shares by using the value that the transferred assets had from a tax standpoint in its own books.

This transfer made it easier to refinance the Group's debt and over time will make it possible for Cegereal to make other indirect investments through new subsidiaries to be set up – without the need to obtain prior bank approval.

RISK MANAGEMENT

Risks	Type	Consequences	Observations
1. Risks linked to the Company's business			
1.1. Risks linked to the economic environment and the real estate market			
Risks linked to the economic environment	The challenging economic situation and a possible downturn may have an impact on: - demand for new office space - the rents that can be charged - the Company's ability to increase rents when leases are renewed - the level of the ICC, ILAT-INSEE index used to calculate rent adjustments	• Adverse effect on the Group's financial position, results, business and growth outlook. • Impact on the liquidity of the real estate assets in the event of a forced sale: difficulty to dispose rapidly of part of the real estate portfolio at a satisfactory price if such action were to prove necessary. • Impact on the occupancy rate.	• The majority of current leases have been renewed since 2008, which avoids the Company having to reduce its rents in application of Article L.145-39 of the French Commercial Code. • The ICC index has increased by an average of 3% per year over the last ten years and an average of 5% per year since the index was established in 1954. The ILAT index has increased by an average of 2% since 2011. • Only 57% of rental property will be exposed to a risk of rent volatility due to escalation clauses in 2014.
Risks linked to the competitive environment	• Rental activity: competition in the office property market. • Investments/diversification: competition from French and international property owners (institutional investors, real estate companies).	• Potential loss of tenants when their leases expire, if the competition is able to offer more attractive rental terms for comparable properties. • Adverse effect on the Company's growth, business and future results if the portfolio rotation strategy cannot be implemented.	• The Company maintains regular discussions with the tenants in order to anticipate their needs and stay in line with the market. For example, discussions with Crédit Foncier led to the signature on January 18, 2013 of a new nine-year lease that extended its tenancy by seven years.
1.2. Risks linked to operations			
Risk linked to changes in rent levels	• Rent levels and the value of office buildings are influenced by supply and demand for office space.	• An unfavorable trend could have an adverse effect on the results, business and financial position of the Company.	• The Company carries out a valuation of its properties every six months using different methods directly linked to market rental values.
Risk of dependence on certain tenants	• The four largest tenants (Crédit Foncier de France, Cap Gemini, GE Capital and Canal+) represent 48% of the total surface area let over the coming year.	• The renegotiation of lease terms on renewal or a decision by one these tenants to terminate its lease could have an adverse effect on the Company's financial position.	• By dividing offices into smaller units, the Company increased the number of tenants to 20 from an initial 12 at Cegereal's March 2006 IPO date. The number of tenants is expected to increase further through the letting of vacant premises.
Risk linked to non-payment of rent	• The Company's revenue is derived exclusively from leasing real estate assets to third parties.	Non-payment of rent could : • affect the Company's results, and • increase liquidity risk (see Risk 2.1.)	• Tenants' credit quality is assessed when a new lease is signed and annually thereafter. At 2013 year-end, all of the Company's tenants were considered to be in a satisfactory financial position, and 96% had a Dun & Bradstreet risk rating of 1 or 2 (on a scale of 1 to 5). To date, the Company has never experienced any rent defaults.
Risk linked to vacant units in the Arcs de Seine building	• The physical vacancy rate stood at 19% for the Arcs de Seine building at December 31, 2013.	• Breach of the level 1 interest coverage ratio of 190%. The interest coverage ratio was stable in 2013 (232% at November 15, 2013). • Increased vulnerability to specific events that may generate an unforeseen need for cash.	
1.3. Concentration risks			
Risk linked to the concentration of the portfolio in the same geographic region	• All the properties in the portfolio are located in the inner suburbs of Paris.	• Competition within the region or from neighboring regions could encourage tenants to seize upon better value opportunities elsewhere.	• The three properties are located in three very different areas of the Paris region market which represents more than 50 million sq.m. The concentration risk is therefore limited. • The vacancy rates for the areas where Cegereal's various buildings are located were as follows: 12.7% in La Défense, 12.2% in Boulogne- Billancourt and 5.5% in Charenton-le-Pont (data as of December 31, 2013, source: Immostat)
Risks linked to the concentration of the portfolio in the same segment of the rental market	• The Company's portfolio is invested exclusively in office properties.	• A downturn in the office market could adeversely affect the Company's financial position, results, business and growth outlook.	
1.4. Risks linked to assets			
Risk linked to the valuation of real estate assets	• A detailed valuation of the Company's portfolio is prepared each year, with quarterly updates.	• Under IFRS, the Company's income could vary considerably in the event of a significant rise or fall in the capitalization rates for the real estate sector. The carrying amount of the properties is not adjusted for changes in market values at March 31 or September 30, and could therefore fail to reflect the true market value of the assets.	• Valuations are carried out by DTZ Valuation France, an external real estate valuer. • The Company discloses any informaton in its possession that may have a material effect on the value of its properties.

Risks	Type	Consequences	Observations
2. Managing market risks			
2.1. Liquidity risk			
	• The financing agreement between the Subsidiary and Aareal Bank AG, Deutsche Pfandbriefbank AG, Bayerische Landesbank and Landesbank Berlin AG contains the usual acceleration clauses (total or partial) that would be triggered following certain events of default and under certain contractually defined conditions (in particular in the event of a change of control, sale of all or part of one of the buildings, expropriation or requisition of all or part of one of the buildings, insurance claims in relation to one of the buildings and non-compliance with financial ratios). In addition, Article 8 of the credit agreement of July 26, 2012, includes an acceleration clause that would be triggered by the occurrence of an event of default.	• The lender could require full payment of all outstanding amounts, including accrued interest, seize all or part of the collateral or claim payment under the loan guarantee. • The Company could find itself in a position where it cannot obtain refinancing for the same amount or on the same terms.	• The specific review of liquidity risk based on the Company's financial position at December 31, 2013, confirmed that the Company was in compliance with all of the hard covenants contained in its credit agreements (see notes 5.12 (Non-current borrowings) and 5.24 (Commitments given) in section II.1.2 of the IFRS financial statements). • At December 31, 2013, Cegereal's financial ratios were as follows: (i) LTV ratio of 52.2% and (ii) interest coverage ratio of 232%. • The Company has also conducted a specific review of its liquidity risk and considers that it is in a position to meet its upcoming repayment commitments.
2.2. Foreign exchange risk			
	• The Company is not exposed to foreign exchange risk as it generates all of its revenue in the eurozone.	• No foreign exchange risk.	• Not applicable
2.3. Risks on equities and other financial instruments			
	• As of the date of this document, the Company does not hold any direct investments in listed companies, or any indirect investments in such companies via units in equity funds.	• The Company is not exposed to any equity risk.	• Not applicable
2.4. Interest rate risk			
	• In recent years, the real estate sector has benefited from a favorable interest rate environment characterized by falling long-term interest rates. The rate on ten-year French fungible Treasury bonds (TEC 10 index) fell from 3.98% at December 31, 2006, to 2.50% at December 30, 2013 (Source: Banque de France). The Company is not able to foresee the various factors that may affect future interest rates.	• A significant increase in interest rates could have the effect of reducing the estimated value of the Company's assets (see section 1.1.4 "Risk linked to assets") and increasing finance costs in the event that no interest rate hedges have been set up.	• The Company has not conducted any analysis of its sensitivity to changes in interest rates because the credit agreement entered into with Aareal Bank, Bayern LB, PBB (Deutsche Pfandbriefbank) and Landesbank Berlin AG/ Berlin Hyp is at a fixed rate of interest. Interest rate risk is also discussed in Note 4.7 to the IFRS financial statements for the year ended December 31, 2013 (section II.1.2).
3. Risks linked to the majority shareholder			
3.1. Risks linked to the investment held by the HausInvest investment fund			
Risk linked to the lack of liquidity of the fund's other assets	• As HausInvest ("the Fund") is an open-ended fund, unit holders may request the redemption of their units at any time, under certain conditions.	• In the event of insufficient liquidity, CRI - as majority shareholder - may instruct the Company to sell assets and distribute the proceeds to the Fund to meet its cash needs. • CRI may have to sell Cegereal shares, which could have a negative impact on the Company's share price.	• The Fund had cash and cash equivalents of €1.3 billion at December 31, 2013.
Risk linked to fluctuations in the value of the Fund	Under German legislation, funds that invest in property companies are subject to certain limits: • the gross value of property assets and shares in property companies may not exceed 49% of the fund's total gross value; • A fund may not hold more than 15% of the property assets and shares of any single property company.	• Fluctuations in the Fund's value may affect CRI's investment policy and indirectly significantly affect the Company's strategy and business.	• At the year-end, Cegereal's NAV represented 3.3% of the Fund's NAV.
3.2. Risk linked to the majority shareholder			
Risk linked to the majority shareholder	• CRI holds the majority of the Company's capital and voting rights, and exercises significant influence over the Company and the management of the business (also see section III.3 "Related-party transactions"). • CRI manages other real estate assets in France on behalf of the HausInvest fund.	• CRI is therefore in a position to make significant decisions (e.g., composition of the Company's Board of Directors, payment of dividends, etc.) without minority shareholders being able to oppose these decisions in General Shareholders' Meetings. • CRI may find that it has a conflict of interests with regard to certain transactions (e.g., lease negotiations or disposal of a building), which could have an adverse effect on Cegereal, its assets, financial position, results or strategy.	• The Company's shareholders and the Fund's unit holders have a shared interest in maximizing the value of the Company's assets.
4. Risk linked to German regulations applicable to the majority shareholder			
	• Cegereal is a property company, and the majority of its capital is held by CRI on behalf of the HausInvest investment fund. Cegereal, as a subsidiary of CRI, is indirectly subject to certain provisions of German legislation that are applicable to CRI and that concern investments and German investment funds. • CRI (Cegereal's majority shareholder) must comply with various ratios or thresholds in the management of HausInvest fund assets.	• Direct impact on the Company's investment or divestment policy and its overall strategy. • For regulatory reasons, CRI may be required to significantly reduce its investment in the Company which could have an adverse effect on the Company's share price. • The Company's acquisition opportunities may be limited as a result of the need to comply with various ratios and thresholds.	• The total gross value of the Fund stood at €11.0 billion at December 31, 2013.

Risks	Type	Consequences	Observations
5. Risks linked to service providers			
5.1. Risk linked to the quality of service providers and sub-contractors			
	• The Company's rental activity depends on certain sub-contractors and service providers, in particular maintenance and security companies.	• If these sub-contractors or service providers were to go out of business or become insolvent, or if the quality of their services or products were to decline, this could hav an adverse effect on the Company.	With the exception of the asset management agreement with Commerz Real, all of the subcontracting agreements are short-term (maximum of one year) renewable contracts, making it possible to rapidly change service provider should the need arise.
6. Risks linked to the regulatory environment			
6.1. Risk linked to current or future regulations			
	• When conducting its business of holding and managing office buildings, the Company must comply with numerous specific or general regulations that govern, inter alia, public health, the environment, safety and commercial leases.	• Any substantive change to these regulations may have an adverse effect on the Company's results or its development and growth outlook. • The Company has no assurance that all its tenants will strictly comply with all of the regulationsapplicable to them, in particular those relating to the environment, health and public safety.	• The terms of the leases obligate the tenants to comply with the regulations applicable to the leased premises when using said premises. • The Company seeks the best legal advice to meet its needs in terms of monitoring regulatory changes. • The Company is not aware of any government, legal or arbitration proceedings which could have – or, in the last 12 months have had – significant impacts on its financial position or its profitability.
6.2. Risk linked to the regulations applicable to leases			
	• Certain provisions of the law on commercial leases, and in particular those that govern the term, termination and renewal of leases or rent escalation clauses, are a matter of public policy. • If the lessor refuses to renew the lease upon expiration, the tenant is entitled to an eviction indemnity.	• These provisions may limit the Company's ability to increase rents in line with market rents in order to optimize rental income.	
6.3. Environmental risk linked to health (asbestos, legionnaires' disease and classified facilities)			
	• The Company's business is subject to laws and regulations on the environment and public health.	• Buildings and facilities owned or used by the Company may be affected by public health, safety or environmental problems. • Safety regulations for high-rise buildings (such as the Europlaza building), could lead to additional operating and maintenance expenses for the Company.	• All of the leases provide for payment by tenants of work to bring the premises into compliance with all new regulations on health, safety and working conditions. • The Europlaza and Arcs de Seine buildings underwent asbestos removal work in 1999 and 2000. Rives de Bercy was built after the regulations that prohibit the use of asbestos came into effect.
7. Risk linked to the cost and availability of appropriate insurance coverage			
	The Company benefits from insurance coverage taken out both at national level and by its majority shareholder.	• If the Company were to leave the Commerz Real group's scope of consolidation, or if it no longer benefited from the negotiating power of the Commerz Real group, it would have to pay higher premiums.	• As insurance premiums do not have a material impact on the Company's results, were the Company to leave the Commerz Real group, this should not have a material impact on the Company's financial position.
8. Risks linked to the tax treatment applicable to SIICs			
8.1 Risks linked to a change in the regulatory framework			
	• The Company may face difficulties complying with new regulations and could even have its SIIC status suspended temporarily or permanently.	In the event that the Company opts out of the SIIC regime in the ten years following election, it will be subject to corporate income tax at the standard rate on the revaluation gains recorded upon election for the SIIC regime, less exit tax already paid at the reduced rate of 16.5%. The Company would be subject to corporate income tax at the standard rate for the year during which it opts out of the SIIC regime and subsequent years, on the amount of its exempted retained earnings. The Company would also be subject to an additional 25% tax on the portion of unrealized capital gains generated on the sale of real estate assets that were exempt following the Company's option for SIIC status, reduced by one-tenth for each calendar year of exemption.	• The Company verifies on a regular basis that it complies with the conditions for preferential tax treatment as an SIIC.
8.2 Risk linked to the majority shareholder			
	• Companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code *(Code de Commerce)*.	• If the main shareholder does not comply with this condition, preferential tax treatment as an SIIC could be suspended or permanently lost, depending on the situation. (consequences: see Risk 8.1)	• As of the date of this document, the Company has verified that CRI holds less than 60% of the voting and financial rights in the Company's capital. The Company verifies on a regular basis that CRI directly and indirectly complies with the conditions for the Company to quality for preferential tax treatment as an SIIC.
8.3. Risk linked to shareholders			
	• A 20% withholding tax applies to dividends distributed by an SIIC to shareholders, other than natural persons, that hold at least 10% of dividend rights in the SIIC and are not liable for corporate income tax or another equivalent tax on the dividends received. The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.	• The shareholder could contest its obligaton to pay this withholding tax. There is a risk that the withholding tax could not be passed on to the shareholder.	None of the Company's shareholders meet the conditions to trigger the 20% withholding tax.

INSURANCE

The Group's insurance strategy aims to protect its assets and cover any potential liability. The Group benefits from the negotiating power of the Commerz Real group, which enables it to obtain advantageous insurance conditions with leading insurance companies.

Multirisk insurance

Prothin has taken out the following insurance:

- a French multirisk policy (All risks except) taken out directly with the leading insurance company AIG Europe under number 9.000.057;
- (i) a German co-insurance policy named "Pro Dynamic Versicherung – Real Estate" under number F 10173.1542 taken out with the insurance companies AIG EUROPE, AXA VERSICHERUNG, CHUBB INSURANCE COMPANY SA, AXA VERSICHERUNG AG and ZÜRICH VERSICHERUNG with AIG EUROPE as leading insurer and (ii) a German terrorism co-insurance policy under number F 10173.1956 with the insurance company AIG.

These policies cover the buildings for an amount at least equal to their restatement value or replacement value (including the cost of replacing machinery and equipment concerned by a claim in line with the value of the building in question and the capital disclosed by Prothin).

This policy:

(a) includes valuer and architect fees;

(b) provides for an "additional loss and costs" clause covering in particular the costs of demolition, clearing and caretaking of the site following a claim;

(c) covers all the risks typically insurable against loss and damage (including in particular natural disasters, fire, lightning, explosions, floods, storms, hail and snow, aircraft accidents, riots, sabotage, acts of terrorism, theft, damage to electrical appliances and broken glass);

(d) includes a "loss of rent" guarantee covering at least 24 months of rent.

Civil liability insurance for owners

Prothin has directly taken out civil liability insurance for property owners and is co-insured under collective civil liability insurance taken out by Cegereal or Commerz Real Investmentgesellschaft mbH covering the financial consequences of civil liability of its own doing.

Specialized firms regularly appraise the assets.

All the premiums for insurance against damage to property and loss of rent are cross-charged to lessees in building operating charges.

In general, the Group considers its insurance coverage is adequate in light of the value of the assets and the level of risk incurred.

As of the date of this report, there is no significant outstanding claim that would be liable to change future coverage conditions or the total amount of insurance and/or self-insurance premiums.

LAWSUITS

Cegereal and/or Prothin is not aware of any government, legal or arbitration proceedings, including any proceedings that have been suspended or that are imminent, which could have – or, in the last 12 months have had – significant impacts on its financial position or its profitability.

No provision for a significant amount corresponding to lawsuits has been booked (see section II.2 "Consolidated financial statements", note 5.28 "Subsequent events").

Net income by key indicator for the period:

in thousands of euros

Statement of comprehensive income caption	Amount	Breakdown
Net rental income	36,838	Net rental income corresponds to rental income for the year (EUR 43,303k) and rental expenses rebilled to lessees (EUR 10,462k), less building-related costs (EUR 16,927k). In 2013, net rental income rose EUR 5.8 million compared to net rental income for 2012 following the arrival of new lessees.
Administrative costs	(2,758)	Administrative costs chiefly comprise fees, insurance premiums and personnel costs.
Change in fair value of investment property	(17,145)	The value of the real estate portfolio fall from EUR 865.4 million at December 31, 2012 to EUR 849 million at December 31, 2013.
Net operating income	16,935	
Net financial expense	(14,994)	Net financial expense breaks down as EUR 14,996k in financial expenses and EUR 2k in financial income.
Corporate income tax	0	Due to the application of the SIIC tax regime with effect from April 1, 2006, and given that all of the Group's profits are derived from the rental of investment properties and the sale of real property rights, no income tax expense was recorded for the year. This tax exemption is, however, subject to certain criteria relating essentially to the payment of dividends.
Net income	1,940	

2. Consolidated financial statements

The IFRS consolidated financial statements for the year ended December 31, 2012 and the related Statutory Auditors' report presented on pages 48 to 63 and pages 63 to 64, respectively, of the 2012 Registration Document filed with the AMF on February 20, 2013 under no. D. 13-0071, are incorporated by reference into this document.

The IFRS consolidated financial statements for the year ended December 31, 2011 and the related Statutory Auditors' report presented on pages 54 to 72 and pages 72 to 73, respectively, of the 2011 Registration Document filed with the AMF on April 16, 2012 under no. D. 12-0348, are incorporated by reference into this document.

2.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

in thousands of euros, except per share data

	Notes	31/12/13	31/12/12
		12 months	12 months
Rental income	5.17	43,303	38,633
Income from other services	5.18	10,462	8,773
Building-related costs	5.19	(16,927)	(16,382)
Net rental income		**36,838**	**31,024**
Sale of building			
Administrative costs	5.20	(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)
Total change in fair value of investment property	*5.1*	*(17,145)*	*9,385*
Net operating income		16,935	37,564
Financial income		0	113
Financial expenses		(14,994)	(20,816)
Net financial expense	**5.21**	**(14,994)**	**(20,704)**
Corporate income tax	**5.22**	**0**	**0**
CONSOLIDATED NET INCOME		1,940	16,860
of which attributable to owners of the Company		***1,940***	***16,860***
of which attributable to non-controlling interests		***0***	***0***
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		1,940	16,860
of which attributable to owners of the Company		***1,940***	***16,860***
of which attributable to non-controlling interests		***0***	***0***
Basic and diluted earnings per share (in euros)		0.15	1.26

2.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2013

in thousands of euros

	Notes	31/12/13	31/12/12
Non-current assets			
Investment property	5.1	849,000	865,400
Non-current loans and receivables	5.2	29,331	14,401
Total non-current assets		**878,330**	**879,802**
Current assets			
Trade accounts receivable	5.3	12,508	12,024
Other operating receivables	5.4	261	1,899
Prepaid expenses		68	41
Total receivables		**12,837**	**13,965**
Cash and cash equivalents	5.5	16,018	20,921
Total cash and cash equivalents		**16,018**	**20,921**
Total current assets		**28,856**	**34,886**
TOTAL ASSETS		907,186	914,688
Shareholders' equity			
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
Total shareholders' equity	**5.10**	**486,629**	**493,397**
Non-current liabilities			
Non-current borrowings	5.11	395,797	394,690
Other non-current borrowings and debt	5.13	3,469	2,672
Non-current corporate income tax liability		0	0
Total non-current liabilities		**399,266**	**397,362**
Current liabilities			
Current borrowings		1,776	1,776
Trade accounts payable		1,479	3,101
Corporate income tax liability		0	0
Other operating liabilities	5.14	3,762	5,438
Prepaid revenue	5.16	14,275	13,614
Total current liabilities		**21,292**	**23,928**
Total liabilities		**420,557**	**421,290**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		907,186	914,688

2.3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013

in thousands of euros

	31/12/13	31/12/12
OPERATING ACTIVITIES		
Consolidated net income	1,940	16,860
Elimination of items related to the valuation of buildings:		
Fair value adjustments to investment property	17,145	(9,385)
Indemnity received from lessees for the replacement of components		
Elimination of other income/expense items with no cash impact:		
Adjustments for loans at amortized cost	1,107	823
Cash flows from operations before tax and changes in working capital requirements	20,192	8,299
Other changes in working capital requirements	(15,393)	(525)
Change in working capital requirements	(15,393)	(525)
Net cash flows from operating activities	4,799	7,774
INVESTING ACTIVITIES		
Acquisition of fixed assets	(745)	(1,815)
Net decrease in amounts due to fixed asset suppliers	(1,045)	(741)
Net cash flows used in investing activities	(1,790)	(2,556)
FINANCING ACTIVITIES		
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)	
Net cash flows used in financing activities	(7,914)	(1,262)
Change in cash and cash equivalents	(4,904)	3,957
Cash and cash equivalents at beginning of year*	20,921	16,963
CASH AND CASH EQUIVALENTS AT END OF YEAR	16,018	20,921

* There were no cash liabilities for either of the years presented above.

2.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31 2013

in thousands of euros

	Share capital	Legal reserve and additional paid-in capital	Treasury shares	Consolidated reserves and retained earnings	Shareholders' equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Shareholders' equity at Dec. 31, 2011	160,470	49,333	(634)	267,302	476,471		476,471
Comprehensive income				**16,860**	**16,860**		**16,860**
- Net income for the year				16,860	16,860		16,860
- Other comprehensive income							0
Capital transactions with owners		**(9,176)**	**66**	**9,176**	**66**		**66**
- Appropriation of net income for the previous year		(9,176)	0	9,176	0		0
- Change in treasury shares held			66	0	66		66
Shareholders' equity at Dec. 31, 2012	160,470	40,157	(568)	293,338	493,397		493,397
Comprehensive income				**1,940**	**1,940**		**1,940**
- Net income for the year				1,940	1,940		1,940
- Other comprehensive income							0
Capital transactions with owners		**(8,692)**	**(34)**	**18**	**(8,708)**		**(8,708)**
- Dividends paid (€0.65 per share)		(8,692)		18	(8,674)		(8,674)
- Change in treasury shares held			(34)		(34)		(34)
Shareholders' equity at Dec. 31, 2013	160,470	31,465	(602)	295,296	486,629		486,629

2.5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the 2013 consolidated financial statements

These notes provide additional information in respect of the consolidated statement of financial position at December 31, 2013 and in respect of the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended.

2.5.1 BACKGROUND AND MAIN ASSUMPTIONS USED TO PREPARE THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1.1 Operational context

The Group, made up of Cegereal SA and its subsidiary Prothin SAS, did not experience any change in its operating environment during the year ended December 31, 2013.

The Company did not acquire or dispose of any real estate assets during this period.

RENTAL ACTIVITY

During 2013, the marketing of the Arcs de Seine building continued. A lease was entered into with Sagem for a total surface area of 4,956 sq.m (lease starting on April 1, 2013) and another with Sonepar for 1,432 sq.m. Sonepar entered the premises on January 1, 2014. HP extended the surface area of its rental agreement by 1,432 sq.m at the end of 2013.

On April 1, 2013, Cap Gemini vacated the 11th floor of the Europlaza tower (1,296 sq.m). On June 28, 2013, a new lease was negotiated in advance by the same lessee for part of the premises currently occupied (7,433 sq.m). After the end of the reporting period, Galderma, also a lessee of the Europlaza tower, extended its rental agreement for a fixed term of six years with an additional surface area of 825 sq.m.

Crédit Foncier, the sole lessee of the Rives de Bercy building, renegotiated its lease in advance of its expiration. It chose to extend the length of its rental agreement by nine years, until December 2021.

Note 1.2 Presentation of comparative financial information

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2013 includes the financial statements for the year ended December 31, 2012.

Note 1.3 Regulatory context

The Group's consolidated financial statements for the year ended December 31, 2013 were prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) applicable to accounting periods ended December 31, 2013, as adopted by the European Union (hereafter referred to as "IFRS").

Dividend payments are decided by the General Shareholders' Meeting on the basis of Cegereal SA's financial statements prepared in accordance with French GAAP and not on the basis of the IFRS financial statements.

The consolidated financial statements were adopted by the Board of Directors on February 13, 2014.

2.5.2 SIGNIFICANT ACCOUNTING POLICIES USED TO PREPARE THE 2013 CONSOLIDATED FINANCIAL STATEMENTS

Note 2.1 Presentation of the consolidated financial statements

ACCOUNTING STANDARDS

The Group's consolidated financial statements for the year ended December 31, 2013 have been prepared in accordance with international accounting standards (IAS/IFRS) and with the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union at December 31, 2013 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2012 have also been prepared according to the same standards.

For the fiscal years presented, the standards and interpretations adopted in the European Union and applicable to the Group are similar to the standards and interpretations effective for these periods as published by the International Accounting Standards Board (IASB). The Group's financial statements are therefore prepared in accordance with IFRS standards and IFRIC interpretations, as published by the IASB.

The consolidated financial statements have been prepared using the historical cost convention, except in the case of investment property, financial instruments and assets held for sale, which are carried at fair value in accordance with IAS 40, IAS 32, IAS 39 and IFRS 5.

The new published standards, amendments and interpretations effective for accounting periods beginning on or after December 31, 2013 have no impact on the Company's 2013 consolidated financial statements.

IFRS 13 'Fair Value Measurement', adopted by the European Commission on December 11, 2012, has been subject to mandatory application since January 1, 2013. IFRS 13 explains how to measure fair value but does not change the conditions of application of fair value, and is applied on a prospective basis. The opening balance sheet position must provide comparable information. IFRS 13 categorizes the inputs taken into account to measure fair value through three different levels of the fair value hierarchy, depending on whether it concerns unadjusted quoted prices that the entity can access at the measurement date in active markets for identical assets or liabilities, inputs that are observable for the asset or liability, either directly or indirectly, or unobservable inputs. The methods used by external valuers to define the fair value of the real estate assets held at December 31, 2013 are presented in Note 2.4. These assets are measured using inputs that are not directly observable. Previous valuations were carried out using the same methods.

IAS 19 (revised) 'Employee Benefits' has been applicable since January 1, 2013 on a retrospective basis (as of January 1, 2012). The revision of this standard did not have a significant impact on the Group's financial statements.

The amendment to IAS 1 'Presentation of Financial Statements', aimed at complementing the financial information relating to the statement of comprehensive net income and gains and losses recognized directly in equity, is subject to mandatory application for fiscal years beginning on or after July 1, 2012. In accordance with this amendment, items in "Other comprehensive income" in the statement of comprehensive income may be grouped into sub-totals depending on whether or not they are subsequently reclassified.

The Group has elected not to early adopt any IFRS standards or IFRIC interpretations adopted by the European Union but only effective for subsequent accounting periods and which would have an impact on the Group's financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements include all entities controlled or jointly controlled by the Group, or over which it exercises significant influence. In determining its ownership interest, the Group considers any potential voting rights giving access to additional voting rights, provided that these rights are currently exercisable or convertible.

Full consolidation

All entities controlled by the Group are fully consolidated. Control is presumed to exist when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

At December 31, 2013, no entities were jointly controlled or significantly influenced by the Group.

Scope of consolidation

At December 31, 2013, the scope of consolidation included the following entities:

	Siren no.	% control	% interest	Consolidation method	Period taken into account
Cegereal SA	422,800,029	100%	100%	Full consolidation	January 1 to December 31, 2013
Prothin SAS	533,212,445	100%	100%	Full consolidation	January 1 to December 31, 2013

All entities included in the scope of consolidation closed their accounts on December 31, 2013.

Consolidation adjustments and eliminations

Business combinations are accounted for in accordance with IFRS 3. The cost of a business combination reflects the acquisition-date fair value of the assets acquired, liabilities assumed or incurred and equity instruments issued in exchange for the acquiree.

On the first-time consolidation of a company, the impact of consolidation, representing the difference between the acquisition cost of the shares and their share in the fair value of the assets and liabilities transferred, is recorded as:

- a fair value adjustment relating to certain identifiable assets and liabilities, amortized using the same rules as the assets and liabilities to which it relates;
- goodwill (where appropriate), recorded within assets on the consolidated statement of financial position in the case of a positive balance and tested for impairment each year, or within the statement of comprehensive income in the case of a negative balance.

No fair value adjustments or goodwill were recognized on the first-time consolidation of Prothin SAS as the company was created by Cegereal SA on June 22, 2011.

Note 2.2 Segment reporting

Within the framework of IFRS 8, the Group has not identified different operating segments insofar as its assets solely comprise commercial real estate located in the Paris area.

IFRS 8 states that operating segments may be aggregated if they are similar in each of the following respects:

– the nature of the products and services;

– the nature of the production processes;

– the type or class of customer for their products and services;

– the methods used to distribute their products or provide their services;

– if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

Consequently, the Group did not have significant additional disclosure requirements as a result of applying IFRS 8.

Note 2.3 Investment property

Property held under long-term operating leases to earn rentals or for capital appreciation or both, and not occupied by the Group, is classified as investment property. Investment property includes owned land and buildings.

Investment property is initially measured at historical cost, including transaction costs. After initial recognition, investment property is remeasured at fair value. As a result, no depreciation or impairment is recognized on investment property. Fair value is measured net of registration tax by an external real estate valuer at the end of each reporting period. The methodology used by the external real estate valuer is described below (see Note 2.4).

Subsequent expenditure may only be allocated to the assets' carrying amount when it is probable that the future economic benefits associated with the property will flow to the Group, and the cost of the property can be measured reliably. All other repair and maintenance costs are recognized in the statement of comprehensive income during the period in which they are incurred. Changes in fair value of investment property are recognized in the statement of comprehensive income.

Note 2.4 Estimates of the fair value of investment property

ESTIMATES AND ASSUMPTIONS

The fair value of property is measured by an external real estate valuer in accordance with the benchmark treatment in IAS 40.

In accordance with the recommendations of the Committee of European Securities Regulators (CESR) of July 2009, the Group appointed the real estate valuation firm DTZ Eurexi to appraise three commercial properties.

It is common practice to change real estate valuer every three years in order to obtain a new analysis of an asset's qualities and market value. During the first half of 2013, the Company commissioned DTZ Eurexi (who replaced BNP Paribas Real Estate Expertise as its real estate valuer) to assess the value of three investment properties.

When preparing the financial statements, management and the external real estate valuer are required to use certain estimates and assumptions that are likely to affect the amounts of assets, liabilities, income and expenses reported in the financial statements and in the accompanying notes. The Group and the real estate valuer are required to review these estimates and appraisals on an ongoing basis in light of past experience and other factors deemed of material importance with regard to economic conditions. The amounts reported in future financial statements may differ from these estimates as a result of changes in assumptions or circumstances.

The values of investment property measured by the real estate valuers represent the best estimates at December 31, 2013, based on recent market observations and valuation methods commonly used within the profession. These estimates are not intended to anticipate any market changes.

VALUATION METHODS

The valuer calculated the fair value of the real estate assets in accordance with the professional standards set out in the French Real Estate Valuation Charter.

The market value of the property is measured using its estimated rental value and the Discounted Cash Flow (DCF) and capitalization methods.

Estimated rental value

The rental value is determined by comparing the rental value per square meter of the most recent transactions involving properties of similar type and location, in order to determine a market value per square meter for the different types of premises (offices, staff cafeterias, car parks, etc.). This rental value is subject to a reversion rate to take account of the specific features of the real estate assets.

Market value

The results of applying two traditional methods (the DCF method and the capitalization method) are combined to estimate the market value.

A discount is applied to the gross value to take account of transfer duties and registration costs, which are estimated at the rate of 6.20%.

DCF method

This method consists of discounting the annual cash flows generated by the asset, including the assumed resale at the end of a defined ownership period. Cash flows are defined as the total amount of all of the asset's revenues, net of expenses not rebillable to lessees.

Capitalization approach

This method consists of capitalizing the annual income generated by an asset with a capitalization rate defined by reference to the market. The rate used reflects the quality of the financial covenants as well as the long-term risks related to the property.

Note 2.5 Financial instruments – classification and measurement of non-derivative financial assets and liabilities

Financial assets and liabilities are recognized and measured in accordance with IAS 39.

LOANS AND RECEIVABLES

Loans and receivables include the non-current portion of the economic benefits of the lease, rent-free periods, rent discounts, the portion of fitting-out costs incurred by the lessee and borne by the lessor, and the lease premiums paid to lessees in accordance with IAS 17 and interpretation SIC 15.

TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of accrued amounts receivable from lessees. They are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method, less any provisions for impairment. A provision for impairment of trade accounts receivable is set aside when there is objective evidence that certain amounts are no longer recoverable. The amount of this provision corresponds to the difference between the carrying amount of the asset and the present value of future cash flows estimated using the effective interest method. Impairment provisions are recorded in the statement of comprehensive income.

Rent is usually billed in advance, trade accounts receivable consist of rent billed in respect of the following period.

This timing difference between the billing date and the end of the reporting period is eliminated by recognizing rent billed for future periods and not yet due under “Prepaid revenue”.

NON-DERIVATIVE FINANCIAL LIABILITIES

After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

Note 2.6 Share capital

Ordinary shares are classified in shareholders' equity. Incremental costs directly attributable to new share issues are shown in shareholders' equity as a deduction, net of tax, from additional paid-in capital.

Note 2.7 Treasury shares

On August 29, 2006, Cegereal SA entered into a liquidity agreement with Exane BNP Paribas. This agreement complies with the standard-type contract of the French Association of Investment Firms (*Association Française des Entreprises d’Investissement* – AFEI) and the AFEI code of ethics of March 14, 2005 which was approved by the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 22, 2005.

Under the terms of this agreement, Exane BNP Paribas may buy and sell Cegereal SA shares on behalf of Cegereal SA within the limits imposed by law and the authorizations granted by the Board of Directors.

On September 20, 2010, Cegereal SA entered into a second liquidity agreement with Exane BNP Paribas for an amount of EUR 200k invested in Cegereal SA shares.

Within the scope of these liquidity agreements, the Group owned 27,222 treasury shares (representing 0.2% of its total issued shares) for a total amount of EUR 613k at December 31, 2013.

In accordance with IAS 32, these treasury shares are shown as a deduction from consolidated equity based on their acquisition cost (net of directly attributable transaction costs) or their initial carrying amount in the consolidated statement of financial position. Any capital gains or losses arising on the disposal of these shares are eliminated in the statement of comprehensive income and recognized against consolidated equity.

Cash allocated to the liquidity agreement and not invested in Cegereal SA shares at the end of the reporting period is stated in "Other operating receivables".

Note 2.8 Election for tax treatment as an SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies (*Sociétés d’Investissement Immobilières Cotées* – SIICs) in accordance with Article 208 C of the French Tax Code *(code général des impôts)*. This election took effect on April 1, 2006. Prothin SAS, Cegereal's sole and fully-controlled subsidiary, also benefits from this preferential tax treatment.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2013. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

Terms and conditions and impact of tax treatment as an SIIC

(a) When a company elects for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

(b) SIICs that have elected for preferential tax treatment are exempted from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated (85% of this income for the amounts paid up to December 31, 2013);
- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for preferential tax treatment, provided that 60% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated (50% of these capital gains for the amounts paid up to December 31, 2013);
- dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

In the event that Cegereal SA opts out of the SIIC regime in the ten years following election, it will be subject to corporate income tax at the standard rate on the revaluation gains determined upon election for the SIIC regime, less exit tax already paid at the reduced 16.5% rate.

(c) The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code *(Code de commerce)*.

(d) The Amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not payable in the event the beneficiary is a company that has an obligation to distribute all dividends it receives.

Note 2.9 Employee benefits

IAS 19 requires entities to recognize as expenses all current or future benefits or compensation granted by an entity to its employees or to third parties over the period during which the rights to such benefits or compensation vest.

The Group only has three employees and therefore considers that its employee benefit commitments in respect of defined benefit plans are not material. Consequently, the amount of its employee benefit commitments was not assessed at December 31, 2013.

Note 2.10 Bank borrowings

On initial recognition, bank borrowings are measured at the fair value of the consideration received, less directly attributable transaction costs.

They are subsequently measured at amortized cost using the effective interest method. The long-term portion (due more than 12 months after the end of the reporting period) is classified in non-current borrowings and debt, while the short-term portion (due in less than 12 months) is classified in current borrowings and debt.

Note 2.11 Rental income

The Group leases out its real estate under operating leases. Assets leased under operating leases are recognized in the consolidated statement of financial position within investment property.

Rental income is recognized over the lease term.

In accordance with IAS 17 and interpretation SIC 15, the financial impact of all of the provisions in the lease agreement is recognized on a straight-line basis over the shorter of the lease term or the period up to the date on which the lessee may terminate the lease without incurring any material financial consequences (usually after six years). Therefore, in order to accurately reflect the economic benefits of the lease, rent-free periods, rent discounts, the portion of fitting-out costs incurred by the lessee and borne by the lessor, and lease premiums paid to lessees are recognized over the firm term of the lease.

Termination indemnities are recognized in "Income from other services" in operating income.

Note 2.12 Rental expenses and rebilling of expenses to lessees

Rental expenses incurred by the lessor on behalf of lessees and expenses chargeable to the lessees under the terms of the lease are recorded in the statement of comprehensive income under “Building-related costs".

The rebilling of rental expenses and expenses chargeable to lessees under the terms of the lease are recorded in the statement of comprehensive income under “Income from other services”.

The portion of rental expenses concerning vacant premises is recorded directly in the statement of comprehensive income.

Note 2.13 Discounting of deferred payments

Long-term payables and receivables are discounted when they are considered to have a material impact.

- Security deposits received from lessees are not discounted because they are indexed annually based on an index used for annual rent reviews;
- There are no provisions for material liabilities, as defined in IAS 37.

Note 2.14 Earnings per share

Earnings per share is a key indicator used by the Group, and is calculated by dividing net attributable income by the weighted average number of shares outstanding during the period. As Cegereal SA has no dilutive instruments, basic and diluted earnings per share are the same.

Note 2.15 Presentation of the financial statements

Assets and liabilities maturing within 12 months of the reporting date are classified as current assets and liabilities in the consolidated statement of financial position. All other assets and liabilities are treated as non-current.

Expenses in the statement of comprehensive income are shown according to their nature.

In the statement of cash flows, net operating cash flows are calculated using the indirect method, whereby the net amount is based on net income adjusted for non-cash transactions, items of income or expense associated with investing or financing cash flows and changes in working capital requirements.

2.5.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

To prepare the consolidated financial statements, the Group uses estimates and judgments which are updated on a regular basis and are based on past information and other factors, in particular assumptions of future events deemed reasonable in view of the circumstances.

Estimates that could lead to a significant adjustment in the carrying amount of assets and liabilities in the subsequent period mainly concern the determination of the fair value of the Group’s real estate assets, which is measured on the basis of valuations carried out by an external real estate valuer using the methodology described in Note 2.4.

Financial market instability has led to a significant decrease in the number of representative transactions. Transactions which take place in this context may not reflect the estimates of external real estate valuers.

As these valuations are only estimates, there may be a significant difference between the amount obtained upon the sale of certain real estate assets and their estimated value, even when they are sold in the months following the end of the reporting period.

In this context, valuations of the Group's real estate assets by the external real estate valuer could vary significantly according to changes in the rate of return, based on observations of the real estate market.

in millions of euros

			Changes in potential rate of return								
Building	Market rental value	Potential rate of return	0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
Europlaza	27.22	7.24%	332.1	337.5	343.2	349.0	355.0	361.2	367.7	374.4	381.3
Arcs de Seine	21.48	6.30%	298.3	303.9	309.7	315.7	322.0	328.5	335.3	342.4	349.8
Rives de Bercy	11.78	6.47%	159.7	162.6	165.6	168.7	172.0	175.4	178.9	182.6	186.4
Total	60.48	6.73%	790.1	804.0	818.5	833.5	849.0	865.1	881.9	899.4	917.5
Impact on portfolio value:			(6.94)%	(5.30)%	(3.60)%	(1.83)%	0.00%	1.90%	3.88%	5.93%	8.07%

Source: DTZ Eurexi

These data are linked to the market and could therefore change significantly in the current climate. This could have a significant positive or negative impact on the fair value of the Group's real estate assets.

2.5.4 MANAGEMENT OF FINANCIAL RISKS

Note 4.1 Risk relating to refinancing

The Group has a single bank loan which it took out with a pool of four banks comprising Aareal Bank AG, Deutsche Pfandbriefbank AG, Bayerische Landesbank and Landesbank Berlin AG. The loan is repayable at maturity on August 16, 2017.

Note 4.2 Risk related to the valuation of real estate assets

The Group's real estate portfolio is valued by an external real estate valuer. The value of the portfolio depends on the ratio of supply to demand in the property market, a large number of substantially varying factors, and changes in the economic environment.

All of the Group's real estate assets are office buildings with a large surface area (above 30,000 sq.m) located in the inner suburbs of Paris. A fall in demand for this type of building could adversely affect the Group's earnings, business activities and financial position.

The current crisis has given rise to sharp volatility in real estate prices and values. Consequently, the price obtained if the assets are disposed of in the short term may not be in line with the valuation.

Note 4.3 Risk related to changes in market rent levels for office premises

Market rent levels for office premises and the value of office buildings are strongly influenced by the ratio of supply to demand in the property market. A situation where supply outweighs demand is likely to adversely affect the Group's earnings, business activities, assets and liabilities, and financial position.

Note 4.4 Risk related to the regulatory framework applicable to leases

Certain legal provisions applicable to commercial leases, such as public policy regulations governing lease terms and the indexing of rent, can restrict the capacity of property owners to increase rents. In the event of a change in the regulatory framework or the index used, the Group may be exposed to such risks.

Note 4.5 Counterparty risk

Group procedures ensure that lease agreements are only entered into with lessees of suitable credit standing. The Group has developed policies that limit its exposure to credit risk.

At December 31, 2013, the Group was dependent on four lessees who collectively represented approximately 65% of total rental income received in 2013 and individually more than 10%. Although the Group's real estate assets could be – and are – leased to many different lessees, financial difficulties experienced by one of these lessees, a request for more favorable lease terms upon renewal or a decision to terminate their lease, could adversely impact the Group's financial position, earnings and future performance.

Note 4.6 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and the ability to unwind market positions.

The Group receives financing in the form of a single bank loan taken out with a pool of four banks.

Notes 5.11 and 5.24 contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. At December 31, 2013, the Group complied with all financial covenants.

Note 4.7 Interest rate risk

At December 31, 2013, the Group's financing consisted of a fixed-rate loan for EUR 400,000k maturing in August 2017. The interest rate is 3.40% when the occupancy rate is below 90% (as is the case at December 31, 2013) and 3.15% when the occupancy rate exceeds this threshold.

2.5.5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2013 AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR THEN ENDED

Note 5.1 Investment property

CARRYING AMOUNT OF INVESTMENT PROPERTY

Changes in the carrying amount of investment property can be broken down by building as follows:

in thousands of euros

	Rives de Bercy	Europlaza	Arcs de Seine	Total
Dec. 31, 2011	168,700	385,500	300,000	854,200
Indemnity received				
Subsequent expenditure			1,815	1,815
Disposals				
Change in fair value	(300)	1,500	8,185	9,385
Dec. 31, 2012	168,400	387,000	310,000	865,400
Indemnity received				
Subsequent expenditure	65	531	149	745
Disposals				
Change in fair value	3,535	(32,531)	11,851	(17,145)
Dec. 31, 2013	172,000	355,000	322,000	849,000

MAIN FAIR VALUE ASSUMPTIONS

The real estate valuer's estimation of the fair value of the buildings at December 31, 2013 is indicated below, along with the supporting information:

Building	Estimated value at December 31, 2013 (net of taxes)		Theoretical effective rate of return	Gross leasable area(1) at December 31, 2013		Annual rent (net of taxes)(2)	
	in millions of euros	%	%	sq.m.	%	in thousands of euros	%
Europlaza (1999(3))	355	42	6.5	49,321	39	23,664	42
Arcs de Seine (2000(3))	322	38	5.9	45,152	36	21,563	38
Rives de Bercy (2003(3))	172	20	6.2	31,942	25	10,883	19
Total	849	100		126,415	100	56,110	100

(1) The gross leasable area includes the surface area of the offices, storage areas and a share of common areas.
(2) Annual rent includes rent billed to lessees for space occupied at December 31, 2013 and market rent, as estimated by valuers, in relation to vacant premises (EUR 2,604k for Europlaza and EUR 4,203k for Arcs de Seine).
(3) Year of construction or restoration.

Note 5.2 Non-current loans and receivables

This item can be broken down as follows:

in thousands of euros

	Dec. 31, 2013	Dec. 31, 2012
Benefits granted to lessees (non-current portion)	29,331	14,401
Non-current loans and receivables	29,331	14,401

It concerns the non-current portion of rents, rent discounts and lease premiums paid to lessees recognized over the firm term of the lease in accordance with the accounting regulations stated in Note 2.11.

Note 5.3 Trade accounts receivable

This item can be broken down as follows:

in thousands of euros

	Dec. 31, 2013	Dec. 31, 2012
Trade accounts receivable	12,508	12,043
Provision for impairment of trade accounts receivable		(19)
Trade accounts receivable, net	12,508	12,024

Note 5.4 Other operating receivables

This item can be broken down as follows:

in thousands of euros

	Dec. 31, 2013	Dec. 31, 2012
Rental expenses		1,222
Input VAT	74	500
Supplier accounts in debit and other receivables	84	40
Liquidity account/treasury shares	103	138
Other operating receivables	261	1,899

Note 5.5 Cash and cash equivalents

"Cash and cash equivalents" comprises either bank account balances or risk-free bank deposits that may be considered as cash equivalents.

This item is made up of checking account balances amounting to EUR 10,017k and time deposits amounting to EUR 6,000k. The interest rate on time deposits in effect at December 31, 2013 was approximately 0.15%.

Note 5.6 Ageing analysis of receivables

The ageing analysis of receivables at December 31, 2013 is as follows:

in thousands of euros

	Receivables (net of impairment) Dec. 31, 2013	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
Non-current receivables						
Non-current loans and receivables	29,331	29,331				
Total non-current receivables	**29,331**	**29,331**	**-**	**-**	**-**	**-**
Current receivables						
Trade accounts receivable(1)	12,508	12,502	6	3	-	3
Other operating receivables	261	261				
Prepaid expenses	68	68				
Total current receivables	**12,837**	**12,831**	**6**	**3**	**-**	**3**
Total receivables	42,168	42,162	6	3	-	3

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 12,508k and is detailed in Note 5.24.

The ageing analysis of receivables at December 31, 2012 is as follows:

in thousands of euros

	Receivables (net of impairment) Dec. 31, 2012	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
Non-current receivables						
Non-current loans and receivables	14,401	14,401				
Total non-current receivables	**14,401**	**14,401**	**-**	**-**	**-**	**-**
Current receivables						
Trade accounts receivable	12,024	10,032	1,992	1,986	-	6
Other operating receivables	1,899	1,899				
Prepaid expenses	41	41				
Total current receivables	**13,964**	**11,972**	**1,992**	**1,986**	**-**	**6**
Total receivables	28,366	26,373	1,992	1,986	-	6

Note 5.7 Fair value of financial assets

The fair value of financial assets, which primarily comprise receivables, corresponds to their carrying amount.

Note 5.8 Financial assets and liabilities

The table below presents a summary of financial assets and liabilities:

in thousands of euros

Summary of financial assets and liabilities	Dec. 31, 2013	Dec. 31, 2012
Financial assets at fair value through profit or loss		
Held-to-maturity investments		
Loans and receivables		
Non-current loans and receivables	29,331	14,401
Current receivables	12,770	13,924
Available-for-sale financial assets		
Cash and cash equivalents	16,018	20,921
Total financial assets	58,119	49,247
Financial liabilities at fair value through profit or loss		
Financial liabilities measured at amortized cost		
Non-current liabilities	399,266	397,362
Current liabilities	7,016	10,315
Total financial liabilities	406,282	407,677

Note 5.9 Changes in impairment of financial assets

Changes in impairment of financial assets can be analyzed as follows:

in thousands of euros

	Dec. 31, 2012	Additions	Reversals	Dec. 31, 2013
Impairment on trade accounts receivable	19		19	
Total impairment	19	-	19	-

Note 5.10 Consolidated equity

Composition of and changes in shareholders' equity

	Number of shares	Nominal value of shares in euros	Share capital in thousands of euros	Legal reserve and additional paid-in capital in thousands of euros	Consolidated reserves and retained earnings in thousands of euros
Shareholders' equity at Dec. 31, 2012	13,372,500	12	160,470	40,157	292,770
Dividends paid				(8,692)	18
Net income for the year					1,940
Change in treasury shares held					(34)
Shareholders' equity at Dec. 31, 2013	13,372,500	12	160,470	31,465	294,694

Consolidated reserves comprise Cegereal reserves for a negative EUR 37,411k, IFRS adjustments (non-distributable items) of EUR 179,763k and the revaluation reserve in the amount of EUR 152,342k.

Dividends paid

in euros

	Recommended dividend for 2013	Paid in 2013 (excl. treasury shares)
Total dividend paid	10,029,375	8,674,220
Net dividend per share in euros	0.75	0.65

The total amount of dividends paid for the 2013 fiscal year is shown in the table based on the number of shares comprising the share capital at December 31, 2013. Dividends to be paid in respect of 2013 as approved by the General Shareholders' Meeting will be reduced by the number of treasury shares held by the Company at the dividend payment date, as these shares do not carry any dividend rights.

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that a dividend of EUR 0.75 per share be paid for the 2013 fiscal year.

Treasury shares

in euros

	Amount at Dec. 31, 2013	Amount at Dec. 31, 2012	Change
Acquisition cost	613,321	425,372	187,949
Number of treasury shares at reporting date	27,222	25,649	1,573

Note 5.11 Non-current borrowings

On July 26, 2012, the Group took out a bank loan repayable at maturity on August 16, 2017. The loan was drawn on November 15, 2012 with a pool of four banks comprising Aareal Bank AG, Deutsche Pfandbriefbank AG, Bayerische Landesbank and Landesbank Berlin AG. The interest rate is 3.40% when the occupancy rate is below 90% (as is the case at December 31, 2013) and 3.15% when the occupancy rate exceeds this threshold.

At December 31, 2013, the bank loan, measured at the amortized cost of the consideration received less directly attributable transaction costs amounted to EUR 395,797k.

The gross annual interest expense totals around EUR 13,789k for 2013.

Guarantees granted in respect of the loans are recorded as off-balance sheet commitments (see Note 5.24).

Loan repayment dates are subject to compliance with the covenants or contractual clauses set out in Note 5.24. If the Group fails to comply with these ratios, it could be required to make a partial repayment of the loan in advance. On the last interest payment date (November 15, 2013), the Group complied with both of the ratios described in Note 5.24 (interest coverage, or ICR, and loan-to-value, or LTV).

Note 5.12 Fair value of financial liabilities

The fair value of the bank loan at December 31, 2013 can be analyzed as follows:

in thousands of euros

	Dec. 31, 2013		Dec. 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank loan	395,797	398,621	400,000	402,899
Total	395,797	398,621	400,000	402,899

There was no difference between the carrying amounts and fair values of other financial instruments.

Note 5.13 Other non-current borrowings and debt

This caption mainly consists of security deposits paid by lessees, which are recorded as non-current borrowings and debt based on the assumption that lessees will seek to renew their leases if they expire within the next 12 months.

Note 5.14 Other operating liabilities

These can be broken down as follows:

in thousands of euros

	Dec. 31, 2013	Dec. 31, 2012
Personnel		
Accrued VAT, other taxes and social security charges	2,420	2,081
Accrued rental expenses rebilled to lessees	644	1,917
Advance payments by lessees	452	148
Miscellaneous		
Other operating liabilities	3,516	4,146
Amounts due to fixed asset suppliers	246	1,291
Amounts due to fixed asset suppliers	246	1,291
Other liabilities	3,762	5,438

"Accrued rental expenses rebilled to lessees" includes an amount of EUR 554k corresponding to the balance of lessees' contributions to the financing of large items of shared equipment.

Note 5.15 Maturity schedule for liabilities with undiscounted contractual values

The maturity schedule for liabilities with undiscounted contractual values is as follows:

in thousands of euros

	Carrying amount at Dec. 31, 2013	Undiscounted contractual value	Undiscounted contractual value		Due in more than 5 years
			Due in 1 year or less	Due in more than 1 year but less than 5 years	
Non-current liabilities					
Non-current borrowings	395,797	400,000		400,000	
Other non-current borrowings and debt	3,469				3,469
Non-current corporate income tax liability					
Total non-current liabilities	399,266	400,000	-	400,000	3,469
Current liabilities					
Current borrowings	1,776	1,776	1,776		
Other current borrowings and debt					
Trade accounts payable	1,479	1,479	1,479		
Corporate income tax liability					
Other operating liabilities	3,762	3,762	3,762		
Total current liabilities	7,016	7,016	7,016	-	-

Other non-current borrowings and debt corresponds to security deposits paid by lessees. Their maturity date is more than five years because it is the Group's policy to extend leases when they expire.

Note 5.16 Prepaid revenue

Prepaid revenue consists of rents billed in advance for the first quarter of 2014.

Note 5.17 Rental income

Including the impact of benefits granted to lessees, rental income can be broken down by building as follows:

in thousands of euros

	2013	2012
Europlaza	21,812	22,725
Arcs de Seine	11,765	4,691
Rives de Bercy	9,726	11,217
	43,303	38,633

Note 5.18 Income from other services

Income from other services can be analyzed as follows:

in thousands of euros

	2013	2012
Rental expenses rebilled to lessees	5,879	5,082
Real estate taxes rebilled to lessees	4,217	3,589
Other amounts rebilled to lessees and miscellaneous income	366	102
Income from other services	10,462	8,773

Note 5.19 Building-related costs

These can be broken down as follows:

in thousands of euros

	2013	2012
Rental expenses	5,427	4,924
Taxes	4,851	4,697
Fees	3,968	4,052
Maintenance costs	735	431
Expenses on vacant premises	1,874	2,187
Other expenses	73	90
Building-related costs	16,927	16,382

Fees mainly comprise asset management fees with Commerz Real Investmentgesellschaft, which amounted to EUR 2,972k at December 31, 2013 compared with EUR 3,029k at December 31, 2012. These fees are based on the estimated value of the buildings owned.

Expenses on vacant premises relate to the Europlaza and Arcs de Seine buildings.

Rental expenses totaled EUR 12,152k of which EUR 10,096k were rebilled.

Note 5.20 Administrative costs

Administrative costs mainly comprise professional fees for EUR 1,186k and payroll expenses for EUR 576k.

Note 5.21 Financial income and expenses

Financial income and expenses can be broken down as follows:

in thousands of euros

	2013	2012
Financial income	2	113
Financial expenses	(14,996)	(20,816)
Interest and charges on bank borrowings	(14,996)	(16,917)
Breakage costs on previous loan		(3,899)
Net financial expense	(14,994)	(20,704)

Note 5.22 Corporate income tax and tax proof

All consolidated entities contributing to consolidated income fall under the SIIC tax regime for listed real estate investment companies and are not liable for corporate income tax.

Note 5.23 Earnings per share

Earnings per share is calculated by dividing net income attributable to owners of Cegereal SA by the number of ordinary shares net of treasury shares at December 31, 2013, i.e., 27,222. Earnings per share data are provided below the statement of comprehensive income.

As Cegereal SA has no dilutive instruments, basic and diluted earnings per share are the same.

Note 5.24 Off-balance sheet commitments and security provided

All material commitments are listed below. The Group had not entered into any complex commitments at the end of the reporting period.

COMMITMENTS GIVEN

Under the terms of the credit agreement, the main commitments given by the Group are as follows:

– registration of contractual mortgages on all of the Group's existing real estate assets;

– assignment of rent receivables under the Dailly Law mechanism on all of the Group's existing real estate assets;

– to ensure that the interest coverage ratio (ICR) (available income/[projected interest + agency fees]) remains above 150%. Non-compliance with this ratio (calculated quarterly on each interest payment date) results in an obligation to repay the outstanding loan in the amount required for the ratio to be complied with;

– to ensure that the loan-to-value ratio (LTV) (outstanding loan/market value of real estate assets) remains below 70%. Non-compliance with this ratio (calculated quarterly on each publication of the valuation reports) results in an obligation to repay the outstanding loan in the amount required for the ratio to be complied with;

– to provide the agency with accounting and financial documents, valuation reports, financial ratio calculations and other information relating to the buildings described in the credit agreement;

– to allow the agency to carry out audits and visits as set out in the credit agreement;

– to take out insurance as set out in the credit agreement;

– not to take out any other loans;

– not to grant any loans apart from those set out in the credit agreement;

– not to grant liens on these assets, rights or income other than security interests;

– not to acquire any new real estate assets (excluding financing using equity) or interests;

– to distribute dividends to the sole shareholder under the conditions set out in the credit agreement;

– to only acquire investments set out in the credit agreement for cash flow needs;

– in the event that the Group no longer benefits from the SIIC regime, to show that the Group has sufficient equity to pay all the taxes and indemnities for which it may be liable and that the fact of no longer benefiting from the regime will not lead to an effective payment of corporate income tax during the term of the loan resulting in a materially unfavorable event;

– repaying the loan in advance, which would give rise to breakage costs and an early repayment indemnity.

Following the partial asset transfer, Cegereal SA has undertaken to keep all Prothin SAS shares for a period of three years. In the same way, Prothin SAS has undertaken to keep the contribution premium (EUR 196,911k) under shareholders' equity for the same period, unless this restriction is waived in the event that the company has surplus cash.

COMMITMENTS RECEIVED

Security deposits received from lessees amounted to EUR 11,815k at December 31, 2013.

A new lease on the Arcs de Seine building was entered into with Sonepar on June 28, 2013 for a total surface area of 1,432 sq.m. Sonepar will enter the premises on January 1, 2014, though they have been made available since September 1, 2013.

Description of the main provisions and resulting commitments of the Group’s operating leases:

All of the Group's business assets are located in France and are subject to the provisions of French law. The Group's business activities are governed by Articles L.145-1 to L.145-60 of the French Commercial Code. The lease term may not be less than nine years and only the lessee has the option of terminating the lease at the end of each three-year period following inception of the lease, subject to six months’ notice. However, the parties may agree to contractually waive the option to terminate the lease at the end of each three-year period.

Rents are generally payable quarterly in advance and are indexed annually. The lease may provide for a step-up arrangement or for constant rental payments, and it may include rent-free periods or temporary rent freezes, but in any event, the terms and conditions are fixed at the inception of the lease for the entire lease term. Charges, including real property tax and tax on office premises, are generally borne by the lessee unless otherwise stipulated in the lease.

Minimum guaranteed rental income from current operating leases:

At December 31, 2013, the minimum annual rental income (excluding VAT, rebilling of taxes and expenses, and rent decreases agreed after the end of the reporting period), due to the Group through to the earliest possible termination dates of the different operating leases was as follows:

in thousands of euros

	Minimum annual rental income	
	Dec. 31, 2013	Dec. 31, 2012
2014	37,138	42,286
2015	41,784	28,651
2016	36,861	17,919
2017	33,676	13,721
2018	27,292	6,653
2019	20,474	4,701
2020	16,557	4,701
2021	15,352	3,516

These rents represent amounts to be invoiced, excluding the impact of the staggering of benefits granted to lessees with respect to earlier periods.

Note 5.25 Transactions with related parties

TRANSACTIONS WITH RELATED COMPANIES

The hausInvest property fund, Cegereal SA's majority shareholder, is managed by Commerz Real. Consequently, transactions with Commerz Real and other companies within the same group, in particular Eurohypo AG (renamed Hypothekenbank Frankfurt AG on October 9, 2012), are identified as related-party transactions.

The main transactions with related parties comprise the credit agreement entered into with Eurohypo AG (which was repaid in advance on November 15, 2012) and the asset management agreement (see Note 5.19).

in thousands of euros

	2013	2012
Impact on operating income		
Building-related costs: Asset management fees	2,972	3,029
Administrative costs: Fees		25
Impact on net financial expense		
Financial expenses		18,010
Total impact on statement of comprehensive income	2,972	21,064
Impact on assets		
Prepaid expenses		
Total impact on assets	-	-
Impact on liabilities		
Non-current borrowings		
Trade accounts payable	711	779
Total impact on liabilities	711	779

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

(i) Compensation of the Chairman of the Board of Directors
The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2012 and EUR 25k for 2013. The compensation for 2013 was paid in December.

(ii) Compensation of key management personnel

in thousands of euros

Categories of employee benefits	2013	2012
Short-term employee benefits	362	280
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		
Share-based payment		
Total	362	280

(iii) Directors' fees
Directors' fees of EUR 68k were paid for 2012.
Directors' fees of EUR 68k were paid for 2013.

(iv) Loans and securities granted to or on behalf of executives

None

(v) Transactions entered into with executives

None

(vi) Entities having key management personnel in common with the Group

The Group has key management personnel in common with CRI, namely certain directors.

Note 5.26 Personnel

The Group had three employees at December 31, 2013. The headcount did not change throughout the year.

Note 5.27 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
1 cours Valmy
92923 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean & Associés
34 rue Camille Pelletan
92300 Levallois Perret
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to the Statutory Auditors for the years ended December 31, 2013 and 2012 were as follows:

in thousands of euros

	Amount (net of taxes)		%	
	2013	2012	2013	2012
Statutory audit of the financial statements	254	272	96	100
Advisory services and services directly related to the statutory audit engagement	11		4	
Total	265	272	100	100

Note 5.28 Subsequent events

None

2.6 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Cegereal SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470,000

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying consolidated financial statements of Cegereal SA;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

The accounting estimates used in the presentation of the financial statements for the year ended December 31, 2013 were made against a backdrop of a lack of liquidity in the real estate market and significant difficulty in assessing the economic outlook. It is in this context and in accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)*, that we bring to your attention our own assessments.

- Notes 2.3 and 2.4 in section 2.5.2 to the notes to the consolidated financial statements describe the accounting method and valuation methods used to measure investment property. Investment property is measured at fair value, as estimated by an external real estate valuer at December 31 each year.

  Our work consisted in obtaining the external valuer's reports, assessing the data and assumptions on which the estimates were based, ensuring that the notes to the consolidated financial statements contain the appropriate disclosures and assessing the procedures used by Executive Management to approve these estimations.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Paris-La Défense, February 13, 2014	Levallois-Perret, February 13, 2014
KPMG Audit FS I	**Denjean & Associés**
Isabelle Goalec	Thierry Denjean
Partner	Partner

3. Annual financial statements prepared in accordance with French GAAP

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2012 and the related Statutory Auditors' report presented on pages 64 to 74 and page 75, respectively, of the 2012 Registration Document filed with the AMF on February 20, 2013 under no. D. 13-0071, are incorporated by reference into this document.

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2011 and the related Statutory Auditors' report presented on pages 73 to 88 and pages 88 to 89, respectively, of the 2011 Registration Document filed with the AMF on April 16, 2012 under no. D. 12-0348, are incorporated by reference into this document.

3.1 RESULTS AND FINANCIAL POSITION OF CEGEREAL SA

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the statutory financial statements which are presented in section II.3.5.

The annual financial statements for the year ended December 31, 2013 were prepared in accordance with French generally accepted accounting principles applicable to individual financial statements.

FINANCIAL POSITION/STATUTORY FINANCIAL STATEMENTS

At December 31, 2013, shareholders' equity stood at EUR 340,986k compared with opening shareholders' equity of EUR 351,538k.

At December 31, 2013, cash and cash equivalents stood at EUR 1,580k, a EUR 405k decrease compared with December 31, 2012. The main changes during the year ended December 31, 2013 contributing to this decrease were as follows:

in thousands of euros

SOURCES	
Funds from operations	
Net increase in working capital	145
Increase in miscellaneous debt	10,174
Decrease in fixed assets	
Total sources of funds	10,319

USES	
Funds used in operations	1,896
Dividends paid	8,674
Decrease in bank debt	
Increase in fixed assets	154
Total uses of funds	10,723

Net change in cash and cash equivalents	(405)

NET INCOME BY KEY INDICATOR FOR THE PERIOD:

Cegereal's rental activity was transferred to its subsidiary Prothin within the scope of the partial asset transfer of December 22, 2011 with retroactive effect from July 1, 2011. Accordingly, Cegereal acted as the holding company for Prothin's shares throughout 2012 and 2013.

in euros

	2013	2012
Net revenue		
Other operating revenue	38	67
Total operating revenue	**38**	**67**
Other purchases and external charges	(1,407)	(1,109)
Taxes, duties and other levies	(51)	(47)
Wages and salaries	(377)	(344)
Fixed assets: depreciation and amortization		
Other operating expenses	(93)	(68)
Total operating expenses	**(1,928)**	**(1,568)**
Operating loss	**(1,890)**	**(1,501)**
Total financial income		276
Total financial expenses	(141)	(98)
Net financial income/(expense)	**(141)**	**179**
Net non-recurring expense	**154**	**(117)**
Net loss	(1,877)	(1,440)

3.2 APPROPRIATION OF CEGEREAL SA NET LOSS FOR THE YEAR ENDED DECEMBER 31, 2013

APPROPRIATION OF NET LOSS

The Annual General Shareholders' Meeting will be asked to approve the appropriation of the 2013 net loss as follows:

Source:

– 2013 net loss: EUR 1,877,070

– Retained earnings: a negative EUR 1,422,072

Appropriation:

– Net loss of EUR 1,877,070 to "Retained earnings", bringing the total amount recorded under "Retained earnings" to a negative EUR 3,299,142.

PRIOR DISTRIBUTIONS OF DIVIDENDS (ARTICLE 243 BIS OF THE FRENCH TAX CODE)

Pursuant to the disclosure requirements set out in Article 243 bis of the French Tax Code, the dividends paid over the past four years are shown below:

in euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate
	Dividends	Other income distributed	
Dec. 31, 2009	21,663,450	-	1,069,800
Dec. 31, 2010	13,773,675	-	936,075
Dec. 31, 2011	-	-	-
Dec. 31, 2012	-	-	8,692,125

NON TAX-DEDUCTIBLE EXPENSES (ARTICLE 39-4 OF THE FRENCH TAX CODE)

The General Shareholders' Meeting will be asked to approve the total amount of EUR 4,235 of expenses and charges referred to in Article 39-4 of the French Tax Code as well as the related tax.

INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS AND CUSTOMERS OF CEGEREAL SA

Amounts outstanding with respect to suppliers amounted to EUR 444k, including EUR 37k due at December 31, 2013 and EUR 407k in accrued expenses not yet due. Trade accounts payable totaled EUR 448k at December 31, 2012, of which EUR 4k was due.

All amounts due are payable within 60 days.

3.3 SIGNIFICANT CHANGE IN FINANCIAL OR COMMERCIAL POSITION

To the Company's knowledge, there has been no significant change in Cegereal's financial or commercial position since December 31, 2013.

3.4 BALANCE SHEET AND INCOME STATEMENT PREPARED IN ACCORDANCE WITH FRENCH GAAP

BALANCE SHEET – FRENCH GAAP

in euros

ASSETS	Notes	Gross amount	Depr., amort. & prov.	Dec. 31, 2013	Dec. 31, 2012
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					
Property, plant and equipment in progress					
Advances and down payments					
Financial fixed assets	5.1				
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
FIXED ASSETS		350,018,276	-	350,018,276	349,864,706
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	5.4				3,661
Other receivables	5.4	77,127		77,127	209,388
Subscribed capital, called up but not paid					
Short-term investment securities					
Cash and cash equivalents	5.3	**1,580,482**		**1,580,482**	**1,985,094**
CURRENT ASSETS		1,657,609	-	1,657,609	2,198,143
Prepaid expenses	5.7	**23,691**		**23,691**	**19,520**
Adjustment accounts					
TOTAL ASSETS		351,699,576	-	351,699,576	352,082,369

in euros

EQUITY AND LIABILITIES	Notes	Dec. 31, 2013	Dec. 31, 2012
Capital			
Share capital (including paid-up capital: 160,470,000)	5.8	160,470,000	160,470,000
Additional paid-in capital		15,418,151	24,110,276
Revaluation reserve	5.10	152,341,864	152,341,864
Reserves			
Legal reserve		16,047,000	16,047,000
Statutory or contractual reserves			
Regulated reserves			
Other reserves		8,423	8,423
Income			
Retained earnings		(1,422,072)	
Net loss for the year		(1,877,070)	(1,439,977)
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	5.9	340,986,296	351,537,586
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			
Miscellaneous borrowings and debt	5.6	10,174,731	
Trade accounts payable and other current liabilities			
Advances/down payments received on orders in progress			
Trade accounts payable	5.4	444,399	448,245
Tax and social liabilities	5.4	93,397	79,423
Amounts owed to fixed asset suppliers			
Other liabilities	5.4	752	17,114
Prepaid revenue			
LIABILITIES		10,713,280	544,782
Adjustment accounts			
TOTAL EQUITY AND LIABILITIES		351,699,576	352,082,369

Income statement – French GAAP

in euros

	France	Exports	Notes	2013 Total	2012 Total
Sales of goods for resale					
Sales of manufactured products					
Sales of services			5.11		
NET REVENUE	0	0		0	0
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
Total operating revenue				37,796	66,714
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			5.12	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
Total operating expenses				1,927,789	1,567,822
OPERATING LOSS				(1,889,993)	(1,501,108)
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					
Total financial income				-	276,074
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					
Total financial expenses				140,647	97,504
NET FINANCIAL INCOME/(EXPENSE)				(140,647)	178,570
RECURRING LOSS BEFORE TAX				(2,030,640)	(1,322,538)

In euros

	Notes	2013 12 months	2012 12 months
Non-recurring income on management transactions			
Non-recurring income on capital transactions		153,570	
Reversal of provisions for impairment, other provisions and expense transfers			
Total non-recurring income		153,570	-
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions			117,438
Depreciation, amortization and provisions for impairment			
Total non-recurring expenses		-	117,438
NET NON-RECURRING INCOME/(EXPENSE)	5.13	153,570	(117,438)
Employee profit sharing			
Corporate income tax			
TOTAL INCOME		191,365	342,788
TOTAL EXPENSES		2,068,436	1,782,764
NET LOSS		(1,877,070)	(1,439,977)

3.5 NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2013

3.5.1 BACKGROUND

Note 1.1 Stock market listing

The Company's shares have been quoted on the Eurolist market (compartment B) of Euronext Paris SA, under the reference no. FR0010309096, since March 29, 2006.

The Company was first listed in March 2006. The listing involved 3,837,326 shares stemming from a Retail Public Offering (81,412 shares allocated between March 21 and March 27, 2006) and an Underwriting Agreement (3,755,914 shares allocated between March 21 and March 28, 2006).

Note 1.2 Fiscal year

The fiscal year covers a 12-month period from January 1 to December 31, 2013.

Note 1.3 Presentation of comparative financial information

The information presented in the annual financial statements for the year ended December 31, 2012 includes comparative data in relation to the year ended December 31, 2012.

3.5.2 SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2013 were prepared in accordance with the 1999 French general chart of accounts *(Plan Comptable Général)* and all supplementary and amending regulations issued by the CRC *(Comité de la réglementation comptable)*, and with the accounting principles generally accepted in France.

Accounting policies were applied in accordance with the principle of prudence, and the following basic assumptions:

– going concern basis,

– consistency principle,

– accrual basis principle.

The basic method used for valuing items recorded in the accounts is the historical cost method.

The main accounting principles applied for the financial statements for the year ended December 31, 2013 are described below.

Note 2.1 Long-term investments

Classification of long-term investments

Long-term investments correspond to shareholdings that it is deemed useful to hold over the long term, particularly insofar as they enable the Company to exercise influence or control over the issuer.

Capitalized costs of investments

Investments are recognized in the balance sheet at their acquisition cost or contribution value.

The acquisition cost of shareholdings includes their purchase price and costs directly attributable to the acquisition.

Impairment of investments

At the end of the reporting period, the Company compares the realizable value of shareholdings with their acquisition cost. The realizable value of shareholdings corresponds to their value in use, representing the price the Company would be willing to pay should it wish to acquire this shareholding.

In order to measure shareholdings, the Company uses a method based on the valuation of the subsidiaries' assets.

The Company calculates the adjusted net asset value of each subsidiary. This method takes into account the valuation of the real estate assets held by the subsidiary at the end of the reporting period.

Unrealized gains and losses are calculated by comparing the value in use with the net carrying amount. Impairment losses are recognized in respect of unrealized losses and are not offset against unrealized gains.

However, the Company takes into account the outlook for (temporarily or structurally loss-making) subsidiaries in order to ensure that the write-downs are justified.

Note 2.2 Treasury shares

Treasury shares held within the scope of the liquidity agreement are stated at cost in assets under "Other long-term investments".

Cash amounts allocated to the liquidity agreement are stated in "Other long-term investments" as they are no longer available for the immediate needs of the Company.

Movements in the treasury share portfolio are recorded on a first in, first out basis.

A provision for impairment is set aside when the acquisition value of the shares is more than the average stock market price in the month preceding the end of the reporting period.

Gains and losses realized on the sale of treasury shares and interest on the cash amounts allocated to the liquidity agreement are recognized in "Non-recurring income".

Note 2.3 Receivables

Receivables are measured at nominal value. A provision for impairment is set aside when the realizable value falls below the carrying amount.

3.5.3 MANAGEMENT OF FINANCIAL RISKS

At December 31, 2013, the risks incurred by Cegereal SA relate to the equity interests held in its subsidiary, Prothin SAS.

3.5.4 CHANGE IN ACCOUNTING POLICIES

There was no change in accounting policies in 2013 compared to 2012.

3.5.5 NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT AND OTHER INFORMATION

Note 5.1 Statement of financial fixed assets

Changes in the gross value of financial fixed assets can be broken down as follows:

in euros

	Gross value at Jan. 1, 2013	Increases	Decreases	Gross value at Dec. 31, 2013
Equity investments	349,301,810			349,301,810
Treasury shares	425,372	967,394	779,445	613,321
Cash used in the liquidity agreement	137,524	450,872	485,251	103,145
Total financial fixed assets	349,864,706	1,418,266	1,264,696	350,018,276

At December 31, 2013, Cegereal held 27,222 of its own shares out of a total of 13,372,500 shares, representing an amount of EUR 613,321. During the year, 42,160 shares were purchased and 40,587 were sold.

Equity investments amounted to EUR 349,301,810, of which EUR 920,000 related to the incorporation of the company and EUR 348,381,810 to consideration for the partial asset transfer.

Note 5.2 Provisions for impairment

Changes in this item were as follows:

in euros

	Amount at Jan. 1, 2013	Additions	Reversals	Amount at Dec. 31, 2013
On treasury shares				
On trade accounts receivable	18,683		18,683	
Total impairment	18,683	-	18,683	-

Note 5.3 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

in euros

Cash and cash equivalents	Dec. 31, 2013	Dec. 31, 2012
Bank accounts	1,580,482	1,985,094
Time deposits		
Accrued interest receivable		
Total	1,580,482	1,985,094

Note 5.4 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2013 can be analyzed as follows by maturity:

in euros

Receivables	Gross amount	Due in 1 year or less	Due in more than 1 year
Receivables related to current assets			
Trade accounts receivable			
Other receivables	77,127	77,127	
Total receivables	77,127	77,127	-

in euros

Payables	Gross amount	Due in 1 year or less	Maturity Due in more than 1 year but less than 5 years	Due in more than 5 years
Bank borrowings				
Miscellaneous borrowings and debt				
Trade accounts payable	444,399	444,399		
Tax and social liabilities	93,397	93,397		
Amounts due to fixed asset suppliers				
Other liabilities	752	752		
Total payables	538,548	538,548	-	-

Note 5.5 Accrued income and expenses

At December 31, 2013, accrued income and expenses can be analyzed as follows:

in euros

Accrued income	Dec. 31, 2013	Dec. 31, 2012
Other receivables		68,533
Cash and cash equivalents		
Total	-	68,533

Accrued expenses	Dec. 31, 2013	Dec. 31, 2012
Trade accounts payable	407,400	444,364
Tax and social liabilities	37,167	18,939
Total	444,567	463,303

Note 5.6 Transactions with related parties

Material transactions carried out by the Company with related parties are described below.

TRANSACTIONS WITH RELATED COMPANIES

The main transaction with related parties stems from a credit agreement between Cegereal SA and Prothin SAS to fund dividend payments.

in euros

	2013	2012
Impact on operating income		
Rental expenses rebilled (by the Company)		82,958
Rental expenses rebilled (to the Company)	(83,720)	(70,000)
Asset management fees		
Fees		
Impact on net financial expense		
Interest paid	(140,647)	(37,831)
Interest received		34,030
Total impact on income statement	224,367	3,801
Impact on assets		
Other receivables		29,984
Prepaid expenses		
Total impact on assets	-	29,984
Impact on liabilities		
Dividends		
Miscellaneous borrowings and debt	10,174,731	
Trade accounts payable		13,953
Other liabilities		
Total impact on liabilities	10,174,731	13,953

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2012 and EUR 25k for 2013.

In accordance with a decision by the Board of Directors, the amounts paid to members of management totaled EUR 232,877 for the year ended December 31, 2013.

At the General Shareholders' Meeting of June 26, 2013, the shareholders set the maximum total annual directors' fees for all Board members at EUR 120k. In December 2013, directors' fees of EUR 68k were paid for the year ended December 31, 2013.

In accordance with Standard 2010-02 on related-party transactions issued by the French accounting standard-setter *(Autorité des Normes Comptables – ANC)* on September 2, 2010, all material transactions with related parties were carried out at arm's length conditions.

Note 5.7 Prepaid expenses and revenue

At December 31, 2013, prepaid expenses and revenue can be analyzed as follows:

in euros

	Expenses	Revenue
Operating revenue/expenses	23,691	
Financial income/expenses		
Non-recurring income/expenses		
Total impact on income statement	23,691	-

Prepaid expenses consist mainly of trade dues relating to a period after December 31, 2013.

Note 5.8 Composition of share capital

The share capital is fixed at EUR 160,470,000 and is divided into 13,372,500 fully paid-up shares of EUR 12 each.

Note 5.9 Statement of changes in equity

Changes in shareholders' equity over the period were as follows:

in euros

Statement of changes in equity	Share capital	Additional paid-in capital	Reserves (including revaluation reserve)	Retained earnings	Shareholders' equity before appropriation of net loss
Jan. 1, 2013	160,470,000	24,110,276	168,397,287	(1,439,977)	351,537,587
Appropriation of net loss for the previous year			(1,439,977)	1,439,977	(0)
Net loss for the year				(1,877,070)	(1,877,070)
Dividends paid		(8,692,125)	17,905		(8,674,220)
Dec. 31, 2013	160,470,000	15,418,151	166,975,215	(1,877,070)	340,986,296

The General Shareholders' Meeting of June 26, 2013:

– authorized the Board to implement a share buyback program and cancel the shares repurchased under Article L.225-209 of the French Commercial Code;

– authorized the Board to increase the capital by incorporating reserves/profits/premiums or by issuing ordinary shares,

– granted the Board authority to use these powers during a public offer period;

– granted the Board authority to issue free share subscription warrants and grant them to shareholders during a public offer period.

Note 5.10 Revaluation reserve

At December 31, 2013, the revaluation reserve can be analyzed as follows:

in euros

	Increase in gross value	Allocation of exit tax liability	Reversal of provision for taxes	Portion transferred to reserves	Revaluation reserve	o/w portion transferable to distributable reserves
Real estate assets held until June 30, 2011	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,036,576
Total	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,036,576

The revaluation reserve includes real estate assets owned by Cegereal until June 30, 2011 and transferred to Prothin within the scope of the partial asset transfer.

Note 5.11 Breakdown of revenue

Cegereal SA's rental activity was transferred to its subsidiary Prothin SAS within the scope of the partial asset transfer of December 22, 2011 with retroactive effect from July 1, 2011. Accordingly, Cegereal acted as the holding company for Prothin's shares throughout 2012 and 2013 and did not generate any revenue.

Note 5.12 Breakdown of certain income statement items

At December 31, 2013, other purchases and external charges can be analyzed as follows:

in euros

	2013	2012
Expenses rebilled to lessees		
Rental expenses	9,162	9,591
Maintenance and repair of buildings		
Expenses on vacant premises		
Fees	744,047	478,759
Publications	313,214	372,086
Sundry expenses	340,211	248,464
	1,406,634	1,108,900

Real estate assets were transferred to Prothin SAS on July 1, 2011 within the scope of the partial asset transfer.

Note 5.13 Net non-recurring income

Net non-recurring income for the year ended December 31, 2013 corresponds to capital gains and losses on the sale of treasury shares.

Note 5.14 Taxable income

Election for tax treatment as an SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies *(Sociétés d'Investissement Immobilières Cotées – SIICs)* in accordance with Article 208 C of the French Tax Code.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2013. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

Terms and conditions and impact of tax treatment as an SIIC

(a) When a company elects for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

(b) SIICs that have elected for preferential tax treatment are exempted from paying corporate income tax on the portion of their income resulting from:

– the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated (85% of this income for the amounts paid up to December 31, 2013);

– capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for preferential tax treatment, provided that 60% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated (50% of these capital gains for the amounts paid up to December 31, 2013);

– dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

In the event that Cegereal SA opts out of the SIIC regime in the ten years following election, it will be subject to corporate income tax at the standard rate on the revaluation gains determined upon election for the SIIC regime, less exit tax already paid at the reduced 16.5% rate.

(c) The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code.

(d) The Amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not payable in the event the beneficiary is a company that has an obligation to distribute all dividends it receives.

Note 5.15 Statement of subsidiaries and investments

in euros

	Share capital	Shareholders' equity other than share capital	% interest held	Carrying amount of shareholdings	Outstanding loans and advances granted by the Company and not yet repaid	Amount of guarantees and endorsements given by the Company	2012 revenue (net of taxes)	2011 loss	Dividends received by the Company in 2013
Subsidiaries (more than 50%-owned)									
- Prothin SAS	151,870,350	197,431,460	100	349,301,810			53,725,727	(3,861,730)	
Investments (between 10% and 50%-owned)									
Total	151,870,350	197,431,460	100	349,301,810	-	-	53,725,727	(3,861,730)	-

Note 5.16 Off-balance sheet commitments and security provided

Fixed assets and liabilities relating to these fixed assets were transferred to Prothin SAS within the scope of the partial asset transfer with retroactive effect for accounting and tax purposes from July 1, 2011. Following the partial asset transfer, Cegereal SA has undertaken to keep all Prothin SAS shares for a period of three years. In the same way, Prothin SAS has undertaken to keep the contribution premium (EUR 196,911k) under shareholders' equity for the same period, unless this restriction is waived in the event that the company has surplus cash.

Note 5.17 Recommended appropriation of net income

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that a dividend of EUR 0.75 per share be paid for the 2013 fiscal year.

Note 5.18 Headcount

The employment contracts for Cegereal's employees were transferred to Prothin SAS in 2011 within the scope of the partial asset transfer. The Company therefore had no employees in 2013.

Note 5.19 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
1 cours Valmy
92923 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean & Associés
34 rue Camille Pelletan
92300 Levallois-Perret
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to the Statutory Auditors for the years ended December 31, 2013 and 2011:

in euros

	Amount (net of taxes)		%	
	2013	2012	2013	2012
Statutory audit of the financial statements	245,618	77,679	100	100
Advisory services and services directly related to the statutory audit engagement				
Total	245,618	77,679	100	100

Note 5.20 Subsequent events

None

3.6 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Cegereal SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470,000

Statutory Auditors' report on the financial statements

Year ended December 31, 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2013, on:

– the audit of the accompanying financial statements of Cegereal SA;

– the justification of our assessments;

– the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

The accounting estimates used in the presentation of the financial statements for the year ended December 31, 2013 were made against a backdrop of a lack of liquidity in the real estate market and significant difficulty in assessing the economic outlook. It is in this context and in accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)*, that we bring to your attention our own assessments.

– Note 2.1 in section 3.5.2 to the financial statements describes the rules and accounting methods used to measure long-term investments and their impairment.

As part of our assessment of the rules and accounting principles used by your Company, we verified that the abovementioned accounting methods are appropriate and that the notes to the financial statements contain the appropriate disclosures.

Since the value in use of the Company's investments, which include real estate assets, is dependent on the market value of these assets, we verified that the assets were subject to an independent assessment. Our work notably consisted in reviewing the external real estate valuers' reports, analyzing the data and assumptions on which these estimations are based and assessing the procedures used by Executive Management to approve these estimations.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of shareholders has been properly disclosed in the management report.

Paris-La Défense, February 13, 2014	Levallois-Perret, February 13, 2014
KPMG Audit FS I	**Denjean & Associés**
Isabelle Goalec	Thierry Denjean
Partner	Partner

3.7 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Cegereal SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470,000

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2013

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code *(Code de commerce)*, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

We were not informed of any agreement or commitment entered into during the year to be submitted for approval at the General Shareholders' Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Shareholders' Meeting in previous years, remained in force during the year ended December 31, 2013.

Memorandum of Understanding to ensure Commerz Real Investmentgesellschaft mbH's (CRI) compliance with the German Investment Act

An agreement was signed on December 31, 2005 to ensure that CRI complies with the laws and regulations applicable in Germany in relation to its status as management company, and in particular the provisions that require a custodian bank to control actions by the management company.

This agreement did not have any impact on the financial statements for the year ended December 31, 2013.

The Statutory Auditors

Paris-La Défense, February 13, 2014	Levallois-Perret, February 13, 2014
KPMG Audit FS I Isabelle Goalec Partner	**Denjean & Associés** Thierry Denjean Partner
KPMG	Denjean

III. LEGAL INFORMATION

1. General shareholders' meeting of june 25, 2014

1.1. REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Board of Directors has convened an Ordinary and Extraordinary Shareholders' Meeting on June 25, 2014 to report on the Company's and Group's activity in the course of the year that began on January 1, 2013 and ended on December 31, 2013, and to submit that year's annual and consolidated financial statements to the shareholders for approval. The meeting has also been convened in particular to decide on the items of the agenda indicated in section III.1.2.

BOARD OF DIRECTORS' REPORT ON THE AGENDA OF THE JUNE 25, 2014 GENERAL SHAREHOLDERS' MEETING

The purpose of Cegereal's General Shareholders' Meeting will be to approve the resolutions whose purpose is specified and commented upon below.

The full texts of the proposed resolutions to be submitted to Cegereal's General Shareholders' Meeting are included in section III.1.2.

Approval of the financial statements

The first two resolutions submit the previous year's annual and consolidated financial statements, which state a net loss of EUR 1,877,070 and net income of EUR 1,939,556 respectively, to the shareholders for approval.

Discharge to the directors

The third resolution concerns the discharge to be given to the directors for their management.

Appropriation of 2013 net loss

The fourth resolution proposes the appropriation of the net loss for the year as follows: EUR 1,877,070 to "Retained earnings".

Source:

– 2013 net loss: EUR 1,877,070

– Retained earnings: a negative EUR 1,422,072

Appropriation:

– Net loss of EUR 1,877,070 to "Retained earnings", bringing the total amount recorded under "Retained earnings" to a negative EUR 3,299,142.

Exceptional distribution of additional paid-in capital

As described above, in 2014 the shareholders will be asked to approve a distribution of EUR 1.5 per share, paid in two installments.

Accordingly, the fifth resolution proposes an exceptional distribution of additional paid-in capital amounting to a total of EUR 10,029,375, i.e., EUR 0.75 per share.

If this proposal is adopted, the distribution will take place on July 17, 2014.

In 2014 the Board will vote on the payment of an interim dividend of the same amount.

Related-party agreements

The sixth resolution refers to any related party agreements that were entered into in the previous year and disclosed in the Statutory Auditors' special report.

Directors' fees

The seventh resolution relates to directors' fees. The shareholders are being asked to set the amount of such fees at EUR 120,000 for the 2014 fiscal year.

Executive corporate officers' compensation

The eighth and ninth resolutions present the executive corporate officers' compensation to the Annual General Shareholders' Meeting, which is then submitted to the advisory vote of the shareholders.

In accordance with the recommendation in Section 24.3 of the AFEP-MEDEF Corporate Governance Code of June 2013, which the Company refers to in compliance with Article L.225-37 of the French Commercial Code (Code de commerce), the General Shareholders' Meeting must issue an opinion on the items of compensation owed or awarded for the 2013 fiscal year to Richard Wrigley (Chairman of the Board of Directors), as presented on pages 102, 122 ff. of the Registration Document, and to Raphaël Tréguier (Managing Director), as presented on pages 102, 103 and 122 ff. of the Registration Document.

When the Ordinary Shareholders' Meeting issues a negative opinion, the Board, on the recommendation of the Compensation Committee, discusses the matter at a subsequent meeting and immediately publishes on the Company's website a statement setting out how it will respond to the expectations voiced by shareholders at the General Shareholders' Meeting.

Share buy-back program

The tenth resolution allows the Company to repurchase its own shares within the limits set by the shareholders in compliance with the law. It allows such repurchases to be made within the limit of 10% of the share capital and for a maximum price of EUR 40 per share.

The authorization granted to the Board of Directors for the purpose of repurchasing the Company's own shares, pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code (Code de commerce), is due to expire on December 26, 2014. The shareholders are being asked to renew this authorization.

We propose the renewal of this authorization and therefore, in compliance with Article L.225-209 of the French Commercial Code, to authorize the Board to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the buy-back program.

This authorization would terminate the authorization that the Ordinary Shareholders' Meeting granted the Board of Directors at the June 26, 2013 meeting.

The buy-backs may be carried out with the following aims:

– to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

– to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article L.225-209, paragraph 6 of the French Commercial Code, the shares acquired for this purpose may not exceed 5% of the Company's share capital;

– to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;

– to have shares available in exchange for securities granting entitlement to the shares of the Company pursuant to current regulations;

– to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the next General Shareholders' Meeting in its ninth resolution (extraordinary).

The shares may be purchased by any means, including by purchases of blocks of shares and at such time as the Board of Directors deems appropriate.

These transactions may be carried out during a public offer in compliance with the regulations in force.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 40 per share. In the event of a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of the number of shares composing the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 53,490,000.

The eleventh resolution allows the Company to cancel the shares bought back for this purpose under the share buy-back program, within the limit of 10% of the share capital over a 24-month period.

Authorities to increase share capital

(a) Twelfth resolution: Authorization to use these powers during a public offer period under the reciprocity exception

The shareholders are being asked to authorize the Board of Directors, for a period of 18 months, to use the delegations of authority and/or authorizations to be granted during a public offer period in the event that the Company's securities are concerned by such an offer. This authorization shall only be used under the reciprocity exception in compliance with applicable legislation.

This authorization would terminate the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 26, 2013 meeting in its seventeenth resolution, which expires on December 26, 2014.

(b) Thirteenth resolution: Delegation of authority to issue share subscription warrants and grant them to shareholders during a public offer period under the reciprocity exception

The shareholders are being asked to authorize the Board of Directors, in the event that the Company's securities are concerned by a public offer, to issue warrants entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period.

This authority would terminate the authority that the General Shareholders' Meeting granted the Board of Directors at the June 26, 2013 meeting in its eighteenth resolution, which expires on December 26, 2014.

1.2. AGENDA AND TEXTS OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

AGENDA

Ordinary resolutions:

– Board of Directors' report including the Group's report, report of the Chairman of the Board of Directors,

– Statutory Auditors' report on the annual financial statements for the year ended December 31, 2013,

– Approval of non tax-deductible expenses,

– Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2013,

– Approval of the annual financial statements for the year ended December 31, 2013,

– Approval of the consolidated financial statements for the year ended December 31, 2013,

– Discharge to the directors,

– Appropriation of net loss

– Exceptional distribution of additional paid-in capital

– Statutory Auditors' special report on related party agreements and commitments and approval of such agreements,

– Setting of the directors' fees to be allocated to the Board of Directors,

– Presentation of executive corporate officers' compensation,

– Share buy-back program: authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code.

Extraordinary resolutions:

– Authorization to be granted to the Board of Directors for the purpose of canceling the shares bought back by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code (share buy-back program), period of validity of the authorization, ceiling,

– Authorization to be granted to the Board of Directors to use delegations of authority and/or authorizations during a public offer period under the reciprocity exception, period of validity of the authorization,

– Delegation of authority to issue share subscription warrants and grant them to shareholders during a public offer period under the reciprocity exception, maximum nominal amount of the increase in share capital, maximum number of warrants authorized for issue, period of validity of the delegation, exercise price and other characteristics,

– Powers for formalities.

PROPOSED RESOLUTIONS

Ordinary resolutions

First resolution (ordinary) – Approval of the annual financial statements for the year ended December 31, 2013

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2013, the General Shareholders' Meeting approves the financial statements for 2013 as presented, i.e., showing a net loss of EUR 1,877,070.

It also approves the transactions represented in those statements and summarized in those reports.

The General Shareholders' Meeting approves in particular the total amount of EUR 4,325 of expenses and charges referred to in Article 39 (4) of the French Tax Code as well as the related tax.

Second resolution (ordinary) – Approval of the consolidated financial statements for the year ended December 31, 2013

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2012, the General Shareholders' Meeting approves the consolidated financial statements for 2012 as presented, i.e., showing attributable net income of EUR 1,939,556.

Third resolution (ordinary) – Discharge to the directors

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2013, the General Shareholders' Meeting grants the directors full and unconditional discharge for the performance of their duties during that period.

Fourth resolution (ordinary) – Appropriation of net loss

On the recommendation of the Board of Directors, the General Shareholders' Meeting decides to appropriate the net loss for the year ended December 31, 2013 as follows:

Source:

– 2013 net loss: EUR 1,877,070

– Retained earnings: a negative EUR 1,422,072

Appropriation:

– Net loss of EUR 1,877,070 to "Retained earnings", bringing the total amount recorded under "Retained earnings" to a negative EUR 3,299,142.

In compliance with the provisions of Article 243 bis of the French Tax Code, the General Shareholders' Meeting acknowledges that it has been informed that, in the last three fiscal years, the following dividends were distributed:

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate
	Dividends	Other income distributed	
Dec. 31, 2009	21,663,450		1,069,800
Dec. 31, 2010	13,773,675		936,075
Dec. 31, 2011	-		-
Dec. 31, 2012	-		8,692,125

Fifth resolution (ordinary) – Approval of an exceptional distribution of additional paid-in capital

Deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings, the General Shareholders' Meeting decides to make an exceptional distribution of a merger premium for an amount of EUR 10,029,375, of which EUR 9,927,980 was deducted from the "Merger premium" account and EUR 101,395 was deducted from the "Issue premium" account, namely an amount of EUR 0.75 per share.

The balance of the "Merger premium" account is therefore reduced from EUR 9,927,980 to EUR 0 and that of the "Additional paid-in capital" account from EUR 5,490,171,19 to EUR 5,388,776,19.

The amount distributed will be paid on July 17, 2014.

From a tax standpoint, the dividend will be treated as the reimbursement of a contribution not subject to personal income tax in France.

Lastly, the General Shareholders' Meeting notes, as appropriate, that in 2014 the Board of Directors will decide on the payment of an interim dividend of EUR 0.75 per share.

Sixth resolution (ordinary) – Statutory Auditors' special report on related party agreements and commitments and approval of such agreements

Having reviewed the Statutory Auditors' special report mentioning the absence of agreements of the type referred to in Articles L.225-38 et seq. of the French Commercial Code, the General Shareholders' Meeting simply places this fact on record.

This resolution is ...... *(adopted or rejected), (depending on the case)* and it is noted that the shareholders concerned abstained from voting on this resolution.

Seventh resolution (ordinary) – Setting of the directors' fees to be allocated to the Board of Directors

The General Shareholders' Meeting sets the maximum sum allocated to the Board of Directors as directors' fees for 2014 at EUR 120,000.

Eighth resolution (ordinary) – Opinion on the items of compensation owed or awarded for the 2013 fiscal year to Richard Wrigley, Chairman of the Board of Directors

Consulted in accordance with Section 24.3 of the AFEP-MEDEF Corporate Governance Code of June 2013, which the Company refers to in compliance with Article L.225-37 of the French Commercial Code, and ruling under the quorum and majority requirements for Ordinary

Shareholders' Meetings, the General Shareholders' Meeting issues a favorable opinion on the items of compensation owed or awarded to Richard Wrigley for the 2013 fiscal year, as presented on pages 102, 122 ff. of the the Registration Document.

Ninth resolution (ordinary) – Opinion on the items of compensation owed or awarded for the 2013 fiscal year to Raphaël Tréguier, Managing Director

Consulted in accordance with Section 24.3 of the AFEP-MEDEF Corporate Governance Code of June 2013, which the Company refers to in compliance with Article L.225-37 of the French Commercial Code, and ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings, the General Shareholders' Meeting issues a favorable opinion on the items of compensation owed or awarded to Raphaël Tréguier for the 2013 fiscal year, as presented on pages 102, 103 and 122 ff. of the the Registration Document.

Tenth resolution (ordinary) – Share buy-back program: authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code

Having reviewed the Board of Directors' report, the General Shareholders' Meeting authorizes the Board, for a period of 18 months, in compliance with the provisions of Articles L.225-209 et seq. of the French Commercial Code, to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the buy-back program.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 26, 2013 meeting in its eighth ordinary resolution.

The buy-backs may be carried out with the following aims:

– to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

– to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article L.225-209, paragraph 6 of the French Commercial Code, the shares acquired for this purpose may not exceed 5% of the Company's share capital;

– to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;

– to have shares available in exchange for securities granting entitlement to the shares of the Company pursuant to current regulations;

– to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the next General Shareholders' Meeting in its ninth resolution (extraordinary).

The shares may be purchased by any means, including by purchases of blocks of shares and at such time as the Board of Directors deems appropriate.

These transactions may be carried out during a public offer in compliance with the regulations in force.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 40 per share. In the event of a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of the number of shares composing the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 53,490,000.

The General Shareholders' Meeting grants full powers to the Board of Directors to carry out such transactions, set the terms and conditions, conclude all agreements and perform any and all formalities.

Extraordinary resolutions :

Eleventh resolution (extraordinary) – Authorization to be granted to the Board of Directors for the purpose of canceling the shares bought back by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code (share buy-back program)

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting:

(1) Authorizes the Board of Directors to cancel, at its discretion, on one or several occasions, within the limit of 10% of the share capital calculated on the date of the cancellation decision, after deduction of any shares canceled during the previous 24 months, the shares that the Company holds or may hold following the repurchases made under Article L.225-209 of the French Commercial Code and to reduce the share capital by such amount in accordance with the legal and regulatory provisions in force.

(2) Sets the period of validity hereof at 24 months from the date of this General Shareholders' Meeting, i.e., until June 25, 2016.

(3) Gives full powers to the Board of Directors to carry out the operations required for such cancellations and the corresponding reductions of the share capital, to amend the Company's bylaws accordingly and carry out all the required formalities.

Twelfth resolution (extraordinary) – Use of delegations of authority during a public offer period under the reciprocity exception

Having reviewed the Board of Directors' report, in application of Article L. 233-33 of the French Commercial Code, the General Shareholders' Meeting:

– Authorizes the Board of Directors, in the event that the Company's securities are concerned by a public offer, to use the delegations of authority/authorizations to be granted in the terms of resolutions ten, eleven, twelve, thirteen, fourteen, fifteen and sixteen presented at this General Shareholders' Meeting.

– Decides to set the period of validity hereof at 18 months from the date of this General Shareholders' Meeting.

– Decides that the Board of Directors will be granted full powers to implement this authorization, under the terms laid down by law.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 26, 2013 meeting in its seventeenth resolution.

Thirteenth resolution (extraordinary) – Delegation of authority to issue share subscription warrants and grant them to shareholders during a public offer period under the reciprocity exception

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Articles L.233-32-II and L.233-33 of the French Commercial Code, the General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings:

– Grants the Board of Directors authority to issue warrants entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period.

– Decides to set the limit of issues authorized if the Board of Directors uses this delegation of authority, as follows:

- the total nominal amount of shares authorized for issue pursuant to this resolution through the exercise of warrants may not exceed EUR 160,470,000. This amount does not include the total nominal value of additional shares that may be issued to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions;

- the maximum number of share subscription warrants authorized for issue is equal to the number of outstanding shares upon the issue of said warrants.

The implementation of the authorization granted under this resolution shall not be deducted from the total limit provided for in the eleventh, twelfth and thirteenth resolutions presented at this General Shareholders' Meeting.

– Grants the Board of Directors full powers to implement this delegation of authority in order to:

- set the procedures for exercising the subscription warrants taking into account the terms of the offer or any other concurrent offer and the other characteristics of these warrants, namely:

• the number of warrants;

• the exercise price or terms and conditions for determining this price;

• the terms of the issue and the free grant of these warrants, with the option of deferring or refusing them;

- in general, determine all other characteristics and terms and conditions of any other transaction decided by means of this authorization, take any and all measures and perform all the required formalities, record, where applicable, the capital increase and amend the bylaws accordingly.

The share subscription warrants shall automatically become null and void if the offer and any concurrent offer fail, become null and void or are withdrawn.

This delegation of authority is granted for a period expiring at the end of the offer period of any public offer involving the Company and submitted within 18 months of this General Shareholders' Meeting.

It is independent from the delegation of authority granted in the twelfth resolution presented at this General Shareholders' Meeting.

This authorization terminates the authorization that the General Shareholders' Meeting granted the Board of Directors at the June 26, 2013 meeting in its eighteenth resolution.

Fourteenth resolution (ordinary) – Powers for formalities

The General Shareholders' Meeting grants full powers to the bearer of an original, a copy, or an extract of these minutes for the purposes of performing all the filing and public-notice formalities required by law.

1.3. STATUTORY AUDITORS' REPORT ON THE EXTRAORDINARY RESOLUTIONS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Cegereal SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470,000

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL TRANSACTIONS SPECIFIED IN THE ELEVENTH AND THIRTEENTH RESOLUTIONS TABLED AT THE GENERAL SHAREHOLDERS' MEETING OF JUNE 25, 2014

General Shareholders' Meeting of June 25, 2014

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA and in compliance with the provisions of the French Commercial Code *(Code de commerce)*, we hereby report to you on the transactions submitted for your approval.

1. Capital reduction by canceling shares purchased (eleventh resolution)

In compliance with the provisions of Article L.225-209 of the French Commercial Code applicable in the event of a capital reduction by canceling shares purchased, we hereby report to you on our assessment of the reasons for and conditions of the planned capital reduction.

The Board of Directors is seeking a 24-month authorization from the date of this General Shareholders' Meeting, to cancel, within the limit of 10% of the share capital per 24-month period, the shares bought back by Cegereal SA pursuant to an authorization to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in ensuring that the reasons for and conditions of the capital reduction, which cannot undermine shareholder equality in any way, comply with the applicable legal provisions.

We have no matters to report on the reasons for and conditions of the planned capital reduction.

2. Proposal to issue share subscription warrants in the event of a public offer (thirteenth resolution)

In compliance with the provisions of Articles L.228-92 of the French Commercial Code, we hereby report to you on the proposed issue of free subscription warrants in the event of a public offer, which is submitted for your approval.

On the basis of its report, the Board of Directors proposes that pursuant to Article L.233-32 II of the French Commercial Code, the shareholders grant it authority to:

– issue warrants subject to the provisions of Article L.233-32 II of the French Commercial Code entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period,

– set the procedures for exercising the subscription warrants and the characteristics of these warrants.

The total nominal amount of shares authorized for issue may not exceed EUR 160,470,000 and the maximum number of warrants authorized for issue may not exceed the number of outstanding shares upon the issue of said warrants.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225 113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements and on certain other information concerning the issue, given in the report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures require that we examine the content of the Board of Directors' report concerning this transaction.

We have no matters to report in connection with the information relating to the proposed issue of share subscription warrants in the event of a public offer contained in the Board of Directors' report.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, to be approved by the General Shareholders' Meeting pursuant to Article L.233-32 III of the French Commercial Code, in the event that this delegation is used by the Board of Directors.

The Statutory Auditors

Paris-La Défense, February 13, 2014	Levallois-Perret, February 13, 2014
KPMG Audit FS I Isabelle Goalec Partner	**Denjean & Associés** Thierry Denjean Partner

1.4. CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

Dear Shareholders,

The law obliges the Chairman of the Board of Directors of any French société anonyme (joint-stock corporation) whose securities are admitted to trading on a regulated stock market to give an account, in a report attached to the Board's report, of:

– the references made to a corporate governance code,

– the composition of the Board of Directors and the application of the principle of gender balance,

– the preparation and organization of the Board of Directors' work,

– the special conditions for shareholders' participation in General Shareholders' Meetings,

– any limitations provided for the Managing Director's powers,

– the principles and rules agreed upon to determine the compensation and benefits of any kind that are granted to the corporate officers,

– any information likely to have an impact in the event of a public offer for the Company's shares,

– the internal control and risk management procedures that have been implemented in the Company.

The procedures that were carried out during the preparation of this report are as follows: monthly meetings between the Chairman of the Board of Directors and the Managing Director, regular discussions with the other directors and with the Statutory Auditors, particularly at Audit Committee meetings.

This report, which was prepared on the basis of the information provided by the Managing Director and the Deputy Managing Director, was submitted to the Board of Directors for approval on February 13, 2014 and transmitted to the Statutory Auditors.

1. CORPORATE GOVERNANCE

In corporate governance matters, our Company refers to the June 2013 update of the AFEP-MEDEF Corporate Governance Code of Listed Corporations (the "Reference Code") available at www.medef.com, to the extent that it is compatible with the Company's organization and size.

The following provisions of the Reference Code have not, however, been applied:

Recommendation rejected	Justification	Achievement of general objective set under the recommendation
Representation of employees (Section 7 of the AFEP-MEDEF Code)	Due to the Group's low number of employees, no employee representatives are required on the Board.	
Duration of directors' terms of office (Section 14 of the AFEP-MEDEF Code)	With respect to the duration of directors' terms of office: for historical reasons, directors' terms of office are set in the bylaws for the legal maximum period, i.e., six years, and not the four-year term recommended in the Reference Code. It was not deemed necessary to propose that a General Shareholders' Meeting amend the bylaws in this respect in view of the staggered renewal of current Board members' terms of office between 2015 and 2017.	
Ethical rules for directors (Section 20 of the AFEP-MEDEF Code)	Directors are not required to hold a minimum number of shares. They do not all personally hold Cegereal shares and do not own a large number of shares in relation to the directors' fees they receive, which is particularly due to the fact that certain directors are linked to the majority shareholder and that they do not all receive directors' fees.	
Directors' compensation (Section 21 of the AFEP-MEDEF Code)	Due to the high attendance rate at Board meetings, it was decided that a variable portion of compensation based on directors' effective participation at such meetings should not be introduced. In this context, the rules for allocating directors' fees are not set out in the annual report.	
Termination of employment contracts in case of appointment as corporate officer (Section 22 of the AFEP-MEDEF Code)	Raphaël Tréguier's employment contract was transferred to Prothin following a partial asset transfer carried out on December 22, 2011. The Board of Directors' meeting of February 14, 2012 noted that this employment contract was still suspended following Raphaël Tréguier's appointment as Managing Director.	No impact on Raphaël Tréguier's compensation and no specific severance indemnities, particularly in the event of the termination of his employment contract.
Executive corporate officers' compensation (Section 23 of the AFEP-MEDEF Code)	The Chairman, the Managing Director and the Deputy Managing Director keep a large number of their shares, set periodically by the Board in registered form until the end of their terms of office. Due to the Company's specific features, particularly with regard to its ownership structure, it has been agreed that this rule should not be applied. Moreover, it has also been agreed that corporate officers' compensation should not be disclosed following the approval of the Board, since it is described in detail each year in the Registration Document. The Managing Director's multi-annual variable compensation is calculated solely based on the performance of the Cegereal share price.	

1.1 Board of Directors

1.1.1 Composition of the Board of Directors

Pursuant to the Company's bylaws, directors are appointed for six-year terms.

At December 31, 2013, the composition of the Board was as follows:

	First appointed	Term renewed	Term expires
Richard Wrigley	Dec. 31, 2005	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Klaus Waldherr	Feb. 5, 2008	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Gerry Dietel	Jan. 30, 2009	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Commerz Real Investmentgesellschaft mbH Represented by Erich Seeger	Dec. 31, 2005	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Carl-Christian Siegel	May 12, 2010	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016
Jean-Pierre Bonnefond	Feb. 20, 2006	June 28, 2012	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2017
Europroperty Consulting Represented by Alec Emmott	Feb. 24, 2011		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015
Sabine Röska	May 5, 2011		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015
GMF VIE Represented by Olivier Le Borgne	June 29, 2010		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015

No directors are elected by the employees pursuant to Article L.225-27 of the French Commercial Code.

Independence of the Board members

Three of the Board members, Richard Wrigley, Jean-Pierre Bonnefond and Europroperty Consulting are considered to be independent in accordance with the definition provided in the Reference Code. According to said Code, the criteria used to qualify Board members as independent are the following:

– not being an employee or executive corporate officer of the Company, an employee or director of the parent company or a company that is consolidated by it and not having been so within the previous five years;

– not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or an executive corporate officer of the Company (currently or within the previous five years) holds a directorship;

– not being (or not being directly or indirectly related to) a significant customer, supplier, investment banker or corporate banker:

  - of the Company or the Group,

  - or for which the Company represents a significant part of its business;

– not being closely related to a corporate officer;

– not having been a Statutory Auditor' of the Company in the previous five years;

– not being a director of the Company for more than twelve years on the date on which he/she was appointed to his/her current term of office.

The Board considered that Richard Wrigley should be deemed to be independent despite being an executive corporate officer of the Company since he meets the other criteria for independence.

The Company has not appointed a senior director.

After reviewing the situation of each independent director, the Board of Directors established that none of them has any business dealings with the Group.

The Board members who are deemed to be independent have undertaken to comply with the Directors' Charter in order to maintain the conditions required for this independent director status.

Gender balance on the Board

First, it should be noted that there is one woman and eight men on the Board. The Company does not therefore comply with the applicable recommendations in the Reference Code at this point in time, which require at least 20% of women Board members by April 19, 2013.

The principle of gender balance within the Company will be one of the issues addressed at the next assessment of the Board.

Non-voting directors

Article 19 of the bylaws provides for the ability to appoint non-voting directors to the Board.

Pursuant to a decision of the June 28, 2012 Annual General Shareholders' Meeting, Graham Spensley was appointed as non-voting director for a three-year term expiring at the close of the General Shareholders' Meeting convened in 2015 to vote on the financial statements for the year ending December 31, 2014. His assignment is to issue opinions and suggestions to the Company's committees and to assist the Board of Directors in determining corporate strategy.

1.1.2 Role and functioning of the Board of Directors

Pursuant to the law, the Board determines the Company's strategic business orientations and ensures the implementation thereof. Subject to the powers expressly granted to General Shareholders' Meetings and within the limits of the purpose provided for in the bylaws, it deals with any issues affecting the smooth operation of the Company and settles, by its deliberations, all matters concerning the Company's business.

The Board of Directors can also carry out all controls and verifications that it considers appropriate. Even if the operational management is entrusted to the Managing Director, the Board of Directors may address any issues relating to the Company's operation.

The preparation of the Board of Directors' work

To allow the Board members to properly prepare for Board meetings, the Chairman endeavors to provide them with all the information and documents they require in advance.

For example, the draft financial statements were transmitted to the directors 15 days before the relevant Board meeting.

Whenever a Board member so requests, the Chairman of the Board of Directors provides him/her, insofar as possible, with the additional information and documents that he/she wishes to receive.

Directors can meet the Chairman of the Board of Directors, the Managing Director and the Deputy Managing Director at any time.

The holding of Board meetings

The directors are convened to Board meetings by any means and are provided with all the information required to perform their assignments in the notice of the meeting.

In compliance with the bylaws and legal provisions, certain Board of Directors' meetings may be held by videoconference. Board meetings are generally held at the registered office but can be held in any other place, in particular in Wiesbaden, Germany. They are convened by the Chairman of the Board.

In 2013, the Board of Directors met ten times.

The Chairman was present at each meeting.

No meetings were called at the initiative of either the directors or the Managing Director.

The Statutory Auditors are invited to attend the Board of Directors' meeting that rules on the annual and the interim financial statements and the projected management accounts.

They attended the February 14, 2013 Board of Directors' meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2012, and the July 24, 2013 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2013.

They also participate in Audit Committee meetings whenever the Committee Chairman invites them to do so.

To guarantee the coordination between Executive Management and the Board of Directors, the Chairman and the Managing Director meet periodically. The Managing Director (not a director of the Company) attended all Board of Directors' meetings.

Subjects discussed at Board meetings and activity report

The main themes addressed in those meetings were the following:

– approval for issue of the annual financial statements, appropriation of the net loss;

– quarterly and interim financial information;

– marketing of and work on the Arcs-de-Seine building and the Europlaza building;

– marketing of the Europlaza building;

– signing of a credit agreement between Cegereal and Prothin;

– acquisition of land from the Charenton-le-Pont regional authorities by Prothin;

– assessment of the Board of Directors;

– status of the terms of office of the Company's directors, senior executives and Statutory Auditors;

– compensation of the Managing Director and allocation of directors' fees;

– change in the age limit for serving as Chairman of the Board of Directors;

– share buy-back program;

– delegations of financial authority;

Internal Rules and Regulations

Given the Board's structure, it has Internal Rules and Regulations whose purpose is to stipulate the organization of Board meetings and the Managing Director's responsibilities and powers vis-à-vis the Board. The Internal Rules and Regulations also set forth the rules of corporate governance and stipulate the operational responsibilities and *modus operandi* of the Audit Committee, the Investment Committee and the Appointments and Compensation Committee. A Directors' Charter *(charte de l'administrateur)* adopted at the same time as the Internal Rules and Regulations reiterates the directors' rights and obligations in the exercise of their duties.

The Board's Internal Rules and Regulations are available on the Company's website: www.cegereal.com.

The Internal Rules and Regulations are reviewed on a regular basis and adapted in line with changes to regulations and recommendations.

Conflicts of interest

The internal rules for preventing and managing Board members' conflicts of interest are included in the Directors' Charter.

To the Company's knowledge, there is no conflict of interest between the duties of any of the Board members with regard to the Company and their private interests or other duties on the date of preparation of this report.

Assessment of the Board of Directors

Each year the Board assesses its functioning with the intention of improving conditions.

This assessment is carried out internally with the use of self-assessment questionnaires addressed to the directors and covering the following subjects: composition of the Board of Directors, organization and functioning, information provided to the Board, the Board's relationship with the Managing Director and the Committees.

Based on the results of this assessment, the functioning of the Board of Directors was deemed to be satisfactory.

The presentation of the results of the assessment were discussed by the Board.

The Board did not propose any avenues for improvement further to these discussions.

1.2 Organization and modus operandi of the Board's Committees

An Audit Committee, an Appointments and Compensation Committee and an Investment Committee have been set up by the Board of Directors. Their composition was adopted by the Board of Directors at its February 14, 2012 meeting. Their responsibilities and modus operandi are specified in the Internal Rules and Regulations.

1.2.1 The Audit Committee

For all issues concerning the Audit Committee, the Company refers to the July 22, 2010 report of the working group chaired by Olivier Poupart-Lafarge on the Audit Committee.

The Audit Committee is currently composed of Richard Wrigley (independent), Jean-Pierre Bonnefond (independent) and Gerry Dietel. They were appointed at the February 14, 2012 Board of Directors' meeting for renewable three-year terms, i.e., until the annual Board meeting convened to approve for issue the financial statements for the year ending December 31, 2014.

The criteria used for assessing the independence of Committee members, in particular those of the Audit Committee, are the same as those used for assessing the Board members' independence, as described above.

Richard Wrigley was appointed Chairman of the Audit Committee. He is considered to be independent and proficient in financial matters as well as in internal control and risk management. His experience in company management, his academic training and his knowledge of the Group's activity means that he has the expertise the Board requires.

The other Committee members also have relevant financial or accounting knowledge.

The Audit Committee's role is described in the Internal Rules and Regulations.

The Audit Committee met twice in 2012, and performed the following work:

– work in relation to documenting information flows;

– work in relation to organizing the closing process for financial statements;

– work on the partial asset transfer transaction;

– work in relation to improving internal control;

– work in relation to the Statutory Auditors' audit approach for the annual financial statements;

– work in relation to improving the presentation of the financial statements.

The attendance rate was 100%

The Committee members had ample time to review the financial and accounting documents and were able to meet with the Statutory Auditors.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

As part of its annual assessment, the Board assessed the work of the Audit Committee in light of the objectives set. The Board is satisfied with the work carried out by the Audit Committee.

1.2.2 The Appointments and Compensation Committee

The Appointments and Compensation Committee is currently composed of Jean-Pierre Bonnefond (independent), Graham Spensley (independent) and Alec Emmott (independent). They were appointed at the February 14, 2012 meeting for renewable three-year terms, i.e., until the annual Board meeting convened to approve for issue the financial statements for the year ending December 31, 2014.

Jean-Pierre Bonnefond was appointed Chairman of the Appointments and Compensation Committee on February 14, 2012.

The Appointments and Compensation Committee's role is described in the Company's Internal Rules and Regulations.

The Appointments and Compensation Committee met twice in 2013, and performed the following work:

– compensation of the Managing Director;

– assessment of the Board of Directors;

– allocation of directors' fees.

The attendance rate was 100%

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

1.2.3 The Investment Committee

The Investment Committee is currently composed of Alec Emmott (independent), Richard Wrigley (independent)and Graham Spensley (independent). They were appointed at the February 14, 2012 Board of Directors' meeting for renewable three-year terms, i.e., until the annual Board meeting convened to approve for issue the financial statements for the year ending December 31, 2014.

Alec Emmott was appointed Chairman of the Investment Committee on February 14, 2012.

The Investment Committee did not hold any meetings in 2013.

1.3 Executive Management and Chairman of the Board

1.3.1 Methods of exercising general management

On December 31 2005, the Board decided to separate the functions of Chairman of the Board of Directors and Managing Director.

1.3.2 Limitations on the powers of the Managing Director and the Deputy Managing Directors

The Managing Director shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws. Subject to the limits indicated below, the Managing Director shall:

– assume, under his/her responsibility, the Company's executive management;

– represent the Company in its dealings with third parties;

– be vested with the broadest powers to act in the Company's name in all circumstances as long as the acts carried out fulfill the following conditions: (i) they fall within the corporate purpose and (ii) they are not expressly reserved for General Shareholders' Meetings.

As an internal measure, the Managing Director may not commit the Company without having the joint signature of the Deputy Managing Director, and vice versa.

With respect to the Board and to limit their powers, the Managing Director and the Deputy Managing Directors may not, in the name and on behalf of the Company, perform the following acts or transactions or carry out any contractual steps leading to such acts or transactions without having requested and received the Board of Directors' prior authorization to do so:

1. enter into sales agreements, purchase agreements or grants of sureties or guarantees;
2. enter into loan agreements;
3. enter into, substantially amend or terminate any lease agreements or rental agreements for annual amounts of over EUR 2,000,000;
4. enter into, substantially amend or terminate any property management agreements;
5. enter into any agreements of any kind whatsoever involving an annual amount of over EUR 500,000, with the exception of any lease agreements or rental agreements mentioned in point 3 above;
6. issue any writs in which a major interest of the Company could be at stake or in which the amount concerned exceeds or could exceed the sum of EUR 50,000;
7. accept any court, administrative or arbitration decisions issued either fully or in part against the Company or any other out-of-court settlement involving the Company concerning an amount of over EUR 50,000 per decision or settlement agreement;
8. hire any Company employees beyond the limits of the annual budget adopted by the Board of Directors and/or an executive manager;
9. set up, transfer or close down any branches, agencies, offices, either in France or abroad, create, purchase or subscribe to the capital of any subsidiary or purchase shares in the capital or, generally, purchase a stake in any company or entity of any kind whatsoever, increase or decrease any existing shareholding;
10. authorize the executive corporate officers of a Company subsidiary to perform acts that require prior authorization from the Company in its capacity as sole shareholder of said subsidiary; and
11. more generally, carry out any act or transaction that does not comply with the reasonable prudent management principles.

Section 17.4 of Article 17 of the bylaws relating to the limitations on the powers of the Managing Director and the Deputy Managing Director reads as follows:

"ARTICLE 17. EXECUTIVE MANAGEMENT

[...]

17.4 Limitations upon the Managing Director's and Deputy Managing Directors' powers

[...]

"The Managing Director and/or the Deputy Managing Directors may not, in the name and on behalf of the Company, enter into any loan agreement, grant any securities, pledges, mortgages of any kind, or, more generally, enter into agreements or contracts, the direct or indirect

purpose and/or effect of which would result in entering into any loan agreement, granting any securities, pledges or mortgages of any kind, without the Board of Directors' prior approval, issued in compliance with the German regulations applicable to property investment funds and management companies.

The Managing Director and the Deputy Managing Directors may not carry out, in the name and on behalf of the Company, purchases, exchanges and sales of real property, real estate assets and real estate rights or perform any contractual steps that could result, directly or indirectly, in such operations being carried out without the Board of Directors' prior approval, issued in compliance with the German regulations applicable to property investment funds and management companies."

1.4 Principles and rules for determining corporate officers' compensation

1.4.1 Board members' compensation (directors' fees)

The June 26, 2013 General Shareholders' Meeting decided to set the overall amount of directors' fees for 2013 at EUR 120,000.

For the year ended December 31, 2013, the November 13, 2013 Board of Directors' meeting decided to allocate directors' fees as follows:

– Richard Wrigley received EUR 20,000;

– Jean-Pierre Bonnefond received EUR 15,000;

– Europroperty Consulting received EUR 30,000;

– Graham Spensley (non-voting director) received EUR 3,000.

CRI, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel, GMF Vie and Sabine Röska waived their right to receive directors' fees in respect of the year ended December 31, 2013.

1.4.2 Corporate officers' compensation

On the recommendation of the Appointments and Compensation Committee, the Board validates the corporate officers' compensation policy and the compensation for each of them.

The Board also refers to the Reference Code.

This policy applies to the entire fixed, variable and exceptional compensation granted by the Company as well as benefits of all kinds (e.g., pension benefits, severance indemnities). It includes all conditional deferred compensation, retention plan payments, non-recurring pension benefits, incentives and other variable compensation.

Compensation is determined not only on the basis of work performed, results obtained, and responsibilities assumed, but also in light of practices observed in comparable companies and the compensation of the Company's other corporate officers.

Compensation of the Chairman of the Board of Directors

The Chairman of the Board of Directors receives fixed annual compensation of EUR 25,000, gross before tax, set by the Board of Directors' meeting of April 12, 2013.

Compensation of the Managing Director

Determining the fixed portion

On the recommendation of the Appointments and Compensation Committee, the Board of Directors' meeting of February 14, 2013 decided to increase Raphaël Tréguier's fixed annual compensation for his duties as Managing Director from EUR 142,800 to EUR 150,000 gross, with effect from January 1, 2013.

Determining the variable portion of compensation for 2013

On the recommendation of the Appointments and Compensation Committee, the Board of Directors' meeting of February 14, 2013 decided to grant Raphaël Tréguier variable compensation for his duties as Managing Director, with effect from January 1, 2013. For 2013, his variable compensation has been determined as follows:

The variable compensation breaks down into two separate portions:

– a portion based on the achievement of an annual quantitative objective and capped at EUR 60,000;

– a portion based on the achievement of individual qualitative objectives and capped at EUR 40,000;

For 2013, the quantitative objective has been set as consolidated recurring cash flow in the amount of EUR 24 million, with the variable compensation being determined as follows:

Rate of achievement of objective	Variable portion allocated
120% and above	EUR 60,000
Between 100% and 120%	EUR 50,000
Between 80% and 100%	EUR 40,000
Between 60% and 80%	EUR 20,000
Less than 60%	EUR 0

Having reviewed the report on the work of the Appointments and Compensation Committee, the February 13, 2014 Board of Directors' meeting decided to implement the following recommendations of the Committee:

(i) to set the portion of Raphaël Tréguier's variable compensation for 2013 based on the quantitative objective at EUR 40,000, corresponding to a rate of achievement of the target set by the Board of Directors' Meeting of February 14, 2013, of between 80% and 100%;

(ii) to set the portion of Raphaël Tréguier's variable compensation for 2013 based on the qualitative objectives at EUR 20,000.

Determining the multi-annual variable compensation

On the recommendation of the Appointments and Compensation Committee, the Board of Directors' meeting of June 26, 2013 decided to establish a medium-term bonus plan for Raphaël Tréguier.

The medium-term bonus plan involves granting Raphaël Tréguier, in his capacity as Managing Director, multi-annual variable compensation based on changes in the Cegereal share price, as a loyalty incentive.

This multi-annual variable compensation has been set up for the duration of Raphaël Tréguier's term of office as Managing Director.

The conditions for granting this compensation are as follows:

A medium-term bonus of TWENTY FIVE THOUSAND EUROS (EUR 25,000) will be granted annually to Raphaël Tréguier from 2015, in his capacity as Managing Director, if the Cegereal share price increases over a period (a "Period") of two (2) years by a minimum total percentage set by the Board of Directors for each period (the "Target") at the meeting held to approve the annual financial statements for the year preceding the Period. In the event that this change in share price does not meet the Target, no medium-term bonus will be paid to Raphaël Tréguier for the Period concerned.

For the first Period, from February 14, 2013 to February 14, 2015, the Target consists of an overall increase in the Cegereal share price of at least 30% over the aforementioned Period. The change in the Cegereal share price must be recorded by the Board of Directors' meeting held in 2015 to approve the financial statements for the year ending December 31, 2014 (the "First Maturity Date").

For the second Period, from February 14, 2014 to February 14, 2016, the Target will be set by the Board of Directors' meeting held in 2014 to approve the financial statements for the year ending December 31, 2013. The change in the Cegereal share price must be recorded by the Board of Directors' meeting held in 2016 to approve the financial statements for the year ending December 31, 2015 (the "Second Maturity Date").

For the third Period, from February 14, 2015 to February 14, 2017, the Target will be set by the Board of Directors' meeting held in 2015 to approve the financial statements for the year ending December 31, 2014. The change in the Cegereal share price must be recorded by the Board of Directors' meeting held in 2017 to approve the financial statements for the year ending December 31, 2016 (the "Third Maturity Date").

For the fourth Period, from February 14, 2016 to February 14, 2017, the Target will be set by the Board of Directors' meeting held in 2016 to approve the financial statements for the year ending December 31, 2014. The change in the Cegereal share price must be recorded by the Board of Directors' meeting held in 2017 to approve the financial statements for the year ending December 31, 2016 (the "Fourth Maturity Date").

The First Maturity Date, the Second Maturity Date, the Third Maturity Date and the Fourth Maturity Date are hereinafter collectively referred to as the "Maturity Dates" and individually as the "Maturity Date".

The Cegereal share price that will be used to determine whether the conditions governing the payment of the medium-term bonus have been met will be the average share price over the twenty trading days prior to February 14 of each year concerned.

The change in the Cegereal share price will be calculated on the First Maturity Date (2015), based on:

– the average share price over the twenty trading days prior to February 14, 2013; compared to

– the average share price over the twenty trading days prior to February 14, 2015.

The change in the Cegereal share price will be calculated on the Second Maturity Date (2016), based on:

– the average share price over the twenty trading days prior to February 14, 2014; compared to

– the average share price over the twenty trading days prior to February 14, 2016.

The change in the Cegereal share price will be calculated on the Third Maturity Date (2016), based on:

– the average share price over the twenty trading days prior to February 14, 2015; compared to

– the average share price over the twenty trading days prior to February 14, 2017.

The change in the Cegereal share price will be calculated on the Fourth Maturity Date (2017), based on:

– the average share price over the twenty trading days prior to February 14, 2016; compared to

– the average share price over the previous twenty trading days prior to February 14, 2018.

The medium-term bonus acquired at each Maturity Date will be paid, at the latest, by the end of the first calendar quarter following the relevant Maturity Date, i.e., by March 31 at the latest.

In order to receive his medium-term bonus, Raphaël Tréguier must still be Managing Director of the Company at the Maturity Date, when the change in the Cegereal share price is assessed.

In the event that his duties as Managing Director are terminated before the relevant Maturity Date for any reason whatsoever, Raphaël Tréguier will not receive his medium-term bonus.

No amount is payable in respect of the past financial year.

Benefits-in-kind

Raphaël Tréguier also enjoys benefits-in-kind which represent an annual basis of approximately EUR 19,074 and take the form of a company car and unemployment insurance for company managers.

No benefits-in-kind have been granted to the corporate officers.

Indemnities, benefits and compensation granted to corporate officers with respect to the termination of or a change of their duties

No commitment has been made in relation to items of compensation, indemnities or benefits payable or likely to be payable with respect to the assumption of, termination of or a change of a corporate officer's duties, or at any time thereafter.

Complementary pension benefits

No undertakings with respect to complementary pension benefits have been made for the corporate officers.

Employment contract

Raphaël Tréguier's employment contract was transferred to Prothin following the partial asset transfer carried out on December 22, 2011. The Board of Directors' meeting of February 14, 2012 noted that this employment contract was still suspended following Raphaël Tréguier's appointment as Managing Director.

The Company does not comply with the recommendation in section 19 of the Reference Code whereby the employment contract of an executive employee who becomes a corporate officer of the Company or another Group company must be terminated by way of a mutual agreement or the employee's resignation. This non-compliance is justified on account of Raphaël Tréguier's personal situation. No specific severance indemnities shall be granted to Raphaël Tréguier, particularly in the event of the termination of his employment contract.

1.6 Shareholders' participation in General Shareholders' Meetings

A General Shareholders' Meeting is open to all shareholders irrespective of the number of shares that they hold.

The right to participate in General Shareholders' Meetings is substantiated by the shares being registered in the shareholder's or the intermediary's name either in (i) the registered share accounts kept by the Company or (ii) the bearer share accounts kept by the authorized intermediary prior to midnight, Paris time, on the third business day before the meeting is held.

The registration or recording of bearer shares is evidenced by a share ownership certificate issued by the authorized intermediary.

If a shareholder cannot attend the General Shareholders' Meeting personally, he/she may choose from one of the following three options: (i) issue a proxy to his/her spouse/civil partner or another shareholder or, (ii) send a proxy to the Company indicating no name or (iii) vote by correspondence.

Shareholders' requests to include resolutions and/or items on the agenda must be sent to the registered office by registered letter with return receipt requested no later than twenty-five days before the date of the meeting.

1.7 Information likely to have an impact in the event of a public offer for the Company's shares

This information is set out in section III.5.5 of this Registration Document.

2. THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The law requires a description not only of the Board's work methods, but also of the internal control procedures implemented by the Company. First, it is necessary to explain the objectives of such procedures.

2.1 Objectives of the Company's internal control procedures

Among the various objectives assigned to internal control, one is to prevent and control risks resulting from the Company's activity, in particular any risks of accounting or financial errors or fraud. However, as with any control system, there is no absolute guarantee that all risks will be fully eliminated.

At the same time, the purpose of an internal control system is to ensure that management acts, the way in which the Company undertakes various operations and the personnel's activity, are duly in line with the strategic business orientations defined by management.

Lastly, the purpose of an internal control system is to verify that the accounting, financial and management information communicated to the Company's management bodies fairly reflects the Company's activity and situation.

2.2 Internal control procedures set up by the Company

The various procedures implemented by the Company are described below:

2.2.1 General organization of internal control in the Company

(a) Persons or structures in charge of internal control

As indicated above, the Audit Committee, the Appointments and Compensation Committee and the Investment Committee were set up for this purpose. The role and assignments of each Committee are described in section 1.2 of this report.

(b) Internal or external aids used to prepare control procedures

The Company implements a policy of transparency and public disclosure to best satisfy the shareholders' and potential investors' interests. The Managing Director is in charge of the Company's financial communication.

The Company decided, in its Internal Rules and Regulations, to set up similar provisions inspired by the Reference Code. These Internal Rules and Regulations are available on the Company's website: http://www.cegereal.com.

In addition, the Internal Rules and Regulations establish a Directors' Charter, which provides an ethical framework within which the directors exercise their duties.

In particular, the Directors' Charter provides that:

– each director, however he/she is appointed, shall represent the interests of all of the shareholders;

– each director shall ensure that he/she continually improves his/her knowledge of the Company and its business sector;

– each director shall ensure that he/she maintains his/her independence of analysis, judgment, decision and action in all circumstances;

– each director undertakes not to seek or accept any benefits that could impair his/her independence;

– each director, before accepting his/her duties, shall familiarize himself/herself with the general or special obligations attached to his/her position and, in particular, the applicable legal or regulatory texts, bylaws, Internal Rules and Regulations and this charter, as well as any additional information that the Board of Directors deems necessary to provide to him/her;

– each director shall refrain from carrying out transactions on corporate securities in which (and insofar as) he/she has, owing to his/her position, information that has not yet been publicly disclosed;

– each director shall inform the Board of Directors of any conflict of interests, even potential, in which he/she could be directly or indirectly involved. He/she shall refrain from participating in any debates and decision-making relating to the subjects in question.

The Directors' Charter also reiterates, insofar as may be required, the stock market regulations that are applicable in cases of insider trading, failure to inform and price manipulations.

2.2.2 Summary description of the internal control procedures set up by the Company

(a) Procedures for processing financial and accounting information

The procedures for processing accounting and financial information are currently organized as follows:

(i) Building operation cycle

The main assignment of the asset manager, Commerz Real, is to supervise the property manager.

Bills and receipts for rental charges are issued by the property manager, which also collects payments. The property manager's accounting department records the bills on the SAP ERP specially developed by the asset manager. The asset manager checks the bills.

The budget of charges relating to each building is prepared by the property manager and validated by the asset manager. The property manager receives and records day-to-day expenses related to the building on SAP. The asset manager makes payments (except for direct debits) and approves incoming invoices.

(ii) Consolidated financial statements

Procedures relating to the preparation and processing of financial information are the responsibility of Executive Management.

The accounts closing procedures comprise:

– a closing schedule, which is submitted to the Audit Committee;

– the submission of detailed monthly reports by all Group entities including an income statement, summary balance sheet, and various detailed schedules. The consolidated financial statements are prepared based on the consolidation packages of the Group's various entities;

– information relating to the fair value of real estate assets and specifically required for the preparation of consolidated financial statements is obtained from independent valuers, in order to guarantee the reliability and objectivity of the data;

– the use of a central information system.

Lastly, the role of Executive Management is to supervise the various contributors to the preparation of the consolidated financial statements and the resulting financial information.

As part of their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages and consolidation adjustments within the scope set out for their work.

(iii) Corporate accounting

The books are kept by a firm of certified public accountants. The Company's tax lawyers are consulted depending on the nature of the transactions carried out by the Company.

The information necessary for keeping the books is obtained from the property manager, the asset manager and banks.

The asset manager and the Company's Executive Management validate the invoices and make the payments.

Executive Management supervises the accounting department and any external accounting service providers.

(iv) Periodical financial information

Each month, an interim statement of account is prepared by the certified public accountant and sent to the asset manager's financial department to be checked and approved.

(v) Preparation of financial statements

Financial statements are prepared by the certified public accountant in conjunction with the asset manager, the Company's Executive Management and its advisors.

The Audit Committee reviews the relevance of the main assumptions and principles adopted therein.

The financial statements are audited by the Statutory Auditors.

(b) Disclosure and reporting procedures

With a view to ensuring the efficient processing of financial information, the Company has set up disclosure and reporting procedures under which the Managing Director must, within thirty days of the end of the first half-year, submit to the Board of Directors for control, an unaudited balance sheet (prepared at the date of the last day of the half-year in question), an income statement and a statement of cash flows (for the half-year), a comparison of the balance sheet, income statement and the budget, as well as a comparison between such statements and the budget and the revised income forecasts for the year in progress.

(c) Other procedures

The Company calls upon various external parties to ensure the management of the Company and its assets. The duties of asset manager are entrusted to CRI, those of property manager to the historical business partner, Yxime, and those of accountant to PwC Entreprises. Executive Management oversees the duties of these external parties by means of daily exchanges and contacts with each of them. Meetings are also organized whenever necessary.

The above mechanisms provide a reasonable assurance that the internal control objectives for the previous year were met. Given the Company's size and current activity, it will endeavor to maintain its internal controls with the permanent objective of mitigating risks in order to protect its assets.

Lastly, the Company will endeavor to set up the procedures required to combat money laundering.

I hope that this report will give you a better idea of the work procedures and methods that are implemented in the Company, as well as of the allocation of powers among the Company's various decision-making bodies.

I also hope that it will give you a better view of the internal control procedures that have been set up to protect the Company's capital and preserve its assets.

The Chairman of the Board of Directors"

1.5. STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Cegereal SA

Registered office: 21-25, rue Balzac, 75008 Paris

Share capital: EUR 160,470,000

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CEGEREAL SA

Year ended December 31, 2013

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA, and in accordance with Article L.225 235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

– to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and

– to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report.

These procedures mainly consisted of:

– obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;

– obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;

– determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

The Statutory Auditors

Paris-La Défense, February 13, 2014	Levallois-Perret, February 13, 2014
KPMG Audit FS I	**Denjean & Associés**
Isabelle Goalec	Thierry Denjean
Partner	Partner

1.6. SPECIAL REPORT ON THE GRANTS OF FREE SHARES

Article L.225-197-4 of the French Commercial Code

Free shares granted

None

Grants to the Company's corporate officers in 2013

None

Free shares granted to employees in 2013

None

1.7. SPECIAL REPORT ON STOCK OPTIONS

Stock options granted (Art. 225-184 [1])

None

Options granted to corporate officers in 2013 (Art. 225-184 [2])

None

Options exercised by corporate officers in 2013 (Art. 225-184 [2])

None

Options granted to employees in 2013 (Art. 225-184 [3])

None

Options exercised by employees in 2013 (Art. 225-184 [3])

None

1.8. FIVE-YEAR FINANCIAL SUMMARY

in euros

	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2009
Capital at year end					
Share capital	160,470,000	160,470,000	160,470,000	160,470,000	160,470,000
of which paid up	160,470,000	160,470,000	160,470,000	160,470,000	160,470,000
Number of ordinary shares	13,372,500	13,372,500	13,372,500	13,372,500	13,372,500
Operations and income for the year					
Net revenue			20,784,100	63,956,378	67,043,926
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(1,895,753)	(1,618,602)	3,655,233	34,774,971	41,418,321
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(1,877,070)	(1,439,977)	(9,287,235)	7,329,497	15,540,619
Income distributed	10,029,375	8,692,125		14,709,750	22,733,250
Earnings per share					
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(0.14)	(0.12)	0.27	2.60	3.10
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(0.14)	(0.11)	(0.69)	0.55	1.16
Dividend paid per share	0.75	0.65		1.10	1.70
Personnel					
Average headcount during the year			3	3	2
Average payroll costs(1)	265,545	237,072	246,753	336,332	221,188
Social security charges(1)	111,548	106,901	101,528	140,920	92,952

(1) These amounts correspond to corporate officers' compensation

2. General information regarding the issuer

2.1. CORPORATE NAME

The Company's name is Cegereal.

2.2. TRADE AND COMPANIES REGISTRY

The Company is registered with the Paris Trade and Companies Registry under number 422 800 029. Its business identification (SIRET) number is 422 800 029 00023 and its business activity code is 6820B (leasing of other real estate assets).

2.3. COMPANY INCORPORATION AND TERM OF EXISTENCE

The Company was incorporated on April 22, 1999 for a term of ninety-nine years in the form of a limited liability company. It was converted into a French société anonyme (joint-stock corporation) on December 31, 2005.

2.4. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at: Étoile-Saint-Honoré, 21-25, rue Balzac, 75008 Paris, France.

The Company is a French société anonyme (joint-stock corporation) with a Board of Directors that is governed by the provisions of the French Commercial Code (Code de commerce).

The telephone number for the registered office is: +33 (0)1 42 25 76 36.

2.5. SIIC STATUS

SIIC TAX TREATMENT

The Company has elected for the preferential tax treatment granted to listed real estate investment companies *(Sociétés d'Investissement Immobilières Cotées – SIICs)* in accordance with Article 208 C of the French Tax Code *(Code général des impôts)*.

SIICs that have elected for preferential tax treatment are exempted from paying corporate income tax on the portion of their income resulting from:

– the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated (Article 33 of the amending Finance Act for 2013, no. 2013-1279) (85% of this income for the amounts paid up to December 31, 2013);

– capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for preferential tax treatment, provided that 60% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated (Article 33 of the amending Finance Act for 2013, no. 2013-1279) (50% of these capital gains for the amounts paid up to December 31, 2013);

– dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

The Company's eligibility for SIIC tax treatment, subject to compliance with the conditions laid down by the law regarding its corporate purpose, the composition of its assets, the amount of its share capital and its listing on a French regulated market, was confirmed by the tax authorities on January 3, 2006.

20% WITHHOLDING TAX

In addition to the rules relating to holding shares, the amending French Finance Act for 2006 introduced a 20% withholding tax to be paid by SIICs on dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not payable in the event that the beneficiary is a company that has an obligation to distribute all dividends it receives.

These provisions apply to all dividends distributed since July 1, 2007.

<u>Dividend distributions to CRI</u>

As CRI holds the Cegereal shares in the name and on behalf of the unit holders of the hausInvest property fund, the French tax authorities have decided to treat CRI as a tax-transparent entity and to consider that the unit holders of the hausInvest property fund hold a direct interest in Cegereal.

Based on this approach, the tax authorities considered that:

(i) dividends paid to unit holders of the fund do not fall within the scope of the 20% withholding tax if the unit holders are natural persons; and

(ii) dividends paid to unit holders of the fund are not subject to the withholding tax if the unit holders are legal entities, provided that they do not meet the criteria set forth in Article 208 C-II ter of the French Tax Code (which provides that the withholding tax is payable if the dividends are paid to an entity holding over 10% of the voting rights of the SIIC and the entity is not liable for corporate income tax or another equivalent tax on the amounts received).

Considering the status of the current unit holders of the fund, Cegereal SA is not liable for the 20% withholding tax on the dividends it distributes.

<u>Dividend distributions to other shareholders</u>

Cegereal will not be subject to the 20% withholding tax if it is established that no dividends are paid to shareholders other than natural persons meeting both of the following conditions:

(i) the shareholder holds, directly or indirectly, at least 10% of the dividend entitlements in the SIIC at the time the dividends are paid;

(ii) the shareholders' dividend is not subject to corporate income tax or another equivalent tax.

Considering Cegereal SA's ownership structure at December 31, 2012, the 20% withholding tax was not levied on any of the dividends it distributed.

WITHHOLDING TAX ON DIVIDEND DISTRIBUTIONS

<u>Dividend distributions to CRI</u>

Withholding tax at the reduced rate of 15% is applicable on dividends paid out of exempt income of SIICs and their French subsidiaries to French or foreign OPCIs that:

(i) raise capital with a certain number of investors, which is invested in the interests of those investors in accordance with a defined strategy; and

(ii) have similar features to a French OPCI (SPPICAV or FPI).

The hausInvest fund in whose name and on whose behalf CRI holds the Cegereal shares meets these two conditions. A request for a ruling has been filed with the French tax authorities to obtain confirmation that the dividends distributed by Cegereal to hausInvest are subject to the following tax treatment, depending on their source:

– continued exemption from withholding tax for dividends paid out of Cegereal's non-exempt income;

– eligibility for withholding tax at the reduced 15% rate for dividends paid out of Cegereal SA's exempt income (irrespective of the state of residence of the fund's investors).

<u>Dividend distributions to other shareholders</u>

Dividend distributions to other shareholders may be subject to withholding tax depending on their tax residence.

ADDITIONAL CORPORATE INCOME TAX CONTRIBUTION (3% OF DISTRIBUTED INCOME)

Amounts to be distributed by SIICs in accordance with Article 208 C of the French Tax Code are exempt from the 3% contribution.

A subsidiary of a company that has elected for preferential treatment as a SIIC is not liable for the contribution if it distributes dividends to another SIIC that holds an interest of over 95% in the company. Consequently, dividends distributed by Prothin to Cegereal are not subject to the 3% contribution.

As Cegereal is in a loss position, this exemption will not apply to amounts distributed by Cegereal in 2014 that are not paid pursuant to the obligation set out in Article 208 C of the French Tax Code. However, as the exceptional distribution of EUR 10,029,375 proposed for 2014 will be paid from additional paid-in capital, it will be considered from a tax standpoint as the reimbursement of a contribution and should not therefore be subject to the contribution.

OBLIGATION TO DISTRIBUTE INCOME

The Company has elected for SIIC status pursuant to Article 208 C of the French Tax Code and is therefore exempt from corporate income tax on its rental income and on any capital gains it generates on the disposal of its real estate assets.

The preferential tax treatment is conditional upon the obligation to distribute a large portion of net income. Cegereal's exemption from corporate income tax could be fully or partially contested if it fails to meet this condition.

Article 23 of the Finance Act for 2013 introduced a mechanism for limiting the deductibility of interest expenses once they exceed EUR 3,000,000. For fiscal years ending on or after December 31, 2012, only 85% of interest expenses are deductible. The limit is set at 75% for fiscal years beginning on or after January 1, 2014.

For companies with SIIC status, this mechanism increases the proportion of their net taxable income that is exempt from corporate income tax and therefore increases the amount of dividends they must pay, without however exceeding their net accounting income. If the amount the company is required to distribute pursuant to tax rules exceeds its net accounting income, the difference is carried forward to future years until it has been fully distributed. Therefore, the only impact of the measure should be that it increases the amount that must be distributed according to tax rules.

2.6. ARTICLES OF INCORPORATION AND BYLAWS

The following paragraphs present the main provisions of the bylaws of Cegereal and of the Internal Rules and Regulations for its Board of Directors on the date of this Registration Document.

CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

The Company's purpose is, directly or indirectly:

– the acquisition, sale, construction or refurbishment, directly or indirectly through a wholly-owned subsidiary, the leasing and management, in France, of full title to all types of office buildings;

– the acquisition and management of all other movable or real property assets and rights in connection with the buildings owned by the Company and that are required for the proper management thereof;

– and, in general, all financial, commercial or industrial transactions, whether in real or movable property, that can be directly linked to the purposes specified above or any related or complementary purpose.

BYLAW PROVISIONS RELATING TO THE MANAGEMENT AND EXECUTIVE STRUCTURES – BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS

Board of Directors (excerpts from Articles 15 and 16 of the bylaws)

The Company shall be managed by a Board of Directors composed of at least three members and a maximum of eighteen members, except as otherwise provided by law in the case of a merger. The term of office for directors is six years. Directors can be removed from office at any time by the Ordinary Shareholders' Meeting (Article 15 of the bylaws).

The Board of Directors shall elect a Chairman from among its members, who must be an individual, whose compensation shall be determined by the Board where applicable. The Chairman of the Board of Directors shall be appointed for a term that cannot exceed that of his/her term of office as director. The Chairman can be re-elected. The Board of Directors can remove the Chairman from office at any time, any provision to the contrary shall be deemed null and void. The Chairman of the Board shall have and exercise powers under the conditions laid down by Article L.225-51 of the French Commercial Code.

If the Chairman of the Board of Directors is not the Managing Director, the Managing Director and/or the Deputy Managing Director(s) shall assist the Chairman in order to obtain information that is useful for the performance of his/her duties.

The Board of Directors shall have the powers and perform its assignment under the conditions laid down by Article L.225-35 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

Each Board member shall receive directors' fees according to the allocation defined by the Board of Directors of the overall amount set by the Ordinary Shareholders' Meeting. Each Board member may also receive exceptional compensation in respect of his/her involvement in a committee or a specific assignment (Article 6 of the Internal Rules and Regulations).

Board meetings shall be convened by all means, including orally, by the Chairman of the Board. When the Board has not met for more than two months, at least one-third of the Board members can ask the Chairman of the Board of Directors to convene the Board to meet on a specific agenda. If the Managing Director does not perform the duties of Chairman of the Board, he/she can also ask the Chairman of the Board to convene the Board to meet on a specific agenda. The Chairman of the Board shall be bound by requests made to him/her in this way.

Board meetings shall be held at the registered office or at any other place specified in the convening notice.

These meetings may be held through videoconference means or by any other means of telecommunication that allows for the identification of the directors, guarantees their effective participation in the meeting of the Board and allows for uninterrupted broadcasting of the discussions and decisions, within the scope of the applicable provisions of the law and regulations, it being specified that discussions relating to the adoption of the decisions referred to in paragraph 3 of Article L.225-37 of the French Commercial Code cannot be held by videoconference.

Decisions shall be made under the quorum and majority conditions laid down by law.

Non-voting directors (Article 19 of the bylaws)

The Ordinary Shareholders' Meeting may appoint one or more persons, who may or may not be chosen from among the shareholders, to act as non-voting directors. The assignment of the non-voting directors is to issue opinions and suggestions to the Company's committees and to assist the Board of Directors in determining corporate strategy. The non-voting directors may be chosen from among the committee members.

The non-voting directors shall be appointed for a term of three years. Their term of office shall expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the third fiscal year that follows the year during which they were appointed. Non-voting directors can be reelected. Each non-voting director can be removed from office at any time by the Ordinary Shareholders' Meeting.

The non-voting directors shall have access to the same information as that made available to the members of the Board of Directors. The non-voting directors may be invited to attend any meeting of the Board of Directors. They are not allowed to vote at Board meetings, however.

Method of general management (excerpt from Article 17 of the bylaws)

The general management of the Company shall be placed under the responsibility of either the Chairman of the Board of Directors, or another individual appointed by the Board of Directors who shall have the title of Managing Director.

The choice between these two methods of exercising general management shall be made by the Board of Directors, which must inform the shareholders and third parties thereof under the regulatory conditions.

The Board's decision as to how the general management will be exercised shall be taken by the majority of the directors who are present or represented. The Board shall determine the duration of the option; in any event, the Board's decision on this point shall remain valid until a decision to the contrary is taken.

When the Board of Directors chooses to separate the duties of the Chairman of the Board of Directors from those of the Managing Director, it shall appoint the Managing Director, who need not be a director, set his/her term of office, determine his/her compensation and, where applicable, the limits on his/her powers. The Managing Director shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws. The Board of Directors can remove the Managing Director from office at any time. If the removal from office is decided without due grounds, it may give rise to damages, unless the Managing Director is also Chairman of the Board of Directors.

On the recommendation of the Managing Director, the Board of Directors can appoint one or more individuals who are responsible for assisting the Managing Director and who shall have the title of Deputy Managing Director. The Board of Directors shall determine the compensation of the Deputy Managing Director(s) and, in agreement with the Managing Director, the scope and duration of the powers of the Deputy Managing Director(s). With regard to third parties, the Deputy Managing Director(s) shall have the same powers and be subject to the same obligations as the Managing Director. When the Managing Director ceases or is unable to perform his/her duties, the Deputy Managing Director(s), unless decided otherwise by the Board of Directors, shall continue to exercise their duties and responsibilities until a new Managing Director is appointed. The Board of Directors, on the recommendation of the Managing Director, can remove the Deputy Managing Director(s) from office at any time. If the removal from office is decided without due grounds, it can give rise to the payment of damages.

Internal Rules and Regulations of the Board of Directors

The Company's Board of Directors adopted Internal Rules and Regulations which supplement and clarify the terms and conditions of its operation, as provided by law and the Company's bylaws. These Internal Rules and Regulations specify, in particular, how the Board is organized and operates, as well as its powers and responsibilities and those of its committees and the limitations to the powers of Executive Management.

A Directors' Charter, which is attached to these Internal Rules and Regulations, specifies the conditions under which all Company directors are required to perform their duties.

RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

Each ordinary share entitles holders, under the conditions provided for by law and regulations, to exercise and enjoy monetary and non-monetary rights. Shareholders only bear losses up to the amounts paid in.

The voting right attached to shares is proportional to the portion of the capital the shares represent and each share grants the right to one vote.

Limits on voting rights

None

Double voting rights

None

Bylaw provisions relating to the allocation of profits, the payment of dividends and interim dividends (excerpt from Article 27 of the bylaws)

The profit for the fiscal year, less prior losses carried forward and amounts allocated to the legal reserve, plus prior profits carried forward, constitutes the distributable profit. In addition to the distributable profit, under the conditions defined by law, the Ordinary Shareholders' Meeting can decide to distribute amounts drawn from the reserves to which the shareholders are entitled.

After approval of the annual financial statements and verification of the existence of distributable amounts, the Ordinary Shareholders' Meeting decides the portion allocated to shareholders in the form of dividends.

Insofar as the Company has elected for the tax treatment referred to in Article 208 C of the French Tax Code, the amount of the distributable profit shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208 C II of said Code, in order to allow the Company to benefit from the provisions of Article 208 C II.

The General Shareholders' Meeting has the option of offering shareholders the choice between payment in cash or in shares, for all or part of the securities that grant the right to the payment of dividends, within the scope of the relevant provisions of the law and regulations.

Interim dividends can also be distributed before the approval of the financial statements for the fiscal year, under the conditions laid down by law.

For all or part of the interim dividends paid, shareholders can be offered the option of payment in cash or in shares.

Lastly, all shareholders, other than individuals:

(i) that directly or indirectly hold at least 10% of the Company's dividend rights, at the time of any payment of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, and

(ii) whose specific situation or that of its partners who directly or indirectly hold 10% or more of the Company's dividend rights, in respect of all payments of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, render the Company liable for the 20% withholding referred to in Article 208 C II ter of the French Tax Code (the "withholding tax") (such shareholders are referred to as "shareholders subject to withholding tax"), shall owe the Company, when any dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code are paid, an amount that shall be set in such a way as to neutralize completely the withholding tax owed by the Company in respect of said payment.

If there is more than one shareholder subject to withholding tax, each of them shall owe the Company the portion of the withholding tax triggered by its direct or indirect shareholding. The status of shareholder subject to withholding tax shall be assessed on the date the payment is distributed.

Subject to the information provided in accordance with Article 10 of the bylaws, all shareholders, other than individuals, that directly or indirectly hold at least 10% of the Company's dividend rights shall be presumed to be shareholders subject to withholding tax.

The amount of any debt owed by a shareholder subject to withholding tax shall be calculated in such a way that, after the debt is paid and in light of any tax treatment applicable to it, the Company is placed in the same position as though the withholding tax had not been triggered.

The payment of any distribution to a shareholder subject to withholding tax shall be made by an entry in said shareholder's individual current account (which shall not bear interest). The current account balance shall be repaid within five business days as from said entry, after offsetting against the monies owed by the shareholder subject to withholding tax pursuant to the provisions set out above.

The General Shareholders' Meeting can grant each shareholder, for all or part of the dividend or interim dividend payment, an option between payment in cash or in shares. If a shareholder subject to withholding tax opts for the payment of its dividend in shares, said shareholder shall receive part of the payment in shares (without creating fractional shares), and the other part in cash (this portion shall take the form of an individual current account entry), so that the offsetting mechanism described above can apply to the portion of the dividend payment made by an entry in the individual current account.

In the event of a distribution at the time of a public exchange offer, the Company shall only deliver the shares owed to the shareholder subject to withholding tax in respect of its involvement in the exchange after full payment in cash of the monies owed by the shareholder subject to withholding tax to the Company pursuant to the provisions set out above.

In the event that:

(i) subsequent to a payment by the Company of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, a shareholder is found to be a shareholder subject to withholding tax on the date of payment of said monies; and

(ii) the Company should have paid the withholding tax in respect of the monies thus paid to said shareholder, without said monies having been reduced as required, said shareholder subject to withholding tax shall be required to pay the Company not only the amount it owed to the Company pursuant to the provisions of this article, but also an amount equal to the penalties and default interest, where applicable, owed by the Company as a result of the late payment of the withholding tax.

Where applicable, the Company may set off its receivable in this regard pro tanto against all monies that may subsequently be owed to said shareholder subject to withholding tax.

CHANGES TO THE CAPITAL AND THE RIGHTS ATTACHED TO SHARES (ARTICLE 8 OF THE BYLAWS)

The share capital can be increased by any method and in any way authorized by law. The Extraordinary Shareholders' Meeting has the sole power to decide on any immediate or deferred increases in capital. The meeting can delegate this power to the Board of Directors under the conditions laid down by law.

The Extraordinary Shareholders' Meeting can also, under the terms and conditions laid down by law, authorize a capital reduction or decide to reduce the capital for any reason and in any way whatsoever. However, capital reductions cannot undermine shareholder equality in any way.

The provisions of the bylaws that govern changes in the Company's share capital are no stricter than those imposed by law.

GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 23 OF THE BYLAWS)

General Shareholders' Meetings shall be convened and deliberate under the quorum and majority conditions laid down by law.

They shall be held at the registered office or at any other place specified in the convening notice.

All shareholders are entitled to attend General Shareholders' Meetings and to take part in the vote in person or via proxy, upon presentation of proof of their identity and title to their securities, provided that:

– for holders of registered shares, the securities are recorded in the accounts of registered shares kept by the Company, in the name of the shareholder;

– for holders of bearer shares, the securities are recorded in the accounts of bearer shares kept by the accredited financial intermediary, and evidenced by a share ownership certificate.

These formalities must be carried out at the latest on the third business day prior to the meeting at midnight, Paris time.

The Board of Directors may reduce this timeframe via a general measure that benefits all the shareholders.

All shareholders can vote prior to the meeting by post or electronically, in accordance with legal and regulatory terms and conditions.

The shareholders can, under the conditions laid down by the laws and regulations, send their proxy form or postal vote form for any General Shareholders' Meeting on paper or electronically pursuant to a decision by the Board of Directors stated in the convening notice, in accordance with the regulations in force.

Shareholders shall be deemed to be present for the calculation of the quorum and majority if they attend the meeting by videoconference or by other means of telecommunication that make it possible to identify them, in accordance with legal and regulatory conditions.

General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors, or in his/her absence, by the director who has been on the Board the longest. An attendance sheet shall be drawn up under the conditions laid down by law.

Decisions at General Shareholders' Meetings shall be taken under the quorum and majority conditions laid down by law.

CROSSING THE THRESHOLDS SET IN THE BY LAWS (ARTICLE 10 OF THE BYLAWS)

In addition to the thresholds provided for by the applicable laws and regulations, any individual or legal entity, acting alone or in concert, that acquires or disposes of, directly or indirectly through one or more companies over which it has majority control, 3% or more of the share capital and/or voting rights, shall inform the Company of each additional fraction of 2% of the capital and/or voting rights held, up to 33%, within five trading days from the crossing of said threshold(s), by registered letter with return receipt requested sent to the Company's registered office, specifying the total number of shares or securities that grant access to the capital, as well as the number of voting rights it holds, alone, indirectly or together with other shareholders, on the basis of the most recent number of voting rights published by the Company.

In the event of failure to comply with this disclosure obligation, one or more shareholders that hold at least 5% of the capital or voting rights can request that the shares exceeding the fraction that should have been disclosed be stripped of voting rights for all Shareholders' Meetings that are held, until the expiration of a two-year period following the date on which the disclosure obligation is complied with. The request shall be recorded in the minutes of the General Shareholders' Meeting. Under the same conditions, the voting rights attached to these shares and that were not duly disclosed cannot be delegated by the defaulting shareholder.

The disclosure obligation described above must be complied with in addition to legal disclosure threshold obligations, in particular those referred to in Article L.233-7 of the French Commercial Code.

Lastly, all shareholders, other than individuals, that hold and/or acquire 10% of the Company's dividend rights, directly or through entities they control, within the meaning of Article L.233-3 of the French Commercial Code, must state in their disclosure threshold notice or subsequent thereto, whether or not the entity is a shareholder subject to withholding tax as defined in Article 27 of the bylaws. If the shareholder declares that it is not a shareholder subject to withholding tax, it must comply with any request by the Company to provide proof thereof and/or a legal opinion issued by an internationally renowned tax firm at the latest ten (10) business days before payment of the distributions.

All shareholders, other than individuals, that report that they have exceeded the threshold of 10% of the dividend rights, directly or indirectly, must notify the Company in a timely manner, and in any event at the latest ten (10) business days before the distributions are made, of any change in their tax status that would cause them to acquire or lose the status of shareholder subject to withholding tax.

If they are not declared under the conditions provided for in the previous paragraph of this article, the shares that exceed the disclosure threshold shall be stripped of voting rights in Shareholders' Meetings if, during a meeting, the failure to declare is recorded and if one or more shareholders that together hold at least 2% of the capital make a request to this effect during such meeting. The removal of voting rights shall also apply to all Shareholders' Meetings that are held until the expiration of a two-year period following the date on which the disclosure obligation is complied with.

The shares of all shareholders subject to withholding tax shall be issuer-registered.

3. Related-party transactions

3.1. MEMORANDUM OF UNDERSTANDING WITH CRI

The Company, CRI and the custodian bank Commerzbank AG entered into a memorandum of understanding on March 2, 2006, the purpose of which is to enable CRI to comply with the laws and regulations that are applicable in Germany in relation to its status as a management company and, in particular, the provisions that require a custodian bank to control actions by the management company in order to protect the interests of holders of units in investment funds. Where applicable, this engagement can take the form of an a priori control.

Pursuant to this memorandum, the Company authorizes the CRI representatives on its Board of Directors to provide CRI and Commerzbank AG with information they receive about the Company in their capacity as directors of the Company, so that Commerzbank AG can exercise its control over CRI in accordance with the provisions of German regulations. The purpose of this control is to ensure compliance with German laws and regulations on management companies. On no account does it constitute a review of appropriateness. The Company also makes available to its directors at the registered office a monthly statement in a form approved by mutual agreement between the parties, in compliance with the provisions of German laws and regulations on management companies, in order to enable CRI's representatives on the Company's Board of Directors to fulfill their obligations with respect to Commerzbank AG. Commerzbank AG has undertaken to observe strict confidentiality regarding the information on the Company that is provided to it and only to use said information for the specific and exclusive requirements of its control role as custodian bank.

The parties to this agreement have undertaken to use their best efforts to enable Commerzbank AG to perform the procedures incumbent upon it, in its capacity as custodian bank for the hausInvest property fund, in accordance with the applicable provisions of German regulations, mutatis mutandis. Moreover, it is specified that on no account can the Company be held directly or indirectly liable, even partially, by CRI and/or Commerzbank AG, for a breach of the applicable German regulations.

This agreement shall terminate automatically as soon as CRI no longer has any obligations to Commerzbank AG with respect to the applicable German regulations, in particular because its stake in the Company will no longer be deemed to be a shareholding in a property company. CRI and Commerzbank AG are reminded of their obligations with respect to applicable French laws and regulations whenever they receive information that could be deemed to be insider information. In addition, any information that may have an impact on the Company's value is disclosed without delay by means of a press release and a note to the financial analysts or as part of the quarterly publications.

This agreement is referred to in the Statutory Auditors' special report on page 91.

3.2. ASSET MANAGEMENT AGREEMENT

On February 8, 2006, the Company entered into an asset management agreement with CRI, which expired on February 8, 2012. It was renewed in an agreement entered into on December 21, 2011 under the same terms and conditions for a period of six years effective as of February 9, 2012. This renewal was authorized by the Board of Directors on December 15, 2011 and was approved by the Ordinary Shareholders' Meeting of June 28, 2012. The contrat was transferred to the Company's wholly-owned subsidiary Prothin (the Subsidiary) within the scope of the partial asset transfer.

Pursuant to this agreement, CRI provides Prothin with investment consulting services with respect to the Subsidiary's real estate assets. However, the decision to invest is still made at the discretion of the Subsidiary. CRI must, in particular, submit all new leases or agreements relating to the Subsidiary's real estate assets for approval by the Subsidiary, in accordance with a procedure stipulated in the asset management agreement.

Pursuant to the asset management agreement, asset management concerns, in particular, consulting activities in the field of investment strategy and opportunity. This type of service involves, in particular, determining an investment strategy with the Subsidiary, including policies with respect to debt and the holding/selling of assets, as well as analyzing investment opportunities and whether they are in line with the Subsidiary's investment strategy. In this regard, CRI must submit investment proposals, as well as recommendations on the structure of the Subsidiary's real estate assets. CRI is also required to advise the Subsidiary on the implementation of its investment strategy.

Where applicable, CRI may also advise the Subsidiary on the sale or purchase of buildings. CRI will be responsible for negotiating purchase and sale agreements for real estate assets. CRI will also assist the Subsidiary at the time of valuations of the assets concerned, as well as with investment disposal procedures. In this regard, CRI will submit recommendations to the Subsidiary regarding the holding/selling of assets and the choice of real estate intermediaries. Lastly, by analyzing investment offers, CRI will participate in the due diligence process and recommend potential buyers (in particular as regards the price offered and the buyers' credibility) to the Subsidiary.

Pursuant to this asset management agreement, CRI is also required to provide analysis services. Such analysis services concern, in particular, the business operation of assets. In this regard, CRI draws up an Annual Business Plan that includes a summary of investments, performance, asset value, the real estate market, trends with respect to leases, recommendations and analyses regarding the holding and selling of assets, priority issues and tasks. This Annual Business Plan is then submitted to the Subsidiary, along with recommendations. CRI also advises the Subsidiary on the implementation of this Annual Business Plan.

Moreover, each year, CRI presents a report on the Subsidiary's real estate assets and the real estate market. Analysis services also cover (i) the methods for operating the assets and the risk management policy in order to determine if they are in line with market standards; (ii) the assessment of insurance coverage; (iii) the operating budget. In this regard, CRI must submit recommendations to the Subsidiary, based in particular on the analysis of operations and covering rental strategy, operating income and expenses, fittings, cash flow and dividends.

Analysis services also involve preparing the following reports: (i) a detailed report on the real estate market, which is updated annually and includes economic projections, information on supply and demand in the real estate sector and real estate market trends, and updates on market rent trends, rental activity, investments and new development projects; (ii) a yearly analysis report on other buildings in the sub-market, including their location, size, quality, available floor space, level of rent and main selling points; and (iii) quarterly inspection reports on the sites describing, in particular, improvements made by the lessees and shared facilities.

CRI also analyzes the Subsidiary's rental strategy, which includes a review of lease proposals, the solvency of potential lessees and the financial terms of draft leases. Each quarter, CRI meets with the team responsible for rental management, with a view to analyzing the progress made and making recommendations in order to improve its rental strategy. This analysis assignment also covers monitoring of the rental market and sub-market in order to advise the Subsidiary on significant real estate market trends.

Each year, CRI produces an analysis of changes in the Subsidiary's real estate assets based, in particular, on a quantitative and qualitative analysis of real estate market conditions and trends.

CRI's assignment is to coordinate the annual operating budgets, the rental strategy and the evaluation and analysis in terms of holding/selling the Subsidiary's assets. Where applicable, it is responsible for evaluating and recommending asset management alternatives.

Lastly, pursuant to this asset management agreement, CRI is required to assist the Subsidiary in obtaining loans.

As compensation for its assignments, CRI receives fixed-rate annual compensation equal to 0.35% of the gross value of the buildings, determined annually by the external valuers appointed by the Subsidiary. CRI also receives (i) a fee set at 1% of the acquisition or sale price of the assets as compensation for its assistance in any purchase or sale transaction and (ii) a fee of 1% of the final purchase price for each development project payable as and when the work is completed, on a quarterly basis, as well as additional compensation for supervising the development operation and the technical support services specific to this operation, which must be negotiated on an individual basis by the parties.

The asset management agreement was entered into for an initial term of six years. However, each party has the possibility of terminating the agreement upon expiration of the first three-year period, subject to giving six months' notice to the other party by registered letter with return receipt requested or by process. This agreement can also be terminated by the Subsidiary with no indemnities in the event of (i) non-performance by CRI of certain of its contractual obligations and (ii) gross negligence by CRI. CRI may also terminate the agreement for the same reasons in the event that the Subsidiary were responsible for the same shortcomings.

The assignment entrusted to CRI under the asset management agreement excludes all activity for which a professional license is required under French Act no. 70-9 of January 2, 1970, known as the Hoguet Act.

Asset management fees paid to CRI amounted to EUR 2,971,500 for 2013.

4. Employees

At December 31, 2013, the Company no longer had any employees, as its three employees were transferred to Prothin within the scope of the partial asset transfer.

The small number of employees within the Group can be explained by the fact that the Group outsources all administrative, financial, accounting, legal, tax and IT services to external service providers. All property management services are also outsourced, currently to Yxime, whose contract was transferred within the scope of the partial asset transfer. Around five Yxime employees are responsible for the day-to-day management of the Group's real estate assets.

The Subsidiary is governed by the French National Collective Bargaining Agreement for the Real Estate sector – Property Managers – Real Estate companies and Estate Agents.

The Group has not encountered any specific difficulties in hiring personnel. There were no dismissals within the Group during the year ended December 31, 2013.

The Group does not use any external manpower.

No mass layoff plans have been implemented.

Due to Cegereal's organization, there are no employee representatives in the Company.

Employee share ownership and stock options

At December 31, 2012, there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

The Group's employees and corporate officers have not been granted any stock subscription or purchase options.

Mandatory and optional employee profit-sharing

None

Information on the Group's CSR policy – employment issues

In application of Article L.225-102-1 of the French Commercial Code, derived from law no. 2010-788 of July 12, 2010, information on Cegereal's employment policy is presented below.

Cegereal's HR values are as follows:

– ensuring gender balance;

– training employees and ensuring that they develop their skills;

– involving our employees in the development of our strategy.

The employment indicators for 2013 were as follows:

– **66%** of employees are female;

– **100%** of employees are on permanent contracts;

– **100%** of employees completed training courses in 2013.

Training

More than **100** hours of training were completed by Group employees in 2013.

A detailed evaluation of each employee following training courses is carried out at the start of each year during the annual assessments. This ensures that all employees have equal access to training.

Industrial relations

Due to Cegereal's limited number of employees, the Company does not have a staff representative body.

Equal treatment

Cegereal has made gender balance one of the core values of its employment policy. All of the Company's employees are treated fairly and have equal access to professional training opportunities. Each employee takes part in a biannual performance review with management. Cegereal ensures that there is no discrimination towards its employees or partners.

Promotion and compliance with the fundamental conventions of the International Labor Organization

Cegereal is governed by French law and undertakes to comply with the French Labor Code in its entirety, particularly the aspects concerning child labor, forced labor and the employment of people with disabilities.

The nature of Cegereal's property business, which consists of managing office buildings, does not pose any significant risks in relation to the working conditions of its employees.

2013 EMPLOYMENT DATA

Headcount	**at Dec. 31, 2013**	**at Dec. 31, 2012**
Total headcount	3	3
of which men	*1*	*2*
of which women	*2*	*1*
Average age of employees	39	40
Employee turnover		
External recruitment	1	0
Departures	1	0
of which dismissals	0	0
Compensation		
Total payroll (in thousands of euros)	511	576
Change (%)	*-11.2%*	
Training		
Total number of hours of training	104	118
% of trained employees	100%	100%
Working time – absenteeism		
Theoretical number of hours worked	5,188	5,188
Absenteeism rate	1.54%	0.46%
of which work accidents	*0%*	*0%*
of which occupational diseases	*0%*	*0%*
of which paid sick leave	*1.54%*	*0.46%*

5. SHARE CAPITAL

5.1. INFORMATION ON THE SHARE CAPITAL

5.1.1 Amount of the capital

As of the date of this Registration Document, the share capital is set at EUR 160,470,000.

It is divided into 13,372,500 ordinary shares with a par value of EUR 12 per share.

The Company's shares have all been subscribed and fully paid up and are all of the same class.

5.1.2 Securities that do not represent capital

Not applicable

5.1.3 Allocation of capital and voting rights

Since the Company's shares were admitted to trading on Euronext Paris by NYSE Euronext and until December 2009, CRI held 67% of the Company's capital. However, as from December 31, 2009, CRI reduced its shareholding to below 60% by selling shares, both directly and on the market. CRI therefore has a controlling interest in Cegereal. However, the presence of independent directors on the Board and Committees, the separation of the Chairman's and the Managing Director's duties and a Chairman of the Board of Directors who is deemed to be independent means that there is no risk that this control will be exercised in an abusive manner.

The table below shows the allocation of capital and voting rights at December 31, 2013, to the best of the Company's knowledge.

Ownership structure at December 31, 2013	Shares		Voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
CRI	7,993,757	59.78%	7,993,757	59.78%	7,993,757	59.90%
Free float	2,546,498	19.04%	2,546,498	19.04%	2,546,498	19.08%
Covéa	1,867,888	13.97%	1,867,888	13.97%	1,867,888	14.00%
Debioholding SA	937,135	7.01%	937,135	7.01%	937,135	7.02%
Treasury shares	27,222	0.20%	27,222	0.20%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,345,278	100%

Ownership structure at December 31, 2013	Shareholder		Shares	
	Number	%	Number	%
Residents	1,407	94.56%	4,296,548	32.14%
Non-residents	81	5.44%	9,069,982	67.86%
Total	1,488	100%	13,366,530	100%

Ownership structure at December 31, 2013	Shareholder		Shares	
	Number	%	Number	%
Individual shareholders	1,368	91.94%	367,373	2.75%
Institutional shareholders	120	8.06%	12,999,157	97.25%
Total	1,488	100%	13,366,530	100%

At December 31, 2013, the mutual insurance group company Covéa (7, place des Cinq Martyrs du Lycée Buffon, 75015 Paris) held 1,867,888 Cegereal shares, which represented as many voting rights, i.e., 13.97% of the Company's capital and 13.99% of its voting rights, broken down as follows:

	Share and voting rights	% of capital	% of voting rights
GMF Vie	943,727.00	7.06%	7.07%
MAAF Assurance SA SGP	539,533.00	4.03%	4.04%
MAAF Vie	251,949.00	1.88%	1.89%
MAAF Vie	43,798.00	0.33%	0.33%
GMF Assurances	27,060.00	0.20%	0.20%
Fidelia Assistance	2,000.00	0.01%	0.01%
Sub-total Covéa Cooperations(1)	1,808,067.00	13.52%	13.55%
MAAF Santé	59,821.00	0.45%	0.45%
Total SGAM Covéa	1,867,888	13.97%	13.99%

(1) Covéa Coopérations (14 boulevard Marie et Alexandre Curie, 72000 Le Mans) is a French joint stock corporation (société anonyme) whose capital and voting rights are held in equal stakes by the mutual companies GMF-AM, MAAF and MMA under the umbrella of Covéa group's mutual insurance company (SGAM Covéa).

By letter received on December 31, 2012, supplemented by a letter received on January 18, 2013, Covéa Coopérations SA declared that on December 28, 2012, it had crossed above the thresholds of 5% and 10% of the share capital and voting rights of Cegereal, through the intermediary of companies it controls, and that it held, indirectly, 1,817,734 Cegereal shares, representing as many voting rights, i.e., 13.59% of the Company's capital and voting rights (based on capital divided into 13,372,500 shares, representing as many voting rights, pursuant to paragraph 2 of Article 223-11 of the AMF's General Regulations).

By letter received on January 30, 2013, supplemented by a letter received on January 31, 2013, Debioholding SA declared that on January 28, 2013, it had crossed above the thresholds of 5% of the share capital and voting rights of Cegereal and that it held 936,075 shares, representing as many voting rights, i.e., 7% of the share capital and voting rights of the Company.

To the Company's knowledge, no other shareholder, acting alone or in concert, directly or indirectly holds more than 5% of the capital or voting rights. There are no shareholders' agreements.

With the presence of CRI and GMF Vie (a company controlled by Covéa) on its Board of Directors, the percentages of the capital and voting rights held by all the members of the management and executive bodies are 73.75% and 73.89% respectively.

At December 31, 2013 there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

To the Company's knowledge, there are no significant pledges of issuer-registered Cegereal shares.

The Company has not pledged its treasury shares.

The Company has held 100% of the capital of the Subsidiary (Prothin) since it was incorporated (Articles L.233-13; R.233-19 of the French Commercial Code).

As of the date of this Registration Document, no shareholder holds specific voting rights. There are no shares with double voting rights. However, the number of voting rights must be adjusted to take into account treasury shares, which do not carry voting rights.

5.1.4 Other securities that grant access to capital

The Company has not issued any securities granting access to the capital.

5.1.5 Share capital authorized, but not issued

The Ordinary and Extraordinary Shareholders' Meeting of June 26, 2013 authorized the Board of Directors in particular to issue, at any time, ordinary shares or securities granting access to the share capital or debt securities, with or without pre-emptive subscription rights for shareholders, according to the Company's needs and given the characteristics of the markets at the time under consideration.

The Board has not used these authorizations.

Summary table of valid delegations of authority to increase the capital

	Date of the ESM	Expiration of authority	Authorized amount	Amounts used in previous years	Amount used in 2013 and until February 14, 2014	Balance at February 14, 2014
Authority to increase the capital by incorporating reserves, profits or premiums	June 26, 2013	August 26, 2015	€300,000,000	None	None	
Authority to increase the capital with pre-emptive subscription rights	June 26, 2013	August 26, 2015	€300,000,000	None	None	
Authority to increase the capital by means of a public offer without pre-emptive subscription rights	June 26, 2013	August 26, 2015	€300,000,000	None	None	
Authority to increase the capital by private placement without pre-emptive subscription rights	June 26, 2013	August 26, 2015	20% of capital per year	None	None	
Authority to increase the capital in favor of company savings plan (PEE) members, without pre-emptive subscription rights						
Authority to increase capital in favor of (category of staff or names of beneficiaries), without pre-emptive subscription rights						
Authority to issue free share subscription warrants and grant them during a public offer period under the reciprocity exception	June 26, 2013	December 26, 2014				
Authority to increase the capital in consideration for securities	June 26, 2013	August 26, 2015	10% of the share capital		None	
Authorization to issue stock subscription options	June 26, 2013	August 26, 2016	2% of the share capital outstanding on the first grant date			
Authorization to grant free shares						
Authorization to grant founders' warrants						

5.1.6 Information on the capital of any group member that is the subject of an option

Not applicable

5.1.7 Changes in the Company's capital over the last three fiscal years

The table below shows the changes in the Company's capital over the last three fiscal years.

Ownership structure at December 31, 2013	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
CRI	7,993,757	59.78%	7,993,757	59.78%	7,993,757	59.90%
Free float	2,546,498	19.04%	2,546,498	19.04%	2,546,498	19.08%
Covéa	1,867,888	13.97%	1,867,888	13.97%	1,867,888	14.00%
Debioholding SA	937,135	7.01%	937,135	7.01%	937,135	7.02%
Treasury shares	27,222	0.20%	27,222	0.20%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,345,278	100%

Ownership structure at December 31, 2012	Shares		Voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
CRI	7,993,489	59.78%	7,993,489	59.78%	7,993,489	59.89%
Free float	2,537,252	18.97%	2,537,252	18.97%	2,537,252	19.01%
Covéa	1,877,555	14.04%	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	938,555	7.02%	938,555	7.02%	938,555	7.03%
Treasury shares	25,649	0.19%	25,649	0.19%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,346,851,	100%

Ownership structure at December 31, 2011	Shares		Voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
CRI	7,993,489	59.78%	7,993,489	59.78%	7,993,489	59.91%
Free float	2,533,505	18.95%	2,533,505	18.95%	2,533,505	18.99%
Covéa	1,877,555	14.04%	1,877,555	14.04%	1,877,555	14.07%
Rolland-Yves Mauvernay	938,635	7.02%	938,635	7.02%	938,635	7.03%
Treasury shares	29,316	0.22%	29,316	0.22%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,343,184	100%

Ownership structure at December 31, 2010	Shares		Voting rights	
	Number	%	Number	%
CRI	7,993,495	59.78%	7,993,495	59.78%
Covéa	1,877,555	14.04%	1,877,555	14.04%
Rolland-Yves Mauvernay	939,780	7.03%	939,780	7.03%
Free float	2,528,748	18.91%	2,528,748	18.91%
Treasury shares	32,922	0.25%	0	0.00%
Total	13,372,500	100%	13,339,578	100%

5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of June 26, 2013 authorized the Board of Directors, for a period of 18 months, to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital (5% in the event of share buy-backs in view of external growth transactions), at any time, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the buy-back program.

Within the scope of this share buy-back program, the Company carried out the following sale and purchase transactions involving its own shares between the opening and closing dates of the last fiscal year:

– Number of shares purchased: 42,160;

– Average purchase price: EUR 22,946 (gross);

– Number of shares sold: 40,587;

– Average sale price: EUR 22,985 (gross);

– Reasons for the acquisitions: market stimulation (100%).

At December 31, 2013, the Company held 27,222 treasury shares with a market value of EUR 24.09 each (closing value).

The reason for the acquisitions was solely market stimulation. Shares held by the Company have not been allocated for other purposes since the last authorization granted by the General Shareholders' Meeting.

DESCRIPTION OF THE SHARE BUY-BACK PROGRAM

In compliance with the provisions of Article 241-2 of the AMF's General Regulations and European Regulation no. 2273/2003 of December 22, 2003, the aim of this description is to state the purposes, terms and conditions of the Company's share buy-back program. This program is subject to the authorization of the General Shareholders' Meeting to be held on June 25, 2014.

Breakdown, by objective, of the treasury shares held at December 31, 2013

– Number of treasury shares directly or indirectly held: 27,222 shares, representing 0.04% of the Company's share capital;

– Number of treasury shares broken down by objective:

- Stabilizing the share price through an AMAFI liquidity agreement: 22,792;
- Acquisitions: 4,430;
- Having shares available for stock option or other employee share-based payment plans: 0;
- Having shares available in exchange for securities giving entitlement to shares: 0;
- Cancellations: 0.

New share buy-back program

<u>Authorization of the program:</u> General Shareholders' Meeting of June 25, 2014

<u>Shares affected: ordinary shares</u>

Maximum percentage of the capital that can be repurchased: 10% of capital (equivalent to 1,337,250 shares at the present time). This limit is calculated at the buy-back date in order to take account of any capital increases or decreases during the share buy-back program. The number of shares included in the calculation of this limit corresponds to the number of shares purchased, less the number resold within the scope of the liquidity agreement, over the term of the program.

<u>Maximum purchase price:</u> EUR 40

<u>Maximum amount of the program:</u> EUR 53,490,000

<u>Repurchase conditions:</u> purchases, sales and transfers may be carried out by any means, either on the market or over the counter, including via transactions of blocks of shares. The resolution to be put to the shareholders for a vote does not limit the portion of the program that can be carried out by blocks of shares.

These transactions may be carried out during a public offer in compliance with the regulations in force.

Objectives (in decreasing order of priority):

– to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

– to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article L.225-209, paragraph 6 of the French Commercial Code, the shares acquired for this purpose may not exceed 5% of the Company's share capital;

– to have shares available for stock purchase option plans and/or free share grant plans (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or Group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;

– to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;

– to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the next General Shareholders' Meeting on June 25, 2014 in its eleventh resolution (extraordinary).

Term of the program: 18 months from the General Shareholders' Meeting to be held on June 25, 2014, i.e., until December 25, 2015, subject to the authorization to be granted by said General Shareholders' Meeting in its tenth resolution (extraordinary).

This Registration Document is available on the Company's Internet site (www.cegereal.com).

5.3. AGREEMENTS RELATING TO CONTROL OF THE COMPANY

As of the date hereof, to the knowledge of the Company, there are no agreements, which, if implemented, could lead to a change in its control.

5.4. ITEMS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Pursuant to Article L.225-100-3 of the French Commercial Code, we specify the following points that could have an impact in the event of a public offer:

– The capital structure as well as any known direct or indirect shareholdings in the Company's capital and all related information are described in section III.5.1.3 above.

– There are no bylaw restrictions to the exercise of voting rights, subject to those relating to disclosure thresholds set out in section III.2.6.

– To the Company's knowledge, there are no signed agreements or other undertakings between shareholders.

– There are no securities conferring special control rights.

– There are no control mechanisms provided for in an employee share ownership arrangement where the control rights are not exercised by said employees.

– The appointment and removal of members of the Board of Directors are governed by legal provisions and the provisions of Article 15 of the bylaws. The Board's Internal Rules and Regulations contain no special provisions in this respect. Therefore, directors are appointed and replaced in compliance with the law. They may be removed at any time by a decision of the Ordinary Shareholders' Meeting. The Chairman is appointed by the Board of Directors and may be removed by the Board at any time.

– With respect to the Board of Directors' powers, current delegations of authority are described in section III.5.1.5. In addition, the Board of Directors has the powers and exercises its duties under the conditions set forth in Article L.225-35 of the French Commercial Code and in the Company's bylaws.

– The Company's bylaws are amended in accordance with legal and regulatory provisions. Only an Extraordinary Shareholders' Meeting is empowered to amend the provisions of the bylaws, being specified, however, that a unanimous decision is required to increase shareholders' commitments.

– The only agreements entered into by the Group that would be amended or terminated in the event of a change in control in the Company are the Chartis insurance contracts.

– There are no agreements specifically providing for compensation in the event of termination of a Board member's term of office.

5.5. TRANSACTIONS INVOLVING SHARES OWNED BY CORPORATE OFFICERS, SENIOR MANAGERS AND THEIR KIN IN THE PREVIOUS FISCAL YEAR

During 2013, Raphaël Tréguier, Managing Director of the Company, filed the following disclosures with the AMF pursuant to the provisions of Articles 223-24 et seq of the AMF's General Regulations:

– A disclosure dated June 18, 2013 concerning the acquisition of Company shares on May 23, 2013;

– A disclosure dated June 18, 2013 concerning the sale of Company shares on May 23, 2013;

– A disclosure dated June 18, 2013 concerning the sale of Company shares on May 27, 2013;

– A disclosure dated June 18, 2013 concerning the sale of Company shares on May 30, 2013;

– A disclosure dated June 18, 2013 concerning the sale of Company shares on June 4, 2013;

– A disclosure dated June 18, 2013 concerning the acquisition of Company shares on June 10, 2013;

– A disclosure dated September 23, 2013 concerning the acquisition of Company shares on July 25, 2013;

– A disclosure dated September 23, 2013 concerning the acquisition of Company shares on September 6, 2013.

6. Other information on the Board of Directors and Executive Management

6.1. LIST OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE YEAR

The table below shows the terms of office of the members of the Company's Board of Directors and its senior executives at December 31, 2013 (Article L.225-102-1 of the French Commercial Code).

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held[1]
Chairman of the Board of Directors			
Richard Wrigley[2]	Chairman of the Board of Directors and director	First appointment by the Board of Directors on December 31, 2005 Renewal by the Board of Directors on June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Legal manager CPI SARL SCI Galopinvest SCI Le Barragiste SCI Hume Bureaux Buref SARL Trike SARL Wicklow SARL Resam Vendome SARL Director SVPV SA Chairman and member of the Supervisory Board: Novaxia Immo Opportunité 2 Novaxia Immo Club Chairman Apollonis Montrouge SAS
Managing Director			
Raphaël Tréguier	Managing Director	Termination of duties as Deputy Managing Director and first appointment as Managing Director on February 14, 2012 expiring at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017.	Legal manager SCI Pianissimmo Chairman Prothin SAS
Deputy Managing Director			
Carl-Christian Siegel	Deputy Managing Director and director	First appointment as Deputy Managing Director on February 14, 2012 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017 First appointment as a director on May 12, 2010 Renewal by the General Shareholders' Meeting of June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Corporate officer Commerz Real Southern Europe GmbH Commerz Real Spezialfondsgesellschaft mbH Montitail - Gestao de Retail Park, Sociedade Unipessoal Lda. Forum Algarve - Gestao de Centro Comercial, Sociedade Unipessoal Lda. CR – Montijo Retail Park S.A. Managing Director Commerz Real Cap Sud SAS
Director			
CRI Permanent representative: Erich Seeger	Director	First appointment on December 31, 2005 Renewal at the General Shareholders' Meeting of June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Director Commerz Real AG Joint legal manager Commerz Real Investmentgesellschaft mbH
Jean-Pierre Bonnefond[2]	Director	First appointment on February 20, 2006 Renewal at the General Shareholders' Meeting of June 28, 2012 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017	Chairman JPB & ABarratte et A. Chairman of the Supervisory Board SCPI Hoche Placement Pierre

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held(1)
Klaus Waldherr	Director	First appointment on February 5, 2008 Renewal at the General Shareholders' Meeting of June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Corporate officer CGG Canada Grundbesitz GmbH Forum Algarve – Gestao de Centro comercial, Sociedade Unipessoal Lda. CG Japan GmbH Lacerta Immobiliare S.R.L. Alfa S.R.L. CRI 1 Sp.zo.o. Charles Square Center s.r.o. CGI Metropole s.r.o. Espacio Leon Propco S.L.U. Chairman of A S.A. Chairman of B S.A. Chairman of C S.A. Commerz Grundbesitz Gestao de Centros Commerciais, Sociedade Unipessoal Lda. Forum Almada – Gestao de Centro Comercial Sociedade Unipessoal Lda. CR – Montijo Retail Park S.A. CGI Victoria Square Nominees Limited Kiinteistö Oy Lintulahdenvuori Tulipan House I Sp. zo.o. CR - 71 Robinson Road Singapore Private Limited Life Science Center Leilaniemi Oy Montitail - Gestao de Retail Park Sociedade Unipessoal Lda
Gerry Dietel	Director	Appointment on January 30, 2009 Renewal on June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Managing Director Prothin SAS Commerz Real Cap Sud SAS
GMF VIE Permanent representative: Olivier Le Borgne	Director	Appointment on June 29, 2010 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	Director Univers Mutualité CSE ICO CSE Insurance Services CSE Safeguard GMF Financial AME Life Lux (SA) Permanent representative Covéa Finance, director of Fidelia Services SA Assistance Protection Juridique, member of the Supervisory Board of Covéa Finance SAS GMF Vie, director of Foncière des 6e et 7e arr. de Paris (SA), of Cofitem Cofimur and of Foncière Paris France Member of the Supervisory Board of GMF Inter Entreprise
Europroperty Consulting Director Permanent representative: Alec Emmott(2)	Director	First appointment on February 24, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2015	Director SILIC Advisory committee: City Hold Weinberg Real Estate Parners WREP# 1&2 Mitsui Fudosan
Sabine Röska	Director	First appointment on May 5, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	Director Cegereal SA

(1) Regardless of the Company's legal form and country of incorporation
(2) Independent director

6.2. SUMMARY OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE LAST FIVE FISCAL YEARS

The table below shows the terms of office of the members of the Company's Board of Directors and its senior executives over the last five fiscal years (Article L.225-102-1 of the French Commercial Code).

Name of corporate officer	Directorships and positions held in the last five years (expired)(1)
Raphaël Tréguier	None
Richard Wrigley	Legal manager CPI Massy Princeton France SNC Foncière Meudon Stamford Holdings
CRI Permanent representative: Erich Seeger	Joint legal manager - Forum Algarve – Gestão de Centro - Comercial Sociedade Unipessoal - Lda. II & Comandita - Forum Almada – Gestão de Centro Comercial - Sociedade Unipessoal - Lda. II & Comandita
Jean-Pierre Bonnefond	None
Klaus Waldherr	Corporate officer Houston Main GP LLC Manmall LLC CGI Victoria Square Limited CG Choongmuro Building Securitization Speciality LLC CG-78 Shenton Way Singapore Private Limited Tulipan House I Sp. zo.o.
Gerry Dietel	Legal manager Forum Almda Lda Forum Algarve Lda Brafero Sociedade Imobiliara SA Forum Montijo Lda
Carl-Christian Siegel	Forum Almada - Gestao de Centro Comercial, Sociedade Unipessoal Lda. Forum Montijo - Gestao de Centro Comercial, Sociedade Unipessoal Lda. Eurologistik 1 Freehold BVBA Commerz Real Western Europe GmbH Commerz Real Spezialfondsgesellschaft mbH
GMF VIE Permanent representative: Olivier Le Borgne	Permanent representative of GMF Vie, member of the Supervisory Board of Anthemis (SAS) and Covéa Finance (SAS) and director of Barrière Frères, Cofitem Cofimur and Foncière Paris France Permanent representative of GMF Assurances, director of Cofitem-Cofimur and of Foncière Malesherbes Courcelles Permanent representative of La Sauvegarde, director of Grands Millesimes de France and Azur-GMF-BF (formerly Boissy Finances) Director of Assurances Mutuelles d'Europe Lux SA Member of the Management Committee of SCE Château Beaumont and of SC Château Beychevelle
Europroperty Consulting Director Permanent representative: Alec Emmott	Société Foncière Lyonnaise Catella France Crown Stone European Properties
Sabine Röska	None

(1) Regardless of the Company's legal form and country of incorporation

6.3. COMPENSATION AND BENEFITS OF THE CORPORATE OFFICERS

6.3.1 For non-executive corporate officers

The directors do not receive any compensation other than directors' fees, which are paid for their participation in the Board of Directors or the various committees of the Board.

In light of the work of the Appointments and Compensation Committee, the November 13, 2013 Board of Directors' meeting decided to allocate directors' fees as follows:

– Richard Wrigley received EUR 20,000;

– Jean-Pierre Bonnefond received EUR 15,000;

– Europroperty Consulting received EUR 30,000;

– Graham Spensley received EUR 3,000.

The June 26, 2013 General Shareholders' Meeting set the overall amount of directors' fees allocated to members of the Board of Directors at EUR 120,000.

in euros

Summary table of directors' fees and other compensation paid to non-executive corporate officers		
Non-executive corporate officers	Amounts paid during 2012	Amounts paid during 2013
Jean-Pierre Bonnefond		
Directors' fees	15,000	15,000
Other compensation	-	-
CRI		
Directors' fees	-	-
Other compensation	-	-
Klaus Waldherr		
Directors' fees	-	-
Other compensation	-	-
Gerry Dietel		
Directors' fees	-	-
Other compensation	-	-
Carl-Christian Siegel		
Directors' fees	-	-
Other compensation	-	-
GMF VIE		
Directors' fees	-	-
Other compensation	-	-
Europroperty Consulting		
Directors' fees	30,000	30,000
Other compensation	-	-
Sabine Röska		
Directors' fees	-	-
Other compensation	-	-
Graham Spensley(1)		
Directors' fees	3,000	3,000
Other compensation	-	-
TOTAL	48,000	48,000

(1) Non-voting director appointed by the General Shareholders' Meeting on June 28, 2012

6.3.2 For executive corporate officers

Table 1

This table only relates to executive corporate officers within the meaning of Article L.225-185 of the French Commercial Code (Chairman of the Board of Directors, Managing Director and Deputy Managing Director(s)). It summarizes the compensation and benefits granted to executive corporate officers that are detailed in the following tables. These tables present the compensation and benefits of all kinds payable to executive corporate officers in relation to their terms of office by (i) the Company, (ii) companies controlled – within the meaning of Article L.233-16 of the French Commercial Code – by the Company in which the term of office is held, (iii) companies controlled – within the meaning of said Article – by the company or companies that control the company in which the term of office is held, and (iv) the company or companies that control – within the meaning of said Article – the company in which the term of office is held. When the listed company is a member of a group, information on the executive corporate officers' compensation relates to the amounts payable, in connection with the term of office in the listed company, by all the companies in the control chain.

in euros

Summary table of compensation, options and shares granted to each executive corporate officer		
	Dec. 31, 2013	Dec. 31, 2012
Richard Wrigley Chairman of the Board of Directors		
Compensation payable for the year (broken down in Table 2 below)	45,000	45,000
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	45,000	45,000
	Dec. 31, 2013	Dec. 31, 2012
Raphaël Tréguier Managing Director(2)		
Compensation payable for the year (broken down in Table 2 below)	232,877	222,557
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	232,877	222,557
	Dec. 31, 2013	Dec. 31, 2012
Carl-Christian Siegel Deputy Managing Director(3)		
Compensation payable for the year (broken down in Table 2 below)	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	-	-

(2) Appointment as Managing Director on February 14, 2012
(3) Appointment as Deputy Managing Director on February 14, 2012

Table 2

in euros

Summary table of compensation granted to each executive corporate officer

Richard Wrigley Chairman of the Board of Directors	Dec. 31, 2013		Dec. 31, 2012	
	Amounts payable(5)	Amounts paid(6)	Amounts payable(5)	Amounts paid(6)
Fixed compensation(1)	25,000	25,000	25,000	25,000
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	20,000	20,000	20,000	20,000
Benefits-in-kind				
TOTAL	45,000	45,000	45,000	45,000

Raphaël Tréguier Managing Director(2)	Dec. 31, 2013		Dec. 31, 2012	
	Amounts payable(5)	Amounts paid(6)	Amounts payable(5)	Amounts paid(6)
Fixed compensation(1)	150,000	153,803	142,800	143,037
Variable compensation(3)	60,000		-	-
Exceptional compensation(4)		60,000	60,000	40,000
Directors' fees			-	
Benefits-in-kind(7)	19,074	19,074	19,757	19,757
TOTAL	229,074	232,877	222,557	202,794

Carl-Christian Siegel Deputy Managing Director(8)	Dec. 31, 2013		Dec. 31, 2012	
	Amounts payable(5)	Amounts paid(6)	Amounts payable(5)	Amounts paid(6)
Fixed compensation(1)	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	-	-	-	-

(1) Items of compensation are expressed as a gross, pretax amount
(2) He was appointed as Deputy Managing Director on February 14, 2012
(3) Variable compensation for 2013 set by the Board of Directors on February 13, 2014 (see breakdown in the Chairman's report on internal control and corporate governance included in section III.1.4 of this Registration Document).
(4) On February 14, 2013, the Board of Directors decided to grant Raphaël Tréguier an exceptional bonus of EUR 60k, gross before tax, in respect of the year ended December 31, 2012. This bonus was paid in March 2013. The decision to grant this exceptional bonus was taken in view of the quality of his work in 2012, particularly in relation to the marketing of the Arcs-de-Seine building and the refinancing of Prothin.
(5) Compensation granted to the executive corporate officer for his duties during the fiscal year, irrespective of the date of payment.
(6) Total compensation paid to the executive corporate officer for his duties during the fiscal year.
(7) Company car and unemployment insurance for company managers.
(8) He was appointed as Deputy Managing Director on February 14, 2012.

This table only relates to the executive corporate officers referred to in the introduction to Table 1 above.

No performance shares were granted to the corporate officers. No stock subscription or stock purchase options were granted to the corporate officers.

Total amounts set aside as provisions to pay annuities, pensions, or other benefits

The Company's senior executives do not benefit from any pensions, top-up pensions or other benefits of any kind. Therefore, the Company has not set aside any provisions in this respect.

Executive corporate officers	Employment contract		Complementary pension scheme		Indemnities or benefits payable or likely to be payable with respect to the termination of or a change of duties		Indemnities pursuant to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Richard Wrigley Chairman June 29, 2011 AGSM 2017		X		X		X		X
Raphaël Tréguier Managing Director February 14, 2012 Managing Director's term of office AGSM 2017		X		X		X		X
Carl-Christian Siegel Deputy Managing Director February 14, 2012 Managing Director's term of office AGSM 2017		X		X		X		X

6.4. OTHER INFORMATION

On January 30, 2009, the Company published a statement relating to the AFEP-MEDEF recommendations of October 6, 2008, which is reproduced word-for-word below:

"At its January 30, 2009 meeting, the Board of Directors took note of the AFEP-MEDEF's October 6, 2008 recommendations relating to the compensation of executive corporate officers of companies whose shares are admitted for trading on a regulated market. The Board expressed its intention to follow these recommendations. It confirmed that the AFEP-MEDEF code thus amended would continue to be Cegereal's reference code for the preparation of the Chairman's report on internal control and corporate governance, in compliance with Article L.225-37 of the French Commercial Code."

There are no family ties between the corporate officers of the Company.

For the purposes of their terms of office, the members of the Board of Directors and Executive Management are domiciled at the Company's registered office.

To the Company's knowledge and on the date of preparation hereof, over the last five years, no member of the Board of Directors or Executive Management has been:

– convicted for fraud;

– involved in a bankruptcy, receivership or liquidation;

– the subject of an indictment or official public sanction handed-down by a statutory or regulatory authority;

– barred by a court order from serving as a director or member of a management or supervisory body or from participating in the management or running of a company's business.

Conflicts of interest at the level of the Board of Directors and Executive Management

To the Company's knowledge and on the date of preparation hereof, there is no conflict of interest between the duties of any of members of the Board of Directors or Executive Management with regard to the Company regarding their positions as corporate officers and their private interests or other duties.

To the Company's knowledge and on the date of preparation hereof, no arrangement or agreement exists with the main shareholders, customers or suppliers under which a member of the Board of Directors or Executive Management has been appointed.

To the Company's knowledge and on the date of preparation hereof, no restrictions have been agreed to by members of the Board of Directors or Executive Management with regard to the disposal of their holdings in the Company's share capital.

The corporate officers are not party to any services agreements.

7. Impacts of German legislation on the Group's activity and structure

7.1. GERMAN LEGAL FRAMEWORK APPLICABLE TO OPEN-ENDED INVESTMENT FUNDS AND THEIR MANAGERS

CRI is an asset management company that is subject to German law. It invests on behalf of open-ended real estate funds that do not have legal status. The investment funds managed by CRI are, in particular, aimed at private investors, individuals and legal entities.

Investors' rights in these funds are represented by units which are issued by the management company. Units of open-ended real estate funds only confer on their holders monetary rights that correspond to the investment in the funds. They do not confer any voting rights or any power to influence the management of those funds.

CRI holds a majority interest in the Company's capital on behalf of the hausInvest investment fund (the "Fund").

The relationship between the investors in the Fund and CRI is governed by a management authorization contained in the documentation made available to the Fund's unit holders that describes, in particular, the strategy and investment rules followed.

General presentation of the legislative and regulatory framework

The German regulations applicable to investment funds and management companies are mainly drawn from the German law on investments *(Gesetz über Kapitalanlagegesellschaften, the "KAGG")*. Its provisions on real estate investment funds were slightly amended by the German "investment law" *(Investmentgesetz, the "InvG")* that entered into effect on January 1, 2004, which has been applicable to the Fund since April 1, 2006 and which was itself amended on December 28, 2007 (the KAGG or the InvG, where applicable, are hereinafter referred to as the "German Investment Act"). The "InvG" was repealed and replaced by the Capital Investment Code (*Kapitalanlagegesetzbuch,* the "KAGB") that entered into effect on July 22, 2013. During a transitional period, the provisions of the InvG continue to be applicable to the Fund. This transitional period will end on the date from which the Fund's internal rules, adapted in line with the KAGB, become applicable, and in any event by July 21, 2014 at the latest (the KAGG, the InvG or the KAGB, as applicable, are hereinafter referred to as "The German Investment Act").

The German Investment Act aims to provide security to fund unit holders through controls implemented, in particular, by the German Federal Financial Services Authority and by the fact that the management company is assisted by a custodian bank.

The *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin) (the German federal financial services authority) exercises general control over investment funds and their management companies under the German Investment Act. In this regard, any company that wishes to engage in the management of financial instruments (the activity performed by CRI) is required to obtain accreditation as a financial asset management company from the BaFin. Once this accreditation has been obtained, management companies that have the status of financial asset management company are subject to the control of the BaFin. This control includes, in particular, the audit of the financial statements of the Fund and the management company.

The portfolio of real estate assets held directly or indirectly by the management company on behalf of the Fund is valued by a committee of independent experts (KAGB: depending on the estimated value of the asset, it must be valued by an independent expert or separately by two independent experts). The criterion used by the experts for this valuation is the market value. The identity of the experts and their credentials, as required under the German Investment Act, must be provided to the BaFin. The BaFin does not directly control the asset valuation however.

The custodian bank (KAGB: the custodian) is responsible for permanent control of all Fund assets (in particular the portfolio of real estate assets, participating interests in property companies and bank deposits). In general, the custodian bank must ensure that in its day-to-day management, the management company complies with all the provisions of the German Investment Act, in particular those relating to (i) the issue and redemption of units, (ii) unit valuation, (iii) the way in which the income from the Fund is used, and (iv) the amount of the debts incurred on behalf of the Fund.

Commerzbank AG is the custodian bank for the Fund assets. Its mandate expires in 2014. CRI must obtain the agreement of Commerzbank AG prior to certain decisions relating to all of the Fund's real estate investments. Such decisions include the disposal of any real estate assets, encumbering a real estate asset with a security interest and the disposal of CRI's stake in the Company.

This approval does not, however, confer discretionary powers on the custodian bank, whose control role is strictly defined. Commerzbank AG is actually required to give its agreement provided the conditions determined by law in order to give this agreement are fulfilled.

The main obligations of a fund manager include a duty of independence vis-à-vis the custodian bank, which must not interfere in its management. The custodian bank is therefore required to respect the decisions of the management company, provided that they comply with the regulations in force. The role of the custodian bank is therefore limited to ensuring that investors' rights are respected. CRI is also required to act independently of the custodian bank and, therefore, to manage the Fund assets exclusively on behalf of the Fund and in the strict interest of unit holders.

Contractual relations between investors and CRI

The monies invested in the Fund are entrusted to CRI on the basis of a management authorization concluded between CRI and the investors. The management authorization, which specifies the applicable provisions of the German Investment Act, sets up a fiduciary relationship between CRI and the Fund investors (the *Verwaltungstreuhand*).

Protection of the Fund's real estate assets

In accordance with German regulations, the real estate assets held by CRI, as a management company, on behalf of the Fund, must be managed with due care and attention.

More specifically, these assets benefit from the following protective measures

– all monies invested by unit holders and all investments made by CRI on behalf of the Fund;

– they must be separated from CRI's other assets (assets from other funds and CRI's own assets);

– all new assets acquired through income from the sale of a real estate asset previously held on behalf of the Fund are automatically deemed to be Fund assets;

– the assets held on behalf of the Fund cannot guarantee the undertakings assumed by CRI on behalf of other funds;

– CRI cannot offset its own debts against a receivable it holds on behalf of the Fund; and

– if CRI is liquidated, due to a generally applicable rule, the assets held on behalf of the Fund will not be treated as CRI's assets or be listed on the consolidated statement of financial position of the custodian bank (Commerzbank AG).

Prudential regulations relating to the Fund

For information, the net value of the Fund was EUR 9.2 billion at December 31, 2012.

Liquidity ratio

Holders of Fund units have the option of requesting the redemption of all or part of their investment at any time, on the basis of the Fund value, which is determined daily by CRI in its capacity as fund manager. In this regard, CRI is required to maintain a daily liquidity reserve equal to at least 5% of the gross value of the Fund, in order to be able to fill redemption orders placed by investors. This reserve, however, must not exceed 49% of the gross value of the Fund assets. As an indication, the Fund liquidities were EUR 1.2 billion at December 31, 2012, i.e., 10.4% of the gross value of the Fund.

However, further to the amendments to the German Investment Act in 2011 and 2013:

– redemption requests for amounts exceeding EUR 30,000 per half-year for investments placed before July 22, 2013, and all redemption requests for investments placed after July 21, 2013, may only be submitted at the end of a minimum 24-month holding period and are subject to 12 months' prior notice;

– the Fund manager is required to distribute at least 50% of the Fund's net income to unit holders, unless this income needs to be reinvested in future repair work on the Fund's assets.

Investment ratios

The German Investment Act requires management companies to comply with various applicable thresholds, depending on the category in which the assets held by the Fund are placed.

Direct real estate investments. Pursuant to the Fund's internal rules that are specific to direct real estate investments, CRI is authorized, on behalf of the Fund, to acquire and directly hold full title to real estate assets.

Indirect real estate investments. CRI may also hold investments in property companies on behalf of the Fund. In any event, the gross value of the real estate assets held by all these property companies cannot exceed 49% of the total value of the Fund. 100% stakes in the capital and voting rights of property companies are not included in this 49% threshold.

Moreover, the gross value of a real estate asset held by a property company, considered separately, cannot exceed 15% of the gross value of the Fund. Compliance with this threshold is assessed on the date of acquisition of these assets and in proportion to the participating interest held on behalf of the Fund in the property company.

The gross value of all the real estate assets held by property companies (in which the management company does not hold a majority of the capital and voting rights that would enable it to amend the bylaws of said property companies) must not exceed 30% of the gross value of the Fund.

Liquid investments. In addition to these direct and indirect real estate investments, the management company can invest up to 49% of the total value of the Fund in liquid assets such as:

(i) bank deposits;

(ii) money market instruments;

(iii) units in funds acquired pursuant to the principle of risk diversification, that are issued by a private equity company or a foreign investment fund that is subject to the control of a public authority;

(iv) certain financial instruments authorized by the European Central Bank and the Deutsche Bundesbank;

(v) within the limit of 5% of the value of the Fund assets, shares or debt securities issued by German or foreign companies whose securities are admitted to trading on a stock market in a Member State of the European Union or the European Economic Area; "shareholdings in companies whose securities are admitted to trading on a European stock market" must be limited to 10% of the issuer's capital and voting rights and 10% of this issuer's non-voting shares;

(vi) up to 5% of the gross value of the Fund can be invested in REIT or comparable securities in foreign companies admitted to trading on a regulated and/or organized market in or outside the European Union: shareholdings in such REIT stock corporations or comparable foreign entities must be limited to 10% of the issuer's capital and voting rights and 10% of this issuer's non-voting shares.

CRI's investment in the Company is currently classified as a "shareholding in a property company". If the investment is reclassified as a "shareholding in companies whose securities are admitted to trading on a European stock market", CRI would have to comply with all the thresholds detailed in (v) above.

Loans

A management company can take out loans on behalf of an open-ended real estate investment fund, within the scope of its day-to-day management and subject to the prior control of the custodian bank. The total amount of these loans must not exceed 50% of the total value of the fund's real estate assets. This percentage will be reduced to 30% with effect from January 1, 2015.

A management company can also grant loans to the property companies in which it holds a participating interest, provided that the management company complies with certain conditions. In particular, the amount of these loans cannot exceed (i) 25% of the value of the fund assets and (ii) the total amount of the loans taken out by the property company cannot exceed 50% of the value of its assets; the loans must be granted under arm's length conditions and provide for repayment within six months of the withdrawal of the management company from the borrower's capital.

Valuation

Management companies are required to set up a Valuation Committee comprised of at least three independent experts, whose assignment, in relation to any acquisition, is to value the real estate assets that CRI, in its capacity as management company, is planning to acquire directly or indirectly (i.e., participating interests in property companies). (KAGB: depending on the estimated value of the asset, it must be valued by an independent expert or separately by two independent experts).

In addition, an independent expert who meets the criteria laid down by the German Investment Act and who is not a member of the Valuation Committee must value all real estate assets prior to their acquisition (KAGB: depending on the estimated value of the asset, it must be valued by an independent expert or separately by two independent experts).

This committee's assignment is also to value – on a quarterly basis since January 1, 2013 – the real estate assets held by CRI on behalf of the Fund. A property can only be acquired if its purchase price is not significantly higher than the valuation determined by the Valuation Committee. Conversely, a property cannot be sold if the sale price is less than the valuation determined by the Valuation Committee.

The BaFin controls the conditions under which these experts are appointed to value the portfolio of real estate assets and can request a replacement if these experts do not fulfill the conditions required by the German Investment Act.

7.2. IMPACTS OF GERMAN LEGISLATION ON THE COMPANY'S ACTIVITY AND STRUCTURE

Restrictions on the Company's activity

The German legal framework that is applicable to CRI has direct and indirect effects on the Group's structure and activity, inter alia pursuant to the principle whereby a property company in which a management company holds a participating interest, even if it is a minority interest, cannot have a scope of activity that is wider than that of the management company itself.

The German Investment Act requires property companies to enter into a memorandum of understanding with the management company, which provides for certain restrictions on the property company's activity. The purpose of this memorandum of understanding is to guarantee that the custodian bank's prerogatives as stated above will be upheld. The memorandum provides for the need to obtain the custodian bank's agreement if real estate investment decisions are made, including decisions relating to the financing of investments. Commerzbank AG, however, only has a control role and does not intervene in the Company's management.

Restrictions on the holding of assets

Management companies can hold, on behalf of the Fund, participating interests in companies that hold real estate assets, either directly or indirectly, through a subsidiary in which they hold 100% of the capital and voting rights.

Accordingly, the Company's corporate purpose must comply with the obligations to which CRI is subject with respect to holding and managing assets on behalf of the Fund.

Supplementary restrictions and obligations

The Company can grant security interests or other guarantees, provided that the custodian bank approves these security interests and that they are granted under arm's length conditions. The total value of these security interests and of those that encumber real estate assets directly held by the Fund cannot exceed 50% of the market value of the Fund's real estate assets (which includes the real estate assets held indirectly by the Fund via the intermediary of property companies in which the Fund has participating interests).

All of the amounts paid (in particular dividends and liquidating dividends) by the Company to CRI in respect of its capacity as shareholder will be paid as soon as possible, into a blocked account held at Commerzbank AG.

The Company is required to issue a monthly report on the status of its assets. This report must be provided to both the management company and the custodian bank. These reports are audited annually.

Moreover, the Company's shares must be paid up in full.

CRI's information disclosure obligations

The management companies must provide unit holders with information that allows them to assess the value of their investment. They must also provide both the custodian bank and the BaFin with various pieces of information that allow these two organizations to carry out their controls.

Pursuant to the German Investment Act, CRI will therefore be obliged to provide information on the Company.

In order to define the resources to be used in order to ensure compliance with the German Investment Act, in particular, CRI, Commerzbank AG and the Company signed a memorandum of understanding, the provisions of which are detailed in section II.6.1 "Memorandum of understanding with CRI".

8. Research and development, patents and licenses

Not applicable

9. Information provided by third parties, expert valuation reports

General context of the valuation

General framework

We have been appointed by Cegereal, under the terms of a real estate valuation agreement, to estimate the fair value of the Company's real estate assets. This condensed report, summarizing the conditions of our assignment, was written to be included in the Company's Registration Document.

We carry out our assignments in total independence.

Our firm has no ownership links in Cegereal.

We confirm that the valuations were performed by and under the responsibility of qualified valuers and that the firm has carried out this assignment in its capacity as a qualified independent real estate valuer.

Our annual fees billed to Cegereal in relation to this assignment represent less than 10% of our firm's revenue for the previous financial year.

No conflicts of interest have been identified in relation to this assignment.

The assignment was performed in compliance with the AMF's recommendation dated February 8, 2010 on the presentation of assessment items and real estate assets of listed companies.

Current assignment

Our assignment focused on the estimation of the fair value of the property based on its state of occupancy at December 31, 2013.

In accordance with IFRS 13, all real estate assets are measured at their "highest and best use value".

It should be noted that when the principal is the lessee under the terms of a leasing agreement, the valuer only assesses the assets underlying the agreement and not the leasing agreement itself. Similarly, where a real estate asset is owned by a special purpose vehicle, the real estate asset's value has been measured based on the estimated price of the underlying asset rather than that of the vehicle.

Valuation process

Scope

The assignment was performed on the basis of the documents and information provided to us. These were assumed to be accurate and to correspond to all of the documents and information in the possession of the principal or of which the principal was aware, that were likely to have an impact on the property's fair value.

References

The valuation and estimates were performed in accordance with:

– at the national level:

- the recommendations set out in the Barthès de Ruyter report on the valuation of the real estate assets of listed companies, published in February 2000;
- the French Real Estate Valuation Charter;
- the principles set out in the SIIC code of ethics;

– at the international level, the following recognized standards, applied cumulatively or alternatively:

- the European Valuation Standards Blue Book published by the European Group of Valuers' Associations (TEGoVA);
- in addition to the standards set out in the Red Book of the Royal Institution of Chartered Surveyors (RICS), published in its Appraisal and Valuation Manual;
- the provisions of the International Valuation Standards Council.

Method used

The valuations were based on the discounted cash flow (DCF) and capitalization methods.

Total fair value at December 31, 2013

The total fair value corresponds to the sum of the fair values of each real estate asset and is calculated net of taxes (after deducting expenses and transfer duties) and all taxes included (market value before deducting expenses and transfer duties).

Real estate valuer	Number of assets valued	Number of assets visited during the 2013 valuation	Fair value (net of taxes) at 31/12/2013 (in millions of euros)
DTZ VALUATION FRANCE	3	3	849
Total assets			849

General comments

These estimates are based on the assumptions of market stability and absence of significant modifications to the buildings between the valuation date and the value date.

This condensed report is inseparable from the work performed as part of the valuation assignment.

The valuer confirms the values of the properties for which he has performed a valuation or updated an existing valuation, without assuming responsibility for valuations performed by other valuers.

Philippe Dorion
Director
DTZ Valuation France

IV. ADDITIONAL INFORMATION

1. Documents on display

Copies of this Registration Document are available free of charge from Cegereal, 21-25 rue Balzac, 75008 Paris, France, as well as on the Cegereal (http://www.cegereal.com) and AMF (http://www.amf-france.org) websites.

The regulatory information provided for in Article 221-3 of the AMF's General Regulations is available on the Cegereal website (http://www.cegereal.com).

In accordance with the applicable legislation, the following documents can be consulted at the Company's registered office:

(i) the articles of incorporation, bylaws, minutes of General Shareholders' Meetings, reports and other Company documents;

(ii) historical financial information and any valuation or declaration by an expert at the request of the Company that should be made available to the public and of which any part is included or referred to in this Registration Document;

(iii) historical financial information related to the Company and its subsidiary for each of the two fiscal years preceding the publication of this Registration Document.

Person responsible for the information: Raphaël Tréguier

2. Person responsible

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Raphaël Tréguier, Managing Director of the Company

ATTESTATION BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

I hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document, to my knowledge, corresponds to reality and does not contain any omissions that are liable to alter the purport thereof.

I certify that to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all companies included in the consolidation scope, and that the information relating to the Management Report, with a concordance table on page 135, gives a true and fair view of the business, results and financial position of the Company and all companies included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained an engagement completion letter from the Statutory Auditors stating that they have reviewed the information concerning the financial position and the financial statements provided in this document and that they have reviewed the entire Registration Document.

The historical financial information presented in this Registration Document is the subject of reports by the Statutory Auditors, shown on pages 79 and 90 in this document.

Paris, April 9, 2014
Raphaël Tréguier
Managing Director

3. Historical financial information

The IFRS consolidated financial statements for the year ended December 31, 2012 and the related Statutory Auditors' report presented on pages 48 to 63 and pages 63 to 64, respectively, of the 2012 Registration Document filed with the AMF on April 29, 2013 under no. D. 13-0071, are incorporated by reference into this document.

The IFRS financial statements for the year ended December 31, 2011 and the related Statutory Auditors' report presented on pages 54 to 72 and pages 72 to 73, respectively, of the 2011 Registration Document filed with the AMF on April 16, 2012 under no. D. 12-0348, are incorporated by reference into this document.

The IFRS financial statements for the year ended December 31, 2010 and the related Statutory Auditors' report presented on pages 86 to 102 and page 103, respectively, of the 2010 Registration Document filed with the AMF on April 29, 2011 under no. R.11-022, are incorporated by reference into this document.

Verified historical annual information

The Company declares that the historical financial information was verified and described in the Statutory Auditors' general and special reports.

Other information verified by the Statutory Auditors

None

Financial information not taken from the Company's financial statements

None

Dates of the financial information

The Company's most recent, audited financial statements are those that were prepared in accordance with French GAAP for the year ended December 31, 2013. Its most recent consolidated financial statements are those prepared in accordance with IFRS for the year ended December 31, 2013.

4. Statutory auditors

PRINCIPAL STATUTORY AUDITORS

KPMG Audit FS I, member of the Versailles Institute of Auditors, 3 Cours du Triangle, 92929 Paris La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

DENJEAN & ASSOCIÉS, member of the Versailles Institute of Auditors, 34 rue Camille Pelletan, 92300 Levallois-Perret

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

DEPUTY STATUTORY AUDITORS

KPMG Audit FS II, member of the Versailles Institute of Auditors, 3 Cours du Triangle, 92923 Paris La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

Clarence Vergote, member of the Paris Institute of Auditors, 35 avenue Victor Hugo, 75116 Paris

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016.

Since their appointment, the Statutory Auditors and their deputies have not been removed from office and have not resigned.

5. Registration document concordance table

The following table by theme makes it possible to identify the main sections required by European Commission Regulation no. 809/2004.

Items of Annex 1 of the European Regulation no. 809/2004	Location in the Registration Document	
	Section	Page
1. Persons responsible		
1.1 Persons responsible for the Registration Document	IV.2	132
1.2 Attestation by the persons responsible for the Registration Document	IV.2	132
2. Statutory Auditors	II.2.5 note 5.27, II.3.5 note 5.19 and IV.4	78, 89 and 133
3. Selected financial information	I.6, II.1, II.3.1 and IV.3	12, 64, 80 and 132
4. Risk factors	I.10 and II.1	22 and 60
4.1 Legal risks	II.1 and II.2.5.4 note 4.4	60 and 72
4.2 Industrial and environmental risks	II.1	60
4.3 Credit and/or counterparty risk	II.2.5.4 note 4.5	72
4.3 Liquidity risk	II.1 and II.2.5.4 note 4.6	60 and 72
4.4 Interest rate risk	II.1 and II.2.5.4 note 4.7	60 and 72
4.5 Foreign exchange risk	II.1	60
4.6 Risk on equities	II.1	60
4.7 Credit derivatives	N/A	N/A
4.8 Insurance	II.1	63
5. Information relating to the issuer		
5.1 History and development of the issuer	III.2	108
5.2 Investments		
5.2.1 Period covered by historical information	I.3	4
5.2.2 In progress	II.1	58
5.2.3 Future	I.16	44
6. Business overview		
6.1 Principal activities	I.1, I.12 and I.16	2, 28 and 44
6.2 Principal markets	I.1 and II.2.5 notes 5.17 and 5.18	1 and 76
6.3 Exceptional factors	I.5	10
6.4 Patents, licenses	III.8	130
6.5 Competitive position	I.4 and I.10	8 and 22-23
7. Organizational structure		
7.1 Brief description of the Group	I.2	2
7.2 List of significant subsidiaries	II.1 and II.3.5 note 5.15	58 and 89
8. Real estate property, plant and equipment		
8.1 Real estate property, plant and equipment	I.3, I.11 and I.13 to I.15	4, 26 and 30 to 41
8.2 Environmental impact of the issuer's utilization of the property, plant and equipment	I.3, I.13 to I.15 and I.18	4, 30 to 41 and 48

6. Concordance table of the Board of Directors' report

The following table by theme makes it possible to identify and situate, in this Registration Document, the mandatory information to be contained in the Board of Directors' report to the General Shareholders' Meeting of June 26 2013.

Information required in the board's report to the general shareholders' meeting	Location in the Registration Document	
	Section	Page
1. Cegereal and Group activity in 2012		
Situation for the year under review (Group and Company)		
Group information	II.1 and II.2	58 and 64
Company information	II.3	80
Foreseeable developments/Future prospects (Group and Company)		
Group information	I.16	44
Company information	I.16	44
Results of the Company and the subsidiaries		
Group information	II.1	58
Company information	II.3	80
Objective and exhaustive analysis of the business developments, results, financial position of the Company and all the consolidated companies, in particular its indebtedness situation with respect to business volume and complexity including, where applicable, the key performance indicators, whether financial or not, relating to the Company's and the consolidated companies' specific activities, notably in relation to environmental and personnel issues		
Group information	II.1 and II.2	58 and 64
Company information	I.6 and II.3	12 and 80
Environmental and employment information - Social commitments to sustainable development		
Group information	I.19, I.21 and III.4	48, 52 and 115
Company information	I.19, I.21 and III.4	48, 52 and 115
Research and development activities		
Group information	III.8	130
Company information	III.8	130
Progress made/Difficulties encountered		
Group information	I.17 and II.1	46 and 58
Company information	I.17 and II.1	46 and 58
Main risks and uncertainties		
Group information	I.10 and II.1	22 and 60
Company information	I.10 and II.1	22 and 60
Significant events subsequent to year-end		
Group information	II.2.5.5 note 5.28	78
Company information	II.3.5.5 note 5.20	89
Activity per line of business		
Group information	II.1 and II.3	58 and 80
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers		
Company information	III.5.1.3	116
Changes in the presentation of the annual financial statements and the valuation methods used		
Company information	II.3.1	80
Dividends distributed in the previous three years		
Company information	II.3.2	81
Non tax-deductible expenses		
Company information	II.3.2	81
Information on supplier payment terms		
Company information	II.3.2	81
Where applicable, injunctions or financial sanctions imposed by the French competition council (Conseil de la concurrence) for antitrust practices		
Company information	N/A	N/A

Information required in the board's report to the general shareholders' meeting	Location in the Registration Document Section	Page
2. Information relating to the Company's share capital		
Identity of parties directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of share capital or voting rights. Changes in this list during the year	III.5.1.7	117
Statement of employee share ownership	III.4	115
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	III.5.3	119
Controlled companies holding company shares and portion of the capital held	N/A	N/A
Notice of holding more than 10% of another joint-stock company's shares Transfer of cross-shareholdings	III.5.1.3	116
Items that could have an impact in the event of a public offer	III.5.4	119
Number of shares purchased and sold during the year within the framework of Art. L.225-209 of the French Commercial Code *(Code de commerce)* indicating the average quotations of such purchases and sales, the amounts of trading charges, the number of shares registered in the Company's name at year-end, their nominal value and the reasons for the purchases and the portion of capital that they represent	III.5.2	118
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event of a transaction with pre-emptive subscription rights, a free share grant, the distribution of reserves or premiums or a change in the allocation of profits or redemption of capital	N/A	N/A
Information on the calculation and impact of the adjustment of the exercise basis of stock subscription and purchase options in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	N/A
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	N/A
3. Cegereal's corporate officers		
Compensation	III.6.3	122
List of offices	III.6.1 and III.6.2	120 and 122
Senior executive share transactions	III.5.5	119
Choice made between the two types of corporate governance in the event of a change	III.1.4	97
Board of Directors' choice relating to the terms and conditions applicable to corporate officers for holding shares either granted free of charge and/or resulting from the exercise of stock options	N/A	N/A
Attached documents		
Chairman's report relating to corporate governance and internal control	III.1.4	97
Five-year financial summary	III.1.8	108
Summary table of currently valid authorities to increase share capital and the use made of such authorities during the year by Cegereal	III.5.1.5	117

7. Concordance table of the annual financial report

The following table by theme makes it possible to identify the main sections required by the General Regulations of the AMF.

Concordance table of the annual financial report	Location in the Registration Document Section	Page
1. Annual financial statements	II.3	80
2. Consolidated financial statements	II.2	64
3. "Management report" in accordance with Article 222-3-3° of the General Regulations of the AMF		
3.1 Objective and exhaustive analysis of the Company's business, results and financial position, as well as those of the entities included in the consolidation, including a description of the main risks and uncertainties to which it is exposed.	I.6, II.1, II.2 and II.3	14, 58, 64 and 80
3.2 Table of the delegations of authority to increase share capital	III.5.1.5	117
3.3 Information that could have an impact in the event of a public offer	III.5.4	119
3.4 Information regarding the share buy-back program during the fiscal year	III.5.2	118
4. Declaration by the persons responsible for the annual financial report	IV.2	132
5. Statutory Auditors' reports on the annual and consolidated financial statements	II.2.6 and II.3.6	79 and 90

Other documents presented or submitted to the General Shareholders' Meeting	Location in the Registration Document Section	Page
1. Financial statements for the year ended December 31, 2013	II.3	80
2. Statutory Auditors' report on the annual financial statements	II.3.6	90
3. Consolidated financial statements for the year ended December 31, 2013	II.2	64
4. Statutory Auditors' report on the consolidated financial statements	II.2.6	79
5. Statutory Auditors' special report on related-party agreements and commitments	II.3.7	91
6. Five-year financial summary	III.1.8	108
7. Statutory Auditors' report on the extraordinary resolutions	III.1.3	96
8. Statutory Auditors' report on the Chairman's report on internal control and corporate governance	III.1.5	106
9. Report by an independent third party on the CSR disclosures	I.22	54

8. CSR concordance table

The following table by theme makes it possible to identify the main sections required by articles R225-104 and R225-105 of the French Commercial Code *(Code de commerce)*, it being specified that, in light of the Group's position, the majority of said sections are not applicable due to the limited number of employees.

Categories	Subcategory	Indicators	Page
HR information	Workforce	Total headcount and breakdown by gender, age and location	p.115
		Recruitments and redundancies	p.115
		Pay and changes in pay	p.115
	Working schedules	Working hours	p.115
		Lost time	p.115
	Labor relations	The coordination of labor relations: specifically, procedures for sharing information with the workforce, and consulting and negotiating with staff.	p.115
		Summary of collective agreements	p.115
	Health and safety	Health and safety in the workplace	p.115
		Summary of health and safety agreements signed with trade unions or staff representatives	p.115
		Work accidents – frequency and severity, and occupational diseases	p.115
	Training	Training policies	p.52 and 115
		Total number of training hours	p.115
	Equal treatment	Measures taken to promote gender equality	p.115
		Measures taken to promote the employment and integration of people with a disability	p.115
		Anti-discrimination policy	p.115
	Promotion and respect for the clauses of ILO conventions relating to:	Respect for freedom of association and the right to collective bargaining	p.115
		Elimination of discrimination in respect of employment and occupation	p.115
		Elimination of forced or compulsory labor	p.115
		Effective abolition of child labor	p.115
Environmental information	General environmental policy	Incorporating environmental issues into the organization of the business; environmental evaluation programs and certifications	p.46, p.48 to 51
		Environmental training programs and information campaigns	p.45
		Resources dedicated to the prevention of environmental risk and pollution	p.50
		Provisions and guarantees for environmental risks	p.50
	Pollution and waste management	Measures taken to prevent, reduce and combat discharge into the air, water and soil that has a serious environmental impact	p.50
		Measures taken to prevent, recycle and eliminate waste	p.47
		Noise pollution and other forms of pollution specific to a particular activity	p.50
	Sustainable use of resources	Water consumption and supply, within the constraints of the local environment	p.48
		Use of raw materials and measures taken to use them more efficiently	p.51
		Use of energy, measures taken to improve energy efficiency and use of renewable energy sources	p.48
		Land use	N/A
	Climate change	Greenhouse gas emissions	p.48
		Adapting to the consequences of climate change	p.45
	Protecting biodiversity	Measures taken to preserve and cultivate biodiversity	p.51
Societal information	Territorial, economic and social impact of the business	In terms of jobs and regional development	p.52
		On neighboring and local communities	p.52
	Relations with stakeholders	Organization of discussions with stakeholders	p.52
		Sponsorship and patronage	p.53
	Subcontracting and suppliers	Integrating social and environmental issues into purchasing policy	p.53
		The extent of subcontracting and the integration of suppliers' and subcontractors' social and environmental responsibility into supplier relations	p.53
	Fair trade practices	Action taken to prevent corruption	p.53
		Measures taken to promote public health and safety	p.47 and p.49
	Other actions taken to promote human rights	Actions taken	p.115

9. Glossary

NAV
Net asset value: this is calculated on the basis of consolidated equity, which notably includes unrealized gains and losses on real estate assets. The Group's real estate portfolio was measured at market value at December 31, 2013 by external real estate valuer DTZ Valuation France. EPRA Triple Net Asset Value incorporates the market value of the fixed-rate bank loan debt. Treasury shares held at December 31, 2013 were not taken into account in calculating NAV per share.

BREEAM IN-USE
Breeam In-Use is a British certification scheme based on three independent certificates that each address a different aspect of the building (Asset Performance, Building Management and Occupier Management). It covers nine categories and offers a snapshot of the environmental performance of a site.

CMBS
Commercial mortgage-backed securities: these securities, which are commonly issued on capital markets, are secured by mortgages on commercial rather than residential property.

GREEN RATING
Designed by and for real-estate professionals, Green Rating is a tool for the evaluation and comparative analysis of the intrinsic and real environmental performance of existing buildings. It is based on six environmental criteria – energy, carbon, water, transport, waste and wellbeing – and four levels of performance, and offers tangible results that allow performance to be tracked and improved over time.

HQE EXPLOITATION
HQE en Exploitation (*Haute Qualité Environnementale en Exploitation* or High Environmental Quality in use) is a building certification that establishes the environmental performance of a site based on four metrics – energy, environment, health and convenience. Its main objective is to ensure control of the building's energy and environmental quality by drawing on the resources installed during its construction or renovation.

ICR
Interest Coverage Ratio": Interest coverage ratio: this ratio corresponds to projected annual net rental income/annual interest expense and charges. It is used to define the financial covenants in debt agreements.

IFRS
International Financial Reporting Standards: since January 1, 2005, all listed EU companies have been required to prepare their consolidated financial statements in accordance with accounting standards known as IFRS. These accounting standards make it easier for investors to make comparisons between companies.

MINIMUM FUTURE LEASE PAYMENTS
Minimum future lease payments correspond to the rental income due to the Group through to the earliest possible termination dates of the different operating leases (excluding VAT and rebilling of taxes and expenses).

LTV
Loan-to-value ratio: this ratio corresponds to outstanding bank borrowings/market value of real estate assets net of taxes.

REIT
Real Estate Investment Trusts (REIT) are companies which are exempt from corporate taxation on profits from property rental income and capital gains on the sale of investment properties.

THEORETIC EFFECTIVE RATE OF RETURN
An asset's theoretic effective rate of return corresponds to the sum of the rental income from leased premises and the market rate of vacant premises divided by the estimated value of the property.

POTENTIAL RETURN
An asset's potential return corresponds to the sum of the market rental values divided by the estimated value of the property.

SIIC
Listed real estate investment companies *(Sociétés d'Investissement Immobilières Cotées)*: this is the tax status created by Article 11 of French Finance Act no. 2002-1575 of December 30, 2002.

CAPITALIZATION RATE
The capitalization rate is the market rate used to calculate the fair value of an asset based on the asset's market rent (prior to the impact of the rental situation).

EPRA NET INITIAL YIELD (NIY)
EPRA NIY (unlike rental income recognized under IFRS), is the annual rental income calculated on the basis of the net monthly rent applicable at the end of the reporting period, less non-recoverable property operating expenses, divided by the gross estimated value of the property.

EPRA "TOPPED-UP" (NIY)
EPRA "topped-up" NIY corresponds to the EPRA NIY adjusted for rent-free periods or other incentives due to expire.

EPRA VACANCY RATE
The EPRA vacancy rate corresponds to the market rent of vacant premises relative to the market rent of the entire real estate portfolio at December 31, 2013.

OCCUPANCY RATE
The physical occupancy rate corresponds to the percentage of premises for which the Company receives rent within the framework of a lease agreement at December 31, 2013. The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at December 31, 2013.

MARKET RENTAL VALUE
The market rental value corresponds to the amount for which an asset could be reasonably leased at the time of the valuation. This is analyzed as the annual financial consideration for the use of a real estate asset under a lease agreement.

CEGEREAL

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AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

The French version of this Registration Document was filed with the French financial markets authority (Autorité des Marchés Financiers – AMF) on April 10, 2014. This document may only be used in support of a financial transaction if it is supplemented by an offering circular approved by the AMF. This Registration Document was prepared by the issue under the responsability of its signatories.

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