2015
ANNUAL REPORT

CeGeREAL

A DIFFERENT KIND OF PROPERTY COMPANY

Cegereal is a property company that invests in prime office buildings in the Greater Paris area.
Our unmatched office portfolio comprises large complexes located in the region's most dynamic business districts. Offering a combination of functionality and premium amenities that make them great places to work, the properties are closely aligned with the expectations of first-class tenants and provide a high-quality rental income stream.
From the outset, our growth strategy has been guided by the principles of social responsibility and environmental stewardship. Because our buildings are used by several thousand employees and visitors every day, they play an important role in enhancing their community's business appeal. Cegereal is committed to improving the quality and performance of its assets while ensuring the well-being of their users. This promising positioning, along with an appropriate loan-to-value ratio, offers shareholders the prospect of high yields and solid rates of capital appreciation over the long term.
Cegereal shares have been traded in compartment B of the NYSE Euronext Paris stock exchange since March 2006. The Company has elected for the status of listed real estate investment company (*Société d'Investissement Immobilier Cotée* – SIIC).

CONTENTS

€942 million

portfolio value (excluding transfer duties)

DTZ valuation at December 31, 2015

—

15th

biggest listed real estate investment company in France by market capitalization

Ranking at February 29, 2016 (source: IEIF, Euronext)

—

ONE

of the few French property companies specialized in office buildings in the Greater Paris market

—

RECENT, HIGH QUALITY BUILDINGS

in Paris's inner suburbs

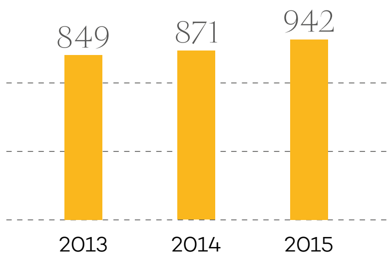
—

More than

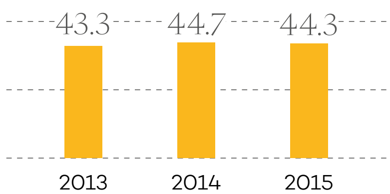
120,000 sq.m

Office portfolio at December 31, 2015

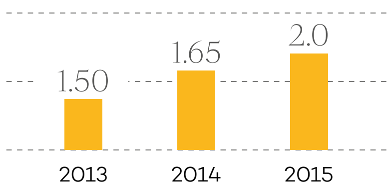
Portfolio value (in €m)



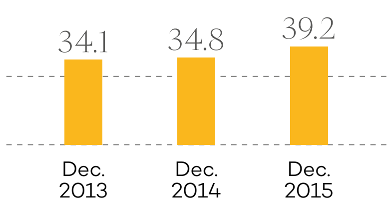
IFRS net rental income (in €m)



Dividend per share (in €)



NNNAV per share (in €)



Message from the Chairman of the Board of Directors

John Kukral
Chairman of the Board of Directors

> THE FRENCH COMMERCIAL REAL ESTATE MARKET IS RIPE FOR INVESTMENT AND FOR BUILDING A MODERN OFFICE REIT.

Annual reports are usually the opportunity to look back over the past year, however, I would rather talk to you about the future. The arrival of Northwood marks the beginning of a new chapter in Cegereal's history. Our challenge now is to build on the success that Richard Wrigley and our former directors have secured for the Company.

Cegereal has an attractive profile with a young and vibrant portfolio of high-quality office assets in in-fill locations and secured by income from first-class tenants. As the first French green REIT, we are also a benchmark real estate company in corporate social responsibility and sustainable development. We intend to leverage these strong competitive advantages to further develop our portfolio of leading office buildings.

The market statistics confirm our measured optimism. The Greater Paris region still exerts enormous appeal to national and international tenants, with more than 2.4 million square meters of office space let in 2015 alone and average rents stabilized, albeit at lower levels than previous years. The economic environment has, however, led users to rationalize costs and seek out more efficient workplaces. Major Corporates generally chose not to move offices during the year, but we showed we could adapt with agility by leveraging the flexibility of our buildings and our broad palette of high-quality, competitive services, in districts that are growing increasingly attractive to businesses. As a result, we increased our overall occupancy rate to approximately 93%.

Cegereal's progress in this setting once again shows that we have chosen the right model, one that gives priority to a select choice of properties and tenants to guarantee performance over the long run.

Our most valuable asset is our culture of performance and transparency. As we say at Northwood, "*No one takes better care of the property than its owners*" and our commitments to our shareholders will always be to maintain a good level of profitability, to encourage dialog between their Board representatives and Executive Management, and to involve them in the decision-making process. Our corporate governance rules are based directly on the AFEP MEDEF Code – the best standard in France. And we work every day to improve our financial disclosure that allows our shareholders to maintain a close relationship with their heritage.

Cegereal has begun 2016 with strong foundations, renewed confidence in its Executive Management, and a determination to grow by seizing market opportunities in the interest of its shareholders, clients and financial partners.

The French commercial real estate market is ripe for investment, and Cegereal is now in an excellent position to take advantage of this. Its portfolio is second to none, and our operating platform has a lot of qualities necessary to set the standard in office property. With Northwood and a strong base of shareholders, the company now has the resources it needs to achieve this and ensure an even brighter future.

John Kukral
Chairman of the Board of Directors

Message from the Chief Executive Officer

Raphaël Tréguier
Chief Executive Officer

Cegereal, now in its tenth year, is making a fresh start in 2016 following the arrival of its new shareholder, Northwood. Our strong operating performance over the year allowed us to resume our regular dividend policy, and our net asset value rose by 12% delivering a Total Share Return of 17.5% in 2015. Against a backdrop of unprecedented intervention by the European Central Bank, diminishing supply of new properties and renewed business confidence, capitalization rates have compressed and we are now beginning to see very early signs of rising rents within our portfolio and the broader market. In terms of investment, the large number of major transactions in our segment - between €100 million and €300 million- confirms the relevance of our positioning.

> "OUR OFFICES NEED TO CREATE VALUE AND DRIVE PERFORMANCE FOR OUR CLIENTS."

An interesting time in terms of market cycle but also of history with the establishment of the Grand Paris. Works have already begun on the high-speed Grand Paris Express public transportation network, which will link up the main business districts mostly located at the doors of the city center. This will enable Paris to expand beyond its century-old borders and form a new, coherent and connected ensemble with its inner suburbs, boasting more than 30 million square meters of office space with links to new districts and competitiveness clusters. These large-scale changes will significantly speed up the flow of people and information in the capital's inner suburbs, and secure Paris's place alongside other world cities such as New York, Tokyo and London.

Given that 75% of the city's offices are more than 15 years old, we have numerous opportunities to create value. The combined effect of the Grand Paris Express network and a sustainable recovery in the French economy should spark far-reaching efficiency and competitiveness gains across the Paris office space market, which is still the largest in Europe in terms of supply.

Going forward, we will work to build a modern office property company that stays true to its values. Cegereal was France's first green REIT. Responsible commitment and innovation are also part of our DNA. Since joining the GRESB benchmark at the Green Star level in 2014, Cegereal has risen to the number three rank among office property companies in Europe. We were also one of the first property companies in France to incorporate the use of cloud computing and big data when defining our organizational structure with our stakeholders. We believe that the future belongs to those who offer solutions that embrace change. And, as our offices need to create value and drive performance for our clients, our aim will be to provide them with "Smart places for business".

Now is the perfect time to move forward. A new phase can begin.

Raphaël Tréguier
Chief Executive Officer

Cegereal,
a benchmark brand

Cegereal is committed to being France's global benchmark in office property for both investors and leading corporate tenants.

UNIQUELY POSITIONED

Cegereal's assets are concentrated in the Paris inner suburbs, where one can find the large, recent office buildings that are structurally lacking in the Paris central business district. Our positioning emphasizes quality over quantity, which is ideal for capturing the strong growth impelled by the Grand Paris plan while keeping investment risks under control. We intend to step up our expansion without making excessive use of bank financing, which will enable us to optimize our financial terms and conditions and increase our distributable income.

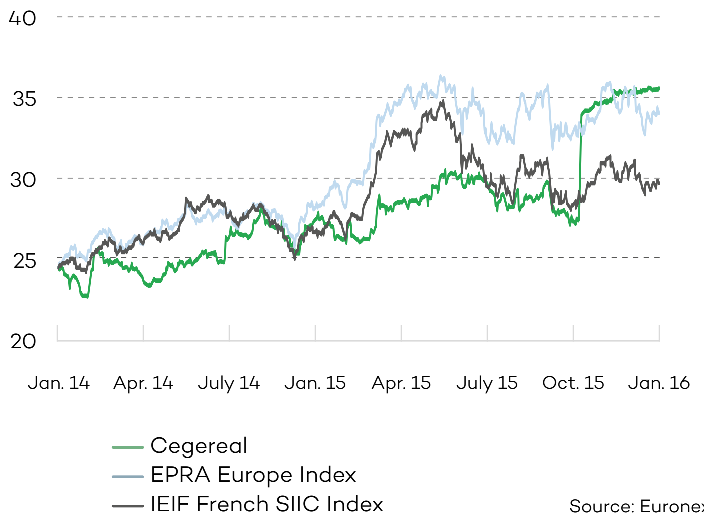
ROBUST FOUNDATIONS

Originally a subsidiary of Commerzbank, Cegereal has been active in the Greater Paris office property market for the past ten years and successfully delivered an overall return on average investment of 6.2% in 2015 despite the recession. The first French property company with full environmental certification, we also debuted in the highest Green Star category in the 2014 Global Real Estate Sustainability Benchmark (GRESB) before becoming Europe's third-highest-ranking listed office property company, according to the 2015 survey. Our asset portfolio consists of prime office complexes meeting the highest technical and environmental standards and located in some of the most sought after business districts in the Greater Paris area. Our leasing portfolio has a very low risk profile, with 97% of our 26 tenants rated 1 or 2 by Dun & Bradstreet.

Listing details

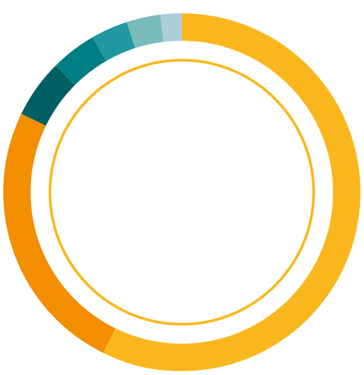
Name	CEGEREAL SA	Type	Eurolist Compartiment B
Market	EURONEXT PARIS	Indices	CAC All Shares
ISIN	FR0010309096		IEIF SIIC France
			SRD
Symbol	CGR	Registrar	BNPP Securities Services
CFI	ESVUFB		

Share performance compared with the main indices



Source: Euronext

Cegereal ownership structure
as at April 7, 2016



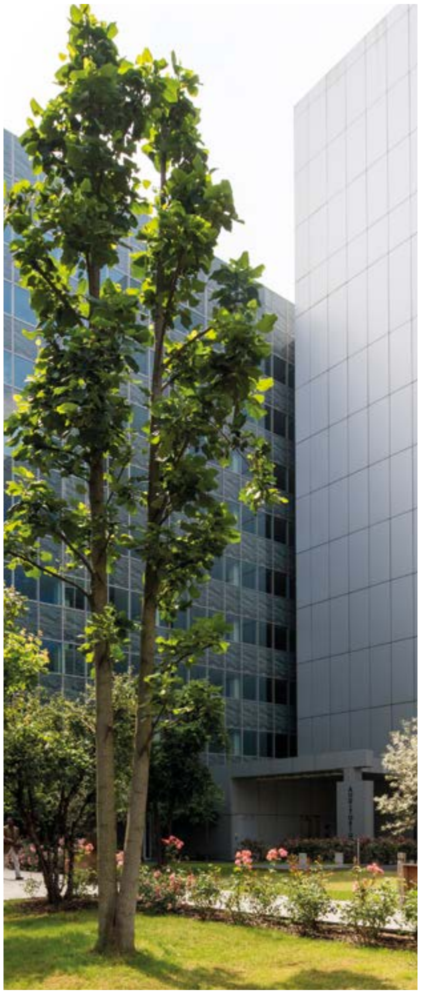
57.48% Northwood
25.0% GIC
5.24% University of Texas
4.13% IH
3.15% Gothic
3.15% AXA
1.85% Flottant

> CEGEREAL DEVELOPS A BRAND WHICH EXPRESSES CONTEMPORARY VALUES THAT RESONATE WITH USERS AND PROVIDES THEM WITH A SOLID, REASSURING FOUNDATION.

A COMMITMENT TO LEADERSHIP AND THE SUPPORT OF MAJOR SHAREHOLDERS

Northwood Investors' acquisition of a majority stake in Cegereal has given us the resources needed to drive new growth in an upward market cycle. With nearly 200 employees, Northwood manages a global real estate investment fund whose portfolio has gradually grown since the company's creation in 2006 to total USD 8 billion today. Its investment strategy is value-driven with a longer-term outlook and a focus on key cities, including New York, Los Angeles, San Francisco, London and Paris. It owns and manages a diverse portfolio of real estate assets worldwide including office, retail, residential, industrial and hospitality properties.

In compliance with French legislation, Northwood's late-2015 acquisition of the 59.78% of Cegereal shares held by Commerzbank – acting on behalf of the HausInvest fund – was followed by a friendly simplified offer for all of the remaining shares outstanding. When the offer closed on January 25, 2016, Northwood owned 98.44% of Cegereal. Following the tender offer, the acquisition of stakes by such institutional investors as the GIC sovereign wealth fund (25%), the University of Texas (5%) and Axa (3%), has laid the foundations of a world-class ownership structure.
As of April 6, 2016, Northwood's interest stood at 57.48%, thereby enabling the company to retain its highly favorable tax structure as a SIIC.



A new acquisitions strategy has been introduced in a commitment to growing the asset portfolio and enabling Cegereal to gain critical mass. In line with our previous successes, the strategy will focus on large buildings where our skills can be effectively leveraged to create value.

CREATING VALUE

Our buildings are modern, ideally located in the inner suburbs of Paris and well served by public transport. Their functional, modular floor plates can be arranged to suit any tenant project, supported by a comprehensive range of facilities and amenities.

Our rental strategy is both environmentally demanding and financially active and selective. We believe that the way to meet our commitment to offering a high, long-term return on investment is to sustainably enhance the appeal of our buildings and secure their occupancy rates by improving building performance with a highly granular leasing portfolio, optimizing their utilities and introducing high value-added tenant amenities. To offer investors high dividends, Cegereal carefully maintains a reasonable loan-to-value ratio, which stood at 43% at December 31, 2015. At the General Meeting on May 26, 2016, shareholders will be asked to approve the payment of a dividend of €2.00 per share, which would represent a yield of 5.6% on the 2015 closing share price.

A NEW GENERATION PROPERTY COMPANY

Because things change and needs evolve, companies constantly expect new solutions to optimize the management of their day-to-day operations, the well-being of their employees and the care of their visitors. That's why Cegereal has embedded innovation deep in the heart of its stakeholder dialogue. Our workplaces are designed as open-ended, reconfigurable performance drivers. Thanks to our agility, we hope to capitalize on the interactions emerging between the institutional office segment and the new co-working segment aimed at very small enterprises, where flexibility, services and amenities come to the fore. Our outsourced organization enables us to leverage the skills of the finest experts and embrace the latest practices as they arise. Although today, relationships in the office property world remain impersonal and compartmentalized between tenant and lessor, Cegereal dreams of simpler,

KEY DATES

2006

- March — Cegereal is listed on the Euronext Paris stock exchange

2012

- April — Raphaël Tréguier is appointed Chief Executive Officer
- July — Cegereal closes a €400 million refinancing deal

2013

- January — Crédit Foncier de France renews its lease on 31,000 square meters in the Rives de Bercy building for a firm nine-year term until 2021

more seamless and direct communication among the people who own the spaces, those who manage them, those who work in them and those who visit them.

For Cegereal, the property company of the future will no longer be just a management company. It will also be a brand synonymous with innovative, efficient, people-oriented, multi-purpose offices, which expresses contemporary values that resonate with users and provides them with a solid, reassuring foundation.

Investor information

www.cegereal.com
Cegereal
Investor Relations
42 rue de Bassano, 75008 Paris
Phone: +33 (0)1 42 25 76 36

Investor calendar

18 February 2016	2015 RESULTS	20 July 2016	DIVIDEND PAYMENT
15 April 2016	FIRST-QUARTER 2016 REVENUE	22 July 2016	FIRST-HALF 2016 RESULTS
26 May 2016	ANNUAL SHAREHOLDERS' MEETING	26 October 2016	THIRD-QUARTER 2016 REVENUE

2014

December – Cegereal becomes the first French property company to be fully HQE certified

2015

November – Northwood acquires a 59.78% controlling interest in Cegereal from Commerzbank

2016

January – Northwood launches a successful tender offer, acquiring 98.44% of Cegereal's share capital

April – GIC has acquired a 25% stake in Cegereal

Executive Management

The Executive Management team is led by Raphaël Tréguier and Jérôme Anselme, two experts in corporate finance and real estate who are widely recognized for their in-depth knowledge of the Greater Paris market.

Raphaël Tréguier

Chief Executive Officer

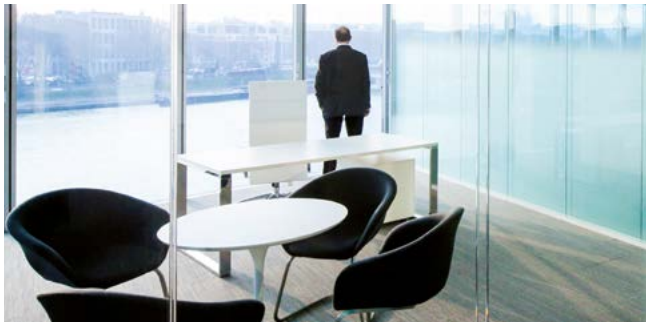
Raphaël Tréguier, 41, has solid experience in real estate and corporate finance. Long involved in managing the acquisition of listed and unlisted companies and major portfolios, he spent seven years from 2001 to 2008 as a member of GE Real Estate France's investment management team. He was appointed Chief Executive Officer in early 2012.

Jérôme Anselme

Deputy Chief Executive Officer

Managing Director at Northwood Investors, responsible for investments in Europe. Since joining Northwood in 2012, Mr. Anselme has been actively involved in all of the firm's European investment and asset management activities. He previously worked at Citigroup and JPMorgan before being appointed Director at Bank of America Merrill Lynch in London. He was involved in origination, distribution and asset management of commercial real estate debt.
Mr. Anselme hold a Master in Management from EDHEC Business School and a Master in Finance from Sciences Po – Institut d'Etudes Politiques, in France.

Board of Directors



GOVERNANCE PRINCIPLES

In compliance with the AFEP-MEDEF Corporate Governance Code of Listed Corporations issued in November 2015, Cegereal is governed by the Board of Directors, the Board's three committees and the Executive Management team.

This organization complies with the governance rules issued by the French financial markets authority (*Autorité des Marchés Financiers* – AMF). The company's bylaws may be viewed at www.cegereal.com.

INVESTMENT COMMITTEE

Jean-Marc Besson (Chairman)
Alec Emmott
Sébastien Abascal

AUDIT COMMITTEE

Marie-Flore Bachelier (Chairman)
Jean-Marc Besson
Sébastien Abascal

APPOINTMENTS AND COMPENSATION COMMITTEE

Alec Emmott (Chairman)
Marie-Flore Bachelier
Khaled Kudsi

LIST OF DIRECTORS

John KUKRAL, Chairman of the Board of Directors
President and Chief Executive Officer of Northwood Investors

Jérôme ANSELME, Deputy Chief Executive Officer
In charge of Northwood Investors' investment and asset management activities in Europe

Marie-Flore BACHELIER independent director
Chief Financial Officer at Novaxia, prior to which she was Chief Financial Officer for nine years at Mercialys

Jean-Marc BESSON, independent director
President & Senior Managing Director at Beacon C0apital Partners France since 2006

Erin CANNATA, director
Member of the Investments Department at Northwood Investors in Europe

EUROPROPERTY, independent director, company represented by its manager, Alec EMMOTT, managing Director of Société Foncière Lyonnaise from 1997 to 2007

Sophie KRAMER, director
Member of the Asset Management Department at Northwood Investors in Europe

Khaled KUDSI, director
Senior Managing Director at Northwood Investors, in charge of investments in the United States and Europe

EFPL - GIC, director, company represented by Sébastien ABASCAL, in charge of investment and asset management activities in France and Germany for GIC Real Estate

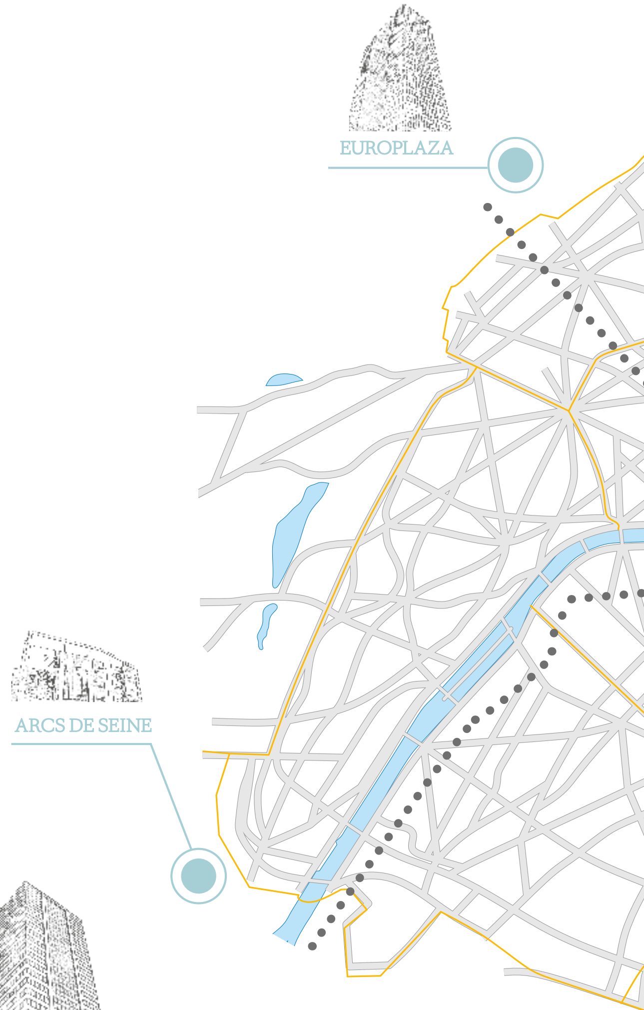
ELPL - GIC, director, company represented by Madeleine COSGRAVE, in charge of investment and asset management activities in Europe for GIC Real Estate, subject to the approval of its appointment by the Shareholders' meeting to be held on May 26, 2016

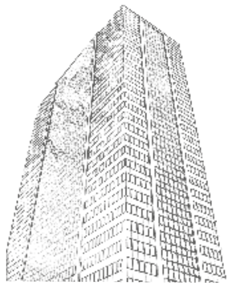
CORPORATE GOVERNANCE REFERENCE CODE

Working groups of the French Association of Private Enterprises (AFEP) and the French Enterprise Movement (MEDEF) have drawn up a set of recommendations defining certain principles of proper operation and transparency intended to improved the management of listed companies and their image with investors and the public. CEGEREAL has adopted these recommendations as is reference code in application of the Law of July 2008. More information available on www.code-afep-medef.com (in French)

Driving performance with excellence

Outstanding office properties totaling 120,000 sq.m of horizontal and vertical corporate campuses just outside Paris.





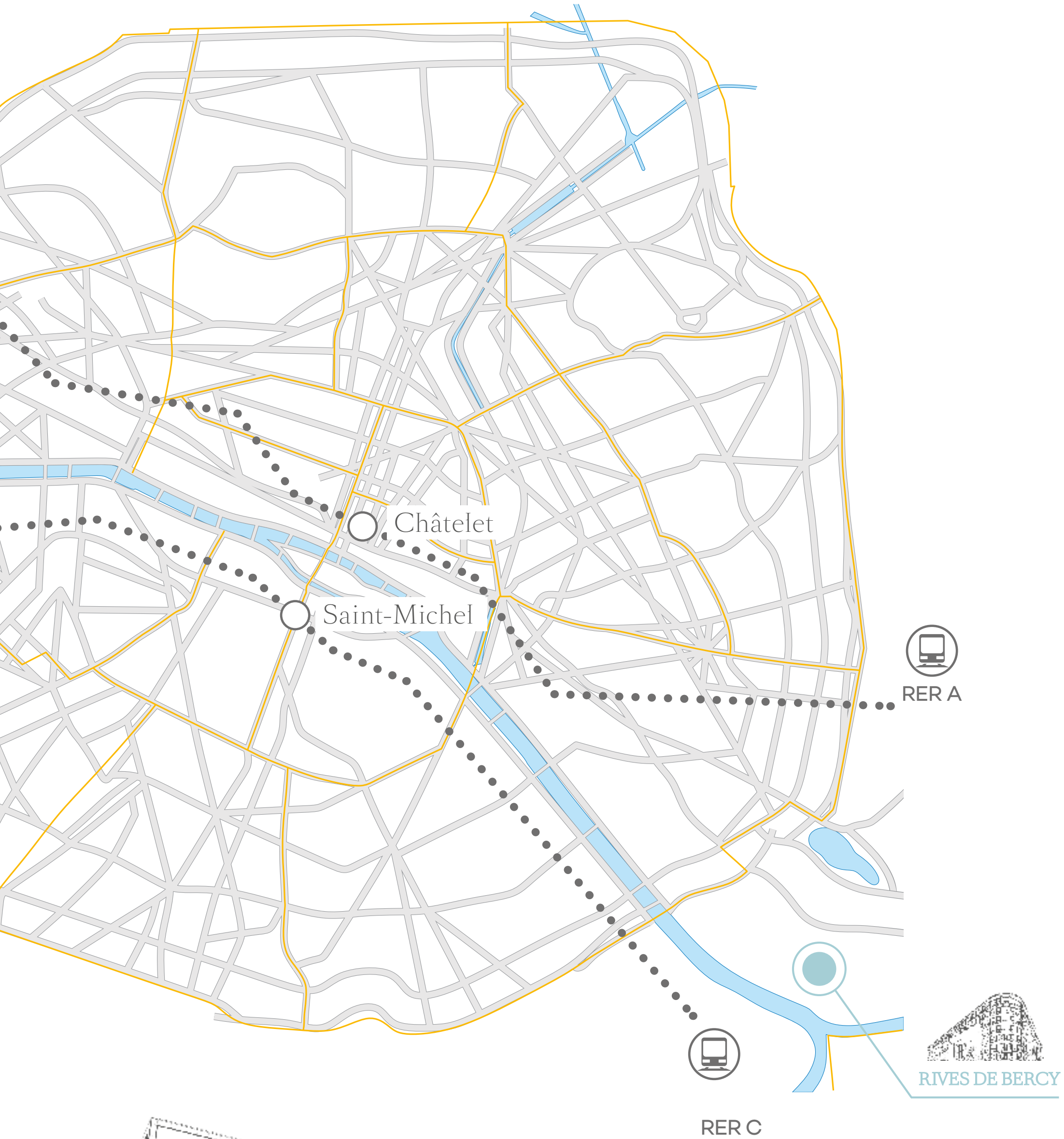
EUROPLAZA

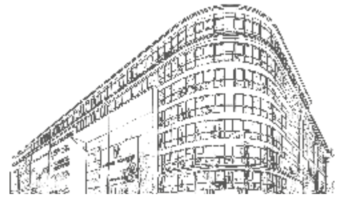
52,478 sq.m

IN THE HEART OF EUROPE'S LARGEST BUSINESS DISTRICT

Home to 3,600 companies employing 170,000 people, La Défense is the largest business district in Europe. As the location of choice for the strategic functions and decision-making centers of major French and international corporations from a wide range of industries (including finance, insurance, energy, consulting, corporate services and environmental services), the district hosts 1,500 corporate headquarters and 15 of the world's 50 largest companies.

La Défense is also the jewel in the crown of the Grand Paris plan, and as such has been the focus since 2006 of a vast urban renewal project to maintain its appeal and competitiveness and to make it a model of sustainability. The project, which involves redesigning public areas and upgrading the public transit system, is creating a favorable environment for the Europlaza tower.





RIVES DE BERCY

31,942 sq.m

AT THE GATES OF PARIS

The eastern outskirts of Paris are being transformed by a fast-growing office hub ideally located just minutes from downtown Paris by metro and bus, and close to the Paris ring-road and the A4 motorway. The booming Charenton-le-Pont business district is attracting new companies by the day with a leasing environment that is exceptional in every way.

Rives de Bercy has lived up to all the expectations of Crédit Foncier de France, the sole tenant since 2003 with a lease renewed until 2021. Its parent company, BPCE, has leased more than 200,000 sq.m in the district.

ARCS DE SEINE

47,222 sq.m

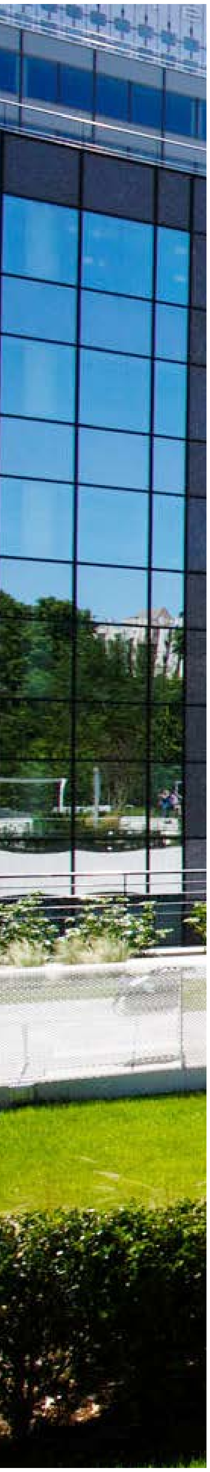
IN THE HEART OF THE SECOND LARGEST BUSINESS CENTER IN THE WESTERN PARIS SUBURBS

The Greater Paris area's largest concentration of offices outside the capital, Boulogne-Billancourt/Issy-les-Moulineaux is home to nearly 20,000 businesses with more than 100,000 employees, of which 85% in service industries. Arcs de Seine is located in the heart of the area's "Telecommunication Valley", a hub for forefront players in fast-growing communications and technology industries, such as Microsoft, Hewlett Packard, Bouygues Telecom (a tenant for 10 years) and Canal+. Boulogne-Billancourt boasts the head offices of a number of large international corporations and industry leaders in a variety of sectors, including 30% of the top 20 companies 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. The region's flagship building is the Arcs de Seine campus on the banks of the Seine, the exciting symbol of a new art of entrepreneurship where innovation, performance and quality of life happily coexist.

Properties portfolio

	EUROPLAZA 20, avenue André-Prothin (La Défense)	**ARCS DE SEINE** 34, quai du Point du Jour (Boulogne-Billancourt)	**RIVES DE BERCY** 4, quai de Bercy (Charenton-le-Pont)	**TOTAL PORTFOLIO** ON A CONSTANT SCOPE BASIS (3)
% Holding	100%	100%	100%	n.a.
Value	€361m	€379m	€202m	€942m
Value / sq.m	€6,879 sq.m	€8,026 sq.m	€6,324 sq.m	€7,156 sq.m
Year-on-year change of the values	+8.4%	+9.2%	+5.8%	+8.2%
Capitalization rate (1)	+5.9%	+5.2%	+5.2%	+5.5%
2015 IFRS rent	€18.1m	€16.4m	€9.8m	€44.3m
2014 IFRS rent	€20.8m	€14.0m	€10.0m	€44.7m
Year-on-year change of the rents (in €m)	€-2.7m	€2.4m	€-0.1m	€-0.4m
Year-on-year change of the rents (in %)	-13.0%	+17.0%	-1.2%	-1.0%
Financial occupancy rate (2)	82%	100%	100%	93%
2015 weighted average residual duration of leases	4.0	5.1	6.0	4.9
2014 weighted average residual duration of leases	4.1	7.0	6.5	5.7
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*	*44,182 sq.m*	*29,136 sq.m*	*120,449 sq.m*
of which Service aeas	*3,157 sq.m*	*2,041 sq.m*	*2,424 sq.m*	*7,622 sq.m*
of which Archives	*2,190 sq.m*	*999 sq.m*	*382 sq.m*	*3,571 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	GE Capital	Canal +	Crédit Foncier de France	Crédit Foncier de France
	CAP Gemini	Huawei		GE Capital
	Galderma	Hewlett Packard		Cap Gemini

(1) Source: DTZ real estate valuations
(2) The financial and physical occupancy rate are defined in section III.1 "Rental Activity".
(3) The entire portfolio is included in the analysis, on a constant scope basis.



Europlaza

A "Garden Tower" in the heart of Paris-La Défense

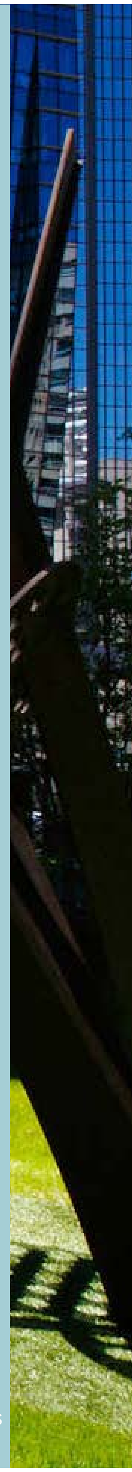
Europe's largest business district now has its secret garden with Europlaza, the third building in France to earn both HQE Exploitation and BREEAM In-Use International Very Good certifications. Entirely reimagined by interior designer Juan Trindade, the forecourt of the L-shaped high-rise offers tenants and visitors the exclusive use of a private 3,300 sq.m landscaped, tree-covered green space – a first in the La Défense business district.

PACKED WITH INNOVATION

Bright, prestigious, hospitable and a great place to live and work, the Europlaza tower offers everything tenants and users could want and more. The stunning entrance lobby designed by Alberto Pinto was remodeled in 2014 to enhance the management of space and traffic flows. New acoustic panels have transformed waiting times into a soothing opportunity for reflection. Europlaza combines comfort and performance, with spacious high ceilings and splendid views on every floor and fully modular floor plates equipped with the latest utilities and amenities.

Tenants are pampered with such outstanding amenities as a large private onsite parking garage, a fitness room with a sauna and physical therapist, and an intercompany staff cafeteria with a terrace on a tree-shaded patio that can serve up to 1,200 meals a day. A resident building manager and two technicians are available to respond to tenant needs in real time. This outstanding quality of service, which has consistently been ahead of its time, is surely one reason why the complex has enjoyed such high occupancy rates since it was delivered. A total of 16 world-renowned companies have shared its space for several years now.

CAP GEMINI, GE MONEY BANK, GALDERMA, BFORBANK
MAIN TENANTS



Address

20, avenue André-Prothin - La Défense

€361 million

Appraisal value
at December 31, 2015
(excluding transfer duties)

82%

Occupancy rate
at December 31, 2015

€18.1 million

2015 rental income

Access

- Metro line 1, La Défense-Grande Arche station
- RER A, La Défense-Grande Arche station
- SNCF Versailles-Paris Saint-Lazare line, La Défense-Grande Arche station
- Tramway 2, La Défense-Grande Arche station
- Bus lines 73, 174, 275, 278, 161 and 272
- Car: Paris ring-road - A14 and A86 motorways

52,478 sq.m

TOTAL SURFACE AREA *(excluding car parks)*

ARCS DE SEINE

The Flagship of France's Telecommunication Valley

A FORCE OF NATURE

Arcs de Seine comprises three buildings of five, seven and eight floors, harmoniously laid out around a private 3,000 sq.m landscaped park. Their contemporary lines were designed by the Skidmore, Owings & Merrill (SOM) architectural firm. Each floor is bathed in light and offers occupants breathtaking views of the Seine or a vista overlooking the magnificent park and gardens. Natural components and the use of materials that enhance the sense of transparency deliver natural light across the interior space. On the leading edge of sustainability, Arcs de Seine was one of the first office complexes in the district to earn HQE Exploitation certification. It has also been certified BREEAM In-Use International "Very Good" following an audit of its Part 1 (Assets) and Part 2 (Building Management Performance) aspects.

The vast floor plates, which range from 1,400 to 2,800 sq.m, can be arranged in a myriad of open space or divided layouts. Both tenants and visitors enjoy access to shared amenities, including reception and meeting rooms, an auditorium, comprehensive foodservice facilities, a parking garage and corporate concierge services. Resident building managers ensure that the entire site operates smoothly and efficiently around the clock.

CANAL+, HEWLETT PACKARD, SAGEM, HUAWEI
MAIN TENANTS

Address

34, quai du Point du Jour - Boulogne-Billancourt

€379 million

Appraisal value
at December 31, 2015
(*excluding transfer duties*)

100%

Occupancy rate
at December 31, 2015

€16.4 million

2015 rental income

Access

- Metro line 9, Porte de Saint-Cloud station
- RER C, Val-de-Seine station
- Tramway T2, Issy-les-Moulineaux station
- Bus lines 126 and 189
- Car: Paris ring-road,
  Quais de Seine expressway

47,222 sq.m

TOTAL SURFACE AREA *(excluding car parks)*

RIVES DE BERCY

Pioneering spirit

BUSINESS CLASS

Ideally located just minutes from the center of Paris, Rives de Bercy has lived up to all of Crédit Foncier de France's expectations since its delivery in 2003. After nine years as sole tenant, the French mortgage bank early renewed its lease, extending it until 2021 in recognition of the wide range of features and major advantages offered by the immense "6"-shaped building complex. The lawn-covered, panoramic terraces bring nature into the workplace, while the overhead walkways connecting the wings provide unencumbered views of the Seine on one side and a vista overlooking nearly a hectare of landscaped gardens on the other.

Each floor plate is equipped with state-of-the-art air conditioning, soundproofing and lighting technologies. Employees and visitors enjoy daily access to a wide array of luxurious amenities, including meeting rooms, a parking garage, an auditorium, a restaurant and cafeteria opening onto a landscaped garden, club lounges, and fitness rooms.

The close partnership with Crédit Foncier de France enabled us to successfully complete projects to improve the complex's environmental performance, along with a certification process that led to the award of both HQE Exploitation and BREEAM In-Use International "Very Good" certification.

CRÉDIT FONCIER DE FRANCE
SINGLE TENANT

Address

4, quai de Bercy - Charenton-le-Pont

€202 million

Appraisal value
at December 31, 2015
(*excluding transfer duties*)

100%

Occupancy rate
at December 31, 2015

€9.8 million

2015 rental income

Access

- Metro line 8, coles station
- RER C, Ivry-sur-Seine station
- Bus lines 24 and 109
- Car: Paris ring-road, Quais de Seine expressway - A4 motorway

31,942 sq.m

TOTAL SURFACE AREA (*excluding car parks*)

An office property company and a privileged gateway to the French economy

According to calculations by international real estate adviser Savills, the value of global property amounted to almost three times the world's GDP, making it by far the world's largest asset class, ahead of stocks, bonds and even gold. This is certainly true in France, where the office segment has historically been the primary component of the commercial property market. In the Greater Paris area, for example, office assets accounted for 87% of property investments in 2015.

A REBOUND IN INVESTMENT

The French economy saw a slight 1.6% uptick in consumer spending during the year, as well as an increase in corporate capital expenditure, buoyed by the decline in oil prices and the euro. These two factors also drove a strong improvement in corporate margins, which ended the year at an average 31.1%. In the property sector, investment volumes rose by 2.5% to EUR 26.2 billion. Offices remain by far the most popular product, with their percentage of invested funds holding steady at the same 65% for the past 20 years. The EUR 100-300 million segment, which is Cegereal's core market, rose sharply over the year (total aggregate of EUR 12 billion in 2015) among which the two-thirds of transactions concern offices (with 47 deals out of 73 in 2015).

“

AS OF YEAR-END 2015, PRIME REAL ESTATE OFFERED A RETURN THAT EXCEEDED THE YIELD ON TEN-YEAR FRENCH FUNGIBLE TREASURY BONDS (TEC 10 INDEX) BY 271 BASIS POINTS. THIS WAS LESS THAN THE YEAR BEFORE, BUT THE GAP REMAINS AMONG THE WIDEST EVER OBSERVED. THE YIELD DIFFERENTIAL BETWEEN SECOND-HAND AND PRIME ASSETS REMAINED HISTORICALLY HIGH.

”

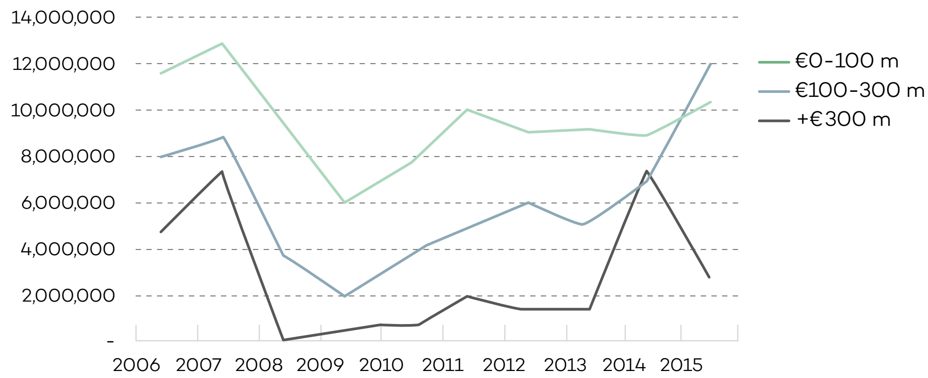
> *"Given the low vacancy rates and shortage of Grade A office space, a well-priced tenant risk in a new or redeveloped building has become very attractive compared with volatile capital markets and low fixed-income yields."*
>
> —
>
> Raphaël Tréguier

A ROBUST RENTAL MARKET

Other than in the over-20,000 sq.m segment, where demand from large users remained volatile, the rental market improved across the board in 2015. After driving demand in 2014, large users were not very active during the year.

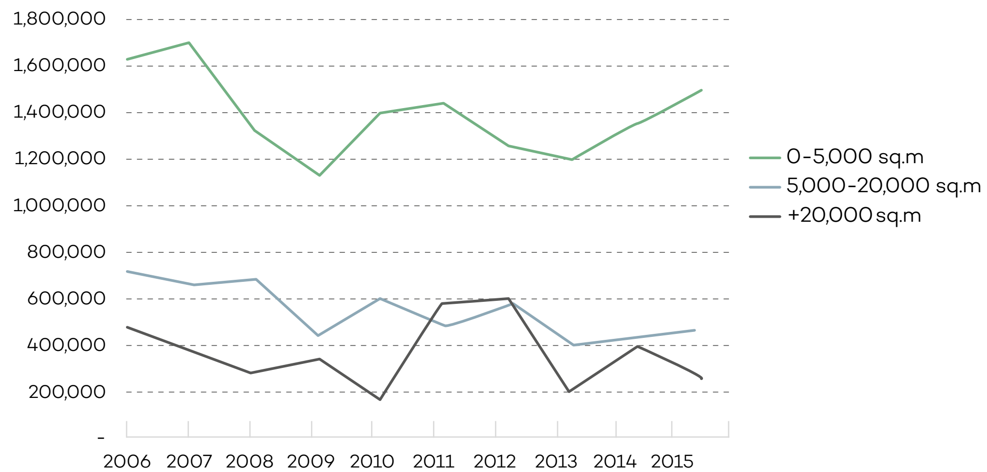
Vacancy rates are trending downwards and front-end incentives are already starting to decrease in certain Paris neighborhoods, reflecting the fact that a) new stock is limited to just 860,000 sq.m (year-on-year end of Q3 2015) out of a total supply of 53 million sq.m, and most of that (670,000 sq.m) is generally pre-leased; and b) scheduled 2016 deliveries are down 51%. In the capital's Western Crescent, the average rent stood at EUR 321 per sq.m for the year, up a slight 4% on 2014.

Investments in the Greater Paris region, by asset size



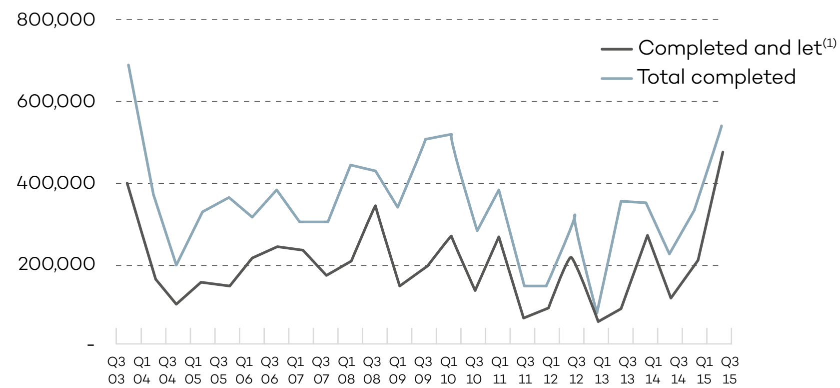
Source: DTZ Valuation France

Take-up by surface slice in the Greater Paris region since 2006



Source: DTZ Valuation France

New stock deliveries in Greater Paris since October 2003



(1) Over the last 6 months
Sources: Grecam, Explore, Étude Paris Office Crane Survey Analyse Deloitte

Greater Paris, Capital of the 21st Century

The Greater Paris region offers businesses any number of compelling advantages. With 12 million inhabitants and 816,000 companies already present, the region represents a market the size of certain European countries.
But most importantly, it has the Grand Paris plan.

A PROJECT UNLIKE ANY OTHER IN EUROPE

More than just a name, the Grand Paris project is a real revolution that is wiping out traditional borders, starting with the ring-road following the traces of the old Paris city walls. The Grand Paris Express (GPE) rapid transit lines will directly link the various business districts, step up their growth and encourage greater interconnections at the local, national and international levels. This growth will spur the development of a large number of real estate projects. No other project in Europe comes close to the size of the Grand Paris plan. The creation of 72 stations on four lines and two extensions, representing a total investment of USD 23 billion, will considerably improve public transportation coverage in the Greater Paris region.

THE INFLUENCE OF THE "CITY OF LIGHT"

Paris has never been so attractive. According to an Opinion Way survey in March 2014, the city rose six notches in the global rankings and now stands third on the podium alongside London and New York. Clearly, foreign investors appreciate the practical incentives introduced to attract their interest and feel reassured by the stabler legal and tax framework, which helps to secure their investments.

53 million sq.m
of office space

12 million
inhabitants

816,000
companies

€612 billion
in GDP,
or 30% of the French total

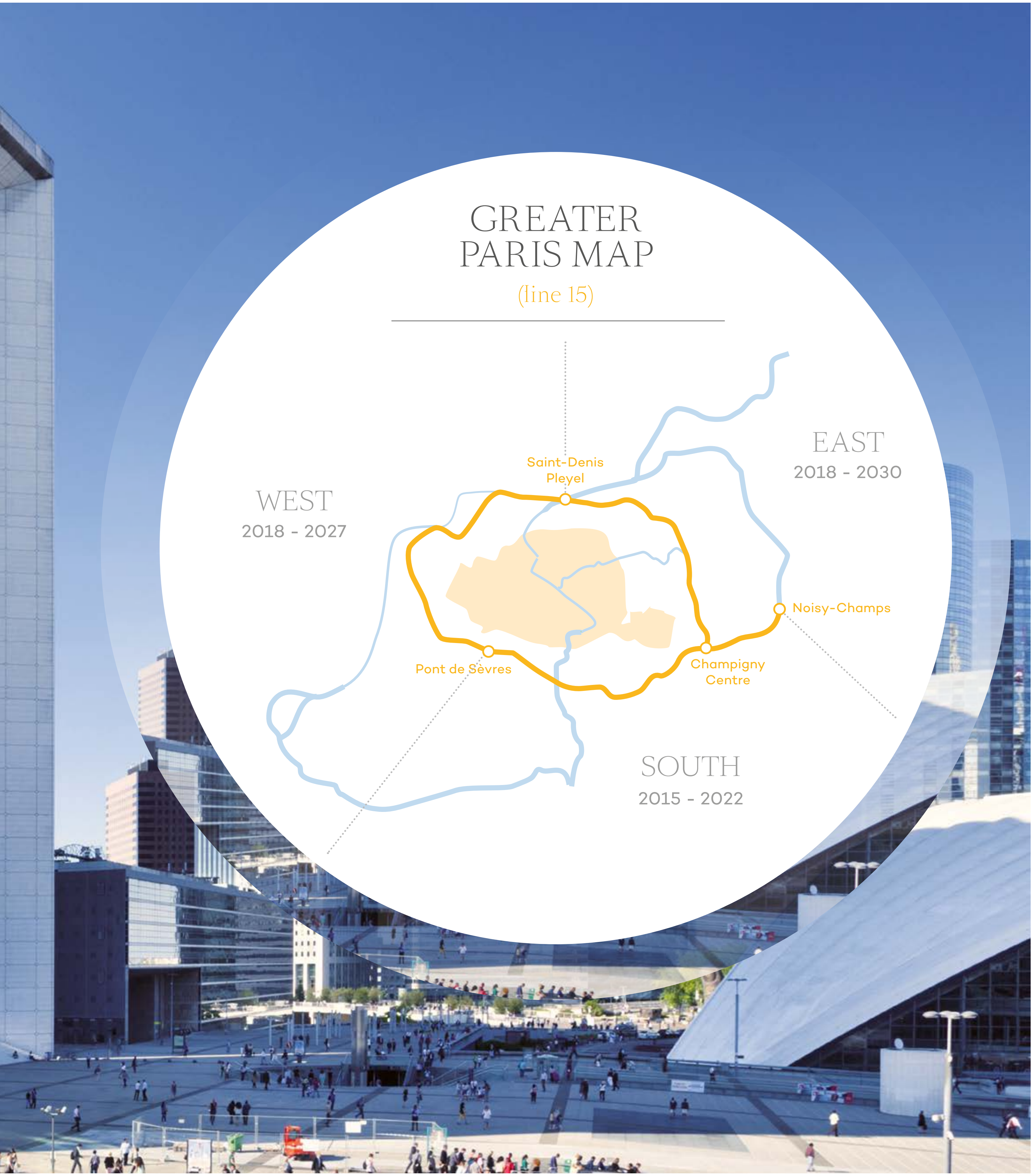
100,000
researchers

40%
of the population
have university degrees

Europe's 1st
stock of commercial
real estate

Europe's 1st
number of corporate headquarters
of the world's 500 largest companies

1st
region in Western Europe,
home to start-ups


GREATER
PARIS MAP
(line 15)
WEST
2018 - 2027
EAST
2018 - 2030
SOUTH
2015 - 2022
Saint-Denis
Pleyel
Noisy-Champs
Champigny
Centre
Pont de Sèvres

A rental strategy focused on the long term

We are committed to becoming the go-to partner for first-class tenants seeking to enhance their image and improve the performance of their human and technological resources.

97%

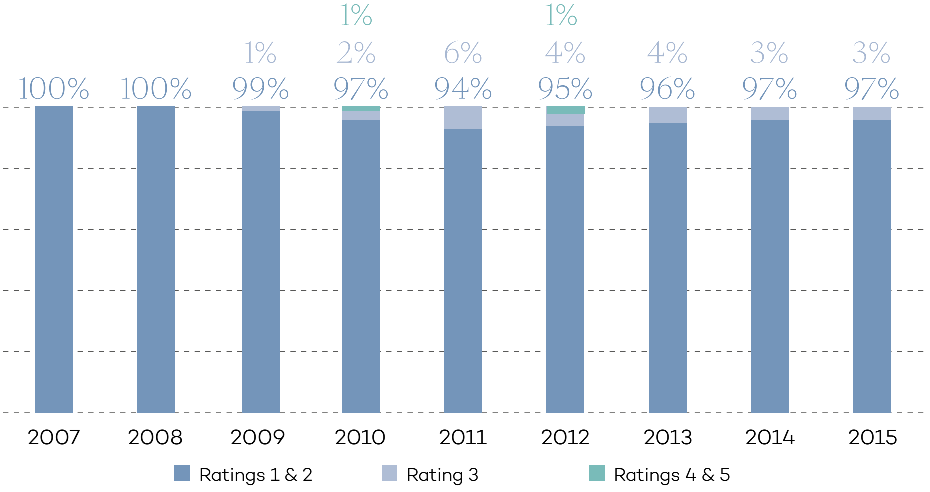
OF OUR TENANTS HAVE A DUN & BRADSTREET RATING OF 1 OR 2

STRICT SELECTION CRITERIA

To secure our rental income stream, we select first-class tenants from among national and international corporations with demonstrated financial strength, sustainability and credibility.

First-class tenants

97% of tenants have the highest credit ratings.
Rental income from companies with a Dun & Bradstreet risk rating of 1 or 2.

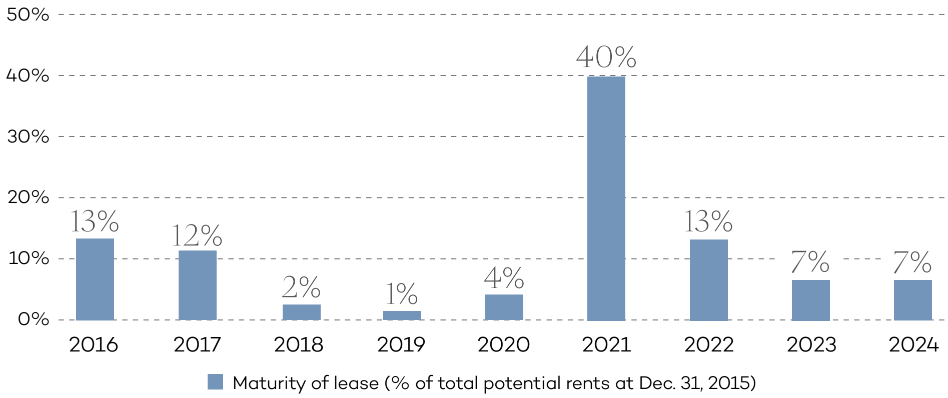


Source: D&B Ratings

RENTAL SCHEDULE

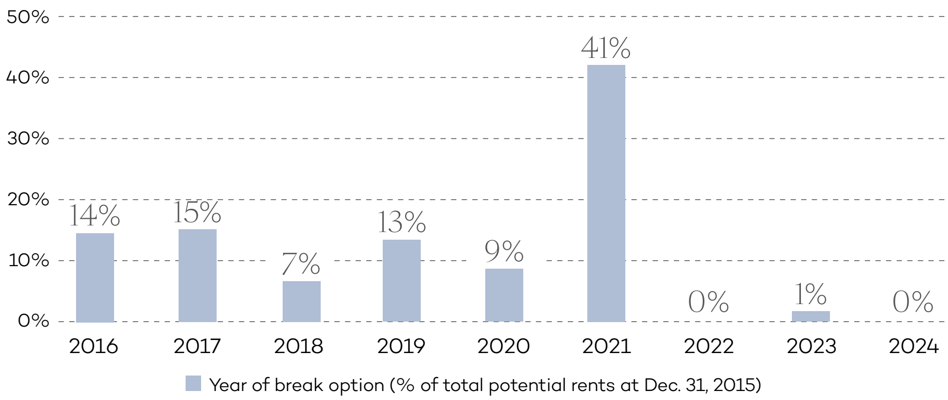
Maturity of lease

(in %)



Year of break option

(in %)



A CAPITAL OF TRUST, ILLUSTRATED BY LONG LEASES

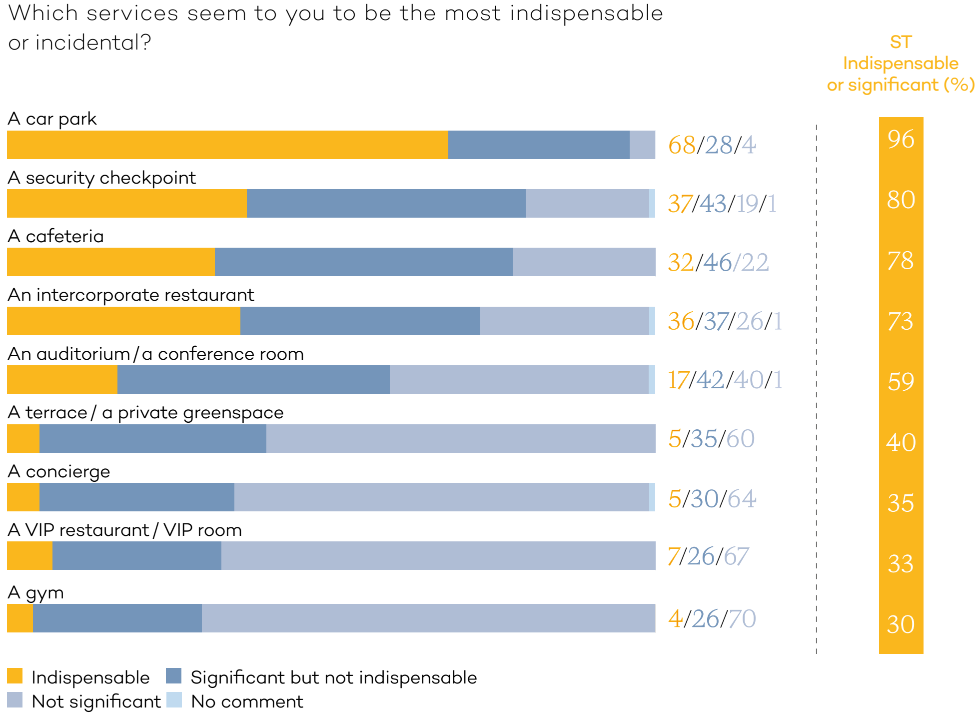
Cegereal prefers to sign long commercial leases, generally with fixed terms of six to nine years. The contracts permit the recovery of all building operating and maintenance costs from the tenants, as well as certain repair costs. In addition, the related property taxes are reinvoiced to tenants. The rents are generally indexed to the ILAT, which consists of the weighted sum of the consumer price index (50%), the cost of construction index (25%) and GDP (25%).

HIGH VALUE-ADDED SERVICES

Tenant loyalty is invaluable for a lessor, who has a vested interest in keeping users happy. Our building management teams pay constant, careful attention to occupants and work with them to deliver the services and amenities they need. Resident building managers and technical staff are onsite 24/7, and a corporate management representative meets regularly with each tenant to review expectations and projects. This accessibility fosters the trust and assurance that underpin an enduring relationship. In this way, we can regularly invest in optimizing our buildings and enhancing their appeal.

Our services compared with the BNPP survey for major users

Which services seem to you to be the most indispensable or incidental?



Our partners in creating value

To optimize the management of our tenant portfolio, our Asset Management and Property Management operations work with recognized office property market experts. This decentralized organization enables us to benefit from the best available expertise, while reducing our operating costs.

93%

OFFICE OCCUPANCY RATE AS OF 31 DECEMBER 2015

A GLOBAL ASSET MANAGER

A consulting contract between Cegereal and Northwood Investors, our main shareholder's management company, gives us access to the resources of a world leader in office building management. Its experts serve as advisors during property investment transactions and review the business operation of our assets. In particular, the agreement calls for an annual business plan with regard to assets acquired by Cegereal, a review of the Company's assets and performance, an analysis of real estate market data and lease trends, and the issuance of recommendations. In the same way, Northwood prepares an annual review of products offered by Cegereal competitors and quarterly building inspection reports, with a focus on tenant improvements and installations held in common. Lastly, it reviews our rental strategy and recommends ways to optimize it.

A PROPERTY MANAGER SPECIALIZED IN LARGE OFFICE COMPLEXEST

Since Cegereal was founded, the day-to-day operations of the Europlaza, Arcs de Seine and Rives de Bercy complexes have been managed by Yxime, a property management company that oversees assets totaling six million sq.m. Yxime acts as a strategic partner, with comprehensive knowledge of each building's operating history and tenants. It ensures that lease clauses are properly applied and that tenants fulfill all of their contractual obligations with respect to maintenance, insurance coverage and compliance with building rules. Its teams manage the buildings' administration and accounting, in particular invoicing, rent collection and managing cases of non-payment prior to legal proceedings. In addition, the company manages all of the utilities in the Europlaza and Arcs de Seine buildings, including the negotiation of maintenance, supply and service contracts and the deployment and tracking of operations and maintenance contracts for all of the utilities and technical installations. Utilities in the Rives de Bercy building are directly managed by its sole tenant, under the supervision of Yxime.

Four priority objectives for 2016

—

1

Pre-lease the space currently leased to Boursorama in the Arcs de Seine building

—

2

Lease the vacant space in Europlaza

—

3

Identify growth opportunities

—

4

Pursue discussions with tenants about ways to further improve energy efficiency

85%

SATISFIED TENANTS

As part of a continuous improvement process, Yxime conducts a biannual satisfaction survey of all its tenants.

EPRA Performance

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.

Performance summary

In thousands of euros

	2015	2014
EPRA Earnings	18,220	23,694
Net cash-flows from operations	22,474	18,348
EPRA NAV	533,637	472,603
EPRA NNNAV	523,267	464,253
EPRA vacancy rate	7%	10%
EPRA NIY	4.8%	3.8%
EPRA "topped-up" NIY	5.3%	5.4%
EPRA cost ratio (including cost of vacancy)	20.7%	17.4%
EPRA cost ratio (excluding cost of vacancy)	17.8%	13.6%

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

In thousands of euros

	2015	2014
Net value of investment property	942,000	871,000
Expenses and transfer duties	61,802	57,146
Gross up completed property portfolio avaluation (B)	**1,003,802**	**928,146**
Annualised net rents (A)	**47,790**	**35,538**
Add: notional rent expiration of rent-free periods or other lease incentives	4,969	14,860
Topped-up net annualised rents (C)	**52,759**	**50,398**
EPRA NIY (A)/(B)	4.8%	3.8%
EPRA "topped-up" NIY (C)/(B)	5.3%	5.4%

EPRA vacancy rate

In thousands of euros

	2015	2014
Total market rental value	55,863	55,879
Market rental value of vacant spaces	4,175	5,847
EPRA vacancy rate	**7%**	**10%**

DTZ valuation data

The vacancy rate decreases in 2015 following the end of the marketing of Arcs de Seine during the 2015 fiscal year.

EPRA cost ratios
In thousands of euros

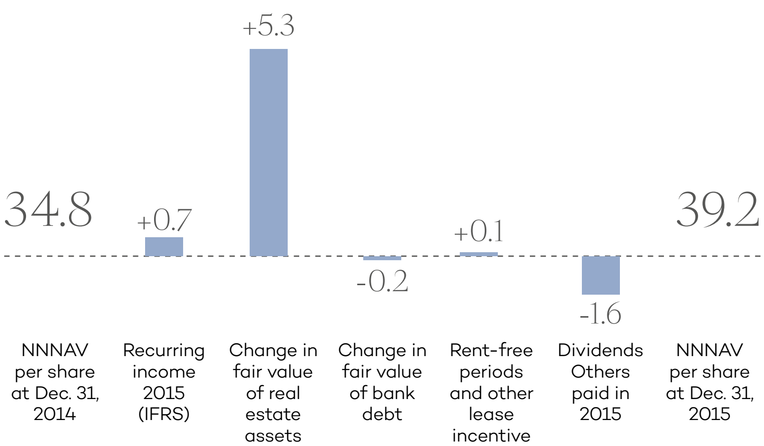
	2015	2014
Net property expenses	(2,781)	(1,970)
Overheads [1]	(6,465)	(5,800)
Depreciation, net impairments and provisions	(5)	0
Other income covering G&A expenses	65	0
Land-related expenses	0	0
EPRA costs (including cost of vacancy) (A)	**(9,186)**	**(7,771)**
Cost of vacancy	1,299	1,707
EPRA costs (excluding cost of vacancy) (B)	**(7,887)**	**(6,064)**
Gross rental income less land-related expenses	44,310	44,746
Gross rental income (C)	**44,310**	**44,746**
EPRA cost ratio (including cost of vacancy) (A)/(C)	20.7%	17.4%
EPRA cost ratio (excluding cost of vacancy) (B)/(C)	17.8%	13.6%

(1) Non-recurring costs linked to the change in shareholder adjusted in 2015

EPRA NAV & EPRA NNNAV
In thousands of euros, except per share data

	2015	2014
Shareholders' equity under IFRS	568,309	509,135
Portion of rent-free periods	(34,673)	(36,532)
EPRA NAV	**533,637**	**472,603**
EPRA NAV per share	*39.9*	*35.4*
Market value of the loans	(413,074)	(410,274)
Carrying amount of the loans	402,664	401,888
EPRA NNNAV	**523,267**	**464,253**
EPRA NNNAV per share	*39.2*	*34.8*
Number of shares (excluding treasury shares)	**13,358,962**	**13,350,545**

NNNAV per share
In euros per share



EPRA earnings
In thousands of euros, except per share data

	2015	2014
Net income under IFRS	80,957	42,398
Restatement of the changes in fair value of investment property	(62,736)	(18,704)
EPRA Earnings	**18,220**	**23,694**
EPRA Earnings per share	1.4	1.8
IFRS adjustments (free-rents, ...)	3,748	(6,437)
Financial costs spread over	776	1,091
Net cash-flows from operations	**22,474**	**18,348**

Simplified financial data

IFRS accounts

In thousands of euros

	12/31/2015	12/31/2014	12/31/2013
BALANCE SHEET ASSETS			
Investment property	942,000	871,000	849,000
Other non-current assets	28,989	30,941	29,331
Non-current assets	**970,989**	**901,941**	**878,330**
Accounts receivable	13,132	6,469	12,508
Other operating receivables	6,996	6,383	329
Cash and cash equivalents	8,723	23,499	16,018
Current assets	**28,850**	**36,351**	**28,856**
Total asset	**999,839**	**938,292**	**907,186**

	12/31/2015	12/31/2014	12/31/2013
EQUITY AND LIABILITIES			
Capital	160,470	160,470	160,470
Merger premium and retained earnings	326,883	306,267	324,219
Result of the period	80,957	42,398	1,940
Shareholder's equity	**568,309**	**509,135**	**486,629**
Non-current liabilities	406,615	406,055	399,266
Current borrowings	1,626	1,716	1,776
Other current liabilities	23,289	21,386	19,516
Liabilities	**431,530**	**429,157**	**420,557**
Total equity & liabilities	**999,839**	**938,292**	**907,186**

	12/31/2015	12/31/2014	12/31/2013
INCOME STATEMENT			
Net rental income [(1)]	38,504	41,579	36,838
Change in the fair value of investment property	62,736	18,704	(17,145)
Operating income	96,323	57,226	16,935
Net financial result	(14,705)	(14,515)	(14,994)
Tax expense	(662)	(312)	0
Net income	**80,957**	**42,398**	**1,940**

(1) Rent + other services - building related costs

Engagement & leadership

UPGREEN YOUR BUSINESS, BOOSTING CAPITAL FOR OUR CLIENTS THROUGH OUR CSR STRATEGY.

Raphaël Tréguier,
Chief Executive Officer

History and highlights

2013

"HQE Exploitation" certification awarded to Arcs de Seine, with a "high performance" rating in five target areas.

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

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

2014

Inaugural participation in GRESB questionnaire with "Green Star" rating.

CSR materiality matrix carried out.

Launch of the ISO 14001 certification process for real estate activities.

Cegereal becomes the first real estate company certified 100% "HQE Exploitation" and finalizes its "GO GREEN" project.

"HQE Exploitation" certification obtained for the Rives de Bercy site and launch of BREEAM In-Use certification.

2015

Launch of the "Upgreen your Business" policy.

Environmental audits carried out on the entire property portfolio.

Developpment and rollout of the environmental management system.

Change in majority shareholder.

COP 21

2016

Holder : Prothin SAS
N° NF 428-12/074
Certification characteristics available on www.certivea.fr

Key indicators

Our performance and transparency recognized by GRESB/"Third in their peer group"

After being awarded the "Green Star" status, the highest category in the Global Real Estate Sustainability Benchmark, in its first year on the index in 2014, **Cegereal ranked third among listed office property companies in Europe in 2015.**

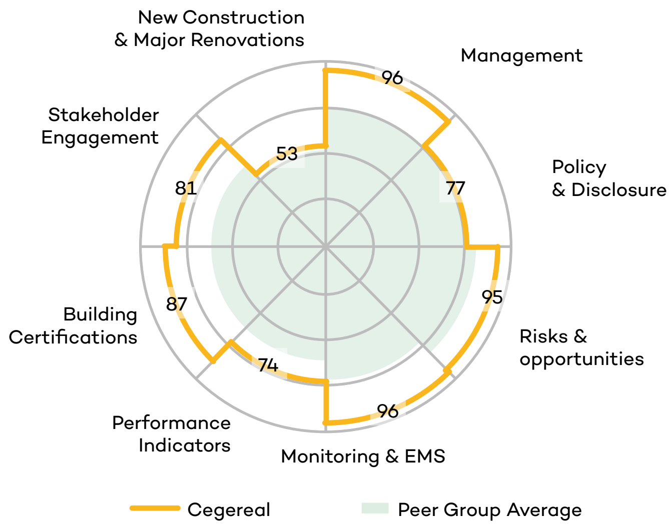
By working closely with customers and partners in 2015 on its Upgreen Your Business collaborative program, Cegereal improved its overall performance by **28%**. At end-2014, Cegereal had already become France's first fully "green" property company.

GRESB is an international organization dedicated to assessing the sustainable development performances of real estate portfolios around the world and ranking listed and non-listed companies according to corporate social responsibility (CSR) criteria.

In 2015, its report looked at 707 companies and real estate funds, covering 61,000 buildings with a total value of EUR 2,300 billion.

Cegereal's ranking reflects the extent to which its management team is committed to carrying out all of its activities in a responsible and sustainable manner, and of guaranteeing the transparency of its non-financial reporting.

2015 GRESB Scorecard



Interview: Bertrand Donneve

Bertrand Donneve
Property and Safety Director,
Sonepar France Interservices

HOW DO YOU FEEL ABOUT CEGEREAL'S CSR PROGRAM, "UPGREEN YOUR BUSINESS"?

Sonepar is subject to CSR obligations, so we are well aware of what is at stake for a company like Cegereal.

We were extremely impressed by how proactive our lessor was, both in terms of expressing its commitment and of scheduling initiatives to improve our building.

Cegereal's determination has paid off and paved the way for constructive, regular and transparent dialog with tenants. We really appreciate that – and would expect nothing less from a responsible property company.

> "SONEPAR, THE WORLD LEADER IN B-TO-B DISTRIBUTION OF ELECTRICAL PRODUCTS AND RELATED SERVICES, LEASES AROUND 1,400 SQUARE METERS OF OFFICE SPACE IN THE ARCS DE SEINE BUILDING."

WHAT IMPROVEMENTS HAVE YOU NOTICED IN YOUR BUILDING, ARCS DE SEINE?

Obviously, the main factors affecting building occupancy costs are rent and use of space, by which I mean how efficiently you lay out offices in the available space.

But another good indicator of real estate performance is how much you pay for utilities, and how this changes over time. Because of the work that Cegereal has carried out, particularly as part of the building's HQE Exploitation certification, fluid consumption has gone down over the past few years, leading to a decrease in utility fees.

We are also very satisfied with the waste optimization system, which sees waste sorted on-site then recycled.

More generally speaking, it feels like our lessor is constantly trying to improve things in the building and stay ahead of the times.

Bertrand Donneve
Property and Safety Director,
Sonepar France Interservices

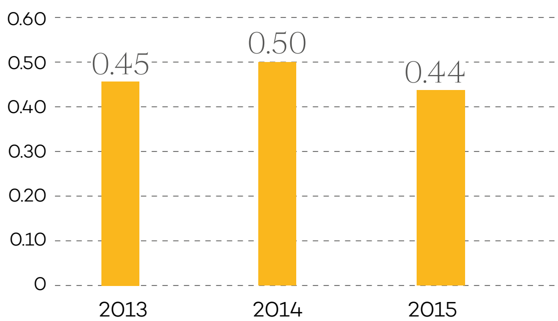
ENVIRONMENTAL CERTIFICATION FOR OUR ENTIRE PORTFOLIO

- 100% of our assets have received NF HQE® certification for commercial buildings in operation.
- 100% of our assets have obtained BREEAM In-Use International certification.

Percentage of Cegereal portfolio certified in 2015

STABLE WATER USE

Portfolio water consumption
(cu.m/sq.m/year)



Consumption of water from the public water supply system remained relatively stable on average between 2013 and 2015. Water consumption amounted to 0.44 cu.m/sq.m/year at end-2015.
A target to reduce consumption by 10% by 2020 has been set (cu.m/sq.m/year).

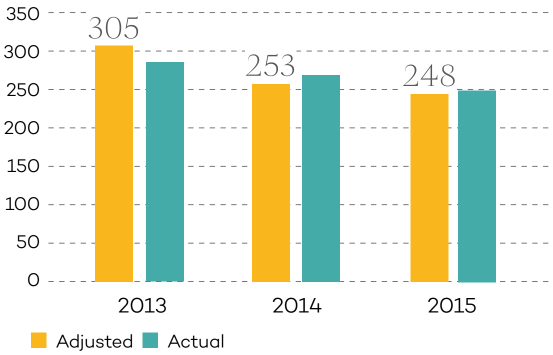
ENVIRONMENTAL MANAGEMENT

Two more environmental appendices were signed in 2015, and their application is currently in progress. These appendices, signed for **over 61%** of the portfolio rental space, outline the mutual commitments made by both Cegereal and its tenants. The Company speaks to its tenants on a regular basis regarding these appendices. The goal is for all leases to contain these appendices by 2018.

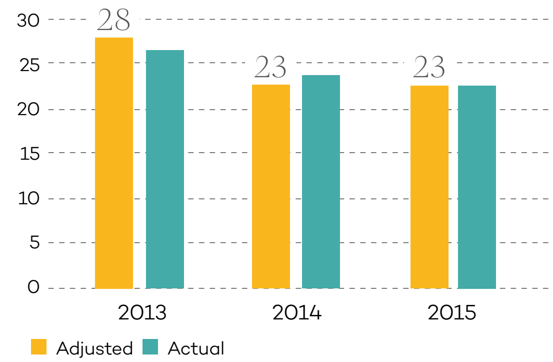
KEEPING WITH OUR ENERGY AND CLIMATE ROADMAP

Stripping out the climate impact, there was a 2% reduction in the average energy consumption per square meter of Cegereal's portfolio between 2014 and 2015.

Portfolio energy consumption
(in kWhEF/sq.m)



Portfolio greenhouse gas emissions
(kg.CO_2e/sq.m)



Cegereal has set targets to reduce its energy consumption per square meter by 15% (in kWhEF/sq.m/year) and direct greenhouse gas emissions by 20% (kg.CO_2e/sq.m) between 2013 and 2020.
Cegereal has nearly met these targets with the building work, certifications and improvements carried out in implementing its "Go Green" and "Upgreen Your Business" programs:

- 19% reduction in final energy consumption at end-2015 compared with 2013;
- 18% reduction in greenhouse gas emissions at end-2015 compared with 2013.

Cegereal has already met the target set in its CSR strategy to reduce final energy consumption by 15% by 2020.

This progress indicates that Cegereal is well on its way to meeting the 25% reduction required by 2020 under France's energy transition law.

The main challenge of the Upgreen Your Business strategy for 2015-2020 is to continue advancing at this rate between now and 2020 and even surpass the target.

Corporate

CORPORATE CARBON INVENTORY

Cegereal's corporate emissions increased by 194% compared to 2014 based on a constant group structure due to a change in operations that led to extensive business travel.

based on a constant group structure.

BUSINESS PARTNERS (SUPPLIERS AND SERVICE PROVIDERS)

In the past two years, 77% of business partners have replied to our questionnaire asking them about their sustainable development practices. This is equivalent to over 61% of Cegereal's total volume of purchases made in 2015.

Of all business partners, 77% signed up to Cegereal's responsible purchases charter.

« Upgreen your Business » 2015-2018 CSR Strategy

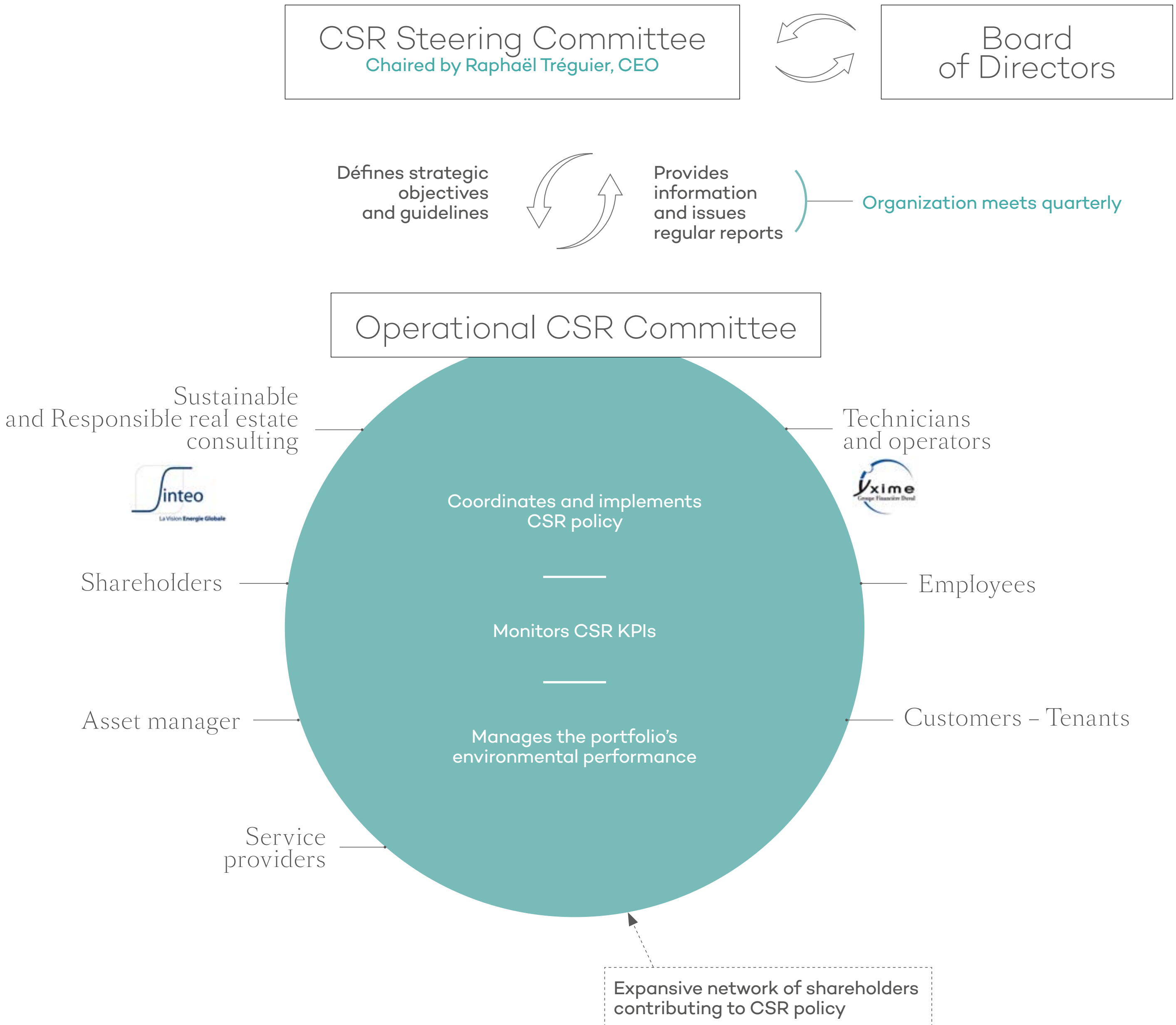
THEME	SCOPE	COMMITMENT	OBJECTIVE	TIME FRAME
1 – BUSINESS				
Control and limit our environmental impact	Portfolio	Map the environmental performance of our entire portfolio	100%	Continuous
Energy performance	Portfolio	Reduce energy consumption by 15% by 2020	-15%	2020
GHG emissions and climate change	Portfolio	Reduce our greenhouse gas emissions by 20% and control our portfolio's carbon footprint	-20%	2020
Environmental labeling and certification	Portfolio	Ensure that 100% of assets have received the "HQE Exploitation" certification	100%	2018
	Portfolio	Ensure that 100% of assets have received the "BREEAM In-Use" certification	100%	2018
	Portfolio	Obtain ISO 14001 certification for Cegereal businesses	100%	2018
	Portfolio	Control the environmental impact of buildings and implement an environmental code of conduct at all of our sites	100%	Continuous
Green leases	Portfolio	Ensure that all leases contain an environmental appendix	100% of leases concerned	2018
Accessibility	Portfolio	Encourage the use of public and low-impact transportation	-	Continuous
	Portfolio	Make our portfolio accessible to people with reduced mobility	-	2018
Waste	Portfolio	Set up recycling and waste sorting points across 100% of our portfolio	100% of our portfolio	2018
	Portfolio	Achieve 100% coverage in terms of collection of waste tonnage that falls within the scope of environmental reporting	100% of our portfolio	2018
Water	Portfolio	Reduce the building water consumption by 10% by 2020	-10%	2020
	Portfolio	Install water-saving and automatic meter reading equipment across 50% of our portfolio	50% of our portfolio	2018
Biodiversity	Portfolio	Draw up a biodiversity management strategy for 100% of our portfolio	100% of our portfolio	2018
2 – PLANET AND SOCIETY				
GHG emissions and climate change	Cegereal	Reduce the carbon footprint of our operations	Headquarters	Continuous
Societal footprint	Cegereal	Assess our contribution to economic activity and the distribution of our added value		Continuous
Ethics	Cegereal	Comply with the ILO's fundamental conventions and provide a framework for ethical business conduct		Continuous
Transparency of non-financial reporting	Cegereal	Contribute to relevant, non-financial benchmarks		Continuous
Partnerships and sponsorships	Cegereal	Participate in think tanks and industry initiatives		Continuous
	Cegereal	Continue corporate sponsorship activities		Continuous
Stakeholder relationships	Cegereal	Involve external stakeholders in CeGeREAL's CSR policy and take their opinions into consideration		Continuous
Responsible purchasing	Cegereal	Consult 100% of service providers on their sustainable development policy and assess their progress	100% of purchase volume	2018
	Cegereal	Ensure that 100% of asset and property management mandates contain a sustainable development clause	100% of PM mandates	2018
3 – HR				
Mobilize employees and spread CSR principles across the business lines	Cegereal	Educate and train employees in sustainable development principles		Continuous
	Cegereal	Have employees sign the internal code of ethics	100% of employees	2018
Diversity and equal treatment	Cegereal	Ensure that human resources management provides equal treatment for all employees and combat all forms of inequality		Continuous
Talent and skills management	Cegereal	Look after employee well-being		2018
	Cegereal	Promote employee skills development		Continuous
Governance	Cegereal	Implement efficient CSR policy governance and seek the management committee's involvement		Continuous

KPI	PROGRESS IN 2015 (BASE YEAR 2013)	
% of surface area mapped	0%	100%
Average energy consumption per sq.m	0%	100%
Average GHG emissions per sq.m	0%	90%
% surface area of assets with “HQE Exploitation” certification	0%	100%
% surface area of assets with “BREEAM In-Use” certification	0%	100%
Certificate obtained	0%	50%
% of developments implementing the environmental code of conduct	0%	100%
% of the surface area covered by a lease including a signed environmental appendix	0%	62%
% of assets (in terms of value) located less than 150m from a public transportation hub	0%	100%
% of surface area accessible	0%	100%
% of surface area where recycling and waste sorting takes place	nc	
Coverage with regard to environmental reporting	0%	62%
Average water consumption in cu.m/sq.m/year	0%	
% of assets fitted with water-saving and automatic meter reading equipment (in terms of value)	0%	40%
% of portfolio covered by ecological studies or a biodiversity label	0%	90%
-	n/a	
-	n/a	
-	n/a	
GRESB Green Star and EPRA’s BPR	n/a	
Amount invested annually in corporate sponsorship activities	n/a	
Number of interviews in the CSR report	n/a	
% responses to the annual “service providers and suppliers” questionnaire as a % of the Company’s purchase volume	n/a	
% of PM mandates observing the PM sustainable commitment charter	0%	61%
% de mandats de PM visant la Charte d'Engagement Durable des PM	0%	100%
% of work time dedicated to CSR	n/a	
% of employees who have signed the charter	0%	100%
Breakdown of employees by gender and status	n/a	
% responses to the annual satisfaction survey	0%	100%
Average number of training hours per employee	n/a	
Frequency of CSR Committee meetings	n/a	

CSR Governance

JOINT CSR MANAGEMENT WITH OUR STAKEHOLDERS

Effective since 2013, the CSR Steering Committee was officially formed in 2014. Chaired by Raphaël Tréguier, CEO of Cegereal, the Committee meets at least once a quarter to draw up the short- and long-term sustainable development strategy and related societal and environmental targets. It oversees the integration of these targets in the Company's overall strategy.



Materiality and CSR issues

A CSR STRATEGY IN LINE WITH OUR STAKEHOLDERS' EXPECTATIONS

In 2014, Cegereal conducted an in-depth analysis of its environmental and societal impact. It proceeded to ask all of its staff and stakeholder representatives (users, managers and shareholders) to contribute to a CSR materiality matrix.

The matrix was used to prioritize CSR issues and to streamline the Company's goals. It was created by plotting out CSR issues in **terms of stakeholders' expectations** and of importance to Cegereal. Cegereal determined importance by assessing how relevant each issue was to its scope of business and responsibilities.

The priority areas identified are:

- Energy performance, control over and monitoring of the portfolio's environmental impact.
- The rollout of sustainable development principles.
- Responsible purchasing policies.
- Environmental certification for buildings in operation.

This resulted in the strategic overview of the **"Upgreen Your Business"** program officially launched in early 2015.

The **program's key priorities that comply with stakeholder expectations** have therefore been outlined for 2015 2018:

1. Ensure tenants and the entire value chain of sub-contractors and suppliers implement Cegereal's CSR strategy.
2. Manage our regional and societal footprint.
3. Continue to demand high environmental performance standards for our business.

One of the steps taken to implement these priorities in 2015 included sending the "Charter for clean building sites and environmentally friendly projects" to the asset manager and property manager responsible for the management and building work on the Cegereal portfolio.

This Charter reflects signatories' pledge to incorporate sustainable development principles into construction business practices and reduce pollution at building sites. It also shows their dedication to applying this charter among companies they work with.

Cegereal is integrating an Environmental Management System (EMS) into its company policy to maintain the environmental performance standards of its business and plans to have its approach ISO 14001-certified in the near future.

Develop co-workers' skills and cultivate their support for the CSR strategy

LABOR RELATIONS

A satisfaction questionnaire was distributed to co-workers to obtain their views on their well-being and working conditions. 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 is under no obligation to employ workers with a disability due to the low number of staff currently employed.

ETHICS, PROMOTION AND COMPLIANCE WITH THE FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION

The nature of Cegereal's property business, which consists in managing office buildings, does not pose any direct risks in relation to the working conditions of its employees. 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.

All of Cegereal's employees have signed an internal code of ethics outlining the principles and values to which they are expected to adhere. The principles cover human rights and labor law, employees, shareholders, sub contractors and suppliers, and land and the environment.

GLOBAL COMPACT

Cegereal has also renewed its commitment as a member of Global Compact France, underlining its compliance with and support for the Ten Global Compact Principles. Category by category, they are as follows:

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

LABOR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor; and
6. The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Detailed information concerning Cegereal's employee policies is presented on page 126 of the Annual Report in the section entitled "Employees".

Cegereal's membership of Global Compact France entitles its employees to attend the AGM, and take part in webinars and individual coaching sessions that will help them learn more about climate change issues and environmental problems.

Taking responsibility
for our societal footprint

GEOGRAPHIC, ECONOMIC AND SOCIAL IMPACTS

One of Cegereal's key 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.

KEY INDICATOR:

< 130 m

AVERAGE DISTANCE

between the Company's property assets and the nearest public transportation hub

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 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 four years. Its financial and CSR reports have been prepared in accordance with EPRA's Best Practices Recommendations (BPRs).

Fondation Palladio, created in 2008 under the auspices of Fondation de France, contributes to better incorporating economic, technological and environmental developments into the real estate industry. 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 77% of the office and retail space in the La Défense business district. Cegereal is an engaged member, helping to come up with planning and development strategies for La Défense, while preserving its appeal.

Institut de l'Épargne Immobilière et Foncière is an independent research center that acts as a forum conducive to discussions and exchange among real estate and investment professionals. Cegereal has been a member since 2010 and is listed on the Euronext IEIF "SIIC France" index.

Cegereal is also a member of the **Urban Land Institute** (ULI). The ULI is a non-profit organization that boasts more than 33,000 members across the globe from all private and public sectors relating to urban planning and real estate development.

INVOLVING THE ENTIRE CHAIN OF SUB-CONTRACTORS AND SUPPLIERS

Cegereal has forged strong, long-term relationships with all of its service providers.
As a significant part of its functions are outsourced, Cegereal's CSR strategy relies heavily on the commitment and adherence of its stakeholders.
In 2014, a **responsible purchases charter** was distributed to all of the Company's current service providers and must be signed when contracts are renewed.
The charter is designed to select suppliers that take account of environmental, HR and societal issues as part of their service. It can also be used to inform suppliers of these issues if required.

COMMITMENTS MADE BY SERVICE PROVIDERS AND SUPPLIERS WHEN THEY SIGN THE CHARTER

1. Comply with all requirements imposed on them by all applicable legal provisions.
2. Inform Cegereal of any potential risks relating to the goods, products or services supplied.
3. Keep Cegereal informed at all times, and analyze the causes and reasons behind accidents and take corrective measures where necessary.
4. Comply with International Labour Organization (ILO) labor standards, and ensure compliance throughout their supply chain.
5. Comply with the French Labor Code in its entirety.
6. Comply with the fundamental conventions of the ILO.
7. Comply with the code of ethics outlined in this responsible purchases charter, and support the fight against corruption and conflicts of interest in their business dealings and relationships with their own suppliers.
8. In complete transparency, share all non-financial information with Cegereal that they feel may be useful for drawing up an improvement program in conjunction with the latter.
9. Limit the environmental impact of their business.

At the same time, suppliers were issued with a special questionnaire to **assess their business practices.** This assessment will be carried out on an annual basis.

.

In 2015, 34% of the Company's purchases were from service providers, 16% from suppliers and 50% from sub-contractors.

In the past two years, 77% of Cegereal's business partners, equivalent to almost 61% of its purchases, have filled in the questionnaire about their sustainable development practices. The survey covered a selection of partners that accounted for 73.5% of Cegereal's purchase volumes in 2015.

Results obtained:

- **73%** of business partners have set targets to reduce their environmental impact.
- **64%** have a code of ethics adapted specifically to their line of business.
- **82%** of respondents have signed up to Cegereal's responsible purchases charter. They account for over 61% of Cegereal's purchases. .

Interview: Smaël Bouakaz

Smaël Bouakaz
Project Director, Sinteo

> THE DECISIONS AND INVESTMENTS MADE BY CEGEREAL HAVE REDUCED ITS PORTFOLIO'S ENERGY FOOTPRINT BY NEARLY 20%.

AS THE COMPANY'S SUSTAINABLE REAL ESTATE CONSULTANT, WHAT DO YOU THINK OF CEGEREAL'S CSR POLICY?

Cegereal quickly grasped the environmental and social challenges facing the real estate industry.
Management made the decision to obtain environmental certifications – HQE Exploitation and Breeam In-Use – for its entire portfolio. These certification programs not only attest to the quality of its assets, but also provide a framework for improving building performance. In just three years, the decisions and investments made by Cegereal have reduced its portfolio's energy footprint by nearly 20%.

However, this success and performance did not stop Cegereal from coming up with an innovative and ambitious new program. "Upgreen Your Business" is a truly forward-looking program that permeates throughout Cegereal's development strategy, backed by an action plan and concrete, tangible objectives.

CAN YOU GIVE US MORE DETAILS ABOUT THE PROGRAM?

With a significant part of its functions outsourced, Cegereal needs to engage in close relations with its stakeholders and make its practices, charters and procedures widely available.

Implementing a dedicated management system means that CSR policy must be integrated and applied at all levels of building management.
Rather than take any of the responsibility away from its partners, Cegereal has created a movement of team spirit and skills sharing set on achieving common goals. That's precisely what it should mean to apply CSR to commercial property.

And given its economic environment, Cegereal is perfectly transparent in providing its extra-financial indicators as a measure of its societal footprint.

WHAT ARE THE FUTURE CHALLENGES FACING OFFICE PROPERTY COMPANIES?

The property sector as a whole is undergoing a major transformation in its businesses.

However, the energy transition and climate change must not overtake broader issues such as employee well-being in the workplace, the protection of non-energy natural resources and the economy of functionality causing changes in traditionally low-innovation businesses.

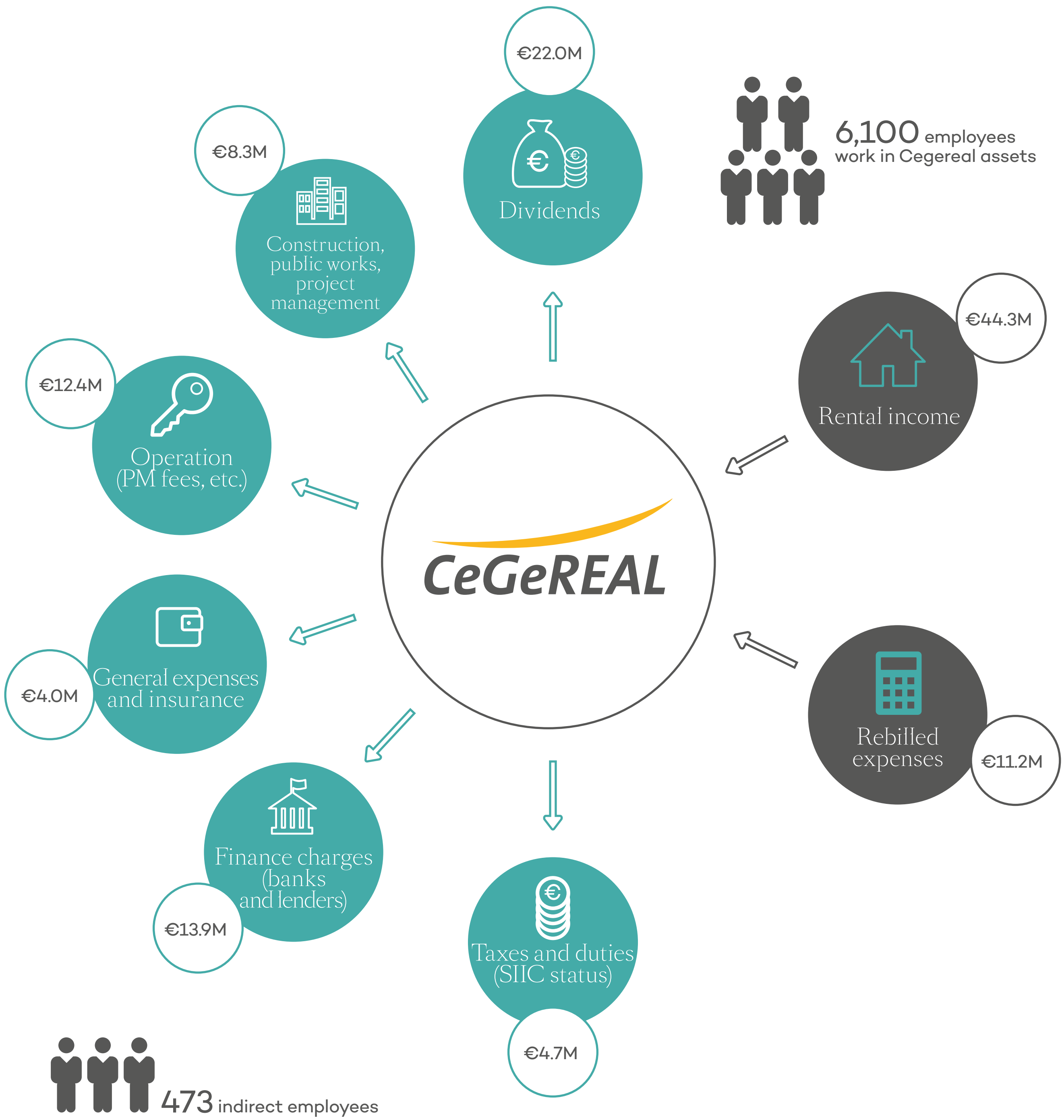
France's Sustainable Building Regulations for 2020 (*Réglementation Bâtiment Responsable* – RBR 2020) move toward this goal.

Buildings are by their very nature subject to long life cycles, so agility and the ability to remain on the forefront of technological changes and economic models are likely success factors for property companies.

SOCIETAL FOOTPRINT

Cegereal helps to improve the real estate sector's supply chain due to the considerable influence it wields, and particularly as a result of its CSR strategy. Its responsible approach to environmental, HR and societal issues has spread along the whole value chain, improving its risk management along with its economic performance. Although difficult to estimate, its impact is real.

In 2015, the Upgreen Your Business strategy was rolled out. It focuses on providing tenants with support on the sustainable development front through the charter for clean building sites and the responsible purchases charter.



Continue to demand high environmental performance standards for our business

INDICATOR REPORTING (EPRA STANDARDS)

REPORTING METHODOLOGY

Cegereal's 2015 report is based on EPRA's environmental reporting recommendations for European real estate operators, the Global Reporting Initiative (GRI) G4 guidelines and the Construction and Real Estate Sector Supplement (CRESS) guide for all areas of sustainable development.

These recommendations have been applied to Cegereal's entire property portfolio, i.e., its three property complexes.
The environmental data concerning the portfolio are presented by scope, as follows:

	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
Scope	All "Corporate" indicators	All "Property" indicators	
Responsibility	Headquarters (42 rue de Bassano)	Lessor	Users

In 2015, the coverage rate was 100% for the "Management" scope and 88% for the "Use" scope.
The data published for 2015 cover the period from January 1, 2015 to December 31, 2015. They have been reviewed by Cegereal's statutory auditor. **A detailed guide to the methodology is available on the Cegereal website[1].**

EPRA GLOBAL INDICATORS [2]

	EPRA/GRI/ CRESS reference	Measurement unit	Scope 2 : Lessor	Scope 3 : Users	Total without climate adjustment	Total with climate adjustment	Gross change Y vs. 2013
ENERGY							
Total energy use	EN 3 & 4 - Abs & LFL Energy	MWh_{EF}	5,916	17,519	23,435	23,379	
o/w fossil fuels	EN 3 - Abs & LFL Fuels	MWh_{EF}	0	0	0		
o/w electricity	EN 4 - Abs & LFL Electricity	MWh_{EF}	4,327	15,736	20,063		
o/w urban network	EN 4 - Abs & LFL DH&C	MWh_{EF}	1,590	1,783	3,373		
... Per square meter	CRE 1 - Int Energy	kwh_{EF}/m^2	45	133	178	178	-41.8%
	CRE 1 - Int Energy	kwh_{EP}/m^2	97	322	419	418	-34.2%
GREENHOUSE GAS EMISSIONS							
Total energy-related emissions	EN 16 - Abs & LFL GHG	$T\ CO_2e$	673	1,670	2,343	2,332	
o/w direct	EN 15 - Abs & LFL GHG Direct	$T\ CO_2e$	0	0	0		
o/w indirect	EN 16 - Abs & LFL GHG Indirect	$T\ CO_2e$	673	1,670	2,343		
... Per square meter	CRE 3 - Int GHG	$kg\ CO_2e / m^2$	5	13	18	18	-36.6%
WATER							
Total water use	EN8 - Abs & LFL WAT	m^3			58,378		
... Per person	CRE 2 - Int WAT	m^3/ nbETP			10		
... Per square meter	CRE 2 - Int WAT	m^3/m^2			0.44		
WASTE							
Total volume	EN23 - Abs & LFL WASTE	kg			884,630		
... Per person	-	kg/nbETP			145		
% recycled	EN23	%			nd		

FTEs are the number of full-time employees on site at October 1, 2015.
The waste presented in this table comes from non-hazardous streams, i.e. paper, waste similar to household waste and construction site waste. Hazardous waste streams are not covered as yet.
Sorted waste refers to waste that has been placed in bins by category. This breakdown is not currently recorded for Company assets.

(1) http://corp.Cegereal.com/en/sustainable-development/environmental-information
(2) The emissions recorded are emissions from energy consumption at building sites. In 2016 fugitive emissions from refrigerants will be included.

BIODIVERSITY AND SOIL UTILIZATION

In 2015, Cegereal met its goal of completing an environmental audit of its whole portfolio. All of the useful surface area was assessed for its environmental value, and a general environmental management plan was drawn up to develop biodiversity.

Indicators were developed to assess initial biodiversity levels and measure changes in biodiversity across Cegereal's real estate portfolio.

Each indicator, calculated using an ecologist's assessment, is used to identify the site based on the ordinary or remarkable biodiversity present, identify a few representative species at a given time, measure surface changes and the diversity of biotopes and measure the nuisances and pollution that species on the site are exposed to. The quality of the communication on biodiversity, practices and actions taken are also assessed.

Under the current audit, Rives de Bercy was given a low overall score, while Arcs de Seine achieved an average score.

Europlaza was relandscaped in 2015 to become the new "Garden Tower", with over 3,000 square meters of wooded garden stretching out around the property. The lobby was also remodeled to provide users with services and a sitting area.

A JOINT APPROACH WITH OUR TENANTS

KEY FIGURE:

61%

OF THE SURFACE LEASES OF THE CEGEREAL PORTFOLIO INCLUDE AN ENVIRONMENTAL APPENDIX.

CARBON FOOTPRINT AND CLIMATE CHANGE

All of Cegereal's emissions were measured using the operational control approach. As a result, indirect emissions from electricity purchases were taken into account along with all other indirect emissions, including waste, durable goods, product purchases, business travel and home-work travel.

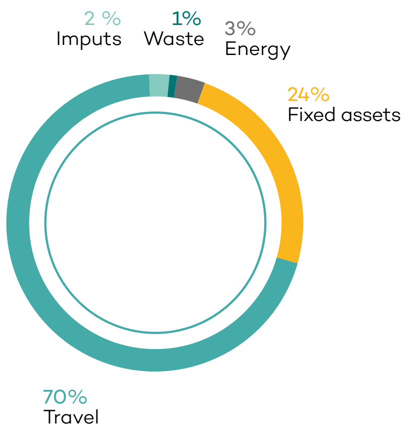
Based on a constant group structure, the Company's emissions increased from **5.8 t.CO_2e in 2014 to 17 t.CO_2e in 2015.**

Cegereal's carbon footprint was measured in a Bilan Carbone© audit in 2015 based on the greenhouse gas emissions generated by the Company's direct operations, not by the properties in its portfolio.

As every year, the Travel segment is the biggest polluter, representing 70% of total emissions in 2015, due to the high emissions produced by means of transportation.

Travel was more frequent in 2015 due to the many meetings held to ensure a smooth transition with the Company's new investor.

As a result, this year's measure of greenhouse gas emissions does not accurately reflect Cegereal's typical business operations.



KEY INDICATORS:

17 t.CO_2e
Total emissions

5.7 t.CO_2e
Emissions per FTE

ROLLOUT OF AN ENVIRONMENTAL MANAGEMENT SYSTEM

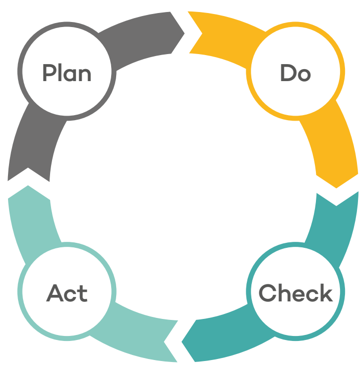
In 2015, Cegereal took steps to apply ISO 14001 in its property business.
ISO 14001 is a set of standards that helps organizations implement a system to manage the environmental impacts of their operations and continuously improve performance using the Deming wheel.
This system is called an **Environmental Management System (EMS).**

Cegereal's focus for 2015 was to design and roll out its EMS based on clear objectives in line with its Upgreen Your Business

CSR strategy. These objectives take into account **legal requirements and information on the significant environmental impacts** of Cegereal's business.

Cegereal aims to obtain ISO 14001 certification by an accredited third-party organization in 2016.

Principle of continuous improvement Deming wheel



ENVIRONMENTAL RISK MANAGEMENT

The main serious environmental risks and the types of pollution specific to the property sector to which a company such as Cegereal could be exposed relate to indoor air quality and the presence of asbestos or lead in its buildings. The "HQE Exploitation" certification obtained for its entire property portfolio reflects Cegereal's compliance with strict hygiene and occupant comfort standards.
None of the above risks have been identified to date in any of Cegereal's properties. In addition, no provisions for environmental risks have been recognized in Cegereal's financial statements for the year ended December 31, 2015, since any such risks are quickly anticipated and dealt with as part of the Company's building renovation and maintenance strategy.

Indeed, over EUR 1.6 million in renovation work has been undertaken since 2013 to improve building energy or environmental performance.

Major work is underway at the Rives de Bercy site, covering areas such as heating systems for the restaurant areas, air treatment and distribution regulation systems and heat recovery from extracted air.

KEY INDICATOR :

€1.6million

IN RENOVATION WORK HAS BEEN UNDERTAKEN SINCE 2013 TO IMPROVE BUILDING ENERGY OR ENVIRONMENTAL PERFORMANCE

PREVENTING POLLUTION AND MEASURES TAKEN TO PROMOTE HEALTH AND SAFETY

To effectively limit environmental impacts and 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.

To promote these practices, Cegereal provided its asset managers and property managers with a "Charter for clean building sites and environmentally-friendly projects" which lists the criteria to be complied with in the areas of health, safety and the environment vis-à-vis the building's tenants and during renovation and refurbishment projects. The location of the properties, all within 130 meters of a public transportation network, significantly contributes to reducing the carbon footprint of their users.

Cegereal has developed a Socially Responsible Investment (SRI) scorecard that can be used to assess the environmental, social and governance issues of assets that the Company is thinking of acquiring. It can also be used to weigh up the related risks.

In addition, and as part of the ISO 9001 and 14001 certifications of its businesses, Yxime (property manager) has committed to factoring in environmental impact and carbon footprint considerations when making renovation choices. As part of its quality management system, Yxime has also introduced strict safety regulations and an innovative risk management approach for Cegereal's entire portfolio.

Appendices

APPENDIX 1: REPORTING METHODOLOGY

REPORTING SCOPE

Cegereal's 2015 report is based on EPRA's environmental reporting recommendations for European real estate operators, the Global Reporting Initiative (GRI) G4 guidelines and the Construction and Real Estate Sector Supplement (CRESS) guide for all areas of sustainable development.

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REPORTING METHODS

EXTRAPOLATIONS IF TOTAL OR PARTIAL DATA MISSING FROM SCOPES 2 AND 3

If a data item is missing, it is estimated successively using two methods:

Method 1: reconstruction based on previous data:

- If data are unavailable for month M, year Y, data for month M, year Y-1 are used.
- If data are unavailable for month M, year Y and month M, year Y-1, an extrapolation on a monthly pro rata basis is performed using data from the remaining months in year Y if data for nine consecutive months are available.

Method 2: estimates based on similar building data:

- If data are missing for a vacant unit in the building, they are extrapolated based on a surface area ratio using data available for a similar unit in the building or complex that is rented. For example: 2015 energy consumption for the first floor of building B rented by X = 2015 energy consumption for the second floor of building B rented by Y.

This method is used to estimate the consumption figures for vacant units because the reporting requirements assume that the building is fully occupied.

Method 3: estimates based on market average (this method is no longer applied)

In 2015 in total, and taking into account the three methods described above:

- 16% of water consumption figures for Cegereal's portfolio were estimated or extrapolated.
- 12% of energy consumption figures for Cegereal's portfolio were estimated or extrapolated.
- 38% of waste figures for Cegereal's portfolio were estimated or extrapolated.

METHODS USED FOR CALCULATIONS AND ESTIMATES

The following indicators are based on calculation or extrapolation methods:

Greenhouse gas emissions: For all three buildings, the data for electricity consumption and CPCU are multiplied by the emission factor provided by ADEME in the latest version of its guidelines, for scope 2, "Management" and scope 3, "Use".

Waste: For the Europlaza tower, the waste tonnage for vacant spaces was extrapolated based on a market average (average waste production per square meter by office assets[2]).

Energy consumption: Data are gathered from tenants' completed questionnaires via the property manager and from bills made available as supporting documents.

The coverage rate for the "Use" scope is calculated on a pro rata basis for the surface area for which data are available as a proportion of the whole surface area occupied by all of the tenants for the property in question.

(1) http://corp.Cegereal.com/en/sustainable-development/environmental-information

(2) Source: OID 2013 survey of the environmental and energy performance of tertiary buildings.

ARCS DE SEINE

2014 electricity consumption for four of the ten tenants was extrapolated for 2015 as no data were available. The annual time-weighted pro rata approach (method 1) was used to calculate 10% of energy consumption, and the surface-weighted pro rata approach (method 2) was used to calculate 14% of the building's total energy consumption (10,245 MWh) in 2015.

EUROPLAZA

The annual time-weighted pro rata approach (method 1) was used to calculate 17% of the building's total energy consumption (5,291 MWh) in 2015.

ASSETS

Overall, in 2015 the extrapolations for energy consumption related to a total of 13% of the scope 3 "Use" surface area.

ADJUSTMENTS FOR CLIMATE CHANGE

Adjustments for the climate change are performed using the following method:

Identifying energy consumption impacted by climate extremes

For each building, energy consumption relating to heating, air conditioning and other uses is analyzed. The breakdown of energy consumption for each building results in the use of allocation keys (Heating ($P_{heating}$)/Air conditioning ($P_{cooling}$)/Other (P_{other})) which are expressed as a percentage of total final energy consumption for each type of energy.

Adjustments for climate extremes

Climate extremes are measured using degree-days (3) by each weather station:

- HDD (heating degree day) to measure extreme temperatures in winter.
- CDD (cooling degree day) to measure extreme temperatures in summer.

An average of annual HDD and CDD is calculated over ten years, from 2005 to 2015 for each station (HDDAve and CDDAve). Weather conditions at each station can therefore be compared to an average year by comparing HDD and CDD to HDDAve and CDDAve.

Adjusting final energy consumption figures for climate extremes

Using the actual final energy consumption figures reported, the consumption figures are adjusted for extremes based on the following formula:

$$C_{adjusted} = C_{actual} \times (P_{heating} \times HD_{Dave} / HDD + P_{cooling} \times CD_{Dave} / CDD + P_{other})$$

Where:

$C_{adjusted}$: adjusted annual final energy consumption (kWhFE).
C_{actual}: actual annual final energy consumption (kWhFE).
$P_{heating}$: portion of consumption relating to heating (%).
$P_{cooling}$: portion of consumption relating to cooling (%).
P_{other}: portion of consumption relating to other uses (%).
HDD_{ave}: benchmark average annual heating degree day (°C).
HDD: heating degree day for the current year (°C).
CDD_{ave}: benchmark average annual cooling degree day (°C).
CDD: cooling degree day for the current year (°C).

For each property, this method models the annual consumption level that would have been recorded in an average, constant climate. It is therefore possible to analyze the change in consumption levels and greenhouse gas emissions for a constant reporting structure based on identical weather conditions.

OTHER ENVIRONMENTAL DATA

The "Green capex" or "energy and environmental renovations" were calculated by totaling the renovation costs minus standard maintenance costs of uses and regulation compliance work that had an impact on the buildings' energy consumption (e.g., lighting, air conditioning, heating, etc.). .

HR AND SOCIETAL DATA

The calculation methods for the main HR and societal indicators published in the 2015 CSR report are detailed below. .

Absenteeism rate: The absenteeism rate corresponds to the annual number of justified absences compared to the theoretical annual number of hours worked.

Responsible purchasing: Business partners' participation in the responsible purchasing policy is calculated based on the response rate to the responsible purchasing questionnaire and the number of companies that have signed up to the responsible purchases charter.

Societal footprint: The number of indirect jobs created by Cegereal's business is calculated based on the Company's global purchasing volumes and the average annual cost of an FTE in the construction sector and the services sector[(4)].

Percentage of leases including environmental appendices: The percentage of leases that include environmental appendices is calculated by taking the ratio of the surface area of leases covered by an environmental appendix in 2015 to the total surface area occupied in 2015.

(3) Source: http://www.insee.fr/fr/ffc/ipweb/ip1393/ip1393.pdf

APPENDIX 2: REPORT BY THE INDEPENDENT THIRD PARTY ON THE CONSOLIDATED ENVIRONMENTAL, HUMAN RESOURCES AND SOCIETAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

(FOR THE YEAR ENDED DECEMBER 31, 2015)

CEGEREAL S.A.

Registered office: 42 rue de Bassano, 75008 Paris
Share capital: EUR 160,470,000

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.

TO THE SHAREHOLDERS,

In our capacity as independent third party to Cegereal SA (the "Company"), certified by COFRAC under number 3-1049[1], we hereby report to you on the environmental, human resources (HR) and societal information for the year ended December 31, 2015, included in the management report (hereinafter the "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for preparing the Company's management report including CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarized in the management report and available on request on the Group's website (www.cegereal.com).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Statement regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work was carried out by a team of six people between November 2015 and February 2016 and lasted around two weeks. We were assisted in our work by our experts in corporate social responsibility.

We performed our work in accordance with the French professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

(1) Whose scope is available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

1. STATEMENT REGARDING THE COMPLETENESS OF CSR INFORMATION

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its societal commitments and, where applicable, any actions or programs arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that the explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233 3 of the French Commercial Code.

CONCLUSION

Based on this work and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

Nature and scope of our work

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

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate ;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[(3)]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 100% of quantitative environmental data and 100% of quantitative societal data.

For the remaining CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Paris-La Défense, on April 14, 2016

KPMG S.A.

Anne Garans	**Régis Chemouny**
Partner	Partner
Climate Change & Sustainable Development Department	

(3) **Environmental Information:** water consumption, energy consumption, CO_2 emissions related to energy consumption, total waste produced, percentage of buildings with BREEAM In-Use and HQE Exploitation environmental certification.

Societal information: average distance of buildings from the nearest public transportation hub, response rate to the supplier questionnaire on sustainability policies, responsible purchases charter signature rate and percentage of leases that include environmental appendices.

Qualitative information: general environmental policy; biodiversity protection; regional, economic and social impact of the Company's business; relations with people or organizations concerned by the Company's activities, in particular job placement organizations, educational institutions, environmental protection organizations, consumer and neighborhood organizations; subcontractors and suppliers; and fair trade practices.

Information
& transparency

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 III.2.

The consolidated financial statements were adopted by the Board of Directors on February 17, 2016 and will be submitted to the Annual General Shareholders' Meeting for approval.

Cegereal holds 100% of the capital and voting rights of Prothin, a French *société par actions simplifiée* (joint stock corporation) with share capital of EUR 151,870,350, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under no. 533 212 445 (the "Subsidiary" or "Prothin"). 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, 2015 includes the IFRS financial statements of Cegereal SA for the year ended December 31, 2014.

As described below, the increase in net income chiefly reflects the rise in the fair value of properties.

No acquisitions were made in 2015 and Cegereal's management bodies did not give any firm commitments as regards new purchases of buildings.

RENTAL ACTIVITY

During 2015, the marketing of the Arcs de Seine building continued. A lease was signed with Amgen for a total surface area of 2,864 sq.m, effective from April 1, 2015, and with Exclusive Network for a total surface area of 1,432 sq.m, effective from May 1, 2015. Furthermore, a short term lease was signed with Boursorama for a total surface area of 1,432 sq.m for a period of 17 months from April 1, 2015. The building was fully occupied at December 31, 2015.

At the Europlaza site, KPMG signed an eight-month lease for a total surface area of 895 sq.m, effective from June 1, 2015. Gartner, Software AG France and Gas Natural Europe renegotiated their leases in July and December 2015 with effect from April 1, 2015, May 1, 2015 and December 14, 2015, respectively. Lastly, a lease was signed with Robert Half International France on July 23, 2015 for a surface area of 620 sq.m, with effect from December 1, 2015.

Any front-end incentive is fully amortized over the fixed term of the lease.

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, 2015.

The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or indemnities in respect of terminated lease agreements at December 31, 2015.

Unless otherwise specified, the occupancy rates referred to in this report correspond to physical occupancy rates.

The table below shows the physical and financial occupancy rates for the Group's portfolio over the past three years.

Cegereal portfolio	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2013
Physical occupancy rate	92.8%	89.8%	89%
Financial occupancy rate	92.8%	90.5%	89%

The physical and financial occupancy rates for each property at December 31, 2015 can be analyzed as follows:

Dec. 31, 2015	Europlaza	Arcs de Seine	Rives de Bercy	Total
Physical occupancy rate	82%	100%	100%	92.8%
Financial occupancy rate	82%	100%	100%	92.8%

Change in rental income (December 31, 2014-December 31, 2015)

Net rental income (2011-2015)

In thousands of euros

	2015	2014	2013	2012	2011
Europlaza	18,077	20,770	21,812	22,725	21,422
Arcs de Seine	16,384	14,008	11,765	4,691	2,338
Rives de Bercy	9,849	9,968	9,726	11,217	10,795
Rental income	44,310	44,746	43,303	38,633	34,555
Rental expenses rebilled to lessees (1)	6,868	6,489	5,879	5,082	3,910
Real estate taxes rebilled to lessees (2)	4,363	4,833	4,217	3,589	2,942
Other amounts rebilled to lessees (3)		1,836	327		
Miscellaneous income	118	16	39	102	463
Income from other services	11,349	13,173	10,462	8,773	7,315
Building-related costs (4)	(17,156)	(16,341)	(16,927)	(16,382)	(13,418)
Net rental income	38,503	41,579	36,838	31,024	28,452

Expenses incurred by the lessor (2011-2015)

In thousands of euros

	2015	2014	2013	2012	2011
Building maintenance	(498)	(20)	(735)	(431)	(326)
Expenses on vacant premises	(1,299)	(1,707)	(1,874)	(2,187)	(3,065)
Asset management fees	(3,143)	(3,049)	(2,972)	(3,029)	(2,990)
Other building-related costs – lessor	(985)	(243)	(923)	(2,064)	(185)
Building-related costs – lessor (4) – (1) – (2) – (3)	(5,924)	(5,019)	(6,504)	(7,711)	(6,566)
Wages and salaries	(957)	(550)	(576)	(512)	(541)
Other overhead costs	(3,812)	(2,376)	(2,096)	(2,111)	(1,442)
Total expenses incurred by the lessor	(10,694)	(7,944)	(9,176)	(10,334)	(8,549)

Net income by key indicator for the period:

In thousands of euros

Statement of comprehensive income caption	Amount	Breakdown
Net rental income	38,504	Net rental income corresponds to rental income for the period (EUR 44,310k) and rental expenses rebilled to lessees (EUR 11,349k), less building-related costs (EUR 17,156k). In 2015, net rental income fell by EUR 3.1 million compared to 2014. This was primarily due to the early termination indemnities received in 2014, as well as building maintenance costs and expenses associated with marketing the Europlaza tower in 2015.
Administrative costs	(4,916)	Administrative costs chiefly comprise fees, insurance premiums and personnel costs.
Change in fair value of investment property	62,736	The value of the real estate portfolio increased from EUR 871 million at December 31, 2014 to EUR 942 million at December 31, 2015.
Net operating income	96,323	
Net financial expense	(14,705)	Net financial expense is made up of EUR 14,719k in financial expenses and EUR 15k in financial income.
Corporate income tax	(662)	Due to the application of the SIIC tax regime with effect from 2006, the Group's profits derived from the rental of investment properties and the sale of real property rights are not subject to corporate income tax. This tax exemption is, however, subject to certain criteria relating essentially to the payment of dividends. No income tax was recorded on other taxable activity during the period. Accordingly, the income tax recorded for the period corresponds exclusively to the additional corporate income tax contribution on amounts distributed in an amount of EUR 662k.
Net income	80,957	

BANK BORROWINGS/ OTHER FINANCING ARRANGEMENTS

Pursuant to the terms and conditions of a credit agreement dated July 26, 2012 (hereinafter the **"2012 Initial Credit Agreement"**), Prothin was granted a loan for a maximum principal amount of EUR 400,000,000 by Aareal Bank AG, Deutsche Pfandbriefbank Aktiengesellschaft, Bayerrische Landesbank and Landesbank Berlin AG (the **"Banks"**), in accordance with the terms and conditions of the 2012 Initial Credit Agreement.

Prothin requested an additional loan in order to fund renovation work on the Europlaza building, which the Banks granted for a principal amount of EUR 5,000,000 pursuant to the terms and conditions of an amendment to the 2012 Initial Credit Agreement, signed on August 7, 2014 (the 2012 Initial Credit Agreement as modified by said amendment is hereinafter referred to as the **"Initial Credit Agreement"**).

A second amendment to the Initial Credit Agreement was signed on November 4, 2015 between Prothin and the banks (Aareal Bank AG, Deutsche Pfandbriefbank Aktiengesellschaft, Bayerrische Landesbank and Berlin Hyp AG) in order to: (i) record the Banks' waiver of a right to early and immediate repayment of the outstanding loan at the time of the change in control of the Company on November 5, 2015, and (ii) amend the provisions of Article 3.3 of the Initial Credit Agreement in order to include new rules for calculating early loan repayment indemnities.

The Initial Credit Agreement as modified by the second amendment described above is hereinafter referred to as the **"Credit Agreement"**.

The final due date for the Credit Agreement (including both tranches) is August 16, 2017.

The main provisions of the Initial Credit Agreement are as follows:

In thousands of euros

	Initial financing (Nov. 15, 2012)	First amendment (Aug. 7, 2014)
Main terms and conditions		
	Initial credit	Renovation work phase
Amount	€400 million	€5 million
Interest rate	3.150% +25bps if occupancy rate < 90%	2.519% +25bps if occupancy rate < 90%
Maturity	August 2017	
Main financial ratios		
LTV threshold	70%	
ICR threshold	150%	

MAIN FINANCIAL RATIOS

The gearing and interest coverage ratios are presented below:

	Dec. 31, 2015(1)	Dec. 31, 2014	Dec. 31, 2013
Gearing ratio			
Non-current borrowings/ adjusted net assets	43.0%	49.4%	47.1%
Interest coverage ratio			
Projected net rental income/ interest expenses	298%	286%	232%

(1) The gearing ratio was calculated at December 31, 2015, while the interest coverage ratio was issued by the bank on November 6, 2015..

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, upkeep, 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 or mandatory early repayments of all or part of the outstanding loan as of the date of signature of the second amendment (in particular in the event of a change in control, the sale of all or part of one of the buildings or non-compliance with financial ratios), it will have to pay, in addition to breakage costs, an early repayment indemnity equal to:

- 0.5% of any amounts repaid between the date of signature of the second amendment and the 92nd day after that date (inclusive, corresponding to February 5, 2016); then
- 0.25% of any amounts repaid between the 93rd day after the date of signature of the second amendment and the 182nd day after that date (inclusive, corresponding to May 5, 2016).

OTHER FINANCING ARRANGEMENTS

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

However, Northwood intends to examine the various financing opportunities the Company can benefit from in order to optimize its capital structure. Such refinancing, potentially accompanied by an increase in the Company's loan-to-value ratio to up to 55%, would enable it to raise funds with the aim of acquiring new assets.

As of the date of this Registration Document, the Company's investment capacity is estimated to be in the region of EUR 250 million. Provided that the Company maintains a debt structure as described above, it will quickly have the investment capacity to implement its industrial and commercial policies. In the event that the Company fails to identify any investment opportunities that correspond to the risk/return profiles it is seeking, it could consider distributing these amounts to its shareholders in the form of share redemptions or a capital reduction.

ORGANIZATIONAL STRUCTURE

On December 22, 2011, Cegereal's General Shareholders' Meeting authorized a transfer to its wholly-owned subsidiary Prothin (registered with the Paris Trade and Companies Registry under number 533 212 445), its holding and management activity for owned buildings located at (i) 20 avenue André Prothin, 92400 Courbevoie, known as "Europlaza", (ii) Quai du Point du Jour, 92100 Boulogne-Billancourt, known as "Arcs de Seine", (iii) 4 Quai de Bercy, 94220 Charenton-le-Pont, known as "Rives de Bercy" (hereinafter collectively referred to as the "Buildings").

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.

RISK MANAGEMENT

Based on a specific review of risks that could have a material adverse effect on the Company's business, financial condition, results or ability to meet its objectives, the Company believes that it has no material risk exposures apart from those presented in the table below.

Risks	Nature	Consequences	Observations
1. Risks linked to the Company's activity			
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 which can be changed - the Company's ability to increase rent levels when leases are renewed - the ICC-ILAT-INSEE rent index	- Negative impact on the Group's financial position, results, activity and development prospects. - Impact on the liquidity of the real estate assets in the event of a forced sale: difficulty to dispose rapidly of part of its real estate assets under satisfactory conditions if such action were to prove necessary. - Impact on the occupancy rate.	- The majority of the leases already in place have been renewed since 2010, which prevents the Company from having to decrease its rents under Article L.145-39 of the French Commercial Code. - The ICC index increased by an average of 2% per year over the last ten years. The ILAT index has increased by 1.7% since it was established in 2005. - Just 50% of rental property is exposed to rental volatility in 2016 as a result of indexation.
Risks linked to the competitive environment	- Rental activity: competition in the office real estate sector. - Investments/diversification: competition from French and international property owners (institutional property investors).	- Potential loss of lessees, when their leases expire, if the competition is able to offer more attractive rental conditions for comparable properties. - Unfavorable effect on the Group's growth, activity and future results if the investment and diversification strategy cannot be implemented.	- The Company maintains regular discussions with the lessees in order to anticipate their needs and be in line with the market. For example, Gas Natural, Gartner and Software AG France all extended their leases by between six and nine years, while Gas Natural and Gartner also leased additional space.
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 real estate floor space.	- An unfavorable trend would be likely to adversely affect the results, activity 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 lessees	- The four most significant lessees (Crédit Foncier de France, Capgemini, GE Capital and Canal Plus) represent 47% of properties rented on a one-year lease.	- A request for more favorable lease terms upon renewal or a decision by one of these lessees to terminate its lease, could adversely impact the financial position.	- The division of the real estate portfolio enabled Cegereal to increase the number of lessees from 12 to 26 since the Group was first listed in March 2006. This number should be further increased through the marketing of vacant premises.
Risk linked to non-payment of rent	- All Group revenue is generated by leasing its real estate assets to third parties.	Non-payment of rent could - affect the Group's results, and - increase liquidity risk (see section 2.5.4 of the consolidated financial statements, Note 4.6)	- Assessment of the financial position of new lessees as well as an annual reassessment of all lessees. At year-end 2015, all of the Company's lessees were considered to be in a satisfactory financial position, and 97% had a Dun & Bradstreet rating of 1 or 2 (on a scale of 1 to 5). There were no failures to pay at the date of publication.

Risks	Nature	Consequences	Observations
1.3. Concentration risks			
Risk linked to the concentration of the portfolio in the same geographic region	- The entire portfolio is located in the inner suburbs of Paris.	- Competition within the region or adjacent regions could encourage lessees to seize upon better value opportunities elsewhere.	- The three assets are located in three very different zones of the Paris region market which represents more than 50 million sq.m. The risk of concentration is therefore limited. - The vacancy rates for the areas where Cegereal's various buildings are located were as follows: 11% for La Défense, 12.5% for the Western Crescent and 6.5% for the Eastern Inner Suburbs (Source: DTZ)
Risks linked to the concentration of the portfolio in the same rental sector	- The Company has concentrated its real estate portfolio exclusively in office properties.	- A downturn in the market for office real estate could have negative effects on the Group's financial position, results, activity and development prospects.	
1.4. Risks linked to assets			
Risk linked to the valuation of real estate assets	- A detailed report on the value of the Group's portfolio is prepared each year, with quarterly updates.	- Under IFRS, the Group's income could vary considerably in the event of a significant rise or fall in the capitalization rates for the real estate sector. Between two half-yearly valuations, the carrying amount of the buildings will not be adjusted if the market price varies, and could therefore fail to reflect the effective market value of the assets.	- Valuations are carried out by DTZ Valuation France, an external real estate valuer. - The Group makes known any item at its disposal likely to have a significant impact on the value of its buildings.
2. Managing market risks			
2.1. Liquidity risk			
	- The Credit Agreement, as defined in section III.1, contains the usual mandatory early repayment clauses (total or partial) for outstanding amounts in different cases and under certain contractually defined conditions (in particular in the event of a change in control, sale of all or part of one of the buildings, expropriation or requisition of all or part of one of the buildings, claims in relation to one of the buildings and non-compliance with financial ratios). In addition, as provided for by Article 8 of the Credit Agreement, a default is likely to result in early repayment of the loan.	- Option available to the lender of declaring all outstanding amounts, accrued interest and charges thereupon to be immediately payable, and of enforcing all or part of the collateral and guarantees granted in the event of a default. - The Group could find itself in a position where it cannot obtain refinancing for an amount, or under financial conditions that are equivalent to the current conditions.	- The specific review of liquidity risk based on the Group's financial position at December 31, 2015, complied with all of the various ratios and limits applicable to the mandatory early payment clauses provided for in the credit agreement (see notes 5.11 (Non-current borrowings) and 5.24 (Commitments given) in section 2.5.5 of the IFRS financial statements). - At December 31, 2015, CeGeREAL's financial ratios were as follows: (i) 43% LTV ratio and (ii) 298% interest coverage ratio. - The Group has also conducted a specific review of its liquidity risk and considers that it is in a position to meet its upcoming commitments.
2.2. Foreign exchange risk			
	- The Group 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 Group does not hold any direct investments in listed companies, or any indirect investments in such companies via units in equity funds.	- The Group 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 yield on ten-year French fungible Treasury bonds (TEC 10 index) fell from 3.98% at December 31, 2006, to 0.99% at December 31, 2015 (Source: Banque de France). The Company is not able to foresee the various factors impacting future interest rates.	- A significant increase in interest rates could entail a decrease in the estimated value of the Company's assets (see section 2.5.4 of the consolidated financial statements, Note 4.7) and an increase in financial expenses in the absence of interest-rate hedges.	- The Group has not conducted a sensitivity analysis regarding changes in interest rates due to the fixed rate applied with respect to the Credit Agreement. Interest rate risk is also discussed in Note 2.5.4 to the IFRS financial statements for the year ended December 31, 2015.
3. Risks linked to the majority shareholder			
3.1. Risks linked to the investment held by the hausInvest investment fund until November 5, 2015			
Risk linked to the lack of liquidity of other fund 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.	- Until November 5, 2015, in the event of insufficient liquidity, risk of sale of the Group's assets requested by CRI as its majority shareholder for the Fund's needs and distribution of income from any such sales. - Until November 5, 2015, risk of forced sale by CRI of the Company's shares, which could have had a negative impact on the Company's share price.	
Risk linked to fluctuation in the value of the Fund	- Under German legislation, funds that invest in property companies are subject to certain limits: - the gross value of assets and related rights of property companies is limited to 49% of the Fund's total gross value. - the gross value of the real estate assets and the related rights of each property company is limited to 15%; this threshold is calculated in proportion to the interest held in the property company on behalf of the Fund.	- Until November 5, 2015, fluctuation in the Fund's value could impact CRI's investment policy and indirectly significantly impact the Company's strategy and its activity.	

Risks	Nature	Consequences	Observations
3.2. Risk linked to the majority shareholder			
Risk linked to the majority shareholder	- The Northwood Concert (as defined in Article 2.5 of the "Legal Information" section of this report) is the majority shareholder of the Company's capital and voting rights, and retains a significant influence over the Company and the running of the Group's business. - The Northwood Concert manages other real estate assets in France.	- The Northwood Concert 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. - The Northwood Concert 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 unfavorable effect on Cegereal, and in turn on the Group's assets, financial position, results or strategy.	- The Company's shareholders and the Fund's unit holders have a shared interest in maximizing the Company's value.
4. Risk linked to German regulations applicable to the majority shareholder until November 5, 2015			
	- Until November 5, 2015, Cegereal was a property company, and the majority of its capital was held by CRI on behalf of the hausInvest German investment fund. Cegereal, as a subsidiary of CRI, was indirectly subject to certain provisions of German legislation that are applicable to CRI and that concern investments and German investment funds. - CRI (Cegereal's former majority shareholder) must comply with the various ratios or thresholds in the management of hausInvest fund assets.	- Until November 5, 2015, direct impact on the Group's investment or divestment policy and its overall strategy. - For regulatory reasons, until November 5, 2015, CRI may have been required to reduce its investment in the Company significantly, which could have had a negative effect on the Company's share price. - Until November 5, 2015, the possibilities for acquisitions by the Group may have been limited as a result of the need to comply with various ratios and thresholds.	
5. Risks linked to service providers			
5.1. Risk linked to the quality of service providers and sub-contractors			
	- The Group's rental activity depends on certain sub-contractors and service providers, in particular maintenance and caretaking 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 affect the Group.	- With the exception of the asset management agreement with Commerz Real (that was terminated on November 5, 2015) and the advisory services agreement (ASA), all of the sub-contracting agreements are short-term renewable contracts (maximum of one year), which makes 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 and managing its office buildings, the Group 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 is liable to have an impact on the Group's results or its development and growth prospects. - The Group cannot guarantee that all its lessees will strictly comply with all of the regulations applicable to them, in particular those relating to the environment, health and public safety.	- The terms of the leases obligate the lessees to comply with the regulations applicable to the leased premises when using said premises. - The Company seeks the best legal advice in order to meet its needs in terms of monitoring regulatory changes. - The Group 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 the indexing of rent for these leases, the rebilling of rental expenses, taxes, levies and other duties and work, are a matter of public policy. - These provisions may limit the owners' ability to rebill certain rental expenses, taxes and work to lessees. - If the lessor refuses to renew the lease upon expiration, the lessee is entitled to an eviction indemnity.	- These provisions may limit the owners' ability to increase rents in line with market rents in order to optimize their rental income.	
6.3. Environmental risk linked to health (asbestos, legionnaires' disease and classified facilities)			
	- The Group's business activity is subject to laws and regulations on the environment and public health.	- Buildings and facilities owned or used by the Group may be affected by problems related to public health, safety or environmental protection. - Safety regulations for high-rise buildings (such as the Europlaza building), could lead to additional operating and maintenance expenses for the Group.	- All of the leases provide for payment by lessees 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

Risks	Nature	Consequences	Observations
7. Risk linked to the costs 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 Northwood Investors group's scope of consolidation, or if it no longer benefited from the negotiating power of the Northwood Investors group, it might have to pay higher premiums.	- As the insurance premium does not have a material impact on the Company's results, were the Company to leave the Northwood Investors group, it should not have a material impact on the Company's financial situation.
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 upon election for the SIIC regime, less exit tax already paid at the reduced 16.5% rate. - 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 since 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			
	- One or several shareholders acting in concert within the meaning of Article L.233-10 of the French Commercial Code (with the exception of the SIICs themselves) may not directly or indirectly hold 60% or more of a SIIC's share capital. Failure to comply with this threshold will result in the Company's eligibility for preferential tax treatment being called into question. - In accordance with Article 208 C, section 1 of the French Tax Code, the 60% condition may be waived in the event of a public tender or exchange offer within the meaning of Article L.433-1 of the French Monetary and Financial Code (Code monétaire et financier), provided this percentage holding is reduced to less than 60% before the final date for filing the financial statements for the fiscal year in which the threshold was breached. In such a scenario, the condition will be deemed to have been met.	- Following its acquisition of shares of the Company on November 5, 2015, the Northwood Concert (as defined in Article 2.5 of the "Legal Information" section of this report) held 59.78% of the Company's capital and voting rights and consequently did not breach the 60% threshold. However, as it exceeded the 30% holding threshold, it was required to make a mandatory public offer. Such an offer resulted in the Northwood Concert holding more than 60% of the Company's capital and/or voting rights as of January 26, 2016. - The Northwood Concert, which held 98.44% of Cegereal's share capital following the tender offer that closed on January 25, 2016, has sold a portion of its Cegereal shares, representing 40.96% of Cegereal's capital, in a financing round with leading institutional investors, including an affiliate of GIC (the Singapore's sovereign fund), which took up 25%. - The Northwood entities, acting in concert, currently only hold 57.84% of the share capital and voting rights of Cegereal. - The sale by the Northwood Concert of the proportion of its shareholding exceeding 60% before April 30, 2017 enables Cegereal to retain its SIIC preferential tax treatment.	
8.3. Risk linked to shareholders			
	- A 20% withholding tax applies to 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. - The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.	- The payment of this withholding tax by the shareholder could give rise to a dispute. There is a risk that the payment of the withholding tax cannot be allocated to the shareholder.	

INSURANCE

The Group's insurance strategy aims to protect its assets and cover any potential liability.

Multirisk insurance and civil liability insurance

Prothin has taken out the following insurance:

- until the date of signature of the second amendment to the Credit Agreement, a French multirisk ("All Risks except") policy taken out directly with the leading insurance company Chartis Europe SAS under number 9.000.057;
- until the date of signature of the second amendment to the Credit Agreement, (i) a German co-insurance policy named "Pro Dynamic Versicherung – Real Estate" under number F 10173.1542 taken out with the insurance companies Chartis Europe SA, AXA Versicherung, Helvetia Versicherung, QBE Insurance and R+V Versicherung with Chartis Europe SA as leading insurer, and (ii) a German terrorism co-insurance policy under number F 10173.1956 with the insurance company Chartis Europe SA;
- as from the date of signature of the second amendment to the Credit Agreement, a French multirisk ("All Risks except") policy taken out directly with the leading insurance company Aviva plc, whose registered office is located at 80 avenue de l'Europe, 92270 Bois-Colombes, France, under number 77213403; and
- as from the date of signature of the second amendment to the Credit Agreement (i) an English co-insurance policy named "Property Owners Policy" under number DIC DIL no. PM100131CHC taken out with the insurance company Aviva plc, and (ii) an English terrorism co-insurance policy under number PM099872 CHC with the insurance company Aviva plc, whose registered office is located at St Helens, Level 19, Undershaft, London, EC3P3DQ, United Kingdom.

These policies cover the buildings for an amount at least equal to their restatement value or replacement value (including the cost of replacing damaged machinery and equipment 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

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

Specialized firms regularly appraise the assets.

All 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 to be adequate in light of the value of the assets insured 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.

The personal civil liability of the corporate officers and de jure and de facto Managers of the company is covered to levels appropriate to the related risks.

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 the financial position or profitability of the company and/or the Group.

No material provisions were booked in respect of lawsuits (see section II.2 "Consolidated financial statements", Note 5.28 "Subsequent events").

INFORMATION SYSTEM

The company decided to change of information system in order to increase the speed of information management with its stakeholders and to improve its internal control capabilities.

2. Consolidated financial statements

The IFRS consolidated financial statements for the year ended December 31, 2014 and the related Statutory Auditors' report presented on pages 88 to 102 and page 103, respectively, of the 2014 Registration Document filed with the AMF on March 6, 2015 under no. D. 15-0108, are incorporated by reference into this document.

The IFRS consolidated financial statements for the year ended December 31, 2013 and the related Statutory Auditors' report presented on pages 64 to 78 and page 79, respectively, of the 2013 Registration Document filed with the AMF on April 10, 2014 under no. D. 14-0324, are incorporated by reference into this document.

2.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

In thousands of euros, except per share data

	Notes	31/12/15	31/12/14
		12 months	*12 months*
Rental income	5.17	44,310	44,746
Income from other services	5.18	11,349	13,173
Building-related costs	5.19	(17,156)	(16,341)
Net rental income		**38,504**	**41,579**
Sale of building			
Administrative costs	5.20	(4,976)	(3,057)
Other operating expenses		(5)	0
Other operating income		65	
Increase in fair value of investment property		62,736	42,637
Decrease in fair value of investment property			(23,933)
Total change in fair value of investment property	*5.1*	*62,736*	*18,704*
Net operating income		96,323	57,226
Financial income		15	17
Financial expenses		(14,719)	(14,533)
Net financial expense	**5.21**	**(14,705)**	**(14,515)**
Corporate income tax	**5.22**	**(662)**	**(312)**
CONSOLIDATED NET INCOME		80,957	42,398
of which attributable to owners of the Company		***80,957***	***42,398***
of which attributable to non-controlling interests		***0***	***0***
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		80,957	42,398
of which attributable to owners of the Company		***80,957***	***42,398***
of which attributable to non-controlling interests		***0***	***0***
Basic and diluted earnings per share (in euros)		*6.06*	*3.18*

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2015

In thousands of euros

	Notes	Dec. 31, 2015	Dec. 31, 2014
Non-current assets			
Property, plant and equipment		61	
Investment property	**5.1**	942,000	871,000
Non-current loans and receivables	**5.2**	28,928	30,941
Total non-current assets		**970,989**	**901,941**
Current assets			
Trade accounts receivable	**5.3**	13,132	6,469
Other operating receivables	**5.4**	6,899	6,276
Prepaid expenses		96	107
Total receivables		**20,127**	**12,852**
Cash and cash equivalents	**5.5**	8,723	23,499
Total cash and cash equivalents		**8,723**	**23,499**
Total current assets		**28,850**	**36,351**
TOTAL ASSETS		999,839	938,292
Shareholders' equity			
Share capital		160,470	160,470
Legal reserve and additional paid-in capital		21,436	21,436
Consolidated reserves and retained earnings		305,447	284,831
Net attributable income		80,957	42,398
Total shareholders' equity	**5.10**	**568,309**	**509,135**
Non-current liabilities			
Non-current borrowings	**5.11**	402,664	401,889
Other non-current borrowings and debt	**5.13**	3,951	4,166
Non-current corporate income tax liability			
Total non-current liabilities		**406,615**	**406,055**
Current liabilities			
Current borrowings		1,626	1,716
Trade accounts payable		3,150	2,148
Corporate income tax liability			295
Other operating liabilities	**5.14**	4,573	5,045
Prepaid revenue	**5.16**	15,566	13,898
Total current liabilities		**24,915**	**23,102**
Total liabilities		**431,530**	**429,157**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		999,839	938,292

2.3. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2015

In thousands of euros

	2015	2014
OPERATING ACTIVITIES		
Consolidated net income	80,957	42,398
Elimination of items related to the valuation of buildings:		
Fair value adjustments to investment property	(62,736)	(18,704)
Indemnity received from lessees for the replacement of components		
Elimination of other income/expense items with no cash impact:		
Depreciation of property, plant and equipment (excluding investment property)	5	
Adjustments for loans at amortized cost	775	1,091
Cash flows from operations before tax and changes in working capital requirements	**19,001**	**24,785**
Other changes in working capital requirements	(2,975)	(629)
Change in working capital requirements	**(2,975)**	**(629)**
Net cash flows from operating activities	**16,026**	**24,156**
INVESTING ACTIVITIES		
Acquisition of fixed assets	(8,331)	(3,296)
Net decrease in amounts due to fixed asset suppliers	(384)	874
Net cash flows used in investing activities	**(8,715)**	**(2,422)**
FINANCING ACTIVITIES		
Increase in share capital		
Change in bank debt		5,000
Refinancing transaction costs		
Net increase in current borrowings	(90)	(60)
Net increase in other non-current borrowings and debt	(215)	697
Net decrease in other non-current borrowings and debt		
Purchases and sales of treasury shares	252	134
Dividends paid	(22,034)	(20,025)
Net cash flows used in financing activities	**(22,087)**	**(14,254)**
Change in cash and cash equivalents	**(14,776)**	**7,480**
Cash and cash equivalents at beginning of the period [1]	23,499	16,018
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**8,723**	**23,499**

(1) 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, 2015

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, 2013	160,470	31,465	(602)	295,295	486,628		486,628
Comprehensive income				**42,398**	**42,398**		**42,398**
- Net income for the period				42,398	42,398		42,398
- Other comprehensive income							
Capital transactions with owners		(10,029)	134	**(9,995)**	**(19,891)**		**(19,891)**
- Appropriation of net income for the previous year		(10,029)		(9,995)	(20,025)		(20,025)
- Change in treasury shares held			134		134		134
Shareholders' equity at Dec. 31, 2014	160,470	21,436	(469)	327,698	509,135		509,135
Comprehensive income				**80,957**	**80,957**		**80,957**
- Net income for the period				80,957	80,957		80,957
- Other comprehensive income							
Capital transactions with owners			252	**(22,034)**	**(21,782)**		**(21,782)**
- Dividends paid (€1.65 per share)				(22,034)	(22,034)		(22,034)
- Change in treasury shares held			252		252		252
Shareholders' equity at Dec. 31, 2015	160,470	21,436	(217)	386,620	568,309		568,309

2.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the 2015 consolidated financial statements

These notes provide additional information in respect of the consolidated statement of financial position at December 31, 2015 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, 2015

Note 1.1 Operational context

The Group, comprising Cegereal SA and its subsidiary Prothin SAS ("the Subsidiary"), did not experience any change in its operating environment during the year ended December 31, 2015.

The Group did not acquire or dispose of any real estate assets during the year ended December 31, 2014.

RENTAL ACTIVITY

During 2015, the marketing of the Arcs de Seine building continued. A lease was signed with Amgen for a total surface area of 2,864 sq.m, effective from April 1, 2015, and with Exclusive Network for a total surface area of 1,432 sq.m, effective from May 1, 2015. Furthermore, a short term lease was signed with Boursorama for a total surface area of 1,432 sq.m for a period of 17 months from April 1, 2015. The building was fully occupied at December 31, 2015.

At the Europlaza site, KPMG signed an eight-month lease for a total surface area of 895 sq.m, effective from June 1, 2015. Gartner, Software AG France and Gas Natural Europe renegotiated their leases in July and December 2015 with effect from April 1, 2015, May 1, 2015 and December 14, 2015, respectively. Lastly, a lease was signed with Robert Half International France on July 23, 2015 for a surface area of 620 sq.m, with effect from December 1, 2015.

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, 2015 includes the financial statements for the year ended December 31, 2014.

Note 1.3 Regulatory context

The Group's consolidated financial statements for the year ended December 31, 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) applicable to reporting periods ended December 31, 2015, 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.

In addition, Cegereal is required to comply with certain dividend payment obligations in accordance with its election for tax treatment as an SIIC (see Note 2.8).

The consolidated financial statements were adopted by the Board of Directors on February 17, 2016.

2.5.2 SIGNIFICANT ACCOUNTING POLICIES USED TO PREPARE THE 2015 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, 2015 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, 2015 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2014 were also prepared according to the same standards, with the exception of IFRIC 21 "Levies", which is applicable in the European Union for reporting periods beginning on or after January 1, 2015. However, since the application of this interpretation only has an impact on interim financial statements, pro forma financial statements do not need to be presented for 2014.

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 reporting periods beginning on or after December 31, 2015 have no impact on the Company's 2015 consolidated financial statements.

In accordance with 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, 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 manage the relevant activities, is exposed to or is entitled to the variable returns generated by such activities, and has the power to influence such returns.

At December 31, 2015, no entities were jointly controlled or significantly influenced by the Group.

Scope of consolidation

At December 31, 2015, 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, 2015
Prothin SAS	533,212,445	100%	100%	Full consolidation	January 1 to December 31, 2015

All entities included in the scope of consolidation closed their accounts on December 31, 2015.

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 acquire.

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 recorded 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 in 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 the 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 Valuation France 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 Valuation France (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, 2015, 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 6.60%.

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.

Fair value hierarchy under IFRS 13

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions.

IFRS 13 uses a three-level fair value hierarchy to classify the inputs used as a basis to measure the assets and liabilities concerned.

The three levels are as follows:

- Level 1: fair value corresponds to the unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2: fair value is determined, either directly or indirectly, using observable inputs;
- Level 3: fair value is determined directly using unobservable inputs.

In light of the nature of the French real estate market and the relative lack of publicly-available data, Cegereal has decided that the most appropriate level for its assets within the fair value hierarchy is Level 3, while its financial liabilities have been categorized within Level 2.

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 mainly 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.

As 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" (see Note 5.16).

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.

Within the scope of these liquidity agreements, the Group owned 13,538 treasury shares (representing 0.1% of its total issued shares) for a total amount of EUR 354k at December 31, 2015.

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, 2015. 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.

<u>Terms and conditions and impact of tax treatment as an SIIC</u>

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 periods ended before 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 periods ended before 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 subsidiaries choose to leave the SIIC tax regime within the ten years following the date of their election for SIIC tax treatment, they are liable for additional income tax on the capital gains that were taxed at reduced rates. The SIICs and their subsidiaries must also add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts. The amount of income tax due is increased by a 25% tax on unrealized capital gains on buildings, rights under real estate finance leases and holdings that were acquired during the period SIIC tax treatment was applied, less one-tenth for each calendar year lapsed since the entity opted for the regime.

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 from tax-exempt income 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 due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

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 four 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, 2015.

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 received from former lessees are recognized in "Miscellaneous 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.

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 rates prevailing in 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	25.98	6.75%	336.1	342.0	348.1	354.4	361.0	367.8	374.9	382.2	389.9
Arcs de Seine	23.58	5.84%	349.1	356.1	363.4	371.1	379.0	387.3	396.0	405.0	414.5
Rives de Bercy	11.78	5.47%	185.1	189.0	193.2	197.5	202.0	206.7	211.7	216.9	222.3
Total	61.34	6.11%	870.3	887.2	904.7	923.0	942.0	961.8	982.5	1,004.1	1,026.7
Impact on portfolio value			(7.61)%	(5.82)%	(3.96)%	(2.02)%	0.00%	2.10%	4.30%	6.59%	8.99%

Source: DTZ Valuation France

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 related to refinancing

The Group has a single bank loan comprising two tranches of EUR 400 million and EUR 5 million, respectively. This loan was taken 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 economic climate has sparked 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, 2015, the Group was dependent on two lessees who collectively represented approximately 35% of the total rental income collected in 2015 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 has financing in the form of a single bank loan taken out with a pool of four banks which it uses to finance renovation projects.

Notes 5.11 and 5.24 contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. The Group complied with its covenants at the most recent due date.

Note 4.7 Interest rate risk

At December 31, 2015, the Group had a fixed-rate loan comprising two tranches of EUR 400,000k and EUR 5,000k, respectively. This loan is due to be repaid on August 16, 2017. On the first tranche of the loan, interest is calculated at a rate of 3.40% if the occupancy rate is lower than 90% and at 3.15% if it exceeds this threshold. On the second tranche of the loan, the interest rate is set at 2.769% if the occupancy rate is lower than 90% and 2.519% if it exceeds this threshold.

The physical occupancy rate for the Group's properties (excluding short-term leases) rose to more than 90% as of September 1, 2015.

2.5.5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2015 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, 2013	172,000	355,000	322,000	849,000
Indemnity received				
Subsequent expenditure	874	1,933	489	3,296
Disposals				
Change in fair value	18,126	(23,933)	24,511	18,704
Dec. 31, 2014	191,000	333,000	347,000	871,000
Indemnity received				
Subsequent expenditure	(5)	7,771	498	8,264
Disposals				
Change in fair value	11,005	20,229	31,502	62,736
Dec. 31, 2015	202,000	361,000	379,000	942,000

In light of the nature of the French real estate market and the relative lack of publicly-available data, real estate assets have been categorized within Level 3 of the IFRS 13 fair value hierarchy.

MAIN FAIR VALUE ASSUMPTIONS

The real estate valuer's estimation of the fair value of the buildings at December 31, 2015 is indicated below, along with the information used in the calculation:

Building	Estimated value at December 31, 2015 (net of taxes)		Theoretical effective rate of return	Gross leasable area(1) at December 31, 2015		Annual rent (net of taxes)(2)	
	in millions of euros	%	%	sq.m.	%	in millions of euros	%
Europlaza (1999(3))	361	38	5.9	49,321	39	23,569	42
Arcs de Seine (2000(3))	379	40	5.2	45,152	36	21,411	38
Rives de Bercy (2003(3))	202	21	5.2	31,942	25	10,883	19
Total	942	100		126,415	100	55,863	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, 2015 and market rent, as estimated by valuers, in relation to vacant premises (EUR 4,118k for Europlaza and EUR 58k 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, 2015	Dec. 31, 2014
Security deposits paid	23	23
Benefits granted to lessees (non-current portion)	28,904	30,918
Non-current loans and receivables	28,928	30,941

Non-current benefits granted to lessees concern rent-free periods, rent discounts and lease premiums paid to lessees recognized over the firm term of the lease in accordance with the accounting policies 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, 2015	Dec. 31, 2014
Trade accounts receivable	13,132	6,469
Provision for impairment of trade accounts receivable		
Trade accounts receivable, net	13,132	6,469

The increase in trade accounts receivable is primarily due to the payment by a number of lessees of rents and expenses in respect of first-quarter 2015 before end-December 2014 (including a EUR 3.8 million payment by Crédit Foncier de France).

Note 5.4 Other operating receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2015	Dec. 31, 2014
Rental expenses		
Benefits granted to lessees (current portion)	5,768	5,614
Input VAT		
Supplier accounts in debit and other receivables	842	425
Liquidity account/treasury shares	289	237
Other operating receivables	6,899	6,276

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.

Current bank account balances recorded in this caption represent EUR 8,723k.

Note 5.6 Ageing analysis of receivables

The ageing analysis of receivables at December 31, 2015 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2015	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	28,928	28,928	0	0	0	0
Total non-current receivables	**28,928**	**28,928**	**0**	**0**	**0**	**0**
Current receivables						
Trade accounts receivable(1)	13,132	12,250	882	850	32	0
Other operating receivables	6,899	6,899	0	0	0	0
Prepaid expenses	96	96	0	0	0	0
Total current receivables	**20,127**	**19,245**	**882**	**850**	**32**	**0**
Total receivables	49,055	48,173	882	850	32	-

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 13,132k at December 31, 2015 and is detailed in Note 5.24.

The ageing analysis of receivables at December 31, 2014 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2014	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	30,941	30,941	0	0	0	0
Total non-current receivables	**30,941**	**30,941**	**0**	**0**	**0**	**0**
Current receivables						
Trade accounts receivable	6,469	6,414	55	44	8	3
Other operating receivables	6,276	6,276	0	0	0	0
Prepaid expenses	107	107	0	0	0	0
Total current receivables	**12,852**	**12,796**	**55**	**44**	**8**	**3**
Total receivables	43,793	43,737	55	44	8	3

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, 2015	Dec. 31, 2014
Financial assets at fair value through profit or loss		
Held-to-maturity investments		
Loans and receivables		
Non-current loans and receivables	28,928	30,941
Current receivables	20,031	12,745
Available-for-sale financial assets		
Cash and cash equivalents	8,723	23,499
Total financial assets	57,682	67,184
Financial liabilities at fair value through profit or loss		
Financial liabilities measured at amortized cost		
Non-current liabilities	406,615	406,055
Current liabilities	9,349	9,204
Total financial liabilities	415,964	415,259

Note 5.9 Changes in impairment of financial assets

No impairment was recognized against financial assets in the period.

Note 5.10 Consolidated equity

Composition of and changes in shareholders' equity

In thousands of euros

	Number of shares	Par 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 earningst in thousands of euros
Shareholders' equity at Dec. 31, 2014	13,372,500	12	160,470	21,436	327,229
Dividends paid					(22,034)
Interim dividend					
Net income for the period					80,957
Change in treasury shares held					252
Shareholders' equity at Dec. 31, 2015	13,372,500	12	160,470	21,436	386,403

Consolidated reserves and net income comprise reserves of Group companies totaling EUR 7,530k, IFRS adjustments (non-distributable items) of EUR 241,591k and the revaluation reserve in an amount of EUR 152,342k.

Dividends paid

In euros

	Recommended dividend for 2015	Paid in 2015 for 2014 (excl. treasury shares)
Total dividend paid	26,745,000	22,034,216
Net dividend per share in euros	2.00	1.65

The total amount of dividends paid for the 2015 fiscal year is shown in the table above based on the number of shares comprising the share capital at December 31, 2015. Dividends to be paid in respect of 2015 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 2 per share be paid for the 2015 fiscal year.

Treasury shares

In euros (except number of shares)

	Amount at Dec. 31, 2015	Amount at Dec. 31, 2014	Change
Acquisition cost	354,063	557,763	(203,701)
Number of treasury shares at reporting date	13,538	21,955	(8,417)

Note 5.11 Non-current borrowings

On July 26, 2012, the Group took out a bank loan for EUR 400k 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% if the occupancy rate is below 90% and 3.15% if the occupancy rate exceeds this threshold.

An amendment to this loan agreement was signed on August 7, 2014 providing for an additional EUR 5,000k tranche to be used to finance renovation projects. This tranche was drawn on November 21, 2014. The interest rate on this tranche is 2.769% if the occupancy rate is below 90% and 2.519% if the occupancy rate exceeds this threshold.

The physical occupancy rate for the Group's properties (excluding short-term leases) rose to more than 90% as of September 1, 2015.

At December 31, 2015, the bank loan, measured at the amortized cost of the consideration received less directly attributable transaction costs, amounted to EUR 403 million.

The gross annual interest expense totals around EUR 13.8 million for the 2015 fiscal year.

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. The Group complied with the ICR and LTV ratios described in Note 5.24, which were calculated on November 16, 2015 and December 31, 2015, respectively.

Note 5.12 Fair value of financial liabilities

The fair value of the bank loan at December 31, 2015 can be analyzed as follows:

In thousands of euros

	Dec. 31, 2015		Dec. 31, 2014	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
Bank loan	402,664	413,074	401,889	410,274
Total	402,664	413,074	401,889	410,274

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

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, 2015	Dec. 31, 2014
Personnel	310	22
Accrued VAT, other taxes and social security charges	2,327	2,806
Accrued rental expenses rebilled to lessees	1,019	822
Advance payments by lessees	356	491
Miscellaneous		
Other operating liabilities	4,011	4,140
Amounts due to fixed asset suppliers	561	905
Amounts due to fixed asset suppliers	561	905
Other liabilities	4,573	5,045

"Accrued rental expenses rebilled to lessees" includes an amount of EUR 931k 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, 2015	Undiscounted contractual value	Undiscounted contractual value		
			Due in 1 year or less	Due in more than 1 year but less than 5 years	Due in more than 5 years
Non-current liabilities					
Non-current borrowings	402,664	405,000		405,000	
Other non-current borrowings and debt	3,951				3,951
Non-current corporate income tax liability					
Total non-current liabilities	406,615	405,000	-	405,000	3,951
Current liabilities					
Current borrowings	1,626	1,626	1,626		
Other current borrowings and debt	0	0	0		
Trade accounts payable	3,150	3,150	3,150		
Corporate income tax liability	0	0	0		
Other operating liabilities	4,573	4,573	4,573		
Total current liabilities	9,349	9,349	9,349	-	-

Other non-current borrowings and debt correspond 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 2016.

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

	2015 12 months	2014 12 months
Europlaza	18,077	20,770
Arcs de Seine	16,384	14,008
Rives de Bercy	9,849	9,968
Total	44,310	44,746

Note 5.18 Income from other services

Income from other services can be analyzed as follows:

In thousands of euros

	2015 12 months	2014 12 months
Rental expenses rebilled to lessees	6,868	6,489
Real estate taxes rebilled to lessees	4,363	4,833
Other amounts rebilled to lessees and miscellaneous income	118	1,852
Income from other services	11,349	13,173

Note 5.19 Building-related costs

These can be broken down as follows:

In thousands of euros

	2015 12 months	2014 12 months
Rental expenses	6,496	6,463
Taxes	4,736	4,858
Fees	3,143	3,049
Maintenance costs	498	20
Expenses on vacant premises	1,299	1,707
Other expenses	985	243
Building-related costs	17,156	16,341

Fees mainly comprise asset management fees with Commerz Real Investmentgesellschaft and Northwood Investors Asset Management, which amounted to EUR 3,143k at December 31, 2015 compared with EUR 3,049k at December 31, 2014. These fees are based on the value of the buildings owned as estimated by an external valuer.

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

Rental expenses totaled EUR 12,530k of which EUR 11,231k were rebilled.

Note 5.20 Administrative costs

Administrative costs mainly comprise professional fees for EUR 2,100k and payroll expenses for EUR 957k.

Note 5.21 Financial income and expenses

Financial income and expenses can be broken down as follows:

In thousands of euros

	2015 12 months	2014 12 months
Financial income	15	17
Financial expenses	(14,719)	(14,533)
Interest and charges on bank borrowings	(14,719)	(14,533)
Net financial expense	(14,705)	(14,515)

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 in respect of their property rental activities.

Income tax expense for the reporting period can be broken down as follows:

In thousands of euros

	2015 12 months	2014 12 months
Corporate income tax[1]		11
Additional corporate income tax contribution[2]	662	301
Corporate income tax	662	312

(1) Corporate income tax on other taxable activities (other than property rental activities).
(2) Additional corporate income tax contribution on amounts distributed.

Note 5.23 Earnings per share

Earnings per share is calculated by dividing consolidated net income attributable to owners of Cegereal SA by the number of ordinary shares net of treasury shares at December 31, 2015, i.e., 13,538. 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 equity financing) 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;
– early repayment of the loan in the event of a change of control of the Company or the total or partial sale of one of the buildings, unless authorized by the bank;
– repaying the loan in advance, which would give rise to breakage costs and an early repayment indemnity.

Further commitments were given in connection with the amendment to the loan agreement dated August 7, 2014. These concerned:

– informing the agent about any works agreements signed;
– carrying out the renovation work before the end of 2016 based on the scope defined in the works budget while respecting lessees' rights;
– agreeing not to replace the companies responsible for carrying out the work without the agency's agreement, once the works agreements have been signed and provided the companies do not default;
– financing any additional work out of equity along with any additional expenses not initially budgeted for;
– paying all of the amounts due to the technical expert;
– on completion of the renovation work, providing the agency, as soon as possible, with (i) a copy of the acceptance report, (ii) a copy of the statement specifying that the works are duly complete and were carried out as planned, and (iii) a copy of the certificate stating that the compliance of the work is not contested.

COMMITMENTS RECEIVED

Security deposits received from lessees amounted to EUR 14,758k at December 31, 2015.

On December 15, 2015, Huawei signed an amendment to its lease at the Arcs de Seine building for an additional surface area of 203 sq.m.

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.

Until the entry into force of Act no. 2014-626 of June 18, 2014 on craftspeople, small traders and micro businesses (the "Pinel Act"), the parties could contractually override this three-year termination period. This possibility is now limited in certain cases for leases signed on or after September 1, 2014 (the date on which the Pinel Act came into effect).

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. Pursuant to Article R.145-35 of the French Commercial Code, some of these charges cannot be rebilled.

Minimum guaranteed rental income from current operating leases:

At December 31, 2015, 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 until the earliest possible termination dates of the different operating leases was as follows:

In thousands of euros

	Minimum annual rental income	
	2015	2014
2016	51,697	44,707
2017	44,425	42,186
2018	38,151	36,815
2019	35,047	33,695
2020	27,971	26,352
2021	21,873	19,901
2022	1,869	355
2023	1,695	

These rents represent amounts to be invoiced, excluding the impact of staggering the 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's majority shareholder until November 5, 2015, 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.

Following the acquisition of *hausInvest's* stake in Cegereal on November 5, 2015, the Northwood Concert became the Group's majority shareholder. Accordingly, transactions with the Northwood Concert and Northwood Investors France Asset Management SAS are considered related party transactions.

The main transactions with related parties comprise the asset management agreements entered into with Commerz Real and Northwood Investors France Asset Management SAS (see Note 5.19).

In thousands of euros

	2015 12 months	2014 12 months
Impact on operating income		
Building-related costs: Asset management fees	3,143	3,049
Administrative costs: Fees	181	
Impact on net financial expense		
Financial expenses		
Total impact on statement of comprehensive income	3,325	3,049
Impact on assets		
Prepaid expenses		
Other receivables	181	
Total impact on assets	181	
Impact on liabilities		
Non-current borrowings		
Trade accounts payable	181	832
Total impact on liabilities	181	832

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 2014 and EUR 25k for 2015. The compensation for 2015 was paid in December of that year.

(ii) Compensation of key management personnel

In thousands of euros

Categories of employee benefits	2015 12 months	2014 12 months
Short-term employee benefits	519	366
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		
Share-based payment		
Total	519	366

Non-compete, non-solicitation, non-disparagement and confidentiality agreement

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non compete, non-solicitation, non-disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:

– his last fixed monthly compensation; and

– 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

– release him from his non-compete agreement, in which case the corresponding non compete benefits shall not be due; or,

– reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

(iii)) Directors' fees
Directors' fees of EUR 119k were paid for 2014.
Directors' fees of EUR 119k were paid for 2015.

(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 Northwood Investors, namely certain directors.

Note 5.26 Personnel

At December 31, 2015, the Group had four employees, compared to two employees at December 31, 2014.

Note 5.27 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92066 Paris La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean et Associés
35 avenue Victor Hugo
75016 Paris
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, 2015 and 2014 were as follows:

In thousands of euros

	Amount (net of taxes)		%	
	2015	2014	2015	2014
Statutory audit of the financial statements	240	236	79	92
Advisory services and services directly related to the statutory audit engagement	64	21	21	8
Total	304	257	100	100

Note 5.28 Subsequent events

At December 31, 2015, no shareholder or group of shareholders acting in concert held 60% or more of the Company's capital and/or voting rights, a threshold the Company is required to comply with in order to retain its SIIC status (see Note 2.8).

However, as Northwood exceeded the 30% holding threshold, it was required to make a mandatory public offer.

Northwood, which held 98.44% of Cegereal's share capital following the tender offer that closed on January 25, 2016, has sold a portion of its CGR shares, representing 40.96% of Cegereal's capital, in a financing round with leading institutional investors, including GIC, which took up 25%.

On 6 April 2016, the Northwood concert now only holds 57.48% of Cegereal and this transaction allows Cegereal to continue to benefit from the REIT tax regime.

2.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 160,470,000

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 also includes information relating to the specific verification of information given in the Group's management report.

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

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2015

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, 2015, 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 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, 2015 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

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Notes 2.3 and 2.4 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, April 14, 2016	Paris, April 14, 2016
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	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, 2014 and the related Statutory Auditors' report presented on pages 104 to 113 and page 114, respectively, of the 2014 Registration Document filed with the AMF on March 6, 2015 under no. D. 15-0108, are incorporated by reference into this document.

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2013 and the related Statutory Auditors' report presented on pages 80 to 89 and page 90, respectively, of the 2013 Registration Document filed with the AMF on April 10, 2014 under no. D. 14-0324, 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 sections III.3.4. and III.3.5.

The annual financial statements for the year ended December 31, 2015 were prepared in accordance with French generally accepted accounting principles applicable to individual financial statements.

FINANCIAL POSITION/STATUTORY FINANCIAL STATEMENTS

At December 31, 2015, shareholders' equity stood at EUR 361,003k compared with opening shareholders' equity of EUR 386,501k.

At December 31, 2015, cash and cash equivalents stood at EUR 109k, a EUR 351k decrease compared with December 31, 2014. The main changes during the year ended December 31, 2015 contributing to this decrease were as follows:

In thousands of euros

SOURCES	
Funds from operations	
Net increase in working capital(1)	26,808
Increase in miscellaneous debt	-
Decrease in fixed assets	152
Dividends received	-
Total sources of funds	26,960

USES	
Funds used in operations	3,469
Dividends paid	22,034
Decrease in bank debt	-
Decrease in miscellaneous debt	1,807
Increase in fixed assets	-
Total uses of funds	27,310

Net change in cash and cash equivalents	(351)

(1) of which EUR 26,480k in dividends accrued in 2014 and paid in 2015.

NET INCOME/(LOSS) BY KEY INDICATOR FOR THE PERIOD

Cegereal's rental activity was transferred to Prothin, its wholly owned subsidiary, within the scope of the partial asset transfer carried out on December 22, 2011 with retroactive effect for accounting and tax purposes from July 1, 2011. Since 2012, Cegereal's activity has therefore included acting as holding company for the shares of Prothin.

In thousands of euros

	2015 12 months	2014 12 months
Net revenue	47	
Other operating revenue	27	21
Total operating revenue	**74**	**21**
Other purchases and external charges	(1,745)	(1,489)
Taxes, duties and other levies	(129)	(51)
Wages and salaries	(916)	(380)
Fixed assets: depreciation and amortization		
Other operating expenses	(123)	(128)
Total operating expenses	**(2,913)**	**(2,048)**
Operating loss	**(2,839)**	**(2,026)**
Total financial income	6	68,305
Total financial expenses	(16)	(505)
Net financial income/(expense)	**(10)**	**67,800**
Net non-recurring income	**48**	**78**
Corporate income tax	(662)	(312)
Net income/(loss)	(3,463)	65,539

3.2. APPROPRIATION OF CEGEREAL SA'S NET LOSS FOR THE YEAR ENDED DECEMBER 31, 2015

APPROPRIATION OF NET LOSS

The next Annual General Shareholders' Meeting will be asked to approve the following appropriation of the 2015 net loss:

Source:

– 2015 net loss: EUR 3,463,161

– Retained earnings: EUR 30,409

Appropriation:

- A negative EUR 30,409 to "Retained earnings", bringing the total amount recorded under this account to zero.
- A negative EUR 3,432,752 to "Other reserves", reducing the total amount recorded under this account from EUR 30,188,422 to EUR 26,755,670.

DISTRIBUTION OF RESERVES

The next Annual General Shareholders' Meeting will be asked to approve a distribution of EUR 26,745,000, i.e., EUR 2.0 per share.

The balance of "Other reserves" will therefore be reduced from EUR 26,755,670 (after appropriation of the net loss for the period) to EUR 10,670.

The ex-dividend date is July 18, 2016.

The dividends will be paid on July 20, 2016.

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 three years are shown below:

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate	Dividend treated as the reimbursement of a contribution
	Dividends	Other income distributed		
Dec. 31, 2012	-	-	-	8,692,125
Dec. 31, 2013	-	-	-	10,029,375
Dec. 31, 2014	32,094,000	-	-	-

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 12,066 of expenses and charges referred to in Article 39-4 of the French Tax Code as well as the related tax (excess tax depreciation of rented passenger vehicles).

INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS OF CEGEREAL SA

Amounts outstanding with respect to suppliers amounted to EUR 823k, chiefly comprising accrued expenses, and were not yet due at December 31, 2015. Trade accounts payable totaled EUR 358k at December 31, 2014, of which EUR 8k 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, 2015.

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, 2015	Dec. 31, 2014
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		361,229,772		361,229,772	387,709,685
Other long-term investments					
Loans					
Other financial fixed assets		643,078		643,078	788,846
FIXED ASSETS		361,872,850		361,872,850	388,498,531
Inventories and work in progress					
Raw materials and other supplies					
Manufactured products in progress					
Services in progress					
Semi-finished and finished goods					
Goods held for resale					
Advances/down payments on orders					
Receivables					
Trade accounts receivable					
Other receivables	**5.4**	266,196		266,196	21,067
Subscribed capital, called up but not paid					
Short-term investment securities					
Cash and cash equivalents	**5.3**	**109,145**		**109,145**	**460,028**
CURRENT ASSETS		375,341		375,341	481,095
Prepaid expenses	**5.7**	**58,718**		**58,718**	**87,792**
Adjustment accounts					
TOTAL ASSETS		362,306,909		362,306,909	389,067,418

In euros

EQUITY AND LIABILITIES	Notes	Dec. 31, 2015	Dec. 31, 2014
Capital			
Share capital (including paid-up capital: 160,470,000)	**5.8**	160,470,000	160,470,000
Additional paid-in capital		5,388,776	5,388,776
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		30,188,422	
Retained earnings			
Retained earnings/(accumulated losses)		30,409	(3,256,815)
Net income/(loss) for the year		(3,463,161)	65,539,236
Interim dividend			(10,029,375)
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	5.9	361,003,310	386,500,686
Income from the issue of equity instruments			
Contingent advances			
OTHER EQUITY			
Contingency provisions			
Loss provisions			
CONTINGENCY AND LOSS PROVISIONS			
Non-current borrowings and debt			
Convertible bonds			
Other bonds			
Bank borrowings			
Miscellaneous borrowings and debt	**5.6**		1,806,957
Trade accounts payable and other current liabilities			
Advances/down payments received on orders in progress			
Trade accounts payable	**5.4**	823,374	357,837
Tax and social liabilities	**5.4**	480,224	401,938
Amounts owed to fixed asset suppliers			
Other liabilities	**5.4**		
Prepaid revenue			
LIABILITIES		1,303,598	2,566,732
Adjustment accounts			
TOTAL EQUITY AND LIABILITIES		362,306,909	389,067,418

INCOME STATEMENT – FRENCH GAAP

In euros

	France	Exports	Notes	2015 12 months Total	2014 12 months Total
Sales of goods for resale					
Sales of manufactured products					
Sales of services			**5.11**	46,667	
NET REVENUE	0	0		46 667	
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				27,155	21,208
Other revenue					1
Total operating revenue				73,822	21,209
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**	1,745,487	1,488,996
Taxes, duties and other levies				129,284	50,810
Wages and salaries				649,380	258,734
Social security charges				266,126	121,105
Fixed assets: depreciation and amortization					
Fixed assets: provisions for impairment					
Current assets: provisions for impairment					
Contingency and loss provisions					
Other expenses				122,762	127,967
Total operating expenses				2,913,039	2,047,612
OPERATING LOSS				(2,839,218)	(2,026,403)
Allocated income or transferred loss					
Loss incurred or transferred income					
Financial income from controlled entities					68,300,000
Income from other securities and receivables					
Other interest income				144	4,797
Reversal of provisions for impairment, other provisions and expense transfers				5,956	
Foreign exchange gains					
Net income on sale of short-term investment securities					
Total financial income				6,100	68,304,797
Depreciation, amortization, provisions for impairment and other provisions					5,956
Interest expenses				16,302	499,078
Foreign exchange losses					
Net expenses on sales of short-term investment securities					
Total financial expenses				16,302	505,034
NET FINANCIAL INCOME/(EXPENSE)				(10,202)	67,799,763
RECURRING INCOME/(LOSS) BEFORE TAX				(2,849,420)	65,773,360

In euros

	Notes	2015 12 months Total	2014 12 months Total
Non-recurring income on management transactions			
Non-recurring income on capital transactions		53,309	78,336
Reversal of provisions for impairment, other provisions and expense transfers			
Total non-recurring income		53,309	78,336
Non-recurring expenses on management transactions			
Non-recurring expenses on capital transactions		5,111	
Depreciation, amortization and provisions for impairment			
Total non-recurring expenses		5,111	
NET NON-RECURRING INCOME	5.13	48,198	78,336
Employee profit sharing			
Corporate income tax		661,939	312,460
TOTAL INCOME		133,230	68,404,342
TOTAL EXPENSES		3,596,391	2,865,106
NET INCOME/(LOSS)		(3,463,161)	65,539,236

3.5. NOTES TO THE ANNUAL FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2015

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).

Following the change in control of Cegereal, a draft simplified public tender offer was filed on December 17, 2015 for all of the Company's 13,372,500 shares, excluding the 7,993,489 shares acquired by the Northwood Concert and 13,538 treasury shares, at a price of EUR 35.65 per share.

Note 1.2 Fiscal year

The fiscal year covers a 12-month period from January 1 to December 31, 2015.

Note 1.3 Presentation of comparative financial information

The information presented in the annual financial statements for the year ended December 31, 2015 includes comparative data in relation to the year ended December 31, 2014.

3.5.2 SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2015 were prepared in accordance with the 2014 French general chart of accounts (Standard 2014-03 issued by the French accounting standard-setter, or ANC) which came into force on October 16, 2014, 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, 2015 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 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 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 "Net 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, 2015, 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 2015 compared to 2014.

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, 2015	Increases	Decreases	Gross value at Dec. 31, 2015
Equity investments	349,301,810			349,301,810
Receivables on equity investments	38,407,875		26,479,913	11,927,962
Treasury shares	557,763	658,546	862,246	354,063
Cash used in the liquidity agreement	237,040	810,240	758,269	289,011
Total financial fixed assets	388,504,488	1,468,786	28,100,428	361,872,846

At December 31, 2015, Cegereal held 13,538 of its own shares out of a total of 13,372,500 shares, representing an amount of EUR 354,063. During the year, 22,842 shares were purchased and 31,529 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, 2015	Additions	Reversals	Amount at Dec. 31, 2015
On treasury shares	5,956		5,956	
On trade accounts receivable			-	
Total impairment	5,956	-	5,956	-

Note 5.3 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

In euros

Cash and cash equivalents	Dec. 31, 2015	Dec. 31, 2014
Bank accounts	109,145	460,028
Time deposits		
Accrued interest receivable		
Total	109,145	460,028

Note 5.4 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2015 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	266,196	266,196	
Total receivables	266,196	266,196	-

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	0	0		
Miscellaneous borrowings and debt	0	0		
Trade accounts payable	823,374	823,374		
Tax and social liabilities	480,224	480,224		
Amounts due to fixed asset suppliers	0	0		
Other liabilities	0	0		
Total payables	1,303,598	1,303,598	-	-

Note 5.5 Accrued income and expenses

At December 31, 2015, accrued income and expenses can be analyzed as follows:

In euros

Accrued income	Dec. 31, 2015	Dec. 31, 2014
Other receivables		
Cash and cash equivalents		
Total	-	-

Accrued expenses	Dec. 31, 2015	Dec. 31, 2014
Trade accounts payable	802,406	307,469
Tax and social liabilities	366,262	33,210
Total	1,168,668	340,678

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 transactions with related parties stem from a credit agreement between Cegereal SA and Prothin SAS to fund dividend payments as well as the dividend payment made by Prothin SAS to Cegereal SA.

In euros

	2015	2014
Impact on operating income/(loss)		
Rental expenses rebilled (by the Company)	46,667	
Rental expenses rebilled (to the Company)	(28,000)	(84,000)
Asset management fees		
Fees		
Impact on net financial income/(expense)		
Financial expenses	(16,302)	(499,078)
Financial income		
Total impact on income statement	(2,364)	583,078
Impact on assets		
Receivables from controlled entities	11,927,962	38,407,875
Other receivables	29,891	
Prepaid expenses		
Total impact on assets	11,957,853	38,407,875
Impact on liabilities		
Dividends		
Miscellaneous borrowings and debt		1,806,953
Trade accounts payable		
Other liabilities		
Total impact on liabilities	-	1,806,953

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2014 and EUR 25k for 2015.

In accordance with a decision by the Board of Directors, the amounts paid to members of management totaled EUR 519,024 for the year ended December 31, 2015.

At the General Shareholders' Meeting of April 15, 2015, the shareholders set the maximum total annual directors' fees for all Board members at EUR 120k. In December 2015, directors' fees of EUR 119k were paid for the year ended December 31, 2015.

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

Non-compete, non-solicitation, non-disparagement and confidentiality agreement

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non compete, non-solicitation, non-disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:

- his last fixed monthly compensation; and
- 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

- release him from his non-compete agreement, in which case the corresponding non compete benefits shall not be due; or,
- reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

Note 5.7 Prepaid expenses and revenue

At December 31, 2015, prepaid expenses and revenue can be analyzed as follows:

In euros

	Expenses	Revenue
Operating revenue/expenses	58,718	
Financial income/expenses		
Non-recurring income/expenses		
Total impact on income statement	58,718	-

Prepaid expenses consist mainly of trade dues relating to a period after December 31, 2015.

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, 2015	**160,470,000**	**5,388,776**	**155,102,674**	**65,539,237**	**386,500,687**
Appropriation of net income for the previous year			65,539,237	(65,539,237)	
Net loss for the year				(3,463,161)	(3,463,161)
Reversal of the 2014 interim dividend(1)			10,011,914		10,011,914
Dividends paid			(32,046,130)		(32,046,130)
Dec. 31, 2015	160,470,000	5,388,776	198,607,695	(3,463,161)	361,003,310

(1) Interim dividend paid in 2014

The General Shareholders' Meeting of April 15, 2015:

- authorized the Board to implement a share buyback program and cancel the shares repurchased under Article L.225-209 of the French Commercial Code;
- granted the Board authority to increase the Company's share capital by capitalizing reserves, profits and/or additional paid-in capital;
- 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, 2015, 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	4,762,509
Total	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	4,762,509

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 carried out on December 22, 2011 with retroactive effect from July 1, 2011. Accordingly, Cegereal acted as the holding company for Prothin's shares between 2012 and 2015 and its only revenue corresponded to management fees rebilled to Prothin SAS.

Note 5.12 Breakdown of certain income statement items

At December 31, 2015, other purchases and external charges can be analyzed as follows:

In euros

	2015 12 months	2014 12 months
Expenses rebilled to lessees		
Rental expenses	15,756	14,714
Maintenance and repair of buildings		
Expenses on vacant premises		
Fees	852,206	698,148
Publications	457,928	329,275
Sundry expenses	419,598	446,858
Total	1,745,487	1,488,995

Note 5.13 Non-recurring items

Non-recurring items for the year ended December 31, 2015 correspond 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, 2015. 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.

Income tax expense for the reporting period can be analyzed as follows:

In thousands of euros

	2015 12 months	2014 12 months
Corporate income tax(1)		11
Additional corporate income tax contribution(2)	662	301
Charge d'impôts	662	312

(1) Corporate income tax on other taxable activities (other than property rental activities).
(2) Additional corporate income tax contribution on amounts distributed.

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 periods ended before 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 periods ended before 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 subsidiaries choose to leave the SIIC tax regime within the ten years following the date of their election for SIIC tax treatment, they are liable for additional income tax on the capital gains that were taxed at reduced rates. The SIICs and their subsidiaries must also add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts. The amount of income tax due is increased by a 25% tax on unrealized capital gains on buildings, rights under real estate finance leases and holdings that were acquired during the period SIIC tax treatment was applied, less one-tenth for each calendar year lapsed since the entity opted for the regime.

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 from tax-exempt income 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 due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

Note 5.15 Statement of subsidiaries and investments

In euros

	Share capital	Shareholders' equity other than share capita	% interest held	Carrying amount of shareholdings	Outstanding loans and advances granted by the Company and not yet repaid(2)	Amount of guarantees and endorsements given by the Company	2015 revenue (net of taxes)	2015 net loss	Dividends received by the Company in 2015(1)
Subsidiaries (more than 50%-owned)									
- Prothin SAS	151,870,350	94,846,019	100	349,301,810	11,927,962		55,581,707	(1,709,266)	
Investments (between 10%and 50%-owned)									
Total	151 870 350	94,846,019	100	349,301,810	11,927,962	-	55,581,707	(1,709,266)	-

(1) No dividends were received by Cegereal in 2015.
(2) Receivable corresponding to the portion of the additional paid-in capital not yet paid by Prothin.

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 undertook to hold all Prothin SAS shares for a period of three years. Similarly, Prothin SAS agreed to maintain the EUR 196,911k in additional paid-in capital (contribution premium) under shareholders' equity for the same period, unless this restriction were to be waived in the event the company had surplus cash.

These commitments expired on December 23, 2014.

Note 5.17 Recommended appropriation of net loss

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that a dividend of EUR 2 per share be paid for the 2015 fiscal year.

Note 5.18 Headcount

The employment contracts for Cegereal's employees were transferred from Prothin SAS to Cegereal SA on May 1, 2015. The Company therefore had four employees in 2015.

The Group only has four 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, 2015.

Note 5.19 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92923 Paris La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean et Associés
35 avenue Victor Hugo
75016 Paris
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to the Statutory Auditors for the year ended December 31, 2015:

In euros

	Amount (net of taxes)		%	
	2015	2014	2015	2014
Statutory audit of the financial statements	151,113	147,164	91	88
Advisory services and services directly related to the statutory audit engagement	15,780	20,727	9	12
Total	166,893	167,890	100	100

Note 5.20 Subsequent events

At December 31, 2015, no shareholder or group of shareholders acting in concert held 60% or more of the Company's capital and/or voting rights, a threshold the Company is required to comply with in order to retain its SIIC status (see Note 5.14).

However, as Northwood exceeded the 30% holding threshold, it was required to make a mandatory public offer.

Northwood, which held 98.44% of Cegereal's share capital following the tender offer that closed on January 25, 2016, has sold a portion of its CGR shares, representing 40.96% of Cegereal's capital, in a financing round wth leading institutional investors, including GIC, which took up 25%.

On 6 April 2016, the Northwood concert now only holds 57.48% of Cegereal and this transaction allows Cegereal to continue to benefit from the REIT tax regime.

3.6. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 160,470,000

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 also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

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

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2015

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, 2015, 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, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.1 to the financial statements, which 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 accounting methods applied 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 estimates are based and assessing the procedures used by Executive Management to approve these estimates.

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 and holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense, April 14, 2016	Paris, April 14, 2016
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	Thierry Denjean
Partner	Partner

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

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 160,470,000

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.

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting to approve the financial statements for the year ended December 31, 2015

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 the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, 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

In accordance with Article L.225-40 of the French Commercial Code, we were informed of the following agreements and commitments authorized by the Board of Directors.

Non-compete, non-solicitation, non-disparagement and confidentiality agreement with the Chief Executive Officer

On November 5, 2015, the Board decided to request that the Chief Executive Officer, Raphael Tréguier, sign a non-compete (valid for a period of six months as of the termination of his duties), non-solicitation, non-disparagement and confidentiality agreement.

The agreement entitles the Chief Executive Officer to non-compete benefits, payable monthly in an amount equal to:

- his last fixed monthly compensation; and
- 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

These non-compete benefits would be paid monthly during the six-month period following the termination of his duties.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

- release him from his non-compete agreement, in which case the corresponding non compete benefits shall not be due; or,
- reduce the period of the non-compete agreement, in which case the non compete benefits will only be due for that reduced period.

In accordance with French law, we hereby inform you that the authorization granted by the Board of Directors does not give the reasons as to why the commitment is beneficial for the Company, as required by 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, 2015.

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, 2015.

On October 29, 2015, the Board authorized the termination of this agreement by mutual consent and it was terminated on the same day.

The Statutory Auditors

Paris-La Défense, April 14, 2016	Paris, April 14, 2016
KPMG Audit FS I	**Denjean & Associés**
Régis Chemouny	Thierry Denjean
Partner	Partner

LEGAL INFORMATION

1. General shareholders' meeting of May 26, 2016

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 May 26, 2016 to report on the Company's and Group's activity in the course of the year that began on January 1, 2015 and ended on December 31, 2015, and to submit that year's annual and consolidated financial statements to the shareholders for approval. The shareholders have also been convened in particular to decide on the items of the agenda indicated in section IV.1.2.

BOARD OF DIRECTORS' REPORT ON THE AGENDA OF THE MAY 26, 2016 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 IV.1.2.

Approval of the financial statements

The first two resolutions submit the previous year's annual and consolidated financial statements, showing a net loss of EUR 3,463,161 and net attributable income of EUR 80,956,736 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 the 2015 net loss and setting of the dividend

The fourth resolution proposes the following appropriation of the 2015 net loss:

Source:

- 2015 net loss: EUR 3,463,161
- Retained earnings: EUR 30,409

Appropriation:

- A negative EUR 30,409 to "Retained earnings", bringing the total amount recorded under this account to zero.
- A negative EUR 3,432,752 to "Other reserves", reducing the total amount recorded under this account from EUR 30,188,422 to EUR 26,755,670.

Distribution of reserves

The fifth resolution proposes a distribution of reserves in an amount of EUR 26,745,500, i.e., EUR 2.0 per share.

If this proposal is adopted, the distribution will take place on July 20, 2016.

Related-party agreements

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

The seventh resolution concerns the approval of a related party commitment to pay compensation to Raphaël Tréguier in the event of termination of his duties as Chief Executive Officer pursuant to a non-compete agreement. The terms and conditions governing the payment of such compensation are set out in the Statutory Auditors' special report.

Directors' fees

The eighth resolution relates to directors' fees. The shareholders are being asked to set the overall amount of directors' fees allocated to members of the Board of Directors at EUR 200,000. Said sum shall apply to the current fiscal year and shall remain unchanged until a further resolution is passed.

Executive corporate officers' compensation

The ninth and tenth 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 November 2015 update of the AFEP MEDEF Corporate Governance Code, 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 2015 fiscal year to Richard Wrigley (Chairman of the Board of Directors), and to Raphaël Tréguier (Chief Executive Officer), as presented in the Chairman's report on internal control and corporate governance in section IV.6.3 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 eleventh 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 45 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 October 14, 2016.

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 will terminate the authorization granted to the Board of Directors by the April 15, 2015 Ordinary Shareholders' 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 twelfth 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.

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 45 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 60,176,250.

The twelfth 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. The text of the twelfth resolution is included in section IV.1.2 below.

Authorities to increase share capital

a) <u>Stock options and free shares</u>

The thirteenth resolution concerns the granting of free shares to Group employees and corporate officers.

The General Shareholders' Meeting of June 26, 2013 authorized the Board of Directors to grant stock subscription options and/or stock purchase options to employees and/or certain corporate officers. The Board has not used this authorization. This authorization will terminate on August 26, 2016 and the shareholders are not being asked to renew it.

However, the shareholders are being asked to authorize the Board of Directors, for a period of 38 months, to once again implement its policy of free share grants to Group employees and corporate officers.

The total number of shares that may be granted pursuant to this authorization may not exceed 0.5% of the Company's share capital on the first grant date. This amount is independent from the limits provided for in other delegations of authority to increase the share capital approved by the Extraordinary Shareholders' Meeting of April 15, 2015.

The text of the thirteenth resolution is included in section IV.1.2 below.

b) <u>Fourteenth resolution: Delegation of authority to increase the share capital by issuing shares without pre-emptive subscription rights in favor of members of a company savings plan (Articles L.225-129-6, L.225-138-1 of the French Commercial Code and L.3332-18 *et seq.* of the French Labor Code)</u>

This resolution has been submitted in order to comply with Article L.225-129-6 of the French Commercial Code, under the terms of which the Extraordinary Shareholders' Meeting is also asked to vote on a resolution referring to capital increases in application of Articles L.3332-18 *et seq.* of the French Labor Code (*Code du travail*) when it delegates its authority to carry out capital increases in cash.

Under this delegation of authority, the shareholders are asked to authorize the Board of Directors to increase the share capital in favor of members of a company savings plan, in accordance with Articles L.3332-18 *et seq.* of the French Labor Code, by issuing ordinary cash shares and, where applicable, by granting free ordinary shares or other securities granting access to the share capital.

In compliance with the law, the General Shareholders' Meeting would cancel shareholders' pre emptive subscription rights.

The maximum nominal amount of the increase(s) in share capital that could be carried out by means of this delegation of authority is 1% of the amount of the share capital at the time of the Board of Directors' decision to carry out the increase.

This delegation of authority is granted for 26 months.

In compliance with Article L.3332-19 of the French Labor Code, the price of the shares to be issued may not be over 20% (or 30% if the lock-up period provided for by the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more), lower than the average of the opening price of the share during the 20 trading days prior to the Board of Directors' decision to increase the share capital and issue the corresponding shares; nor may it be higher than said average.

The Board of Directors is granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its sole discretion, the costs of the capital increase(s) to paid-in capital relating thereto, deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

Obviously, the completion of such a reserved capital increase remains subject to the Company having employees and a company savings plan.

Consequently, owing to the Company's particular situation, the Board requests that shareholders purely and simply reject this resolution and vote against the proposed increase in share capital that will be submitted to them only to satisfy legal provisions.

The text of the fourteenth resolution is included in section IV.1.2 below.

Amendments to the bylaws

Resolutions fifteen to seventeen relate to amendments to the Company's bylaws.

The shareholders are being asked to amend:

- Article 2 relating to the Company's corporate purpose, in order to enable the Company to complete acquisitions indirectly through a subsidiary in which it does not necessarily hold 100% of the capital and voting rights and, in general, to broaden the scope of the real estate transactions it can carry out;
- Article 16 in order to provide for the option to appoint one or more Vice-Chairmen to the Board of Directors; and
- Article 15.2 in order to reduce the length of directors' terms of office from six to four years. This amendment would only apply to current Board members' terms of office when such terms of office expire.

Terms of office of the members of the Board of Directors

Resolutions eighteen to twenty-five relate to the appointment, re-appointment and ratification of the co-optation of the Company's Board of Directors.

We are seeking ratification of:

- Marie-Flore Bachelier's co-optation as director at the Board of Directors' meeting of February 17, 2016, to replace outgoing director Jean-Pierre Bonnefond for the remainder of her predecessor's term, i.e., until the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2017;
- Richard Strachan's co-optation as director at the Board of Directors' meeting of February 17, 2016, to replace outgoing director GMF Vie for the remainder of his predecessor's term, i.e., until the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2015;
- Jean-Marc Besson's co-optation as director at the Board of Directors' meeting of April 14, 2016, to replace outgoing director Richard Wrigley for the remainder of his predecessor's term, i.e., until the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2016;
- the co-optation of Euro Fairview Private Limited, represented by Sebastien Abascal, as director at the Board of Directors' meeting of April 14, 2016, to replace outgoing director Richard Strachan for the remainder of his predecessor's term, i.e., until the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2015

The shareholders are invited to renew the terms of office of Euro Fairview Private Limited, represented by Sebastien Abascal, and those of Khaled Kudsi and Europroperty Consulting, represented by Alec Emmott. Subject to the amendment to Article 15.2 of the Company's bylaws, these new terms of office will last four years.

The shareholders are also invited to appoint Euro Lily Private Limited, represented by Madeleine Cosgrave, as a director. Subject to the amendment to Article 15.2 of the Company's bylaws, this new term of office will last four years.

The candidates' profiles are presented hereafter:

- Khaled Kudsi is a senior managing director responsible for sourcing and executing real estate equity and debt investments in the United States and Europe. Since joining Northwood Investors in 2010, Mr. Kudsi has played a key role in the development of the company's real estate investment activities in Europe, including investments in tourism, office and retail properties totaling around USD 4 billion.

  At December 31, 2015, Khaled Kudsi did not hold any Cegereal shares.

- Europroperty Consulting is a French société à responsabilité limitée (limited liability company) with share capital of EUR 10,000, whose registered office is located at 3 rue Jadot, 78100 Saint Germain en Laye, registered with the Versailles Trade and Companies Registry under no. 499 053 981, whose permanent representative will be Alec Emmott, born on December 16, 1947 in Dorking, Surrey (United Kingdom), a British national, residing at 3 rue Jadot, 78100 Saint Germain en Laye. He graduated with 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 until 2007, when he became principal of Europroperty Consulting.

  At December 31, 2015, Europroperty Consulting did not hold any Cegereal shares and Alec Emmott held 500 Cegereal shares.

- Marie-Flore Bachelier is Chief Financial Officer of Novaxia. Before joining Novaxia, she was Chief Financial Officer, Head of Investor Relations and Secretary General of Mercialys for nine years, where she supported the company's growth following its initial public offering, developed its financing structure and helped to make Mercialys a benchmark property company. Prior to that, she was Deputy Head of Investor Relations at AXA Group for seven years and was also in charge of Group Reporting and Financial Control for the real estate portfolio at AXA Real Estate Investment Managers for seven years. She is a graduate of the École de Management de Normandie, where she specialized in Finance and Control.

  At December 31, 2015, Marie-Flore Bachelier did not hold any Cegereal shares.

- Jean-Marc Besson is Senior Managing Director of Beacon Capital Partners France SAS, a subsidiary of US group Beacon Capital Partners, since its creation in 2006. Prior to joining Beacon, Mr. Besson was Managing Director of Hammerson France for six years and Finance Director at McDonald's, France, from 1991 to 1997. Mr. Besson holds a Master's degree in Corporate Finance and Financial Engineering from Paris-Dauphine University.

  Jean-Marc Besson does not currently hold any Cegereal shares.

- Euro Fairview Private Limited is a Singaporean company, whose registered office is located at 168, Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Trade and Companies Registry under no. 199905129R, represented by Sebastien Abascal, a French national, born on June 28, 1977 in Paris, residing at 3 New Quebec Street (Flat 2), London, W1H 7RE, United Kingdom.

  Sebastien Abascal is Senior Vice President at GIC Real Estate, the real estate arm of the Government of Singapore Investment Corporation. Based in London, he oversees GIC's portfolio and investments in France and Germany and some strategic investments in Spain.
  Prior to joining GIC, Mr Abascal spent six years (2001-2007) at GE Capital within their European real estate corporate acquisition team. He graduated in 2001 with a degree in engineering from École Centrale de Lyon.
  Neither Euro Fairview Private Limited nor Sebastien Abascal currently hold any Cegereal shares.

- Euro Lily Private Limited is a Singaporean company, whose registered office is located at 168, Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Trade and Companies Registry under no. 200503470M, represented by Madeleine Cosgrave, a British national, born on March 21, 1967 in London (United Kingdom).

Madeleine Cosgrave is Managing Director and Deputy Regional Head of Europe at GIC Real Estate. Based in London, she leads GIC's investments in Europe. In addition she overseas GIC's European portfolio. Mrs Cosgrave was previously an associate director at JLL in London (1989-1999). She studied at Cambridge University and is an associate of the Royal Institute of Chartered Surveyors.

Neither Euro Lily Private Limited nor Madeleine Cosgrave currently hold any Cegereal shares.

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

AGENDA

Ordinary resolutions:

1. Approval of the annual financial statements for the year ended December 31, 2015 – Approval of non tax-deductible expenses.
2. Approval of the consolidated financial statements for the year ended December 31, 2015.
3. Discharge to the directors.
4. Appropriation of net loss for the year.
5. Distribution of reserves.
6. Statutory Auditors' special report on related party agreements and commitments and approval of such agreements.
7. Statutory Auditors' special report on related party agreements and commitments and approval of a commitment in favor of Raphaël Tréguier, Chief Executive Officer.
8. Amount of directors' fees to be allocated to members of the Board of Directors.
9. Opinion on the items of compensation owed or awarded for the 2015 fiscal year to Richard Wrigley, Chairman of the Board of Directors.
10. Opinion on the items of compensation owed or awarded for the 2015 fiscal year to Raphaël Tréguier, Chief Executive Officer.
11. 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, term of the authorization, purposes, terms and conditions, limit.

Extraordinary resolutions:

12. 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.
13. Authorization to be granted to the Board of Directors for the purpose of granting, free of consideration, existing shares or shares to be issued to employees and/or corporate officers of the Company and/or its subsidiaries, waiver by shareholders of their pre emptive subscription right, period of validity of the authorization, ceiling, setting of the vesting periods and holding periods.
14. Delegation of authority to the Board of Directors to increase the share capital by issuing shares without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 *et seq.* of the French Labor Code, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, possibility to grant free shares in accordance with Article L.3332-21 of the French Labor Code.
15. Amendment to Article 2 of the bylaws relating to the Company's corporate purpose.
16. Amendment to Article 16 of the bylaws relating to the chairmanship of the Board of Directors.
17. Amendment to Article 15.2 of the bylaws relating to the length of directors' terms of office.

Ordinary resolutions:

18. Ratification of the co-optation of Marie-Flore Bachelier as director.
19. Ratification of the co-optation of Richard Strachan as director.
20. Ratification of the co-optation of Jean-Marc Besson as director.
21. Ratification of the co-optation of Euro Fairview Private Limited, represented by Sebastien Abascal, as director to replace Richard Strachan.
22. Re-appointment of Euro Fairview Private Limited, represented by Sebastien Abascal, as director.
23. Re-appointment of Khaled Kudsi as director.
24. Re-appointment of Europroperty Consulting, represented by Alec Emmott, as director.
25. Appointment of Euro Lily Private Limited, represented by Madeleine Cosgrave, as director.
26. Powers for formalities.

PROPOSED RESOLUTIONS

Ordinary resolutions:

First resolution — Approval of the annual financial statements for the year ended December 31, 2015 – Approval of non tax-deductible expenses

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2015, the General Shareholders' Meeting approves the financial statements for 2015 as presented, i.e., showing a net loss of EUR 3,463,161.

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 12,066 of expenses and charges referred to in Article 39 (4) of the French Tax Code as well as the related tax.

Second resolution — Approval of the consolidated financial statements for the year ended December 31, 2015

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2015, the General Shareholders' Meeting approves the consolidated financial statements as presented, i.e., showing net attributable income of EUR 80,956,736.

Third resolution — Discharge to the directors

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2015, the General Shareholders' Meeting gives the directors full and unconditional discharge for performance of their duties during that period.

Fourth resolution — Appropriation of net loss for the year

On the recommendation of the Board of Directors, the General Shareholders' Meeting decides to appropriate the net loss for the year ended December 31, 2015 as follows:

Source:

- 2015 net loss: EUR 3,463,161
- Retained earnings: EUR 30,409

Appropriation:

- A negative EUR 30,409 to "Retained earnings", bringing the total amount recorded under this account to zero.
- A negative EUR 3,432,752 to "Other reserves", reducing the total amount recorded under this account from EUR 30,188,422 to EUR 26,755,670.

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	Dividend treated as the reimbursement of a contribution
	Dividends	Other income distributed		
Dec. 31, 2012	-	-	-	8,692,125
Dec. 31, 2013	-	-	-	10,029,375
Dec. 31, 2014	32,094,000	-	-	-

Fifth resolution — Approval of a distribution of reserves

In accordance with Article L.232-11, paragraph 2, of the French Commercial Code and ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings, the General Shareholders' Meeting decides to pay a dividend of EUR 26,745,500, deducted from "Other reserves", i.e., EUR 2 per share.

The balance of "Other reserves" will therefore be reduced from EUR 26,755,670 (after appropriation of the net loss) to EUR 10,170.

The ex-dividend date is July 18, 2016.

The dividends will be paid on July 20, 2016.

Should the Company hold any treasury shares on the ex-dividend date, the sums corresponding to the dividends not paid in respect of those shares will be transferred to retained earnings.

Sixth resolution — Statutory Auditors' special report on related party agreements and commitments and approval of such agreements

Having reviewed the related party agreements and commitments presented in the Statutory Auditors' special report, the General Shareholders' Meeting approves the new agreements entered into during the year ended December 31, 2015 mentioned therein, in accordance with Articles L.225-38 *et seq.* of the French Commercial Code.

Seventh resolution — Statutory Auditors' special report on related party agreements and commitments and approval of a commitment in favor of Raphaël Tréguier, Chief Executive Officer

Having reviewed the Statutory Auditors' special report on related party agreements and commitments, the General Shareholders' Meeting approves the commitment to pay compensation to Raphaël Tréguier pursuant to a non-compete agreement in the event of termination of his duties as Chief Executive Officer.

Eighth resolution — Setting of the directors' fees to be allocated to the Board of Directors

The General Shareholders' Meeting sets the overall amount of directors' fees allocated to members of the Board of Directors at EUR 200,000.

Said sum shall apply to the current fiscal year and shall remain unchanged until a further resolution is passed.

Ninth resolution — Opinion on the items of compensation owed or awarded for the 2015 fiscal year to Richard Wrigley, Chairman of the Board of Directors

Consulted in accordance with Section 24.3 of the November 2015 update of the AFEP-MEDEF Corporate Governance Code, 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 2015 fiscal year, as presented in the Chairman's report on internal control and corporate governance in section IV.6.3 of the Registration Document.

Tenth resolution — Opinion on the items of compensation owed or awarded for the 2015 fiscal year to Raphaël Tréguier, Chief Executive Officer

Consulted in accordance with Section 24.3 of the November 2015 update of the AFEP-MEDEF Corporate Governance Code, 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 2015 fiscal year, as presented in the Chairman's report on internal control and corporate governance in section IV.6.3 of the Registration Document.

Eleventh resolution — 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 granted to the Board of Directors by the April 15, 2015 General Shareholders' Meeting in its twelfth 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 twelfth 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.

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 45 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 60,176,250.

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:

Twelfth resolution — 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.
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.

Thirteenth resolution — Authorization to be given to the Board of Directors for the purpose of granting free shares to employees and/or certain corporate officers

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting authorizes the Board to grant, on one or several occasions, in compliance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code, ordinary shares of the Company, either existing or to be issued, to:

- employees of the Company or companies directly or indirectly related to it within the meaning of Article L.225-197-2 of the French Commercial Code;
- and/or corporate officers who meet the criteria set out in Article L.225-197-1 of the French Commercial Code.

The total number of shares granted may not exceed 0.5% of the share capital on the date of this General Shareholders' Meeting, it being specified that the total number of shares to which the options that may be granted by the Board of Directors under the authorization given by the Extraordinary Shareholders' Meeting of June 26, 2013 may grant entitlement shall be deducted from this amount.

Pursuant to this authorization, the free shares, including those granted to executive corporate officers, shall only vest subject to the beneficiary remaining with the Company and fulfilling one or several performance conditions set by the Board of Directors when the decision to award such shares is made.

In accordance with the conditions established by law, the Board of Directors shall, when the decision to award shares is made, set the length of the vesting period, at the end of which the beneficiary shall obtain full ownership of the shares. The vesting period may not be set at less than one year as of the grant date.

Additionally, in accordance with the conditions established by law, the Board of Directors shall, when the decision to award shares is made, set the length of the mandatory holding period, which begins on the date that the shares vest. The holding period may not be set at less than one year. However, in the event that the vesting period is set at two years or more, the Board of Directors may decide to eliminate the holding period.

By way of an exception, the shares shall vest before the end of the vesting period in the event that a beneficiary is deemed to have a disability that falls within the second or third categories provided for by Article L. 341-4 of the French social security code (*Code de la sécurité sociale*).

The existing shares that may be granted under this resolution must be purchased by the Company, either pursuant to Article L.225-208 of the French Commercial Code, or, if applicable, under the share buy-back program authorized under the eleventh ordinary resolution adopted by this General Shareholders' Meeting in accordance with Article L.225-209 of the French Commercial Code, or any share buy-back program applicable either before or after the adoption of this resolution.

The General Shareholders' Meeting duly notes and decides that, in the event that newly issued shares are awarded, this authorization entails the waiver by shareholders of their pre-emptive subscription right to the ordinary shares that will be issued as and when the shares vest in favor of the grantees of the free ordinary shares, and, if applicable at the end of the vesting period, an increase in share capital by capitalizing reserves, profits, or additional paid-in capital, in favor of the grantees of said free shares, and the waiver by shareholders of the capitalized portion of reserves, profits and additional paid-in capital, in favor of said grantees.

Full powers are granted to the Board of Directors to:

- set the terms and conditions of the share grants and, where applicable, any criteria attached thereto;
- determine the beneficiaries of the free shares and the number of shares each beneficiary will receive;
- determine the impact on the beneficiaries' rights of any transactions carried out during the vesting or holding periods that affect the share capital or are likely to affect the value of the shares granted, and change or adjust, if necessary, the number of shares granted in order to preserve said rights;
- set, within the limits set by this resolution, the length of the vesting period for the free share grants and, where applicable, the length of the holding period;
- where applicable:
  - ensure that existing reserves are sufficient and transfer the amount required to pay up the new shares to a blocked reserve account each time free shares are granted;
  - set, at the appropriate time, the amount by which the Company's share capital will be increased by capitalizing reserves, profits, or additional paid-in capital for the issue of new shares granted free of consideration, it being specified that the amount of the capital increase(s) shall not be deducted from the ceiling provided for in the delegation of authority to increase the share capital by capitalizing reserves granted on April 15, 2015;
  - purchase the necessary shares under the share buy-back program and allocate them to the share grant plan;
  - take all necessary steps to ensure that the beneficiaries comply with the mandatory holding period; and
  - generally, do everything that is required to implement this authorization, in accordance with the applicable regulations.

This authorization shall be valid for a period of thirty-eight months from the date of this General Shareholders' Meeting.

This authorization supersedes any previous authorizations with the same purpose.

<u>Fourteenth resolution — Delegation of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to the share capital without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 *et seq.* of the French Labor Code</u>

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting deciding pursuant to Articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code:

1) Delegates authority to the Board of Directors to increase the share capital on one or more occasions, at its sole discretion and if it deems appropriate, by issuing ordinary shares and/or securities granting access to the share capital to members of one or more company or group savings plans set up by the Company and/or any related French or foreign companies, in accordance with the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code;
2) Cancels, in favor of the above persons, the shareholders' pre-emptive subscription rights to the shares that could be issued pursuant to this delegation of authority;
3) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting;
4) Limits the maximum nominal amount of the increase(s) in share capital that could be carried out by means of this delegation of authority to 1% of the amount of the share capital at the time of the Board of Directors' decision to carry out the increase. This amount is independent from any other limits provided for in the delegation of authority to increase the share capital. This amount does not include the amount of additional ordinary shares that may be issued to maintain the rights of holders of securities granting rights to equity instruments of the Company, in accordance with the applicable legal provisions and, where applicable, contractual provisions providing for other adjustments;
5) Decides that the price of the shares to be issued, pursuant to paragraph 1) of this delegation of authority, may not be over 20% (or 30% if the lock-up period provided for pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more), lower than the average opening price of the shares during the 20 trading days prior to the Board of Directors' decision to increase the share capital and issue the corresponding shares; nor may it be higher than said average;
6) Decides, in application of the provisions of Article L.3332-21 of the French Labor Code, that the Board of Directors may allot, free of consideration, new or existing shares or other securities granting access to the share capital of the Company to the beneficiaries referred to in paragraph one above, in respect of (i) the employer's matching contribution that may be paid in application of the regulations of the company or group savings plans and/or (ii) where applicable, the discount;
7) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

The Board of Directors may implement this delegation of authority or not, take any and all measures and perform all the required formalities.

<u>Fifteenth resolution — Amendment to Article 2 of the bylaws relating to the Company's corporate purpose</u>

Having reviewed the Board of Directors' report, the General Shareholders' Meeting decides to extend the Company's corporate purpose and accordingly to amend Article 2 of the bylaws as follows:

"Article 2 – Corporate purpose

The purpose of the Company, both in France and abroad, is to:

1. *acquire, by any means whatsoever, and in particular through purchases, exchanges or contributions in kind, any land, property rights or buildings, whether built or to be built, as well as any assets and rights accessory to or associated with such real estate assets;*
2. *construct buildings and carry out any operations directly or indirectly linked to the construction of such buildings;*
3. *operate and develop these buildings, primarily through the leasing thereof;*
4. *sell and dispose of any real estate assets;*

It may carry out all such activities, either directly or indirectly, and either alone or through a partnership, joint venture, group or company or with any other person(s) or companies;

5. hold interests in the entities referred to in Article 8 and sections 1, 2 and 3 of Article 206 of the French Tax Code (Code général des impôts), whose main purpose is operating real estate assets for leasing;

6. acquire interests in any companies whose main purpose is operating real estate assets for leasing;

7. assist and provide any administrative, technical, legal, accounting, financial or management services to any of the Company's subsidiaries and any companies in which the Company holds an interest;

And more generally, all financial, commercial or industrial transactions, whether in real or movable property, of any kind whatsoever, directly or indirectly related to the Company's corporate purpose as described above, or to any similar or connected purpose likely to facilitate or promote the Company's expansion or development, in any way whatsoever."

Sixteenth resolution — Amendment to Article 16 of the bylaws relating to the chairmanship of the Board of Directors

Having reviewed the Board of Directors' report, the General Shareholders' Meeting decides to incorporate the option to appoint one or several Vice Chairmen into the bylaws, and accordingly to amend Article 16 of the bylaws as follows:

"Article 16 – Chairmanship of the Board of Directors

The Board of Directors shall elect a Chairman from among its members, who must be an individual, and determine his/her compensation 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 may 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 functions of the Chairman shall cease at the end of the fiscal year during which he/she reaches the age of 70.

The Chairman of the Board shall have the powers provided for by law and exercise said 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.

If it deems it useful, the Board may appoint one or more Vice-Chairmen, whose sole duty is to chair Board meetings and General Shareholders' Meetings in the absence of the Chairman. In the absence of the Chairman and the Vice-Chairmen, the Board shall appoint one of the directors present to chair the meeting. The Board may appoint a secretary for each meeting, who need not necessarily be a shareholder."

Seventeenth resolution — Amendment to Article 15.2 of the bylaws relating to the length of directors' terms of office

Having reviewed the Board of Directors' report, the General Shareholders' Meeting decides to reduce the length of directors' terms of office from six to four years, and accordingly to amend Article 15.2 of the bylaws as follows:

"15.2 Term – Dismissal

The length of directors' terms of office is four years, expiring at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year then ended and held in the year during which the term of office expires. All outgoing directors are eligible for re appointment. As an exception to the above rule, terms of office set at six years shall still expire at the date originally set.

Directors may be removed from office at any time by a decision of the Ordinary Shareholders' Meeting."

Ordinary resolutions:

Eighteenth resolution — Ratification of the co-optation of Marie-Flore Bachelier as director

The General Shareholders' Meeting ratifies the decision of the Board of Directors at its meeting of February 17, 2016 regarding the co-optation of Marie-Flore Bachelier, born on October 29, 1969 in Tours, a French national, residing at 54 avenue Flachat, 92600 Asnières sur Seine, as director, to replace outgoing director Jean-Pierre Bonnefond.

Accordingly, Marie-Flore Bachelier will remain in office for the remainder of her predecessor's term, i.e., until the close of the General Shareholders' Meeting held in 2018 to approve the financial statements for the year ending December 31, 2017.

Nineteenth resolution — Ratification of the co-optation of Richard Strachan as director

The General Shareholders' Meeting ratifies the decision of the Board of Directors at its meeting of February 17, 2016 regarding the co-optation of Richard Strachan, born on May 28, 1981 in Johannesburg, a dual British and South African national, residing at 2 Devizes Street, London, N15DY, United Kingdom, as director, to replace outgoing director GMV Vie.

Accordingly, Richard Strachan will remain in office for the remainder of his predecessor's term, i.e., until the close of the General Shareholders' Meeting held in 2016 to approve the financial statements for the year ended December 31, 2015.

Twentieth resolution — Ratification of the co-optation of Jean-Marc Besson as director

The General Shareholders' Meeting ratifies the decision of the Board of Directors at its meeting of April 14, 2016 regarding the co-optation of Jean-Marc Besson, born on February 2, 1958 in Chelles, a French national, residing at 21 place de la Madeleine, 75008 Paris, as director, to replace outgoing director Richard Wrigley.

Accordingly, Jean-Marc Besson will remain in office for the remainder of his predecessor's term, i.e., until the close of the General Shareholders' Meeting called in 2017 to approve the financial statements for the year ending December 31, 2016.

Twenty-first resolution — Ratification of the co-optation of Euro Fairview Private Limited, represented by Sebastien Abascal, as director

The General Shareholders' Meeting ratifies the decision of the Board of Directors at its meeting of April 14, 2016 regarding the co-optation of Euro Fairview Private Limited, a Singaporean company, whose registered office is located at 168, Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Trade and Companies Registry under no. 199905129R, represented by Sebastien Abascal, a French national, born on June 28, 1977 in Paris, residing at 3 New Quebec Street (Flat 2), London, W1H 7RE, United Kingdom, as director, to replace outgoing director Richard Strachan.

Accordingly, Euro Fairview Private Limited, represented by Sebastien Abascal, will remain in office for the remainder of his predecessor's term, i.e., until the close of the General Shareholders' Meeting called in 2016 to approve the financial statements for the year ended December 31, 2015.

Twenty-second resolution — Re-appointment of Euro Fairview Private Limited, represented by Sebastien Abascal, as director

The General Shareholders' Meeting decides to re-appoint Euro Fairview Private Limited, a Singaporean company, whose registered office is located at 168, Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Trade and Companies Registry under no. 199905129R, represented by Sebastien Abascal, a French national, born on June 28, 1977 in Paris, residing at 3 New Quebec Street (Flat 2), London, W1H 7RE, United Kingdom, as director, for four years, expiring at the close of the General Shareholders' Meeting held in 2020 to approve the financial statements for the year ending December 31, 2019.

Twenty-third resolution — Re-appointment of Khaled Kudsi as director

The General Shareholders' Meeting decides to re-appoint Khaled Kudsi, born on November 2, 1978 in Ascot (United Kingdom), a British national, residing at 889 Broadway, Apt 5A, New York, NY-1003 (United States), as director, for four years, expiring at the close of the General Shareholders' Meeting held in 2020 to approve the financial statements for the year ending December 31, 2019.

Twenty-fourth resolution — Re-appointment of Europroperty Consulting as director

The General Shareholders' Meeting decides to re-appoint Europroperty Consulting, a French *société à responsabilité limitée* (limited liability company), whose registered office is located at 3 rue Jadot, 78100 Saint Germain en Laye, registered with the Versailles Trade and Companies Registry under no. 499 053 981, represented by Alec Emmott, as director, for four years, expiring at the close of the General Shareholders' Meeting held in 2020 to approve the financial statements for the year ending December 31, 2019.

Twenty-fifth resolution — Appointment of Euro Lily Private Limited, represented by Madeleine Cosgrave, as director

The General Shareholders' Meeting decides to appoint Euro Lily Private Limited, a Singaporean company, whose registered office is located at 168, Robinson Road, #37-01, Capital Tower, Singapore (068912), registered with the Singapore Trade and Companies Registry under no. 200503470M, represented by Madeleine Cosgrave, a British national, born on March 21, 1967 in London (United Kingdom), in addition to the current Board members, as director, for four years, expiring at the close of the General Shareholders' Meeting held in 2020 to approve the financial statements for the year ending December 31, 2019.

Twenty-sixth resolution — 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

Cegereal SA

Registered office: 42 rue de Bassano, 75008 Paris, France

Share capital: EUR 160,470,000

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.

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL TRANSACTIONS SPECIFIED IN THE TWELFTH, THIRTEENTH AND FOURTEENTH RESOLUTIONS TABLED AT THE GENERAL SHAREHOLDERS' MEETING OF MAY 26, 2016

General Shareholders' Meeting of May 26, 2016

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 (twelfth 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 Shareholders' Meeting, to cancel, within the limit of 10% of the share capital at the time of the Board of Directors' decision to carry out the cancellation, 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 that 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. Authorization to grant free shares, either existing or to be issued, to employees and/or corporate officers (thirteenth resolution)

In our capacity as Statutory Auditors of Cegereal SA, and in compliance with Article L.225-197-1 of the French Commercial Code, we hereby report to you on the authorization sought by the Board of Directors to grant free shares, either existing or to be issued, to employees and/or corporate officers of the Company, which is submitted to you for approval.

Acting on the basis of its report, the Board of Directors proposes that you authorize it, for a period of thirty-eight months from the date of this Shareholders' Meeting, to grant free shares, whether existing or to be issued.

It is the Board of Directors' responsibility to prepare a report on the proposed transaction. It is our responsibility to report to you on the information provided to you on the proposed transaction.

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 methods proposed and the information provided in the Board of Directors' report comply with the applicable legal provisions.

We have no matters to report on the information in the Board of Directors' report concerning the proposed authorization to grant free shares.

3. Share capital increase reserved for members of a company savings plan (fourteenth resolution)

In compliance with the provisions of Articles L.225-135 *et seq.* of the French Commercial Code, we hereby report to you on the proposed delegation of authority to the Board of Directors to increase the share capital, on one or several occasions, by issuing ordinary shares without pre emptive subscription rights, reserved for members of one or more company or group savings plans, within the limit of 1% of the share capital at the time of the Board of Directors' decision to carry out the increase, which is submitted for your approval.

This share capital increase is submitted for your approval in accordance with Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code (*Code du travail*).

On the basis of its report, the Board of Directors proposes that the shareholders delegate authority to the Board, for 26 months, to decide to increase the capital, on one or several occasions, and waive their pre-emptive subscription rights to the ordinary shares to be issued. In such an event, it would be the Board's responsibility to determine the final issuance conditions for this transaction.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to give our opinion as to the fair presentation of the calculations made on the basis of the financial statements, on the proposed cancellation of pre-emptive subscription rights and on certain other information concerning the issuance, given in the report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those standards require that we examine the content of the Board of Directors' report concerning this operation and the terms and conditions for determining the issue price of the new shares.

Subject to a subsequent examination of the conditions of the proposed capital increase once they have been decided, we have no matters to report on the final terms and conditions for determining the issue price given in the Board of Directors' report.

Since the final terms and conditions of the issue have not been set, we do not express an opinion on these terms and conditions, or consequently on the proposed cancellation of shareholders' pre-emptive subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report in the event that the Board of Directors uses this delegation of authority.

The Statutory Auditors

Paris-La Défense, April 14, 2016	Paris, April 14, 2016
KPMG Audit FS I	**Denjean & Associés**
Regis Chemouny	Thierry Denjean
Partner	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 Chief Executive Officer'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 Chief Executive Officer, 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 Chief Executive Officer and the Deputy Chief Executive Officer, was submitted to the Board of Directors for approval on April 14, 2016 and transmitted to the Statutory Auditors.

1. CORPORATE GOVERNANCE

In corporate governance matters, our Company refers to the November 2015 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.	
Proportion of independent directors on the Board of Directors (Section 9.2 of the AFEP-MEDEF Code)	In controlled companies, independent directors should account for at least a third of the Board members (Article 9.2). At April 14, 2016, three of the ten directors were independent (i.e., 30%). The composition of the Board of Directors is linked to the majority shareholder and the minority shareholders being directly involved in the Board's work. Although Northwood Investors controls the Company, it only recommended the appointment of five of the ten directors as two directors were or will be appointed on the recommendation of the main minority shareholder. Furthermore, in order to maintain the Board's effectiveness, we do not consider it appropriate to increase the number of its members.	
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.	

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, 2015, the composition of the Board was as follows:

	Man/ Woman	Nationality	Independent director?	First appointed	Term renewed	Term expires	Committee membership
Richard Wrigley(7)	M	British	Yes	Dec. 31, 2005	June 29, 2011	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	Chairman of the Audit Committee Member of the Investment Committee
Europroperty Consulting Represented by Alec Emmott	M	British	Yes	Feb. 24, 2011		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015	Chairman of the Investment Committee Member of the Appointments and Compensation Committee
GMF VIE (6) Represented by Olivier Le Borgne	M	French	No	June 29, 2010		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015	
John Kukral(1)	M	American	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Erin Cannata(2)	W	American	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Jérôme Anselme(3)	M	French	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Sophie Kramer(4)	W	French	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Khaled Kudsi(5)	M	British	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2015	Member of the Audit Committee

(1) John Kukral was co-opted at the Board of Directors' meeting of October 29, 2015 to replace Commerz Real Investmentgesellschaft mbH, with effect from November 5, 2015. He was appointed as Chairman of the Board of Directors on April 14, 2016 to replace outgoing director Richard Wrigley.
(2) Erin Cannata was co-opted at the Board of Directors' meeting of October 29, 2015 to replace Daniela Lammert, with effect from November 5, 2015
(3) Jérôme Anselme was co-opted at the Board of Directors' meeting of October 29, 2015 to replace Carl-Christian Siegel, with effect from November 5, 2015
(4) Sophie Kramer was co-opted at the Board of Directors' meeting of October 29, 2015 to replace Klaus Waldherr, with effect from November 5, 2015
(5) Khaled Kudsi was co-opted at the Board of Directors' meeting of October 29, 2015 to replace Sabine Röska, with effect from November 5, 2015. He was also appointed as a member of the Appointments and Compensation Committee on April 14, 2016. He resigned as a member of the Audit Committee on April 14, 2016.
(6) GMF Vie resigned as a director on January 15, 2016 and was replaced by Richard Strachan, who was co-opted as a director on February 17, 2016. Richard Strachan resigned as a director on April 14, 2016. GMF Vie was replaced by Euro Fairview Private Limited, represented by Sebastien Abascal, co-opted on April 14, 2016 and appointed as a member of the Audit Committee and the Investment Committee
(7) Richard Wrigley resigned from his positions as director, Chairman of the Audit Committee and member of the Investment Committee on April 14, 2016. He was replaced by Jean-Marc Besson, who was coopted on April 14, 2016. Jean-Marc Besson was also appointed on April 14, 2016 as a member of the Audit Committee and Chairman of the Investment Committee to replace Alec Emmott.

As a reminder, Jean-Pierre Bonnefond resigned from his positions as director, member of the Audit Committee and Chairman of the Appointments and Compensation Committee on December 15, 2015. He was replaced by Marie-Flore Bachelier, who was co-opted at the Board of Directors' meeting of February 17, 2016 and appointed as Chairman of the Audit Committee and member of the Appointments and Compensation Committee. Alec Emmott was appointed on April 14, 2016 as Chairman of the Appointments and Compensation Committee to replace Jean-Pierre Bonnefond.

In addition, at the next General Shareholders' Meeting, the shareholders will be invited to approve the appointment of a tenth director, Euro Lily Private Limited, represented by Madeleine Cosgrave.

No directors are elected by the employees pursuant to Article L.225-27 of the French Commercial Code.

Independence of the Board members

At December 31, 2015, two of the Board members, Richard Wrigley, and Europroperty Consulting, were considered to be independent in accordance with the definition provided in the Reference Code.

As of the date hereof, three of the Board members, Marie-Flore Bachelier, Jean-Marc Besson and Alec Emmot, in his capacity as permanent representative of 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 lead 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, until November 5, 2015, there were two women and seven men on the Board. However, at December 31, 2015, there were two women and six men on the Board. The Company therefore complies with the recommendations of the Reference Code and the provisions of law no. 2011-103 of January 27, 2011 on gender balance at Board level and gender equality.

If Euro Lily Private Limited, represented by Madeleine Cosgrave, is appointed as director at the next General Shareholders' Meeting, the Company will comply with the objective of ensuring that at least 40% of its Board members are women, which must be achieved by January 1, 2017.

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 April 15, 2015 Annual General Shareholders' Meeting, Graham Spensley was re-appointed as non-voting director for a three-year term expiring at the close of the General Shareholders' Meeting convened in 2018 to vote on the financial statements for the year ending December 31, 2017. His assignment is to issue opinions and suggestions to the Company's committees and to assist the Board of Directors in determining corporate strategy.

He resigned as a non-voting director on January 18, 2016.

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 Chief Executive Officer, 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 Chief Executive Officer and the Deputy Chief Executive Officer 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. They are convened by the Chairman of the Board.

In 2015, the Board of Directors met 13 times.

The Chairman was present at each meeting.

No meetings were called at the initiative of either the directors or the Chief Executive Officer.

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 12, 2015 Board of Directors' meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2014, and the July 23, 2015 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2015.

They also attended meetings of the Audit Committee.

To guarantee the coordination between Executive Management and the Board of Directors, the members of the Board of Directors and the Chief Executive Officer meet periodically. The Chief Executive Officer (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 and interim financial statements, appropriation of net income;

– quarterly and interim financial information;

– assessment of the Board of Directors;

– review of the Company's strategy;

– renewal of the terms of office of the Committee members;

– compensation of the Chief Executive Officer for 2015;

– allocation of directors' fees;

– transfer of registered office;

– marketing of the "Europlaza" building;

– signing of an easement agreement relating to the "Rives de Bercy" building;

– amendment to Article 11 of the Company's bylaws: decisions pursuant to the introduction of double voting rights pursuant to law 2014-384 of March 29, 2014: rejection of the measure and confirmation of the statutory regulation whereby one share grants the right to one vote;

– share buy-back program;

– delegations of financial authority;

– information regarding the project to sell CRI's interest in the Company's share capital to Northwood Investors;

– appointment of an independent expert for the purpose of the public tender offer initiated by Northwood Investors;

– creation of an ad hoc committee of independent directors to oversee the expert's work;

– resignation of certain directors and co-optation of new directors following the change in control of the Company;

– resignation of the Deputy Chief Executive Officer and appointment of a new Deputy Chief Executive Officer following the change in control of the Company;

– termination of both the Memorandum of Understanding that the Company entered into with CRI on March 2, 2006 and the Agreement between the investment company and the real estate company pursuant to the German Investment Act entered into between CRI and Prothin on December 22, 2011;

– termination of the Asset Management Agreement entered into between CRI and Prothin;

– signing of a second amendment to the Initial Credit Agreement;

– signing of a new buildings insurance policy by Prothin with Aviva.

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 Chief Executive Officer'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.

Article 6 of the Directors' Charter provides that: "*Directors shall inform the Board of Directors of any conflict of interests, even potential, in which they could be directly or indirectly involved. They shall refrain from participating in any debates and decision-making relating to the subjects in question. More generally, directors shall act with total independence and without pressure of any kind. They should inform the Chairman of any family ties they may have with another director or the Chief Executive Officer.*"

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

Due to the change in control of the Company on November 5, 2015 and the co-optation of new directors, the Board did not assess its functioning with a view to improving it.

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 determined by the Board of Directors at its meeting of February 14, 2012 and renewed at its meeting of February 13, 2015. 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.

Until November 5, 2015, the Audit Committee was composed of Richard Wrigley (independent), Jean-Pierre Bonnefond (independent) and Gerry Dietel (as the representative of Commerz Real Investmentgesellschaft mbH). Richard Wrigley and Jean-Pierre Bonnefond were appointed at the Board meeting of February 14, 2012 for a renewable term of three years, i.e., until the annual Board meeting held to approve the financial statements for the year ended December 31, 2014. They were re-appointed for a further term of three years at the Board meeting of February 12, 2015, i.e., until the annual Board meeting held to approve the financial statements for the year ending December 31, 2017.

CRI's resignation as director entailed the end of the term of office on the Audit Committee of its representative Gerry Dietel. He was replaced by Khaled Kudsi at the November 5, 2015 Board of Directors' meeting for the remainder of his predecessor's term, i.e., until the annual Board meeting held to approve the financial statements for the year ending December 31, 2017.

Jean-Pierre Bonnefond resigned from his position as director and as a member of the Audit Committee on December 15, 2015.

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 Chairman of the Audit Committee until December 31, 2015. 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. Richard Wrigley resigned as Chairman of the Audit Committee and was replaced by Marie-Flore Bachelier by a decision of the Board of Directors at its meeting of February 17, 2016. Marie-Flore Bachelier was co-opted as director at the same meeting, to replace Jean-Pierre Bonnefond. Finally, by decision of the Board of Directors at its meeting of April 14, 2016, Jean-Marc Besson and Sebastien Abascal, in his capacity as representative of Euro Fairview Private Limited, were appointed as members of the Audit Committee to replace Richard Wrigley and Khaled Kudsi, respectively.

At its meeting of April 14, 2016, the Board of Directors decided to increase the length of the Audit Committee members' terms of office from three to four years.

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 2015, and performed the following work:

- work in relation to documenting information flows;
- work in relation to organizing the closing process for financial statements;
- 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

Until December 15, 2015, the Appointments and Compensation Committee was composed of Jean-Pierre Bonnefond (independent), Graham Spensley (independent) and Alec Emmott (independent). They were appointed at the Board meeting of February 14, 2012 for a renewable term of three years, i.e., until the annual Board meeting held to approve the financial statements for the year ended December 31, 2014. They were re-appointed for a further term of three years at the Board meeting of February 13, 2015, i.e., until the annual Board meeting held to approve the financial statements for the year ending December 31, 2017.

Jean-Pierre Bonnefond was Chairman of the Appointments and Compensation Committee.

He resigned as a member of the Appointments and Compensation Committee on December 15, 2015.

Graham Spensley resigned as a member of the Appointments and Compensation Committee on January 18, 2016.

Marie-Flore Bachelier was appointed as a member of the Appointments and Compensation Committee by decision of the Board of Directors at its meeting of February 17, 2016. Alec Emmott was appointed as Chairman of the Appointments and Compensation Committee by decision of the Board of Directors at its meeting of April 14, 2016, to replace Graham Spensley.

In addition, Khaled Kudsi was appointed as a member of the Appointments and Compensation Committee by the Board at its April 14, 2016 meeting.

At the same meeting, the Board of Directors decided to increase the length of the Appointments and Compensation Committee members' terms of office from three to four years.

The Appointments and Compensation Committee's role is described in the Company's Internal Rules and Regulations.

The Appointments and Compensation Committee met three times in 2015, and performed the following work:

- compensation of the Chief Executive Officer;
- 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

At December 31, 2015, the Investment Committee was composed of Alec Emmott (independent), Richard Wrigley (independent) and Graham Spensley (independent). They were appointed at the Board meeting of February 14, 2012 for a renewable term of three years, i.e., until the annual Board meeting held to approve the financial statements for the year ended December 31, 2014. They were re-appointed for a further term of three years at the Board meeting of February 13, 2015, i.e., until the annual Board meeting held to approve the financial statements for the year ending December 31, 2017.

Alec Emmott was re-appointed Chairman of the Investment Committee on February 13, 2015.

The Investment Committee met once in 2015 to review the Company's strategy.

Graham Spensley resigned as a member of the Investment Committee on January 18, 2016.

By decision of the Board of Directors at its meeting of April 14, 2016, Jean-Marc Besson and Sebastien Abascal, in his capacity as permanent representative of the company Euro Fairview Private Limited, were appointed as members of the Investment Committee, for four years, to replace Richard Wrigley and Graham Spensley, respectively. They were co-opted as directors at the same meeting. JeanMarc Besson was appointed as Chairman of the Investment Committee by decision of the April 14, 2016 Board meeting to replace Alec Emmott.

In addition, at the same meeting, the Board of Directors decided to increase the length of the Investment Committee members' terms of office from three to four years.

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.

1.3. 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 Chief Executive Officer.

1.3.2 Executive Committee

Following the change of control, at its December 16, 2015 meeting, the Board of Directors decided to create an Executive Committee.

The Executive Committee is responsible for (i) reviewing issues and decisions relating to the Company's strategy, development, organization and management; and (ii) ensuring the smooth running of projects implemented by the Company.

It is composed of the Chief Executive Officer, the Deputy Chief Executive Officer(s) and a director of the Company.

The Executive Committee meets as often as required in the interest of the Company. The Executive Committee's authorization is required for all decisions that have a significant impact on the Company's business, prior to their approval by the Board.

1.3.3 Limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officers

The Board determines the Company's strategic business orientations and oversees the implementation thereof. It may therefore carry out all controls and verifications that it considers appropriate.

Even if the operational management is entrusted to the Chief Executive Officer, the Board of Directors may address any issues relating to the Company's operation.

The Chief Executive Officer 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 Chief Executive Officer 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.

To limit their powers, the Chief Executive Officer and the Deputy Chief Executive Officers may not, in the name and on behalf of the Company, perform a certain number of acts or transactions, or carry out any contractual steps leading to such acts or transactions, in an amount of more than EUR 10 million per year (it being specified that in the event of related or connected acts or transactions, this limit will be assessed on an aggregate basis including all such acts or transactions), without having requested and received the Board of Directors' prior authorization to do so. These limitations on powers are described in the Company's Internal Rules and Regulations. At its meeting of December 16, 2015, the Board of Directors also set further limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officer in addition to those provided for in the Internal Rules and Regulations.

As decided at the Extraordinary Shareholders' Meeting of February 18, 2016, the limitations on powers set out in Section 17.4 of Article 17 of the bylaws relating to the limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officers have been removed.

1.4. Principles and rules for determining corporate officers' compensation

1.4.1 Board members' compensation (directors' fees)

The April 15, 2015 General Shareholders' Meeting decided to set the overall amount of directors' fees for 2015 at EUR 120,000.

For the year ended December 31, 2015, the November 5, 2015 Board of Directors' meeting decided to allocate directors' fees as follows:

- Richard Wrigley: EUR 34,000;
- Jean-Pierre Bonnefond: EUR 34,000;
- Europroperty Consulting: EUR 34,000;
- Graham Spensley (non-voting director): EUR 17,000.

CRI, Klaus Waldherr, Gerry Dietel, Carl-Christian Siegel, GMF Vie. Sabine Röska and Daniela Lammert individually waived their right to receive directors' fees in respect of the year ended December 31, 2015 at the time of their resignation as directors.

Jérôme Anselme, John Kukral, Erin Cannata, Khaled Kudsi and Sophie Kramer, who were appointed as directors, with effect from November 5, 2015 to replace those who had resigned, also waived their right to receive directors' fees in respect of the year ended December 31, 2015.

Directors' fees are distributed among directors based on their effective participation at Board meetings, and depending on their position as a member and/or chairman of a Committee.

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 Chief Executive Officer

Determining the fixed portion

On the recommendation of the Appointments and Compensation Committee, the Board of Directors' meeting of February 12, 2015 decided to maintain Raphaël Tréguier's fixed annual compensation for his duties as Chief Executive Officer at EUR 150,000 gross.

Consequently, on the recommendation of the Appointments and Compensation Committee, the Board of Directors' meeting of November 5, 2015 decided to increase Raphaël Tréguier's fixed annual compensation to EUR 400,000 gross. The amount of this compensation will be reviewed every three years at the first Board of Directors' meeting of the year in question, beginning in 2018, following discussions with the Appointments and Compensation Committee.

Determining the variable portion of compensation

The Board of Directors also decided to grant Raphaël Tréguier variable compensation in a maximum annual amount of EUR 200,000 based on the achievement of quantitative objectives set by the Board of Directors, after consultation with the Appointments and Compensation Committee.

The Board of Directors will determine whether those objectives have been met on an annual basis at the Board meeting held to approve the statutory financial statements. The variable compensation will be paid no later than 15 calendar days after the date of the Board meeting held to approve the financial statements (the "Payment Date").

The Chief Executive Officer may only receive the variable compensation provided that, as of the Payment Date, he has not been dismissed for gross professional misconduct (as defined by the employment division of the *Cour de Cassation*) and has not resigned.

In the event that his duties as Chief Executive Officer are terminated for other reasons, the variable compensation will be determined on a pro rata basis as follows:

– If his office is terminated on or before March 31 of a given year, based on (i) his variable compensation in respect of the previous year in the event of termination in 2016 or 2017, and (ii) the average of his variable compensation for the three previous years in the event of termination in 2018 or beyond. In this case, the amount will be determined on the termination date.

– If his office is terminated after March 31 of a given year, based on his variable compensation for the current year according to whether or not the relevant quantitative objectives were met. In this case, the amount will be determined no later than 15 days after the date of the Board meeting that determined whether or not the objectives had been met.

Determining the variable portion of compensation for 2015

For 2015, the variable compensation is determined on the basis of the objective criteria set out below:

(i) Quantitative criteria (portion capped at a maximum of EUR 120,000)

For 2015, the quantitative objective has been set as EPRA earnings in an amount of EUR 14 million on a constant scope of consolidation, with the quantitative portion being determined as follows:

Rate of achievement of objective	Quantitative variable
120% and above	100% of maximum amount
Between 100% and 120%	83.33% of maximum amount
Between 80% and 100%	66.66% of maximum amount
Between 60% and 80%	33.33% of maximum amount
Less than 60%	0%

(ii) The qualitative objectives (portion capped at a maximum of EUR 80,000) were as follows:

– Quality of leadership;

– Quality of communication and representation of the Group, particularly as regards its shareholders;

– Quality of internal and external communication with other stakeholders;

– Success of the "Upgreen your business" project.

The Board of Directors' meeting of February 17, 2016 decided to grant Raphaël Tréguier, in his capacity of Chief Executive Officer, variable compensation in respect of 2015 and, accordingly:

(i) to fix the quantitative portion of Raphaël Tréguier's variable compensation for 2015 at EUR 120,000, based on an achievement rate of 120% or more of the objective set at the Board of Directors' meeting of November 5, 2015, i.e., EPRA earnings of EUR 18.2 million on a constant scope of consolidation;

(ii) to fix the qualitative portion of Raphaël Tréguier's variable compensation for 2015 at EUR 80,000, corresponding to the achievement of the individual objectives set at the Board of Directors' meeting of November 5, 2015, i.e., the quality of his leadership, the quality of communication and representation of the Group, particularly as regards its shareholders, the quality of internal and external communication with other stakeholders, the success of the "Upgreen your business" project and his involvement in facilitating the change of control process.

Determining the variable portion of compensation for 2016

The Board of Directors' meeting of February 17, 2016 set a quantitative objective for 2016 related to EPRA earnings based on a constant scope of consolidation, the amount of which was not disclosed for reasons of confidentiality.

Furthermore, the Board of Directors approved the decision to grant Raphaël Tréguier, in his capacity as Chief Executive Officer, free shares capped at 0.040% of the Company's issued capital, as of this year, subject to authorization being given to the Board of Directors by the General Shareholders' Meeting.

The other terms and conditions of Raphaël Tréguier's compensation set at the Board meeting of November 5, 2015 remain unchanged.

Multi-annual variable compensation

Raphaël Tréguier has expressly and definitively waived his past and future entitlement to the medium-term bonus plan agreed at the Board meeting of June 26, 2013 and amended on February 12, 2015, including any bonus he may have been entitled to claim on the Second Maturity Date for the period from February 12, 2014 to February 12, 2016.

Benefits-in-kind

Raphaël Tréguier also enjoys benefits-in-kind which represent an annual basis of a maximum total amount of EUR 37,000 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

Non-compete, non-solicitation, non-disparagement and confidentiality agreement

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non compete, non-solicitation, non-disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:

- his last fixed monthly compensation; and
- 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

- release him from his non-compete agreement, in which case the corresponding non compete benefits shall not be due; or,
- reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

Complementary pension benefits

No undertakings with respect to complementary pension benefits have been made for the corporate officers.

Employment contract

There is no employment contract between Raphaël Tréguier and Cegereal or Prothin.

1.5. 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, of the second business day before the holding of the meeting (Article R.225-85 amended of the French Commercial Code).

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.

1.6. 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 IV.5.4 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 Chief Executive Officer 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

Until November 5, 2015, the main assignment of the asset manager, Commerz Real was to supervise the building manager, Yxime. On November 5, 2015, Northwood Investors France Asset Management became the new asset manager and the SAP ERP was replaced by ALTAIX.

Bills and receipts for rental charges are issued by the building manager, which also collects payments. The building manager's accounting department records the bills and the asset manager checks them.

The budget of charges relating to each building is prepared by the building manager and validated by the asset manager.

The building manager receives and records day-to-day expenses related to the building in the software tool (SAP until November 5, 2015 and ALTAIX thereafter).

Until November 5, 2015, the asset manager made payments (except for direct debits) and approved incoming invoices. As of November 5, 2015, the building manager makes payments and approves 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 building manager, the asset manager and banks.

The Company's Executive Management approves invoices and authorizes 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 Chief Executive Officer 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. Due to the change of control of the Company, the duties of asset manager which were entrusted to CRI until November 5, 2015, were entrusted thereafter to Northwood Investors France Asset Management. The duties of property manager are entrusted 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

Cegereal SA

Registered office: 42 rue de Bassano, 75008 Paris, France

Share capital: EUR 160,470,000

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.

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, 2015

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, 2015.

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.22537 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, April 14, 2016	Paris, April 14, 2016
KPMG Audit FS I	**Denjean & Associés**
Regis Chemouny	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 2015:

None

Free shares granted to employees in 2015:

None

1.7. SPECIAL REPORT ON STOCK OPTIONS

Stock options granted (Art. 225-184 [1]): :

None

Options granted to corporate officers in 2015 (Art. 225-184 [2]):

None

Options exercised by corporate officers in 2015 (Art. 225-184 [2]):

None

Options granted to employees in 2015 (Art. 225-184 [3]):

None

Options exercised by employees in 2015 (Art. 225-184 [3]):

None

1.8. FIVE-YEAR FINANCIAL SUMMARY

In euros

	31/12/15 12 months	31/12/14 12 months	31/12/13 12 months	31/12/12 12 months	31/12/11 12 months
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/(loss) for the year					
Net revenue	46,667				20,784,100
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(2,807,179)	65,857,652	(1,895,753)	(1,618,602)	3,655,233
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(3,463,161)	65,539,236	(1,877,070)	(1,439,977)	(9,287,235)
Income distributed		32,094,000	10,029,375	8,692,125	
Earnings per share					
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(0.21)	4.92	(0.14)	(0.12)	0.27
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(0.26)	4.90	(0.14)	(0.11)	(0.69)
Dividend paid per share	2.00	2.40	0.75	0.65	
Personnel					
Average headcount during the year	3	0	0	0	3
Average payroll costs(1)	649,380	258,734	265,545	237,072	246,753
Social security charges(1)	266,126	121,105	111,548	106,901	101,528

(1) These amounts include corporate officers' compensation totaling EUR 505,263 and the related social security charges totaling EUR 168,701

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 00031 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: 42 rue de Bassano, 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*).

The Company's eligibility for SIIC tax treatment was confirmed by the tax authorities on January 3, 2006 subject to compliance with the conditions laid down by the law.

Article 208 C of the French Tax Code stipulates that a company may elect for SIIC tax treatment provided that it meets all of the following conditions at all times:

– it is listed on a regulated market;

– it has a minimum capital of EUR 15 million;

– its main corporate purpose is the acquisition or construction of buildings intended for lease or the direct or indirect ownership of shareholdings in entities having the same corporate purpose and liable to the tax treatment applicable to partnerships or liable to corporate income tax;

– its capital or voting rights may not be held at 60% or more by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code;

If during a fiscal year, the Company fails to comply with this threshold, in principle it shall no longer be eligible for the preferential tax treatment.

However, the 60% condition does not apply if the breach is due to certain specific transactions and is temporary in nature.

More specifically, if during a fiscal year, 60% or more of the company's capital or voting rights comes to be held by one or several persons acting in concert pursuant to a public offer within the meaning of Article L.433-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the condition is deemed to have been met if the percentage holding is reduced to less than 60% before the final date for filing the financial statements for the fiscal year in which the threshold was breached (for companies with a December 31 year end, the final date is the second business day after May 1);

– its capital and voting rights must be at least 15% held by persons each holding less than 2% of the capital and voting rights on the date of election for SIIC tax treatment.

Consequences of the acquisition by the Northwood Concert (as defined below) of shares of the Company on its eligibility for SIIC tax treatment

Following its acquisition of shares of the Company on November 5, 2015, the Northwood Concert (as defined on page 128) held 59.78% of the Company's capital and voting rights and consequently did not breach the 60% threshold.

However, as it exceeded the 30% holding threshold, it was required to make a mandatory public offer ("the Offer").

The Northwood Concert, which held 98.44% of Cegereal's share capital following the tender offer that closed on January 25, 2016, has sold a portion of its Cegereal shares, representing 40.96% of Cegereal's capital, in a financing round with leading institutional investors, including an affiliate of GIC, the Singaporean wealth fund, which took up 25%.

The Northwood concert currently only holds 57.48% of the share capital and voting rights of Cegereal.

The Northwood Concert's sale of the proportion of its shareholding in Cegereal exceeding 60% before April 30, 2017 enables Cegereal to retain its SIIC preferential tax treatment.

OBLIGATION TO DISTRIBUTE INCOME

SIICs that have elected for 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*) 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;

– 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;

– 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.

Cegereal's exemption from corporate income tax could be fully or partially contested if it fails to meet this condition.

WITHHOLDING TAX ON DIVIDEND DISTRIBUTIONS

Dividend distributions to CRI:

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).

On May 26, 2014, the tax legislation department agreed that dividends paid by the Company to CRI, which held the shares of the Company in the name and on behalf of German fund *hausInvest*, would be eligible for the reduced withholding tax rate of 15% for sums distributed out of the Company's exempt income, and that dividends paid out of its non-exempt income would be exempt provided that CRI produced evidence that *hausInvest* complied in substance with the asset ratios and dividend payment obligations provided for by French law.

This exemption from withholding tax was applied to the dividend payments made in July 2015.

Dividend distributions to NW CGR 1 SARL, NW CGR 2 SARL, NW CGR 3 SARL, NW CGR 4 SARL and NW CGR 5 SARL:

No dividends were distributed to NW CGR 1 SARL, NW CGR 2 SARL or NW CGR 3 SARL in 2015.

Withholding tax at the rate of 30%, as provided for in Article 119 bis of the French Tax Code, would in principle apply to future dividends distributed by Cegereal to NW CGR 1 SARL, NW CGR 2 SARL, NW CGR 3 SARL, NW CGR 4 SARL and NW CGR 5 SARL. However, according to NW CGR 1 SARL, NW CGR 2 SARL, NW CGR 3 SARL, NW CGR 4 SARL and NW CGR 5 SARL, these dividend distributions should be subject to withholding tax at the reduced rate of 15% provided for in Article 8 of the tax treaty between France and Luxembourg.

Dividend distributions to other shareholders:

Dividend distributions to other shareholders may be subject to withholding tax depending on their tax residence.

20% WITHHOLDING TAX

A 20% withholding tax is payable by SIICs on dividends paid out of tax-exempt income 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. The amounts received are not deemed to be liable for corporate income tax or another equivalent tax if they are exempt or are liable to a tax that is more than two-thirds lower than the corporate income tax that would have been payable in France at the standard rate.

However, the withholding tax is not due when the beneficiary of the dividend is a company required to distribute the dividend it receives in full and whose shareholders directly or indirectly owning at least 10% of the dividend rights are liable for corporate income tax (or another equivalent tax) as a result of those distributions. The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.

Dividend distributions to CRI:

As CRI held the Cegereal shares in the name and on behalf of the unit holders of the *hausInvest* property fund, the French tax authorities decided to treat CRI as a tax-transparent entity and to consider that the unit holders of the *hausInvest* property fund held a direct interest in Cegereal.

Based on this approach, the tax authorities had 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;

(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, the Company was not liable for the 20% withholding tax on the dividends it distributes.

While the tax-transparency approach was abandoned following the amendment to Article 119 bis of the French Tax Code, the 20% withholding tax should remain non-applicable. Under German tax law, the dividends paid by the Company are deemed to be distributed to the fund's unit holders whether or not they actually are, and, therefore, deemed to be taxable at their level.

Dividend distributions to NW CGR 1 SARL, NW CGR 2 SARL, NW CGR 3 SARL, NW CGR 4 SARL and NW CGR 5 SARL:

No dividends were distributed to NW CGR 1 SARL, NW CGR 2 SARL or NW CGR 3 SARL in 2015.

For future dividend distributions,

NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL informed the Company that since dividend distributions made by Cegereal to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL will be subject to withholding tax at the rate of 15%, provided for in Article 8 of the tax treaty between France and Luxembourg, these dividend distributions will not be liable to the 20% withholding tax, subject to any legislative changes, inasmuch as they will be liable to a tax whose amount is not more than two-thirds lower than the corporate income tax that would have been due in France under ordinary conditions.

Under the terms of the Offer, the shares tendered to the Offer were acquired by NW CGR 4 SARL and NW CGR 5 SARL, which both informed the Company that since these dividend distributions were also subject to withholding tax at the reduced rate of 15%, they would not be liable to the 20% withholding tax.

In any event, the Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.

Dividend distributions to other shareholders

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 the Company's ownership structure at December 31, 2015, the 20% withholding tax was not levied on any of the dividends it distributed.

ADDITIONAL CORPORATE INCOME TAX CONTRIBUTION (3% OF DISTRIBUTED INCOME)

Amounts to be distributed by SIICs as part of their dividend payment obligations, in accordance with Article 208 C of the French Tax Code, are exempt from the 3% contribution.

In addition, 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.

The July 16, 2015 dividend payment by Cegereal decided by the Ordinary and Extraordinary Shareholders' Meeting of April 15, 2015 was subject to the 3% contribution as it was not paid pursuant to Cegereal's dividend payment obligations.

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.

At the next General Shareholders' Meeting, the shareholders will be invited to approve an amendment to the Company's corporate purpose, in order to enable the Company to complete acquisitions indirectly through a subsidiary in which it does not necessarily hold 100% of the capital and voting rights and, in general, to broaden the scope of the real estate transactions it can carry out.

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 Chief Executive Officer, the Chief Executive Officer and/or the Deputy Chief Executive Officer(s) shall assist the Chairman in order to obtain information that is useful for the performance of his/her duties.

At the next General Shareholders' Meeting, the shareholders will be invited to approve the inclusion in the Company's bylaws of the option to appoint one or more Vice-Chairmen to the Board of Directors.

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 Chief Executive Officer 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 Chief Executive Officer.

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 Chief Executive Officer, it shall appoint the Chief Executive Officer, 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 Chief Executive Officer 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 Chief Executive Officer from office at any time. If the removal from office is decided without due grounds, it may give rise to damages, unless the Chief Executive Officer is also Chairman of the Board of Directors.

On the recommendation of the Chief Executive Officer, the Board of Directors can appoint one or more individuals who are responsible for assisting the Chief Executive Officer and who shall have the title of Deputy Chief Executive Officer. The Board of Directors shall determine the compensation of the Deputy Chief Executive Officer(s) and, in agreement with the Chief Executive Officer, the scope and duration of the powers of the Deputy Chief Executive Officer(s). With regard to third parties, the Deputy Chief Executive Officer(s) shall have the same powers and be subject to the same obligations as the Chief Executive Officer. When the Chief Executive Officer ceases or is unable to perform his/her duties, the Deputy Chief Executive Officer(s), unless decided otherwise by the Board of Directors, shall continue to exercise their duties and responsibilities until a new Chief Executive Officer is appointed. The Board of Directors, on the recommendation of the Chief Executive Officer, can remove the Deputy Chief Executive Officer(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 (excerpt from Article 11 of the bylaws)

Pursuant to the twenty-third resolution passed by the Extraordinary Shareholders' Meeting of April 15, 2015, the shareholders decided not to confer double voting rights pursuant to law 2014-384 of March 29, 2014 on the shareholders referred to in Article L.225-123, paragraph 3, of the French Commercial Code.

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 tax 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 second business day prior to the meeting at midnight, Paris time (Article R.225-85 amended of the French Commercial Code).

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 BYLAWS (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

Due to the change in control of the Company, the Memorandum of Understanding described below was terminated by mutual agreement on October 29, 2015 with effect from November 5, 2015. This agreement is referred to in the Statutory Auditors' special report on page 96.

The Company, CRI and the custodian bank Commerz Bank AG entered into a "Memorandum of Understanding" ("MoU") on March 2, 2006, the purpose of which was to enable CRI to comply with the laws and regulations that were 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 could take the form of an a priori control.

The MoU was transferred to BNP Paribas Securities Services S.C.A., Zweigniederlassung Frankfurt (BNP), which took the place of Commerzbank AG as custodian (previously "custodian bank") of the hausInvest property fund as of November 1, 2014. This transfer took place without amendment to the terms and conditions of the MoU.

Pursuant to the MoU, the Company authorized the CRI representatives on its Board of Directors to provide CRI and the custodian with information they received about the Company in their capacity as directors of the Company, so that the custodian could exercise its control over CRI in accordance with the provisions of German regulations. The purpose of this control was to ensure compliance with German laws and regulations on management companies. On no account did it constitute a review of appropriateness. The Company also made 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 the custodian. The custodian undertook to observe strict confidentiality regarding the information on the Company that was provided to it and only to use said information for the specific and exclusive requirements of its control role as custodian.

The parties to this MoU undertook to use their best efforts to enable the custodian to perform the procedures that were incumbent upon it in accordance with the applicable provisions of German regulations, mutatis mutandis. Moreover, it was specified that on no account could the Company be held directly or indirectly liable, even partially, by CRI and/or the custodian, for a breach of the applicable German regulations.

CRI and the custodian were reminded of their obligations with respect to applicable French laws and regulations whenever they received information that could be deemed to be insider information.

In addition, any information that could have had an impact on the Company's value was disclosed without delay by means of a press release and a note to the financial analysts or as part of the quarterly publications.

3.2. ASSET MANAGEMENT AGREEMENT

3.2.1. ASSET MANAGEMENT AGREEMENT WITH CRI

Due to the change in control of the Company, the asset management agreement entered into with CRI was terminated by mutual agreement entered into between Prothin and CRI on November 4, 2015.

The Company entered into this asset management agreement with CRI on February 8, 2006. It expired on February 8, 2012 and 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. Renewal of the agreement was authorized by the Board of Directors on December 15, 2011 and approved by the Ordinary Shareholders' Meeting of June 28, 2012. The agreement was transferred to Prothin, a wholly-owned subsidiary of the Company (the Subsidiary) within the scope of the partial asset transfer.

Pursuant to this agreement, CRI provided Prothin with investment consulting services with respect to the Subsidiary's real estate assets. However, the decision to invest was still made at the discretion of the Subsidiary. CRI was required, in particular, to 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 concerned, in particular, consulting activities in the field of investment strategy and opportunity. This type of service involved, 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 were in line with the Subsidiary's investment strategy. In this regard, CRI had to submit investment proposals, as well as recommendations on the structure of the Subsidiary's real estate assets. CRI was also required to advise the Subsidiary on the implementation of its investment strategy.

Where applicable, CRI could also advise the Subsidiary on the sale or purchase of buildings. CRI was responsible for negotiating purchase and sale agreements for real estate assets. CRI also assisted the Subsidiary at the time of valuations of the assets concerned, as well as with investment disposal procedures. In this regard, CRI submitted recommendations to the Subsidiary regarding the holding/selling of assets and the choice of real estate intermediaries. Lastly, by analyzing investment offers, CRI participated in the due diligence process and recommended potential buyers (in particular as regards the price offered and the buyers' credibility) to the Subsidiary.

Pursuant to this asset management agreement, CRI was also required to provide analysis services. Such analysis services concerned, in particular, the business operation of assets. In this regard, CRI drew up an Annual Business Plan that included 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 was then submitted to the Subsidiary, along with recommendations. CRI also advised the Subsidiary on the implementation of this Annual Business Plan.

Moreover, each year, CRI presented a report on the Subsidiary's real estate assets and the real estate market. Analysis services also covered (i) the methods for operating the assets and the risk management policy in order to determine if they were in line with market standards; (ii) the assessment of insurance coverage; (iii) the operating budget. In this regard, CRI had to submit recommendations to the Subsidiary, based in particular on the analysis of operations and covering rental strategy, operating income and expenses and fittings.

Analysis services also involved preparing the following reports: (i) a detailed report on the real estate market, which was updated annually and included 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; and (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.

CRI also analyzed the Subsidiary's rental strategy, which included a review of lease proposals, the solvency of potential lessees and the financial terms of draft leases. Each quarter, CRI met 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 covered monitoring of the rental market and sub-market in order to advise the Subsidiary on significant real estate market trends.

CRI's assignment was 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 was responsible for evaluating and recommending asset management alternatives.

Lastly, pursuant to this asset management agreement, CRI was required to assist the Subsidiary in obtaining loans.

As compensation for its assignments, CRI received 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 received (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 was 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 had to 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 had 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 could 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 could also terminate the agreement for the same reasons in the event that the Subsidiary was responsible for the same shortcomings.

The assignment entrusted to CRI under the asset management agreement excluded 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 2,640,918 for 2015.

3.2.2. ASSET MANAGEMENT AGREEMENT WITH NORTHWOOD INVESTORS FRANCE ASSET MANAGEMENT

On November 5, 2015, as a result of the change in control, a new asset management agreement ("AMA") was entered into between Prothin SAS and Northwood Investors France Asset Management S.A.S., a company affiliated to the Northwood Concert, in its capacity as an asset manager (the "Advisor").

The AMA contained the key terms of the previous asset management agreement between Commerz Real and Prothin dated December 21, 2011. The AMA was entered into on a provisional basis. Prothin terminated this agreement on December 16, 2015, with effect from December 31, 2015.

Furthermore, a Transitional Services Agreement was entered into on November 5, 2015 by the Company, Prothin, NW CGR 1 SARL, NW CGR 2 SARL, NW CGR 3 SARL and Northwood Investors France Asset Management S.A.S (the **"Transitional Services Agreement"**).

Its purpose is to set out the transition arrangements and to facilitate the continuation of the Company's and Prothin's business following termination of the asset management agreement entered into between Commerz Real and Prothin on December 21, 2011. For the avoidance of doubt, it is hereby clarified that this agreement relates to ordinary business transactions carried out on an arm's length basis and is therefore not subject to the provisions of Article L.225-38 of the French Commercial Code.

On December 16, 2015, the Advisor and Prothin entered into an advisory services agreement effective January 1, 2016 for an initial term of six years (the "ASA"), the key terms of which are summarized below.

Services provided under the ASA

Under the terms of the ASA, the Advisor is responsible for advising Prothin on and assisting it in identifying investment opportunities, handling due diligence procedures and feasibility studies, and structuring and negotiating transactions and the related legal documentation, in liaison with general management and under the control of Prothin and any representatives it may appoint.

The Advisor also provides Prothin with advice on and assistance in (i) preparing and executing the annual business plan, (ii) determining and monitoring the implementation of Prothin's letting strategy, (iii) planning and supervising the key investment activities and (iv) Prothin's relations and interactions with existing and future investors.

The agreement also gives Prothin a right of first refusal over investment opportunities identified by Northwood Investors that are in keeping with the Group's strategy. Should Prothin decline such an investment opportunity due to a negative vote by one or several of the Company's directors appointed by Northwood Investors, Northwood Investors may not complete the investment directly if all the other directors of the Company approved the transaction.

Fees and alignment of the Advisor's interests with those of the Group

The Advisor will receive the following fees:

<u>Advisory fee</u>

A basic advisory fee equal to 0.75% of the Group's EPRA NNNAV is payable quarterly in advance.

Incentive fee

An incentive fee will also be paid to encourage the Advisor to create value for the shareholders ("Value Growth").

Value Growth is determined on the basis of growth in the Group's EPRA triple net NAV (NNNAV) over a period of three years, adjusted upwards for dividend distributions and downwards for capital increases made over that period. The incentive fee is equal to a maximum of 10% of Value Growth, provided that an annualized IRR of at least 6% is achieved (the "Initial Hurdle"). A catch-up clause divides the proportion of Value Growth in excess of the Initial Hurdle equally between the Advisor and Prothin until the point that the incentive fee reaches 10% of Value Growth. Beyond that hurdle, the total incentive fee is 10% of Value Growth.

No specific fees are due in the event of the sale or acquisition of real estate assets, as the incentive is fee is structured in such a way as to encourage long-term value creation.

Furthermore, to better align the interests of the Advisor with those of the Group and therefore encourage the Advisor to maximize Prothin's long-term performance, the ASA requires the Advisor to invest the net amount of incentive fees received (i.e., net of VAT and after taxes) in shares of the Company via the exercise of share subscription warrants. The shares obtained will be subject to a lock-up period of (i) twelve months for 100% of the shares, (ii) twenty-four months for 66.66% of the shares and (iii) thirty-six months for 33.33% of the shares. Beyond that, no restrictions will apply.

3.3. PROPERTY MANAGEMENT AGREEMENT

The property management agreement with Yxime involves overseeing the accounting management of rents and rental expenses related to the buildings, and providing property management and technical surveillance services, in compliance with the regulations in force.

The fee paid to Yxime and not rebilled to lessees is not significant.

It has no relationship other than contractual with Cegereal, consequently the property management agreement is not a related-party agreement.

4. Employees

At December 31, 2015, the Company had four employees.

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. In this respect, some five Yxime employees are responsible for the day-to-day management of the Group's real estate assets, mainly management of rents and service charges, facility management, reception and security.

The Company 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, 2015.

The Group does not use any external manpower.

No mass layoff plans have been implemented.

Due to the Company's structure, it has no employee representatives.

Employee share ownership and stock options

At December 31, 2015, 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 2015 were as follows:

- 75% of employees are female;
- 75% of employees are on permanent contracts while the remaining 25% are on professional training contracts;
- 100% of employees on permanent contracts received training in 2015, mainly English language training. A total of 60 training hours were completed.

Training

60 hours of training were completed by Group employees in 2015.

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

The Group 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

The Group 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 the Group's property business, which consists of managing office buildings, does not pose any significant risks in relation to the working conditions of its employees.

2015 Employment data

Headcount	**2015**	**2014**
Total headcount	4	3
of which men	*1*	*1*
of which women	*3*	*2*
Average age of employees	38	40
Employee turnover		
External recruitment	2	0
Departures	1	1
of which dismissals	*0*	*0*
Compensation		
Total payroll (in thousands of euros)	710	550
Change (%)	*29.25%*	*7.6%*
Training		
Total number of hours of training	60	84.5
% of trained employees	*100%*	*100%*
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		
Working time – absenteeism		
Theoretical number of hours worked	6,065	5,188
Absenteeism rate	2.23%	0.77%
of which work accidents	*0%*	*0%*
of which occupational diseases	*0%*	*0%*

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

Pursuant to a share sale agreement drawn up in English and entered into on September 25, 2015 (the **"Agreement"**) by Commerz Real Investmentgesellschaft mbH, acting in its own name but on behalf of German investment fund hausInvest (**"CRI"**) of the first part and NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL (**"Northwood"**) of the second part, CRI agreed to sell its entire shareholding in the Company to the Purchasers, i.e., a total of 7,993,489 shares representing 59.78% of the capital and voting rights of the Company (the "Block Trade"), at a provisional price of EUR 35.62 per share.

The Block Trade and payment of the provisional price took place on November 5, 2015. In accordance with the terms of the Agreement, CRI notified Northwood of an adjustment to the provisional price. After discussions, Northwood notified CRI of its objections to the proposed price adjustment. Pursuant to a memorandum of understanding entered into on January 26, 2016, the final price was set at EUR 35.64 per share, i.e., a total amount of EUR 284,920,736, following adjustments based on the Company's financial statements at November 5, 2015. The Agreement does not provide for any contingent consideration.

Consequently, in accordance with the provisions of Article L.233-7 of the French Commercial Code, Northwood disclosed:

(i) to the AMF, by letter dated October 1, 2015, supplemented by a letter received on October 8, 2015, that on September 25, 2015, the concert party's holding in the Company's capital and voting rights exceeded the statutory thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 1/3 and 50% referred to in Article L. 233-9 I, 4° of the French Commercial Code, as a result of entering into the aforesaid share sale agreement;

(ii) to the Company, by letter dated October 1, 2015, that on September 25, 2015, the concert party's holding in the Company's capital and voting rights exceeded the statutory thresholds referred to above as well as the 50% threshold stipulated in the Company's bylaws and all multiples of 3% below that amount;

(iii) to the AMF, by letter received on November 6, 2015, that on November 5, 2015, the concert party's holding in the Company's capital and voting rights exceeded the statutory thresholds of 5%, 10%, 15%, 20%, 25%, 30%, 1/3 and 50%, as a result of the completion of the share sale;

(iv) to the Company, by letter received on November 6, 2015, that on November 5, 2015, the concert party's holding in the Company's capital and voting rights exceeded the statutory thresholds referred to above, as well as the 50% threshold stipulated in the Company's bylaws and all multiples of 3% below that amount.

In its letters to the AMF dated October 1, October 8 and November 5, 2015, Northwood also stated its intentions for the following six months, in accordance with the provisions of Article L.233-7 VII of the French Commercial Code.

Northwood intends to (i) retain the listing of Cegereal shares and the Company's SIIC status, and (ii) support Cegereal in its growth.

As of the date hereof, Northwood does not intend to carry out any of the transactions listed in Article 223-17 I, paragraph 6 of the AMF's General Regulations.

In a letter received by Cegereal on November 9, 2015, Commerz Real Investmentgesellschaft mbH (CRI), which is controlled by Commerzbank AG, acting on behalf of investment fund hausInvest, notified the Company that on November 5, 2015, its holding in the Company's capital and voting rights had fallen below the 50%, 1/3, 30%, 25%, 20%, 15%, 10% and 5% thresholds and that it no longer held any shares of the Company on behalf of hausInvest, following the off-market sale of all of its Cegereal shares to Northwood Investors.

At December 31, 2015, to the best of the Company's knowledge, the total number of shares in issue was 13,372,500.

The table below shows the allocation of capital and voting rights at December 31, 2015, to the best of the Company's knowledge.

Ownership structure at December 31, 2015	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood	7,993,489	59.78%	7,993,489	59.78%	7,993,489	59.84%
Free float	1,868,151	13.97%	1,868,151	13.97%	1,868,151	13.98%
Covéa	1,877,555	14.04%	1,877,555	14.04%	1,877,555	14.05%
Debioholding SA	947,782	7.09%	947,782	7.09%	947,782	7.09%
Moneta Asset Management	671,985	5.03%	671,985	5.03%	671,985	5.03%
Treasury shares	13,538	0.10%	13,538	0.10%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,358,962	100%

CONCERT PARTY

Northwood Investors declared that it was acting in concert with other entities.

The Northwood Concert comprises the following entities: (i) NW CGR 1 SARL, (ii) NW CGR 2 SARL, (iii) NW CGR 3 SARL, (iv) NW CGR S.C.S., managed by its general partner, NW CGR GP SARL, (v) NW CGR Holding SARL, (vi) NW Europe Holdings SARL, (vii) NW Europe (No. 1) Limited Partnership, (viii) NW Europe (No. 2) Limited Partnership, (ix) NW Europe Co Invest (No. 1) Limited Partnership, (x) NW Europe Co-Invest (No. 2) Limited Partnership, (xi) NW Europe Employees Co-Invest Limited Partnership, the latter five companies all being managed by their general partner, Northwood Canada AIV GP Limited Partnership (Alberta), (xii) Northwood Employees Limited Partnership, managed by its general partner, Northwood GP LLC, and (xiii) Northwood Real Estate Partners Europe Limited Partnership, managed by its general partner , Northwood Canada AIV GP II Limited Partnership (hereinafter referred to collectively as "Northwood" or the "Northwood Concert").

These declarations were published in AMF notice no. 215C1387 of October 8, 2015 and no. 215C1640 on November 9, 2015.

Northwood declared that it was not acting in concert with any other third party or Cegereal shareholder.

Northwood therefore has an indirect controlling interest in Cegereal.

However, the presence of independent directors on the Board and Committees means that there is no risk that this control will be exercised in an abusive manner.

SIMPLIFIED PUBLIC TENDER OFFER

As Northwood exceeded the 30% holding threshold following its acquisition of shares of the Company on November 5, 2015, it was required to make a mandatory public offer ("the Offer").

Pursuant to Book II, Part III and, in particular, Articles 231-1, paragraph 2 and 234-2 *et seq.* of the AMF's General Regulations, Northwood filed a draft simplified public tender offer (the "Offer") on December 17, 2015.

GMF Vie and the other entities of the mutual insurance group company Covéa tendered the 1,877,555 shares they held in the Company to the Offer, which represented as many voting rights, i.e., 14.04% of the Company's capital and 14.04% of its voting rights.

Debioholding, a Swiss company controlled by Rolland-Yves Mauvernay tendered the 947,782 shares it held in the Company to the Offer, which represented as many voting rights, i.e., 7.09% of the Company's capital and 7.09% of its voting rights.

CROSSING OF THRESHOLDS

By letters received on November 4, 2015, Moneta Asset Management, acting on behalf of funds it manages, notified the Company that on October 30, 2015, its holding in the Company's capital and voting rights exceeded the 5% threshold.

By letter received on January 13, 2016, Moneta Asset Management, acting on behalf of funds it manages, notified the Company that on January 12, 2016, its holding in the Company's capital and voting rights had fallen below the 5% threshold and that it no longer held, on behalf of said funds, any shares of the Company.

By letter received on March 7, 2016, the Board of Regents of the University of Texas System notified the Company that on March 1, 2016, its holding in the Company's capital and voting rights exceeded the 5% threshold and that it held 701,378 Cegereal shares representing as many voting rights, i.e., 5.24% of the Company's capital and voting rights. This was the result of a purchase of Cegereal shares by private agreement.

RESALE OF A PROPORTION OF THE SHARES

By letter received on December 23, 2015, NW CGR 4 SARL and NW CGR 5 SARL (initiators of the public offer for Cegereal shares filed on December 17 last year) notified the AMF that they had entered into agreements relating to the sale of Cegereal shares on December 18 and 21 last year.

The purpose of the share sale agreements is to enable Northwood to sell at least the proportion of its shareholding in Cegereal exceeding 60% before April 30, 2017 so that Cegereal can retain its SIIC preferential tax treatment.

In each case, the price per share sold will be equal to the price per share paid to CommerzReal Investmentgesellschaft mbH, acting on behalf of the fund hausInvest, pursuant to the Agreement, which may not be more than the Offer price (i.e., EUR 35.65 per share).

This price per share may, in some cases (see agreements 1 and 4 below), be reduced to take account of any dividend distributions between the date of those agreements and the date of sale. The number of shares sold will correspond to the total amount invested by each of the investors divided by the final price per share paid by CommerzReal Investmentgesellschaft mbH (i.e., about 10.7% of the capital based on a provisional sale price of EUR 35.62 per share):

	Purchasers	Total amount	Date of agreement
1	AXA Selectiv' Immo	EUR 15,000,000	December 21, 2015
2	Gothic Corporation, Gothic HSP Corporation, Gothic ERP LLC et Gothic JBD LLC	EUR 15,000,000	December 21, 2015
3	Woodley Family Real Estate Direct Group 2016 LLC	EUR 1,372,533	December 21, 2015
4	50113 Investment Holdings LLC, 30314 Investment Holdings LLC et Silas Holdings LLC	EUR 19,705,000	December 18, 2015

The share sales took place after the Cegereal Shareholders' Meeting held on February 18, 2016 after the offer closed.

On April 6, 2016, Northwood Investors signed an agreement to sell a 25% stake in Cegereal to an affiliate of GIC, the Singaporean wealth fund, for a price of EUR 35.65 per share. After the completion of the transaction on April 7, 2016, Northwood's entities held in concert 57.48% of Cegereal's capital and voting rights.

By letter received on April 7, 2016, the Singaporean company GIC Private Limited, wholly-owned by the Government of the Republic of Singapore, disclosed that on April 6, 2016, its holding in the Company's capital and voting rights exceeded the 5%, 10%, 20% and 25% thresholds and that it held 3,343,125 Cegereal shares, representing as many voting rights, i.e., 25% of the Company's capital and voting rights. This was the result of a purchase of Cegereal shares by private agreement.

By letter dated April 11, 2016, the Northwood Concert disclosed that on April 7, 2016, its holding had fallen below the threshold of 2/3 of the Company's capital and voting rights and that it held 7,685,999 Cegereal shares representing as many voting rights, i.e., 57.48% of the Company's capital and voting rights.

SHAREHOLDERS' AGREEMENT

By letter dated April 11, 2016, the AMF received a shareholders' agreement entered into on April 6, 2016 (effective from April 7, 2016) between NW CGR 1 SARL, NW CGR 2 SARL. and NW CGR 3 SARL. (entities of the Northwood Concert) and Euro Bernini Private Limited (a GIC group entity), not acting in concert. The main provisions of the agreement were published by the AMF on April 12, 2016 in accordance with Article L.233-11 of the French Commercial Code.

PERCENTAGE OF SHARES HELD BY SENIOR EXECUTIVES

At December 31, 2015, with the presence of representatives of Northwood 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 were 73.82% and 73.89% respectively.

At December 31, 2015 there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

SHARE PLEDGES

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 and voting rights of 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.

CHANGES IN SHARE CAPITAL

From December 31, 2015 to the date of this Registration Document, the ownership of the capital and the voting rights changed following the Offer.

The table below shows the allocation of capital and voting rights to the best of the Company's knowledge.

Ownership structure at April 6, 2016	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood	7,685,999	57.48%	7,685,999	57.48%	7,685,999	57.54%
GIC	3,343,125	25.00%	3,343,125	25.00%	3,343,125	25.03%
University of Texas	701,378	5.24%	701,378	5.24%	701,378	5.25%
IH	552,826	4.13%	552,826	4.13%	552,826	4.14%
Gothic	420,827	3.15%	420,827	3.15%	420,827	3.15%
AXA	420,827	3.15%	420,827	3.15%	420,827	3.15%
Free float	233,728	1.75%	233,728	1.75%	233,728	1.75%
Treasury shares	13,790	0.10%	13,790	0.10%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,358,710	100%

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.

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 15, 2015 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.

Furthermore, the Extraordinary Shareholders' Meeting of February 18, 2016 authorized the Board of Directors to issue a maximum number of 865,000 share subscription warrants ("BSA") entitling the holders to subscribe for a maximum number of 865,000 new ordinary shares of the Company without pre-emptive subscription rights in favor of Northwood Investors France Asset Management S.A.S. (*société par actions simplifiée* registered with the Paris Trade and Companies Registry under number 814 490 645).

Lastly, the Extraordinary Shareholders' Meeting of February 18, 2016 authorized the Board of Directors to reduce the share capital for reasons other than losses, by reducing the par value of the shares comprising the capital of the Company on the date on which the Board of Directors implements the shareholders' resolution, from EUR 12 to EUR 5.

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 2015 and until April 14, 2016	Balance at April 14, 2016
Authority to increase the capital by incorporating reserves, profits or premiums	April 15, 2015	June 14, 2017	€300,000,000	None	None	
Authority to increase the capital with pre-emptive subscription rights	April 15, 2015	June 14, 2017	€300,000,000	None	None	
Authority to increase the capital by means of a public offer without pre-emptive subscription rights	April 15, 2015	June 14, 2017	€300,000,000	None	None	
Authority to increase the capital by private placement without pre-emptive subscription rights	April 15, 2015	June 14, 2017	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 the 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	April 15, 2015	Sep. 14, 2016	€160,470,000	None	None	
Authority to increase the capital in consideration for securities	April 15, 2015	June 14, 2017	10% of the share capital		None	
Authorization to issue stock subscription options	June 26, 2013	Aug. 25, 2016	2% of the share capital outstanding on the first grant date			
Authorization to grant free shares						
Authorization to grant founders' warrants						
Authority to issue a maximum number of 865,000 share subscription warrants	Feb. 18, 2016	Feb. 17, 2017	€10,380,000		Issue of 865,000 BSAs on April 14, 2016	None
Authority to reduce the Company's share capital for reasons other than losses, by reducing the par value of the shares from EUR 12 to EUR 5	Feb. 18, 2016	Feb. 17, 2017	€93,607,500			

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, 2015	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood	7,993,489	59.78%	7,993,489	59.78%	7,993,489	59.84%
Free float	1,868,151	13.97%	1,868,151	13.97%	1,868,151	13.98%
Covéa	1,877,555	14.04%	1,877,555	14.04%	1,877,555	14.05%
Debioholding SA	947,782	7.09%	947,782	7.09%	947,782	7.09%
Moneta Asset Management	671,985	5.03%	671,985	5.03%	671,985	5.03%
Treasury shares	13,538	0.10%	13,538	0.10%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,358,962	100%

Ownership structure at December 31, 2014	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	59.88%
Free float	2,541,118	19.00%	2,541,118	19.00%	2,541,118	19.03%
Covéa	1,867,888	13.97%	1,867,888	13.97%	1,867,888	13.99%
Debioholding SA	947,782	7.09%	947,782	7.09%	947,782	7.10%
Treasury shares	21,955	0.16%	21,955	0.16%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,350,545	100%

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%

5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of April 15, 2015 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: 22,842;

– Average purchase price: EUR 28.83 (gross);

– Number of shares sold: 31,259;

– Average sale price: EUR 29.13 (gross);

– Reasons for the acquisitions: market stimulation (100%).

At December 31, 2015, the Company held 13,538 treasury shares with a market value of EUR 354,063 (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 May 26, 2016.

Breakdown, by objective, of the treasury shares held at December 31, 2015

– Number of treasury shares directly or indirectly held: 13,538 shares, representing 0.1% of the Company's share capital;

– Number of treasury shares broken down by objective:

  - Stabilizing the share price through an AMAFI liquidity agreement: 9,108;
  - 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> The General Shareholders' Meeting of May 26, 2016

<u>Shares affected:</u> ordinary shares

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.

Maximum purchase price : EUR 45

Repurchase conditions: EUR 60,176,250

Repurchase conditions: 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 April 15, 2015 in its thirteenth resolution (extraordinary).

Term of the program: 18 months from the General Shareholders' Meeting to be held on May 26, 2016, subject to the authorization to be granted by said General Shareholders' Meeting in its eleventh 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 IV.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 IV.2.6.

– To the Company's knowledge, there is a shareholders' agreement between Northwood and the GIC group, as indicated above, which was disclosed to the Company in accordance with Article L.233-11 of the French Commercial Code.

– 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, subject to the agreements between Northwood and GIC regarding the Company's governance and provided for in their shareholders' agreement referred to in section IV.5.1.3.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 financial authority are described in section IV.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 Credit Agreement, the Asset Management Agreement and the insurance contracts.

– There are no agreements specifically providing for compensation in the event of termination of a Board member's term of office, with the exception of commitments made to Raphaël Tréguier with regard to his non-compete agreement as described in the Chairman's report on internal control and corporate governance in section IV.1.4.

5.5. TRANSACTIONS INVOLVING SHARES OWNED BY CORPORATE OFFICERS, SENIOR MANAGERS AND THEIR KIN IN THE PREVIOUS FISCAL YEAR

On November 18, 2015, Commerz Real Investmentgesellschaft mbH, which had been a director until November 5, 2015, filed a disclosure with the AMF stating that on November 5, 2015 it had sold the shares it held, off-market, for a provisional price of EUR 284,755,820 (i.e., EUR 35.62 per share) pursuant to the provisions of Articles 223-24 *et seq.* of the AMF's General Regulations.

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, 2015 (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(5)	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 Vendôme EURL Director: SVPV SA Chairman: Apollonis Montrouge SAS Chairman and member of the Supervisory Board: Novaxia Immo Club Nio Immo IDF, Paris, Quart Sud-Est Nio Hotel Paris, IDF, Quart Sud-Est Nio 3 Immo Europe, Nio Immo 3 Paris Sud, Paris Est, Paris Ouest, Quart Sud-Est Nio 3 Immo Diversification Nio 3 Hotel 2/3 and 3/4 and 3/5
Chief Executive Officer			
Raphaël Tréguier	Chief Executive Officer	Termination of duties as Deputy Chief Executive Officer and first appointment as Chief Executive Officer 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 Chief Executive Officer			
Jérôme Anselme(2)	Deputy Chief Executive Officer and director	First appointment as Deputy Chief Executive Officer on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016 First appointment as a director on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Chairman: NW Bruges SAS NW IDF SAS NW Péripôle NW Gennevilliers Mariinsky SR3 SAS Garnier SR3 SAS Scala SR3 SAS NW Fontenay Sous Bois SAS Director: Foncière NW 2 SAS STAM REI III Rossini SAS Chairman of the Board of Directors: Foncière NW SAS Managing Director: Prothin SAS Legal manager: NW Isle d'Abeau SCI NW Limonest SCI NW Marseille SCI NW Vitrolles SCI NW Pointe Métro 1 SCI NW Pointe Metro 2 SCI Chinon SCI Les Guignières SCI Prosdim Joué SCI NW Péripôle Construction SARL Corporate officer: NW One Warrington Limited (Ir) NW S1 SARL (Lux) NW S2 SARL (Lux) NW G1 SARL (Lux) NWS Holdings SARL (Lux) NW PM Holding SARL (Lux) NW PM 1 SARL (Lux) NW PM 2 SARL (Lux) Highcross Stratégic Advisors Limited (UK) Glidefern Property Management Limited (UK)

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held[1]
Director			
GMF VIE[3] 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: Assistance Protection Juridique SA Covéa Coopérations SA Covéa Mutual Insurance Group Company Eurosic SA Fidelia Assistance SA Foncière de Paris SIIC SA Société Foncière des Régions SA GMF Assurances SA La Sauvegarde SA MAAF Vie SA Silverseine SCI Téléassurances SA Member of the Supervisory Board: Covéa Finance SAS Foncière de Paris SIIC SA Legal manager: Silverseine SCI
Europroperty Consulting Director Permanent representative: Alec Emmott[4]	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 Lar Espana Real Estate Socimi SA Advisory committee: Weinberg Real Estate Partners WREP# 1 & 2 Mitsui Fudosan
John Kukral Director [2]	Director	First appointment on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Corporate officer Northwood Securities Europe B.V. (NL) Northwood Investors International Limited (UK) Northwood Property Management Limited (UK) Northwood International Acquisitions Limited (UK)
Erin Cannata Director[2]	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, 2016	None
Sophie Kramer Director[2]	Director	First appointment on December 2, 2014 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016	Director Foncière NW2 SAS STAM REI III Rossini SAS Managing Director: Mariinsky SR3 SAS Garnier SAS Scala SR3 SAS Legal manager: NW Pointe Métro 1 SCI NW Pointe Metro 2 SCI Chinon SCI Les Guignières SCI Prosdim Joué SCI
Khaled Kudsi Director[2] [6]	Director	First appointment on December 2, 2014 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2015	President: Défense Plaza Mezz SAS Legal manager: SCI de la Boucle

(1) Regardless of the Company's legal form and country of incorporation.
(2) Co-opted as director on October 29, 2015, with effect from November 5, 2015. Appointment as director ratified by the Extraordinary Shareholders' Meeting of February 18, 2016.
(3) Resigned as director on January 15, 2016.
(4) Independent director. whose reappointment is subject to the approval of the next General Shareholders' Meeting.
(5) Resigned as independent director on April 14, 2016.
(6) Diretor whose reappointment is subject to the approval of the next General Shareholders' Meeting.

The following directors resigned in 2015:

Name of corporate officer	Directorship held in the Company	Term of office
Directeur Général Délégué		
Carl-Christian Siegel (1)	Deputy Chief Executive Officer and director	First appointment as Deputy Chief Executive Officer 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
Director		
CRI (1) Permanent representative Gerry Dietel	Director	First appointment on December 31, 2005 Renewal at the General Shareholders' Meeting of June 29, 2011 Resigned with effect from November 5, 2015
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
Dr. Klaus Waldherr (1)	Director	First appointment on February 5, 2008 Renewal at the General Shareholders' Meeting of June 29, 2011 Resigned with effect from November 5, 2015
Sabine Röska (1)	Director	First appointment on May 5, 2011 Resigned with effect from November 5, 2015
Daniela Lammert (1)	Director	First appointment on December 2, 2014 Resigned with effect from November 5, 2015

(1) Resigned as director on October 29, 2015 with effect on November 5, 2015.
(2) Resigned as director on December 15, 2015.

As of the date hereof, following the various resignations and co-optations that took place, the Board of Directors is composed of:

- John Kukral, director and Chairman of the Board;
- Jérôme Anselme, director and Deputy Chief Executive Officer;
- Marie-Flore Bachelier, independent director, Chair of the Audit Committee and member of the Appointments and Compensation Committee (co-opted at the Board of Directors' meeting of February 17, 2016 to replace Jean-Pierre Bonnefond);
- Jean-Marc Besson, director, Chairman of the Investment Committee and member of the Appointments and Compensation Committee (co-opted at the Board of Directors' meeting of April 14, 2016 following the resignation of Richard Wrigley);
- Erin Cannata, director;
- Europroperty, independent director, represented by Alec Emmott, Chair of the Appointments and Compensation Committee and member of the Investment Committee;
- Euro Fairview Private Limited, represented by Sebastien Abascal, director (co-opted at the Board of Directors' meeting of April 14, 2016 following the resignation of Richard Strachan, who was co-opted on February 7, 2016 to replace GMF VIE), member of the Audit Committee and the Investment Committee;
- Sophie Kramer, director;
- Khaled Kudsi, director and member of the Appointments and Compensation Committee.

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 City Hold
GMF VIE Permanent representative: Olivier Le Borgne	Director: AME Réassurance SA AZUR-GMF Mutuelles d'Assurances Associées SA Foncière des 6e et 7e arrts. de Paris SA Foncière Développement Logements SA Medica SA Vice-Chairman of the Supervisory Committee Covea Finance SAS
Europroperty Consulting Director Permanent representative: Alec Emmott	Société Foncière Lyonnaise Silic Catella France
John Kukral	None
Erin Cannata	None
Jérôme Anselme	Chairman: NWI IDF SAS
Sophie Kramer	Legal manager: SNC La Défense SNC Lazuli SNC Péridot SNC Garnet-TIAA SNC Roosevelt SARL Des Brateaux SARL Olympe (holding company) EURL Olympe SARL Servin (holding company) EURL Servin EURL 154 rue de l'Université Managing Director: SAS Malachite SAS Roosevelt Villabé SAS Bruyères I SAS Bruyères II SAS SAS Courcelles 70 SAS rue de l'Université 154 SAS 36 rue La Fayette SAS Provence 110
Khaled Kudsi	Corporate officer: NW Europe Holdings SARL

(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 5, 2015 Board of Directors' meeting decided to allocate directors' fees as follows:

- Richard Wrigley: EUR 34,000;
- Jean-Pierre Bonnefond: EUR 34,000;
- Europroperty Consulting received EUR 34,000;
- Graham Spensley: EUR 17,000.

The April 15, 2015 General Shareholders' Meeting set the overall amount of directors' fees allocated to members of the Board of Directors at EUR 120,000.

Summary table of directors' fees and other compensation paid to non-executive corporate officers		
Non-executive corporate officers	Amounts paid during 2015	Amounts paid during 2014
Jean-Pierre Bonnefond (1)		
Directors' fees	34,000	34,000
Other compensation	-	-
CRI (2)		
Directors' fees	-	-
Other compensation	-	-
Klaus Waldherr (2)		
Directors' fees	-	-
Other compensation	-	-
Gerry Dietel (5)		
Directors' fees	-	-
Other compensation	-	-
Carl-Christian Siegel (2)		
Directors' fees	-	-
Other compensation	-	-
GMF VIE (6)		
Directors' fees	-	-
Other compensation	-	-
Europroperty Consulting		
Directors' fees	34,000	34,000
Other compensation	-	-
Sabine Röska (2)		
Directors' fees	-	-
Other compensation	-	-
Daniela Lammert (2)		
Directors' fees	-	-
Other compensation	-	-
John Kukral (3)		
Directors' fees	-	-
Other compensation	-	-
Erin Cannata (3)		
Directors' fees	-	-
Other compensation	-	-
Khaled Kudsi (3)		
Directors' fees	-	-
Other compensation	-	-
Sophie Kramer (3)		
Directors' fees	-	-
Other compensation	-	-
Jérôme Anselme (3)		
Directors' fees	-	-
Other compensation	-	-
Graham Spensley (4)		
Directors' fees	17,000	17,000
Other compensation	-	-
TOTAL	**85,000**	**85,000**

(1) Resigned as director on December 15, 2015.
(2) Resigned as director on October 29, 2015 with effect on November 5, 2015.
(3) Co-opted at the Board of Directors' meeting of October 29, 2015, with effect from November 5, 2015.
(4) Non-voting director appointed by the General Shareholders' Meeting of June 28, 2012 and reappointed by the General Shareholders' Meeting of April 15, 2015.
(5) Resigned as director on December 4, 2014.
(6) Resigned as director on January 15, 2016.

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, Chief Executive Officer and Deputy Chief Executive Officer(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, 2015	Dec. 31, 2014
Richard Wrigley **Chairman of the Board of Directors(1)**		
Compensation payable for the year (broken down in Table 2 below)	59,000	59,000
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	59,000	59,000
Raphaël Tréguier **Chief Executive Officer(2)**		
Compensation payable for the year (broken down in Table 2 below)	413,699	276,208
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	413,699	276,208
Carl-Christian Siegel **Deputy Chief Executive Office(3)**		
Compensation payable for the year	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	-	-
Jérôme Anselme **Deputy Chief Executive Officer(4)**		
Compensation payable for the year	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	-	-

(1) Appointed as Chairman of the Board of Directors on April 12, 2013.
(2) Appointed as Chief Executive Officer on February 14, 2012.
(3) Resigned on November 5, 2015.
(4) Appointed as Deputy Chief Executive Officer on November 5, 2015.

Table 2

Summary table of compensation granted to each executive corporate officer				
Richard Wrigley Chairman of the Board of Directors	Dec. 31, 2015		Dec. 31, 2014	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	25,000	25,000	25,000	25,000
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	34,000	34,000	34,000	34,000
Benefits-in-kind				
TOTAL	59,000	59,000	59,000	59,000

Raphaël Tréguier Chief Executive Officer	Dec. 31, 2015		Dec. 31, 2014	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	188,690	188,690	150,000	150,324
Variable compensation(1)	200,000	80,000	80,000	60,000
Multi-annual variable compensation	-	25,000	25,000	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind(2)	25,009	25,009	21,208	21,208
TOTAL	413,699	318,699	276,208	231,532

(1) The executive corporate officer's variable compensation payable in respect of year Y-1 is paid in year Y.
(2) Company car and unemployment insurance for company managers.

This table only relates to the executive corporate officers referred to in the introduction to Table 1 above, except for Deputy Chief Executive Officers, who do not receive any compensation.

The Board of Directors' meeting of November 5, 2015 decided to increase Raphaël Tréguier's fixed annual compensation to EUR 400,000 gross and to grant him variable compensation in a maximum annual amount of EUR 200,000 gross based on the achievement of quantitative objectives (see the Chairman's report on internal control and corporate governance, page 107).

Furthermore, the Board of Directors approved the decision to grant Raphaël Tréguier, in his capacity as Chief Executive Officer, free shares capped at 0.040% of the Company's issued capital, as of this year, subject to authorization being given to the Board of Directors by the General Shareholders' Meeting.

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 April 12, 2013 AGSM 2017		X		X		X		X
Raphaël Tréguier Chief Executive Officer Feb. 14, 2012 Chief Executive Officer's term of office AGSM 2018		X		X		X	X (3)	
Carl-Christian Siegel (1) Deputy Chief Executive Officer Feb. 14, 2012 Deputy Chief Executive Officer's term of office AGSM 2018		X		X		X		X
Jérôme Anselme (2) Deputy Chief Executive Officer Nov. 5, 2015 Director's term of office AGSM 2017		X		X		X		X

(1) Appointed as Deputy Chief Executive Officer on February 14, 2012 and resigned on November 5, 2015.
(2) Appointed as Deputy Chief Executive Officer on November 5, 2015.
(3) Regarding the indemnities pursuant to a non-compete clause of Mr. Raphaël Tréguier, please refer to Paragraph IV.1.4.2 and the note 5.25 of the consolidated accounts.

In accordance with the AFEP-MEDEF recommendations on corporate governance and executive compensation, Raphaël Tréguier, Chief Executive Officer of Cegereal, has not had an employment contract with the Subsidiary (Prothin) since December 31, 2015 (his employment contract having been suspended).

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 members of the Board of Directors or Executive Management with respect 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

Until November 5, 2015, german legislation had an impact on the group's activity and structure as described below:

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 held 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 "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 continued to be applicable to the Fund. The transitional period ended on July 1, 2014, when the Fund's internal rules as adapted to the KAGB came into effect (the KAGG, InvG and KAGB, as applicable, will henceforth be 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.

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 on the basis of the asset value as estimated 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 (previously the "custodian bank") 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 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.

BNP Paribas Securities Services S.C.A. Zweigniederlassung Frankfurt (BNP) has been the custodian of the Fund's assets since November 1, 2014, having taken the place of Commerzbank AG, whose mandate had expired. CRI must obtain the agreement of BNP 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, whose control role is strictly defined. BNP 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, which must not interfere in its management. The custodian 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 is therefore limited to ensuring that investors' rights are respected. CRI is also required to act independently of the custodian 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 (BNP).

Prudential regulations relating to the Fund

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.

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.

Until November 5, 2015, CRI's investment in the Company was 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. The total amount of these loans must not exceed 30% of the total value of the fund's real estate assets.

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 appoint 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). Each real estate asset will be valued separately by two independent experts.

In addition, prior to acquisition, all real estate assets will be valued by an independent expert or separately by two independent experts.

This independent experts' assignment is also to value the real estate assets held by CRI on behalf of the Fund, once a quarter. A property can only be acquired if its purchase price is not significantly higher than the valuation determined by the independent expert(s). Conversely, a property cannot be sold if the sale price is less than the valuation determined by the independent expert(s).

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

Until November 5, 2015, the German legal framework that is applicable to CRI had 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 following restrictions have no longer applied to the Company since November 5, 2015:

Restrictions on the Company's activity

The German Investment Act required property companies to enter into a memorandum of understanding with the management company, which provided for certain restrictions on the property company's activity. The purpose of this memorandum of understanding was to guarantee that the custodian's prerogatives as stated above would be upheld. The memorandum provided for the need to obtain the custodian's agreement if real estate investment decisions were made, including decisions relating to the financing of investments. BNP, however, only had a control role and did 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 had to comply with the obligations to which CRI was subject with respect to holding and managing assets on behalf of the Fund.

Supplementary restrictions and obligations

The Company could grant security interests or other guarantees, provided that the custodian had approved these security interests and that they were 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 could not exceed 30% 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 had to be paid into an account held at a bank approved by the custodian.

The Company was required to issue a monthly report on the status of its assets. This report had to be provided to both the management company and the custodian. These reports were audited annually.

Moreover, the Company's shares had to 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 and the BaFin with various pieces of information that allow these two organizations to carry out their controls.

Until November 5, 2015, pursuant to the German Investment Act, CRI was therefore obliged to provide information on the Company.

In order to define the resources to be used to ensure compliance with the German Investment Act, in particular, CRI, BNP (having replaced Commerzbank AG as custodian) and the Company signed a memorandum of understanding, the provisions of which are detailed in section II.6.1 "Memorandum of Understanding with CRI". The Memorandum of Understanding was terminated by mutual agreement with effect from November 5, 2015.

8. Research and development, patents and licenses

Not applicable

9. Information provided by third parties, expert valuation reports

The Company applies the principle of rotating its independent experts once every three years. DTZ Valuation France was the only independent expert in 2015.

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, 2015.

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 valuations 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.

The expert applies a different yield to occupied and vacant premises.

Total fair value at December 31, 2015

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 2015 valuation	Fair value (net of taxes) at Dec. 31, 2015 (in millions of euros)	Fair Value (all taxes included) at Dec. 31, 2015 (in millions of euros)
DTZ Valuation France	3	3	942	1,004
Total assets	3	3	942	1,004

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

ADDITIONAL INFORMATION

1. Documents on display

Copies of this Registration Document are available free of charge from Cegereal, 42 rue Bassano, 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:

- the articles of incorporation, bylaws, minutes of General Shareholders' Meetings, reports and other Company documents;
- 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;
- 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, Chief Executive Officer 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 149, 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 it is 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 82 and 95 in this document.

Paris, 27 April 2016

Raphaël Tréguier

Chief Executive Officer

3. Historical financial information

The IFRS consolidated financial statements for the year ended December 31, 2015 and the related Statutory Auditors' report presented on pages 66 to 81 and page 82, respectively, of the 2015 Registration Document. Annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2015 and the related Statutory Auditors' report presented on pages 84 to 94 and page 95, respectively, of the 2015 Registration Document.

The IFRS consolidated financial statements for the year ended December 31, 2014 and the related Statutory Auditors' report presented on pages 88 to 102 and page 103, respectively, of the 2014 Registration Document filed with the AMF on March 6, 2015 under no. D. 15-0108, are incorporated by reference into this document.

The IFRS consolidated financial statements for the year ended December 31, 2013 and the related Statutory Auditors' report presented on pages 64 to 78 and page 79, respectively, of the 2013 Registration Document filed with the AMF on April 10, 2014 under no. D. 14-0324, 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, 2015. Its most recent consolidated financial statements are those prepared in accordance with IFRS for the year ended December 31, 2015.

4. Statutory auditors

PRINCIPAL STATUTORY AUDITORS

KPMG Audit FS I, member of the Versailles Institute of Auditors, Tour Eqho - 2 avenue Gambetta, 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 Paris Institute of Auditors, 35 avenue Victor Hugo, 75016 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.

DEPUTY STATUTORY AUDITORS

KPMG Audit FS II, member of the Versailles Institute of Auditors, Tour Eqho - 2 avenue Gambetta, 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.

Madame 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	V.2	146
1.2 Attestation by the persons responsible for the Registration Document	V.2	146
2. Statutory Auditors	III.2.5 note 5.27, III.3.5 note 5.19 and V.4	81, 94 and 147
3. Selected financial information	I.14, I.15, III.1, III.3.1 and V.3	28, 29, 30, 58, 84 and 146
4. Risk factors	III.1 and IV.1.4-2	60, 74 and 114
4.1 Legal risks	III.1 and III.2.5.4 note 4.4	60 and 74
4.2 Industrial and environmental risks	III.1	60
4.3 Credit and/or counterparty risk	III.2.5.4 note 4.5	74
4.3 Liquidity risk	III.1 and III.2.5.4 note 4.6	60 and 74
4.4 Interest rate risk	III.1 and III.2.5.4 note 4.7	60 and 74
4.5 Foreign exchange risk	III.1	60
4.6 Risk on equities	III.1	60
4.7 Credit derivatives	N/A	N/A
4.8 Insurance	III.1	60
5. Information relating to the issuer		
5.1 History and development of the issuer	III.1 and IV.2	58 and 118
5.2 Investments		
5.2.1 Period covered by historical information	N/A	N/A
5.2.2 In progress	N/A	N/A
5.2.3 Future	I.4 and I.13	4 and 26
6. Business overview		
6.1 Principal activities	I.1 to I.4	1 to 5
6.2 Principal markets	I.1, I.10 and II.2.5 notes 5.17 and 5.18	1, 20 to 23, 78
6.3 Exceptional factors	I.3 and I.5	3, 6-7
6.4 Patents, licenses	IV.8	145
6.5 Competitive position	I.4	4
7. Organizational structure		
7.1 Brief description of the Group	III.1	58
7.2 List of significant subsidiaries	III.1 and III.3.5 note 5.15	58 and 93
8. Real estate property, plant and equipment		
8.1 Real estate property, plant and equipment	I.6 to I.9	10 to 19
8.2 Environmental impact of the issuer's utilization of the property, plant and equipment	II	33 to 55
9. Operating and financial review		
9.1 Financial position	III.1 and III.3.1	58 and 84
9.2 Operating results		
9.2.1 Significant events	I.3, I.5, III.1 and III.2.5.1 note 1.1	3, 6-7, 58 and 69

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 May 26, 2016.

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 2015		
Situation for the year under review (Group and Company)		
Group information	III.1 and III.2	58 and 66
Company information	III.3	84
Foreseeable developments/Future prospects (Group and Company)		
Group information	I.3 and I.4	3 and 4
Company information	I.3 and I.4	3 and 4
Results of the Company and the subsidiaries		
Group information	III.1	58
Company information	III.3	84
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	I.1, I.14 and I.15, III.1 and III.2	1, 28, 30, 58 and 66
Company information	I.1 and I.12, III.3	1, 24 and 84
Environmental and employment information - Social commitments to sustainable development		
Group information	II and IV.4	33 and 126
Company information	II and IV.4	33 and 126
Research and development activities		
Group information	IV.8	145
Company information	IV.8	145
Progress made/Difficulties encountered		
Group information	I.4 and III.1	4 and 58
Company information	I.4 and III.1	4 and 58
Main risks and uncertainties		
Group information	III.1	60 and 74
Company information	III.1	60 and 74
Significant events subsequent to year-end		
Group information	III.2.5.5 note 5.28 and IV.5.1.3	81 and 127
Company information	III.3.5.5 note 5.20 and IV.5.1.3	94 and 127
Activity per line of business		
Group information	III.1 and III.3	58 and 84
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers		
Company information	IV.5.1.3	127
Changes in the presentation of the annual financial statements and the valuation methods used		
Company information	III.3.1	84
Dividends distributed in the previous three years		
Company information	III.3.2	85
Non tax-deductible expenses		
Company information	III.3.2	85
Information on supplier payment terms		
Company information	III.3.2	85
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
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	IV.5.1.3 and IV.5.1.7	127 and 131
Statement of employee share ownership	IV.4	126
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	IV.5.3	132
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	IV.5.1.3	127
Items that could have an impact in the event of a public offer	IV.5.4	132

Information required in the board's report to the general shareholders' meeting	Location in the Registration Document Section	Page
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	IV.5.2	131
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	IV.6.3	138
List of offices	IV.6.1 and IV.6.2	134 and 137
Senior executive share transactions	IV.5.5	132
Choice made between the two types of corporate governance in the event of a change	IV.1.4	107
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	IV.1.4	107
Five-year financial summary	IV.1.8	118
Summary table of currently valid authorities to increase share capital and the use made of such authorities during the year by Cegereal	IV.5.1.5	130

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	III.3	84
2. Consolidated financial statements	III.2	66
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.1,I.12, I.14 and I.15, III.1, III.2 and III.3	1, 24, 28, 30, 58, 66 and 84
3.2 Table of the delegations of authority to increase share capital	IV.5.1.5	130
3.3 Information that could have an impact in the event of a public offer	IV.5.4	132
3.4 Information regarding the share buy-back program during the fiscal year	IV.5.2	131
4. Declaration by the persons responsible for the annual financial report	V.2	146
5. Statutory Auditors' reports on the annual and consolidated financial statements	III.2.6 and III.3.6	82 and 95

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, 2015	III.3	84
2. Statutory Auditors' report on the annual financial statements	III.3.6	95
3. Consolidated financial statements for the year ended December 31, 2015	III.2	66
4. Statutory Auditors' report on the consolidated financial statements	III.2.6	82
5. Statutory Auditors' special report on related-party agreements and commitments	III.3.7	96
6. Five-year financial summary	IV.1.8	118
7. Statutory Auditors' report on the extraordinary resolutions	IV.1.3	106
8. Statutory Auditors' report on the Chairman's report on internal control and corporate governance	IV.1.5	116
9. Report by an independent third party on the CSR disclosures	II	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
Corporate information	Workforce	Total headcount and breakdown by gender and location	127
		Recruitments and redundancies	127
		Pay and changes in pay	127
	Working schedules	Working hours	127
		Lost time	127
	Labor relations	The coordination of labor relations: specifically, procedures for sharing information with the workforce, and consulting and negotiating with staff.	42; 127
		Summary of collective agreements	42; 127
	Health and safety	Health and safety in the workplace	42; 127
		Summary of health and safety agreements signed with trade unions or staff representatives	127
		Work accidents – frequency and severity, and occupational diseases	127
	Training	Training policies	127
		Total number of training hours	127
	Equal treatment	Measures taken to promote gender equality	127
		Measures taken to promote the employment and integration of people with a disability	42-43
		Anti-discrimination policy	42-43
	ILO (Action to support)	Respect for freedom of association and the right to collective bargaining	42-43
		Elimination of discrimination in respect of employment and occupation	42-43
		Elimination of forced or compulsory labor	42-43
		Effective abolition of child labor	42-43
Environmental information	General environmental policy	Incorporating environmental issues into the organization of the business; environmental evaluation programs and certifications	38-39; 50; 51
		Environmental training programs and information campaigns	43
		Resources dedicated to the prevention of environmental risk and pollution	51
		Provisions and guarantees for environmental risks	51
	Pollution and waste management	Measures taken to prevent, reduce and combat discharge into the air, water and soil that has a serious environmental impact	51
		Measures taken to prevent, recycle and eliminate waste	38-39; 51
		Noise pollution and other forms of pollution specific to a particular activity	51
	Sustainable use of resources	Water consumption and supply, within the constraints of the local environment	48
		Use of raw materials and measures taken to use them more efficiently	48; 51
		Use of energy, measures taken to improve energy efficiency and use of renewable energy sources	50
		Land use	49
	Climate change	Greenhouse gas emissions	48; 50
		Adapting to the consequences of climate change	38-39; 48; 50
	Protecting biodiversity	Measures taken to preserve and cultivate biodiversity	49
Societal information	Territorial, economic and social impact of the business	In terms of jobs and regional development	45-47
		On neighboring and local communities	45-47
	Relations with stakeholders	Organization of discussions with stakeholders	35; 44-46
		Sponsorship and patronage	44
	Subcontracting and suppliers	Integrating social and environmental issues into purchasing policy	45
		The extent of subcontracting and the integration of suppliers' and subcontractors' social and environmental responsibility into supplier relations	45; 51
	Fair trade practices	Action taken to prevent corruption	43
	Human rights	Measures taken to promote public health and safety	51
		Action taken	43

9. GRI G4 Concordance table

N°	Indicators	Page	Comments
General Standard Disclosures			
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Website	WB "Sustainable Development" page - Environmental policy
G4-2	Provide a description of key impacts, risks, and opportunities.	AR p.38-39, 41	AR § "2015-2018 CSR Strategy" and § "Materiality and CSR Issues"
Organizational Profile			
G4-3	Report the name of organization.	-	Cegereal
G4-4	Report the primary brands, products, and services.	Website	WB "Company" page
G4-5	Report the location of the organization's headquarters.	-	42, rue Bassano, 75008 Paris
G4-6	Report the number of countries where the organization operates, and names of countries where the organization has significant operations.	-	France
G4-7	Report the nature of ownership and legal form	Website	WB "Governance" page
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Website	WB "Company" and "Assets" pages
G4-9	Report the scale of the organization (total number of employees, total number of operations, net sales, capitalization, debt and equity, products and services provided).	AR p.127 Website	AR § "Employees" WB "Company" and "Assets" pages
G4-10	Report the total number of employees (permanent or otherwise) by employment contract, region, and gender (and any significant variations in employment numbers).	AR p.127	AR § "Employees"
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	AR Appendices	AR Art.225 concordance table
G4-12	Describe the organization's supply chain.	AR p.40	AR § "CSR Governance"
G4-13	Report any significant changes regarding the organization's size, structure, ownership, or its supply chain.	Website	WB "Company" and "Assets" pages
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	AR p. 51 ; 62	AR § "Environment risk management" and § "Risk Management"
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	AR p.45	AR § "Taking responsibility for our societal footprint"
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	AR p.45	AR § "Taking responsibility for our societal footprint"
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	AR p.70	AR § "Financial information"
G4-18	Explain the process for defining the report content and the Aspect Boundaries (=sub-aspects)	AR p.41 Website	AR §"Materiality and CSR Issues" WB: "Sustainable Development" page - Reporting methodology"
G4-19	List all the material Aspects identified in the process for defining report content.	AR p.41 website	AR § "Materiality and CSR Issues" WB: "Sustainable Development" page - Reporting methodology"
G4-20	Report whether each Aspect is material within the organization and the Aspect Boundary within the organization (as described in in G4-17).	AR p.41 Website	AR §"Materiality and CSR Issues" WB "Sustainable Development" page - Reporting methodology"
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	AR p.62	AR § "Risk Management"
G4-22	Report the effect of, and reasons for, any restatements of information provided in previous reports.	AR p.52-53 Website	AR § "Appendix 1: Reporting Methodology" WB "Sustainable Development" page - Reporting methodology
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	AR p.62,51,52-53 Website	AR § "Risk Management", § "Environmental Risk Management", § "Preventing Pollution" and § "Appendix 1: Reporting Methodology"
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization.	AR p.40	AR § "CSR Governance"
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	AR p. 40-41	AR § "CSR Governance" and § "Materiality and CSR Issues"
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	AR p. 40-41	AR § "CSR Governance" and § "Materiality and CSR Issues"
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	AR p.41 Website	AR § "CSR Governance" WB "Regulated information" page

N°	Indicators	Page	Comments
Report Profile			
G4-28	Reporting period.	AR p. 52-53 Website	AR § "Appendix 1: Reporting Methodology" WB "Environmental Information" page - Reporting Methodology
G4-29	Date of most recent previous report.	AR p. 52-53 Website	AR § "Appendix 1: Reporting Methodology" WB "Environmental Information" page - Reporting Methodology
G4-30	Reporting cycle (such as annual, biennial).	AR p. 52-53 Website	AR § "Appendix 1: Reporting Methodology" WB "Environmental Information" page - Reporting Methodology
G4-31	Provide the contact point for questions regarding the report or its contents.	AR p. 52-53 Website	AR § "Appendix 1: Reporting Methodology" WB "Environmental Information" page - Reporting Methodology
G4-32	Report the 'in accordance' option the organization has chosen (Core or Comprehensive) and report the reference to the External Assurance Report.	-	"Core"
G4-33	Report policy and current practice with regard to seeking external assurance for the report.	AR p.54-55	RA: Report by the independent third party (appendix)
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body.	AR p. 108	AR § "Corporate Governance"
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	AR p. 40	AR § "CSR Governance"
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	AR p. 40	AR § "CSR Governance"
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	CSR p. 40-41	AR § "CSR Governance" and § "Materiality and CSR Issues"
G4-38	Report the composition of the highest governance body.	AR p. 108	AR § "Corporate Governance"
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management).	AR p. 108	AR § "Corporate Governance"
G4-40	Report the nomination and selection processes for the highest governance body and its committees, the criteria used, etc.	AR p. 108	AR § "Corporate Governance"
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	AR p. 110	AR § "Internal Rules and Regulations"
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	AR p. 40	AR § "CSR Governance"
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	AR p. 40	AR § "CSR Governance"
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	AR p. 40	AR § "CSR Governance"
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	AR p. 40	AR § "CSR Governance"
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	AR p. 40	AR § "CSR Governance"
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	AR p. 40	AR § "CSR Governance"
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	AR p. 40	AR § "CSR Governance"
G4-49	Report the process for communicating critical concerns to the highest governance body.	AR p. 40	AR § "CSR Governance"
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	AR p. 40	AR § "CSR Governance"
G4-51	Report the remuneration policies for the highest governance body and senior executives for fixed and variable pay, performance-based pay, equity-based pay, bonuses, etc.	AR p. 108 and 121	AR § "Corporate Governance" and § "Transactions with Key Management Personnel"
G4-52	Report the process for determining remuneration.	AR p. 108 and 121	AR § "Corporate Governance" and § "Transactions with Key Management Personnel"
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	AR p. 108 and 121	AR § "Corporate Governance" and § "Transactions with Key Management Personnel"
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-	N/A
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	-	N/A

N°	Indicators	Page	Comments
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	AR p.42	AR § "Promotion and Compliance with the Fundamental Conventions of the International Labor Organization" - Internal Code of Ethics
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	AR p.42	AR § "Promotion and Compliance with the Fundamental Conventions of the International Labor Organization" - Internal Code of Ethics
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity (...).	AR p.42	AR § "Promotion and Compliance with the Fundamental Conventions of the International Labor Organization" - Internal Code of Ethics
Specific Standard Disclosures			
Management Approach and Material Aspects			
G4-DMA	Report why the Aspect is material and the impacts that make it material.	AR p. 38-39, 41, 62	AR § "2015-2018 CSR Strategy", § "Materiality and CSR Issues" and § "Risk Management"
Economic performance			
G4-EC1	Report the direct economic value generated and distributed (EVG&D) on an accruals basis.	AR p.47 and 113	AR § "Governance" and § "Societal footprint"
G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	AR p.62	AR § "Risk Management"
G4-EC3	Coverage of the organization's defined benefit plan obligations.	-	N/A
G4-EC4	Financial assistance received from government.	-	N/A
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	-	N/A
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	-	100%
G4-EC7	Development and impact of infrastructure investments and services supported.	AR p.44	AR § "Taking responsibility for our societal footprint"
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	-	The Company's business activity does not generate any "significant" indirect impact.
G4-EC9	Procurement practices: proportion of spending on local suppliers at significant locations of operation.	-	100%
Environmental			
G4-EN1	Report the total weight or volume of materials that are used to produce and package the organization's primary products and services (by material).	AR p.50	AR § "Carbon footprint and climate change"
G4-EN2	Report the percentage of recycled input materials used to manufacture the organization's primary products and services.	AR p.50	AR § "Carbon footprint and climate change"
G4-EN3	Report total fuel consumption from non-renewable sources in joules or multiples.	AR p.50	AR § "Carbon footprint and climate change"
G4-EN4	Report energy consumed outside of the organization (standards, methodologies, assumptions, and source of the conversion factors used).	AR p.35-39, 48	AR § "Key CSR Indicators" and "Continue to demand high environmental performance standards for our business"
G4-EN5	Report the energy intensity ratio.	AR p.35-39, 48	AR § "Key CSR Indicators" and "Continue to demand high environmental performance standards for our business"
G4-EN6	Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (in joules).	AR p.35-39	AR § "Key CSR Indicators" and § "2015-2018 CSR Strategy"
G4-EN7	Report the reductions in the energy requirements of sold products and services achieved during the reporting period.	AR p.35-39	AR § "Key CSR Indicators" and § "2015-2018 CSR Strategy"
G4-EN8	Report the total volume of water withdrawn.	AR p.48	AR § "Continue to demand high environmental performance standards for our business"
G4-EN9	Report the total number of water sources.	AR p.48	AR § "Continue to demand high environmental performance standards for our business"
G4-EN10	Report the total volume of water recycled and reused by the organization.	-	N/A
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas (...).	AR p.49	AR § "Biodiversity and soil utilization"
G4-EN12	Report the nature of significant direct and indirect impacts on biodiversity.	AR p.49	AR § "Biodiversity and soil utilization"
G4-EN13	Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals.	-	0%
G4-EN14	Total number of IUCN red list species.	-	None
G4-EN15	Report gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent.	AR p.50	AR § "Carbon footprint and climate change"

N°	Indicators	Page	Comments
G4-EN16	Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent.	AR p.50	AR § "Carbon footprint and climate change"
G4-EN17	Report gross other indirect (Scope 3) GHG emissions.	AR p. 50, 48	AR § "Carbon footprint and climate change"
G4-EN18	Report the GHG emissions intensity ratio.		and § "Continue to demand high environmental performance standards for our business"
G4-EN19	Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions.	AR p.48	AR § "Continue to demand high environmental performance standards for our business"
G4-EN20	Report production, imports, and exports of ODS in metric tons of CFC-11 equivalent.	AR p.35-39	AR § "Key CSR Indicators" and § "2015-2018 CSR Strategy"
G4-EN21	Report the amount of significant air emissions, in kilograms, for NOX, SOX, POP, VOC, HAP, particulate matter, etc.	-	None
G4-EN22	Report the total volume of planned and unplanned water discharges.	AR p.48	AR § "Continue to demand high environmental performance standards for our business"
G4-EN23	Report the total weight of hazardous and non-hazardous waste.	AR p.48	AR § "Continue to demand high environmental performance standards for our business"
G4-EN24	Report the total number and total volume of recorded significant spills.	-	The Company's operations do not generate any direct hazardous waste.
G4-EN25	Report the total weight of hazardous waste.	-	None
G4-EN26	Report water bodies and related habitats that are significantly affected by the organization's water discharges.	-	None
G4-EN27	Report quantitatively the extent to which environmental impacts of products and services have been mitigated.	-	None
G4-EN28	Report the percentage of reclaimed products and their packaging materials for each product category.	AR p.38-39 and 51	AR § "2015-2018 CSR Strategy" and § "Environmental risk management"
G4-EN29	Report significant fines and non-monetary sanctions.	-	Not applicable to the Company's operations
G4-EN30	Report the significant environmental impacts of transporting products and other goods and materials for the organization's operations (…).	-	None
G4-EN31	Report total environmental protection expenditures.	AR p.50	AR § "Carbon footprint and climate change" – Travel
G4-EN32	Report the percentage of new suppliers that were screened using environmental criteria.	-	N/A
G4-EN33	Report the number of suppliers subject to environmental impact assessments.	AR p.45	AR § "Involving the entire chain of sub-contractors and suppliers"
G4-EN34	Report the total number of grievances about environmental impacts filed through formal grievance mechanisms.	AR p.45	AR § "Involving the entire chain of sub-contractors and suppliers"
Labor Practices			
G4-LA1	Report the total number and rate of new employee hires during the reporting period.	AR p.127	AR § "Employees"
G4-LA2	Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees.	-	N/A
G4-LA3	Report the return to work and retention rates of employees who took parental leave, by gender.	-	The Company guarantees the return to work and retention of employees who take parental leave.
G4-LA4	Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them.	-	N/A
G4-LA5	Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.	-	There is no health and safety committee within the organization as there is no legal requirement for the Company to have one.
G4-LA6	Report types of injury, injury rate, occupational diseases rate, lost day rate, absentee rate and work-related fatalities, for the total workforce.	AR p.127	AR § "Employees"
G4-LA7	Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	-	None
G4-LA8	Report whether formal agreements (either local or global) with trade unions cover health and safety.	-	The Internal Rules and Regulations describe and assess the risks to the health and safety of employees.
G4-LA9	Report the average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category.	AR p.127	AR § "Employees"
G4-LA10	Report on the type and scope of programs implemented and assistance provided to upgrade employee skills.	-	N/A
G4-LA11	Report the percentage of total employees by gender and by employee category who received a regular performance and career development review.	AR p.127	AR § "Employees"
G4-LA12	Report the percentage of individuals within the organization's governance bodies (by gender and minority group).	AR p.108	AR § "Corporate Governance"

N°	Indicators	Page	Comments
G4-LA13	Report the ratio of the basic salary and remuneration of women to men for each employee category.	-	N/A
G4-LA14	Report the percentage of new suppliers that were screened using labor practices criteria.	AR p.45	AR § "Involving the entire chain of sub-contractors and suppliers"
G4-LA15	Report the number of suppliers subject to impact assessments for labor practices.	AR p.45	AR § "Involving the entire chain of sub-contractors and suppliers"
G4-LA16	Report the total number of grievances about labor practices filed through formal grievance mechanisms.	-	None
Human rights			
G4-HR1	Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	-	Cegereal is governed by the laws of France, which entails compliance with fundamental human rights. It is also a member of Global Compact France and has undertaken to comply with the ten Global Compact principles.
G4-HR2	Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.	-	None
G4-HR3	Report the total number of incidents of discrimination during the reporting period.	-	None
G4-HR4	Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated.	-	None
G4-HR5	Report operations and suppliers considered to have significant risk for incidents of child labor or young workers exposed to hazardous work.	-	None
G4-HR6	Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labor.	-	None
G4-HR7	Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.	-	0%
G4-HR8	Report the total number of identified incidents of violations involving the rights of indigenous peoples.	-	None
G4-HR9	Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	-	None
G4-HR10	Report the percentage of new suppliers that were screened using human rights criteria.		0%
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	-	None
G4-HR12	Report the total number of grievances about human rights impacts filed through formal grievance mechanisms.	-	None
Society - Local Communities			
G4-SO1	Report the percentage of operations with implemented local community engagement, impact assessments, and development programs.	AR p.44	AR § "Taking responsibility for our societal footprint"
G4-SO2	Report operations with significant actual and potential negative impacts on local communities.	-	None
G4-SO3	Report the total number and percentage of operations assessed for risks related to corruption.	-	Not applicable to the Company's operations
G4-SO4	Communication and training on anti-corruption policies and procedures.	AR p.54-55	Registration Document: Autorité des Marchés Financiers (AMF) attestation
G4-SO5	Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to.	-	None
G4-SO6	Report the total monetary value of financial and in-kind political contributions.	-	The Company does not finance political parties.
G4-SO7	Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior.	-	None
G4-SO8	Report significant fines and non-monetary sanctions.	-	None
G4-SO9	Report the percentage of new suppliers that were screened using criteria for impacts on society.	-	0%
G4-SO10	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	-	None
G4-SO11	Report the total number of grievances about impacts on society filed through formal grievance mechanisms.	-	0%

N°	Indicators	Page	Comments
Product and Service Responsibility			
G4-PR1	Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	-	N/A
G4-PR2	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period.	-	None
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling.	AR p.54-55	Registration document: information required for Autorité des Marchés Financiers attestation regarding full disclosure to shareholders.
G4-PR4	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.	-	None
G4-PR5	Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes).	-	N/A
G4-PR6	Sale of banned or disputed products.	-	None
G4-PR7	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications and advertising.	-	None
G4-PR8	Report the total number of substantiated complaints received concerning breaches of customer privacy.	-	None
G4-PR9	Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-	None

G4-8	Required General Standard Disclosure for both Core and Comprehensive options
G4-37	Required General Standard Disclosure for Comprehensive option
G4-EN11	"In accordance" – Core: at least one indicator related to each identified material Aspect
G4-EN11	'In accordance' – Comprehensive: all indicators related to each identified material Aspect
G4-DMA	For material Aspects only

WB: Website

AR: 2015 Annual report

10. Glossary

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.

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 "TOPPED-UP" (NIY)

EPRA "topped-up" NIY corresponds to the EPRA NIY adjusted for rent-free periods or other incentives due to expire.

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 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, 2015 by external real estate valuer DTZ Valuation France.
Treasury shares held at December 31, 2015 were not taken into account in calculating NAV per share.

EPRA NNNAV

EPRA Triple Net Asset Value incorporates the market value of the fixed-rate bank loan debt.
Treasury shares held at December 31, 2015 were not taken into account in calculating EPRA NNNAV per share.

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, 2015.

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.

IFRS RENTAL INCOME

See note 2.11 of consolidated accounts page 73.

ILAT

Officialized in 2011, the ILAT is frequently used as the reference system for reviewing rents of tertiary premises. The ILAT is the weighted sum of three indexes: the consumer price index (50%), the cost of construction index (25%) and the level of gross domestic product (25%).

LTV

Loan-to-value ratio: this ratio corresponds to outstanding bank borrowings/market value of real estate assets net of taxes.

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.

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).

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, 2015.
The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at December 31, 2015.

POTENTIAL RETURN

An asset's potential return corresponds to the sum of the market rental values divided by the estimated value of the property.

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.

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.

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.

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AMF

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