



CeGeREAL – Increase in net income (IFRS) to €9.5 million

- . Turnover up 8% to €22.4 million
- . Increase in operating income of 32% to €17.8 million
- . Triple net NAV per share (excluding transfer taxes – EPRA): €35.2
- . Property portfolio (appraisal value excluding transfer taxes): €859.8 million

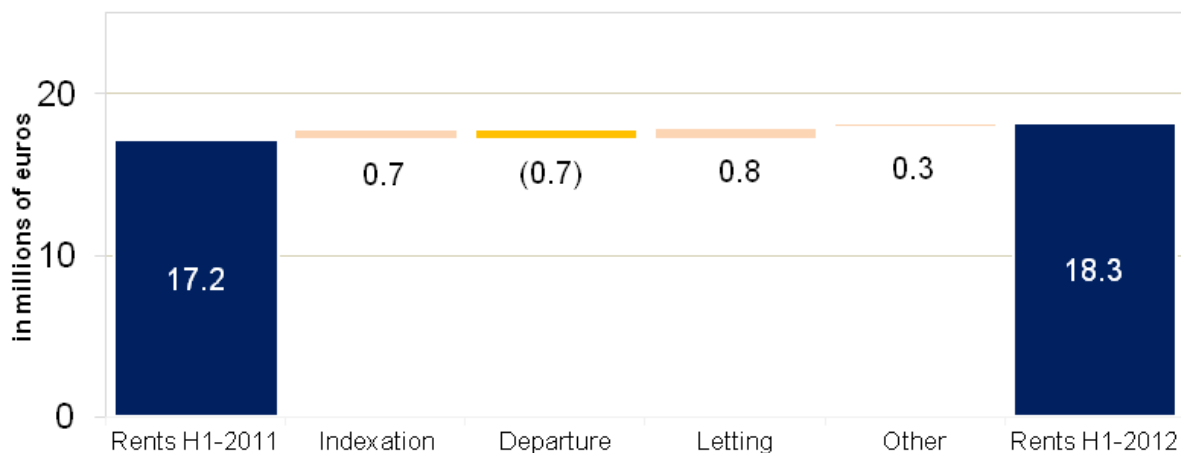
Raphaël Tréguier, Chief Executive Officer of CeGeREAL, said: “CeGeREAL successfully pursued its strategy during the first half of the year, signing new leases on over 20,000 sq.m. in a lackluster market and obtaining HQE environmental certification for Arc de Seine’s building management processes. The resulting improved occupancy rate will drive a steady increase in both rental income and profit.”

The consolidated financial statements for the six months ended June 30, 2012 presented below were subjected to an interim review by the auditors and were approved for publication by the Board of Directors on July 24, 2012.

Half Year results € millions (except per share data)	06/30/2012 (6 months)	06/30/2011 (6 months)
Rental Income (IFRS)	18.3	17.2
Turnover	22.4	20.8
Net Income (IFRS)	9.5	5.2
FFO	5.2	4.8
NNNAV excluding duties (EPRA)	469.7	462.1
NNNAV per share excluding duties in euros (EPRA)	35.2	34.6

- **Turnover up 8%**

CeGeREAL reported **turnover (IFRS) of €22.4 million** for the first half of 2012, an increase of 8% compared with the year-earlier period. **Rental income amounted to €18.3 million, up 6%** vs. the first half of 2011. The increase was mainly due to the positive effect of applying rent indexation clauses and to the first rental incomes from the new leases signed during the period.



The new leases also drove a 15% rise in expenses rebilled to tenants to €4.1 million, mainly due to the arrival of the new tenants.

<i>In € millions (excluding tax)</i>	2012	2011
<u>First Quarter</u>		
Rents	8.984	8.543
Charges rebilled to the tenants	1.859	1.688
Q1 Turnover from January 1st to March 31st	10.843	10.266
<u>Second Quarter</u>		
Rents	9.284	8.671
Charges rebilled to the tenants	2.262	1.895
Q2 Turnover from April 1st to June 30th	11.546	10.566
<u>First Half</u>		
Rents	18.268	17.214
Charges rebilled to the tenants	4.121	3.583
Turnover for the period from January 1st to June 30th	22.389	20.797

- **Ongoing improvement in the rental status**

A total of 21,000 sq.m. was let during the period, despite a certain reluctance among major prospective tenants to make a move in the challenging economic environment. The new leases included:

- **18,200 sq.m. in the Arcs de Seine complex** that were let to Canal+, Hewlett Packard and Huawei Technologies under leases commencing for the most part in 2012. These 18,200 sq.m include an additional 900 sq.m. let to Hewlett Packard in early June.
- **2,800 sq.m. in the Europlaza tower** let to ASG (1,350 sq. m. lease renewal) and Yxime (1,450 sq.m.).

The new leases will raise the Group's overall occupancy rate to 81%.

The ASG lease on Europlaza (1,300 sq. m.) has been renewed in the form of a 6-year lease.

In June, **Arcs de Seine obtained HQE environmental certification for its building management processes. Arcs de Seine thus** maintains its status as one of the area's most attractive business campuses in terms of both office space and amenities, and the remaining units are being actively marketed.

- **A portfolio valued at €859.8 million excluding transfer taxes**

The **valuations performed at June 30, 2012 put the portfolio's appraisal value at €859.8 million** excluding transfer taxes, compared with €854.2 million at December 31, 2011.

This amount breaks down as follows by property:

- Europlaza: €386.3 million
- Arcs de Seine: €305 million
- Rives de Bercy: €168.5 million.

EPRA NNAV excluding transfer taxes amounted to €35.2 per share at June 30, 2012 versus €34.2 at December 31, 2011. The increase reflects the positive impacts of higher consolidated income (€0.3 per share), fair value adjustments to properties in the portfolio (€0.4 per share) and fair value adjustments to bank debt (€0.2 per share).

- **Strong increase in operating profit and net income**

Operating profit after fair value adjustments rose 32% to €17.8 million, lifted by €4.6 million in fair value adjustments to properties (versus €0.8 million in first-half 2011).

EPRA profit (adjusted to exclude fair value adjustments to properties) amounted to €4.9 million in first-half 2012 compared with €4.4 million in the year-earlier period.

Net income Group share came in at €9.5 million, after deducting finance costs and other financial income and expenses of €8.3 million. The period-on-period increase of more than 82% also reflects the improved occupancy rate and tight control over corporate costs.

Funds from operations (FFO) increased to €5.2 million from €4.7 million in first-half 2011, lifted by the initial effects of the higher overall rental status.

Cash and cash equivalents rose over the period to €22.4 million at June 30, 2012 from €17 million at December 31, 2011.

- **Controlled gearing, with LTV at 46.4%**

Debt at June 30, 2012 amounted to €398.5 million. Net LTV (ratio of net debt to the appraisal value of the property portfolio excluding transfer taxes) stood at 46.4% at that date, down slightly compared with December 31, 2011. The interest rate on the Company's loan is 4.15%. During the period, CeGeREAL

was in full compliance with all of its loan covenants. With the loan falling due in March 2013, steps were taken in the first half to negotiate replacement financing, in order to benefit from the greatest possible flexibility.

- **Outlook**

Leveraging its sound fundamentals and high quality property portfolio, CeGeREAL is focused on meeting two main objectives – to keep marketing the remaining units in the Arcs de Seine complex and to refinance its debt, with negotiations already at an advanced stage.

An excerpt of the half-year financial report is available at the end of this press release. The complete half-year report is available on the company website.

About CeGeREAL (NYSE Euronext Paris – Compartment B)

CeGeREAL is a REIT-style property company (“SIIC”) that invests mainly in very large prime office properties. Its portfolio currently comprises three office buildings located in the inner suburbs of Paris. The portfolio’s appraisal value, as estimated by independent valuers BNPP Real Estate as of June 30, 2012, was €860 million excluding transfer costs.

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Interim financial statements in IFRS

Six-month period ended June 30, 2012
Extracts from the interim financial report
approved by the Board of Directors of 24th July 2012

INTERIM FINANCIAL STATEMENTS IN IFRS SIXMONTH PERIOD ENDED JUNE 30, 2012

Balance sheet at June 30, 2012 (IFRS)

in thousands of euros

	June 30, 2012	Dec. 31, 2011	June 30, 2011 proforma
<u>Non-current assets</u>			
Investment property	859 800	854 200	861 500
Non-current loans and receivables	10 138	9 068	10 186
Total non-current assets	869 938	863 268	871 686
<u>Current assets</u>			
Trade accounts receivable	7 464	6 295	6 028
Other operating receivables	2 872	4 575	4 428
Prepaid expenses	3 121	2 167	3 090
Total receivables	13 457	13 038	13 546
Cash and cash equivalents	22 383	16 963	30 625
Total cash and cash equivalents	22 383	16 963	30 625
Total current assets	35 840	30 001	44 172
TOTAL ASSETS	905 779	893 269	915 858
<u>Shareholders' equity</u>			
Share capital	160 470	160 470	160 470
Legal reserve and additional paid-in capital	49 333	49 333	49 333
Consolidated reserves and retained earnings	266 669	266 429	266 721
Net attributable income	9 514	238	5 206
Total shareholders' equity	485 986	476 471	481 729
<u>Non-current liabilities</u>			
Non-current borrowings	0	398 217	397 971
Other non-current borrowings and debt	2 354	1 426	1 176
Total non-current liabilities	2 354	399 643	399 147
<u>Current liabilities</u>			
Current borrowings	398 523	0	0
Trade accounts payable	1 552	2 028	3 711
Corporate income tax liability			
Other operating liabilities	6 079	4 848	21 327
Prepaid revenue	11 287	10 281	9 945
Total current liabilities	417 440	17 157	34 983
Total liabilities	419 794	416 799	434 130
TOTAL EQUITY AND LIABILITIES	905 779	893 269	915 858

Income statement for the 6 months period ended June 30, 2012 IFRS

in thousands of euros, except per share data

	June 30, 2012	Dec. 31, 2011	June 30, 2011 proforma
	6 months	12 months	6 months
Rental income	18 268	34 555	17 214
Income from other services	4 121	7 315	3 583
Building-related costs	(7 698)	(13 418)	(6 747)
Net rental income	14 691	28 452	14 049
Sale of building			
Administrative costs	(1 454)	(3 993)	(1 361)
Other operating expenses	1	1	0
Other operating income			
Increase in fair value of investment property	4 807	2 500	1 300
Decrease in fair value of investment property	(200)	(10 048)	(500)
<i>Total change in fair value of investment property</i>	<i>4 607</i>	<i>(7 548)</i>	<i>800</i>
Net operating income	17 846	16 912	13 487
Financial income	38	181	40
Financial expenses	(8 369)	(16 856)	(8 322)
Net financial expense	(8 331)	(16 675)	(8 282)
Corporate income tax			
CONSOLIDATED NET INCOME	9 514	238	5 206
<i>of which attributable to owners of the Company</i>	<i>9 514</i>	<i>238</i>	<i>5 206</i>
<i>of which attributable to non-controlling interests</i>			
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME	9 514	238	5 206
<i>of which attributable to owners of the Company</i>	<i>9 514</i>	<i>238</i>	<i>5 206</i>
<i>of which attributable to non-controlling interests</i>			
Basic and diluted earnings per share (in euros)	0,71	0,02	0,39

Statement of cash flows for the 6 months period ended June 30, 2012 IFRS

in thousands of euros

	6 months ended June 30, 2012	12 months ended Dec. 31, 2011	6 months ended June 30, 2011
OPERATING ACTIVITIES			
Consolidated net income	9 514	238	5 206
<i>Elimination of items related to the valuation of buildings:</i>			
Fair value adjustments to investment property	(4 607)	7 548	(800)
Indemnity received from lessees for the replacement of components			
<i>Elimination of other income/expense items with no cash impact:</i>			
Adjustments for loans at amortized cost	306	592	347
Cash flows from operations before tax and changes in working capital requirements	5 213	8 378	4 752
Change in amounts due to owners			14 710
Other changes in working capital requirements	269	(1 056)	780
Change in working capital requirements	269	(1 056)	15 490
Net cash flows from operating activities	5 482	7 322	20 242
INVESTING ACTIVITIES			
Acquisition of fixed assets	(993)	(1 048)	(920)
Net cash flows used in investing activities	(993)	(1 048)	(920)
FINANCING ACTIVITIES			
Change in bank debt			
Net increase in other non-current borrowings and debt	928		
Net decrease in other non-current borrowings and debt		(479)	(728)
Purchases and sales of treasury shares	3	316	277
Dividends paid		(14 692)	(14 710)
Net cash flows from (used in) financing activities	931	(14 855)	(15 161)
Change in cash and cash equivalents	5 420	(8 582)	4 161
Cash and cash equivalents at beginning of the period*	16 963	25 544	25 544
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	22 383	16 963	29 705

* There were no cash liabilities for any of the periods presented above.

Statement of changes in equity for the six-month period ended June 30, 2012 – IFRS

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, 2010	160 470	50 269	(753)	280 820	490 805		490 805
Comprehensive income				5 206	5 206		5 206
- Net income for the period				5 206	5 206		5 206
- Other comprehensive income							
Capital transactions with owners		(936)	428	(13 774)	(14 282)		(14 282)
- Dividends paid (€1.10 per share)		(936)		(13 774)	(14 710)		(14 710)
- Change in treasury shares held			428		428		428
Shareholders' equity at June 30, 2011	160 470	49 333	(325)	272 252	481 729		481 729
Comprehensive income				(4 968)	(4 968)		(4 968)
- Net income for the period				(4 968)	(4 968)		(4 968)
- Other comprehensive income							
Capital transactions with owners			(309)	18	(291)		(291)
- Dividends paid				18	18		18
- Change in treasury shares held			(309)		(309)		(309)
Shareholders' equity at Dec. 31, 2011	160 470	49 333	(634)	267 302	476 471		476 471
Comprehensive income				9 514	9 514		9 514
- Net income for the period				9 514	9 514		9 514
- Other comprehensive income							
Capital transactions with owners			2		2		2
- Dividends paid							
- Change in treasury shares held			2		2		2
Shareholders' equity at June 30, 2012	160 470	49 333	(632)	276 815	485 986		485 986