

**PRESS RELEASE RELATED TO THE FILING OF A DRAFT INFORMATION NOTE
IN RESPONSE TO THE SIMPLIFIED TENDER OFFER ON THE SHARES OF
COMPANY**



**Initiated by NW CGR 4 S.à r.l. and NW CGR 5 S.à r.l., acting in concert with the other members
of the Northwood Concert**

This release has been issued by CeGeREAL and is published pursuant to the article 231-26 of the AMF's General Regulations (French financial market authority, *Autorité des Marchés Financiers*, the « **AMF** »).

The simplified tender offer, the draft information note, and the draft information note in response remain subject to approval by the AMF.

A draft information note in response has been made and filed with the AMF on December 17th, 2015, pursuant to article 231-19 of the AMF's General Regulations

The draft information note in response is available on CegeREAL's websites (www.cegereal.com) and the AMF (www.amf-france.org) and can be obtained free of charge with:

CeGeREAL
42 rue de Bassano – 75 008 PARIS

Pursuant to article 231-28 of the AMF's General Regulations, information related to the legal, accounting and financial characteristics of the company CeGeREAL will be filed with the AMF and made available to the public, no later than the day preceding the opening of the tender offer. A release will be published, no later than the day preceding the opening of the tender offer to inform the public of the conditions for making this document available.

1. PRESENTATION OF THE OFFER

Pursuant to title III of book III and more specifically articles 231-1 2° and 234-2 et seq of the AMF General Regulations, NW CGR 4 S.à.r.l., a limited liability company organized under the laws of Luxembourg with a share capital of 12,500 Euros, whose registered office is at 22, rue Goethe, L.1637 Luxembourg, registered at the company register of Luxembourg with the identification number B 200073 and NW CGR 5 S.à.r.l., a limited liability company organized under the laws of Luxembourg with a share capital of 12,500 Euros, whose registered office is at 22, rue Goethe, L.1637 Luxembourg, registered at the company register of Luxembourg with the identification number B 200098, (together the “**Offerors**”), acting in concert with the other members of the Northwood Concert (as defined hereafter), filed on 17 December 2015 a proposed simplified tender offer under which they irrevocably offer to the other shareholders of the CeGeREAL company, *Société Anonyme* organized under the laws of France with a share capital of 160,470,000 Euros, whose registered office is at 42, rue Bassano, 75008 Paris, registered at the *Registre du commerce et des Sociétés* of Paris with the identification number 422 800 029 (“**CeGeREAL**” or the “**Company**”) to acquire under the conditions described in the draft information note filed with the AMF by the Offerors on 17 December 2015 (the “**Draft Information Note**”), all the shares CeGeREAL at a price of 35.65 Euros per share (the “**Offer**”).

The shares issued by the Company are admitted to trading on the B compartment of NYSE Euronext Paris (“**NYSE Euronext Paris**”) under the code ISIN FR 0010309096 (mnemonic CGR).

The Offer targets all the securities giving access to the share capital and voting rights of the Company, namely 13,372,500 shares issued at the date of filing of the Offer, except for the 7,993,489 shares acquired by the Purchasers (as defined hereafter), on 5 November 2015 as part of the Block Trade (as defined hereafter), being specified that the Board of the Company decided during the meeting of 16 December 2015 not to bring to the Offer the shares held by the Company, namely 13,538 shares as of 16 December 2015.

Consequently, the Offer concerns a maximum of 5,365,473 shares of the Company.

Pursuant to a share purchase agreement in English language concluded on 25 September 2015 (the “**Agreement**”) between Commerz Real Investmentgesellschaft mbH, acting in the name and on the behalf of the real estate investment fund HausInvest on one side (“**CRI**”) and NW CGR 1 S.à.r.l, NW CGR 2 S.à.r.l. and NW CGR 3 S.à.r.l. on the other side (the “**Purchasers**”), CRI agreed to transfer to the Purchasers its entire shareholding in the Company, namely a total of 7,993,489 shares representing 59,78% of the share capital and voting right of the Company (the “**Block Trade**”).

The completion of the Block Trade and the payment of the corresponding price occurred on 5 November 2015.

The Offer is a mandatory offer pursuant to article 234.2 of the AMF’s General Regulation and will be made under the simplified procedure pursuant to articles 233-1 2° et seq. of the AMF General Regulations.

The Offerors declared acting in concert with the following entities: (i) NW CGR 1 S.à r.l., (ii) NW CGR 2 S.à r.l., (iii) NW CGR 3 S.à.r.l. (together with avec NW CGR 1 S.à r.l. and NW CGR 2 S.à.r.l., (iv) NW CGR 4 S.à r.l., (v) NW CGR 5 S.à r.l., (vi) NW CGR S.C.S, managed by its « general partner », NW CGR GP S.à r.l., (vii) NW CGR Holding S.à.r.l., (viii) NW Europe Holdings S.à.r.l., (ix) NW Europe (No. 1) Limited Partnership, (x) NW Europe (No. 2) Limited Partnership, (xi) NW Europe Co-Invest (No. 1) Limited Partnership, (xii) NW Europe Co-Invest (No. 2) Limited Partnership, (xiii) NW Europe Employees Co- Invest Limited Partnership, these five companies being all managed by their « general partner », Northwood Canada AIV GP Limited Partnership (Alberta), (xiv) Northwood Employees LP,

managed by its « general partner », Northwood GP LLC, et (xv) Northwood Real Estate Partners Europe LIMITED Partnership, managed by its « general partner », Northwood GP LLC, et (xv) Northwood Real Estate Partners Europe LIMITED Partnership, managed by it « general partner », Northwood Canada AIV GP II Limited Partnership, together, with the Offerors, “**Northwood Investors**” or the “**Northwood Concert**”.

Pursuant to article 213-13 of the AMF General Regulations, the Offer is filed by J.P. Morgan Chase Bank N.A, acting through its branch in Paris, 14 place Vendôme, 75001 Paris (France) (“**J.P. Morgan**”), as the presenting establishment, being specified that J.P. Morgan guarantees the content and the irrevocable nature of the commitments made by the Offerors in the Offer.

2. MOTIVATED OPINION OF THE BOARD

Pursuant to article 231-19 of the AMF's General Regulations, Board members of the Company held on 16 December, 2015, and convened pursuant to the Company's bylaws, in order to review the Offer.

At that date, the composition of the Board was as follows:

- Mr. Richard WRIGLEY, director, Chairman of the Board,
- M. Jérôme ANSELME, director and Deputy Managing Director,
- Mrs. Sophie KRAMER, director,
- Mrs. Erin CANNATA, director,
- Mr. Jean-Pierre BONNEFOND, director and Chairman of Appointments et Compensations Committee,
- EUROPROPERTY, director, represented by its permanent representative Mr. Alec EMMOTT, Chairman of the Investments Committee,
- GMF VIE, director, represented by its permanent representative Mr. Olivier LE BORGNE,
- Mr. Khaled KUDSI, director,
- Mr. John Z. KUKRAL, director,

All Board members were present or represented, in particular the independent members. Debates and votes on the motivated opinion of the Board were held under the chairmanship of M. Richard Wrigley, independent director, as the Chairman of the Board.

Prior to the meeting, the Board of Directors' member has considered:

- The notice of starting of the pre-offer period which was published by the French financial market authority (*Autorité des Marchés Financiers*) (the “**AMF**”) on 28 September 2015 (D&I AMF n°215C1340);
- the draft information note of the Offerors (as defined hereafter) containing the details of the Offer and including in particular elements of the valuation of the Offer price as prepared by J.P. Morgan;
- the report of the firm Ledouble, independent expert, pursuant to article 261-1 I 1° and 4° of the General Regulations of the AMF; and
- the draft information note in response of CeGeREAL and the draft document entitled “other information related to the legal, financial and accounting characteristics”.

In order to enable the Board to pursue diligently its duties of review of the Offer and to render its motivated opinion, the Board held on 24 November decided to appoint an ad-hoc committee comprising the independent members, i.e. M. Richard WRIGLEY, M. Jean-Pierre BONNEFOND and the company EUROPROPERTY (represented by Monsieur Alec EMMOTT). This ad-hoc committee met several times including on 2, 9, 14, 15 and 16 December 2015 in order to:

- meet the independent expert during a first preparatory meeting held on 9 December 2015. During this meeting, the ad hoc committee reviewed the first report from the independent expert and verified that the process was in order;
- comment a new version of the expert report during a second meeting (held by telephone conference) on 14 December 2015;
- review, with the assistance of a law firm, the draft advisory services agreement to be entered into between Prothin SAS and Northwood Investors France Asset Management SAS, which may qualify as an agreement related to the Offer (*connexe*);
- review the draft information note prepared by the Offerors and prepare, with the assistance of a law firm, the draft note of the Company in response, to be submitted to the Board; and
- meet the independent expert during a meeting held prior to this meeting.

Pursuant to article 231-19 4° of the General Regulations of the AMF, the Board was convened to render its opinion with respect to the interest of such Offer and its consequences for the Company, its shareholders and employees. The motivated opinion quoted below was approved unanimously by the members, including the independent members, the members appointed upon Northwood proposal having voted in accordance with the opinion of the independent members.

“The Chairman presents to the Board members that were convened in order to examine the proposed tender offer which will be filed on 17 December 2015 by NW CGR4 Sàrl, NW CGR5 Sàrl (the “Offerors”), acting in concert with the Northwood Concert, with the AMF. The “Northwood Concert” means (i) NW CGR 1 S.à r.l., (ii) NW CGR 2 S.à r.l., (iii) NW CGR 3 S.à r.l. (together with avec NW CGR 1 S.à r.l. and NW CGR 2 S.à r.l., the “Purchasers”), (iv) NW CGR 4 S.à r.l., (v) NW CGR 5 S.à r.l., (vi) NW CGR S.C.S, managed by its « general partner », NW CGR GP S.à r.l., (vii) NW CGR Holding S.à r.l., (viii) NW Europe Holdings S.à r.l., (ix) NW Europe (No. 1) Limited Partnership, (x) NW Europe (No. 2) Limited Partnership, (xi) NW Europe Co-Invest (No. 1) Limited Partnership, (xii) NW Europe Co-Invest (No. 2) Limited Partnership, (xiii) NW Europe Employees Co-Invest Limited Partnership, these five companies being all managed by their « general partner », Northwood Canada AIV GP Limited Partnership (Alberta), (xiv) Northwood Employees LP, managed by its « general partner », Northwood GP LLC, et (xv) Northwood Real Estate Partners Europe LIMITED Partnership, managed by it « general partner », Northwood Canada AIV GP II Limited Partnership.

The Chairman of the Board presents to the Board the draft information note prepared by the Offerors and which shall be filed with the AMF on 17 December 2015 by J.P. Morgan, as the presenting establishment of the Offer (the “Information Note”).

This proposed offer will be made as a proposed simplified tender offer, and targets all the shares of the Company. The Offer results from the acquisition by the Purchasers from Commerz Real Investmentgesellschaft mbH of a block of shares of the Company representing 59.78% of the share capital at a provisory price of EUR 35,62 per share (the “Block Trade”).

According to this Offer, and subject to the approval (*décision de conformité*) of the AMF, the Offerors will irrevocably offer to the Company's shareholders to tender the shares they hold at a price of EUR 35.65 per share. The Board notes that the Offerors indicate in the Information Note, that the sums due by the Offerors in the context of the Offer shall be financed through existing credit facilities extended to Northwood Investors by financial establishments, replaced, to the extent necessary, by equity investments.

The Chairman recalls that, pursuant to article 261-1 of the General Regulations of the AMF, the firm Ledouble, represented by M. Olivier CRETTE and M. Sébastien SANCHO, was appointed, unanimously, as an independent expert, by the Board during its meeting held on 24 November 2015.

The Chairman reports that the independent expert had the opportunity to discuss with all members of the Board of Directors.

The Chairman finally mentions that the independent expert has delivered its report to the Board, and asks M. Olivier CRETTE and M. Sébastien SANCHO to present to the Board the main terms and conditions of this report.

The independent expert recalls in first place that pursuant to applicable laws and regulations, its report includes a independence statement, under which it confirms that it has no past, present or future relationship known by it, with the persons involved in the Offer and their counsels, which is likely to affect its independence and the objectivity of its judgement in the framework of its duties.

The independent expert then presents a summary of its intervention and recalls the conclusions of its report, which are as follows:

"After our review of the valuation of the shares of CeGeREAL SA, we are in the opinion that the proposed price of 35.65 euros per share is fair for the shareholders who would tender voluntarily their shares to the Offer.

The related agreements do not prejudice to the fairness of the Offer price, which can not be lower than the acquisition price for the Block Trade."

A debate takes place between the participants at this meeting.

The directors appointed upon Northwood proposal decided not to express themselves and let the other members discuss the interest of the Offer and its consequences for the Company, its shareholders and its employees.

The directors appointed upon Northwood proposal indicate that they shall agree with the opinion of the independent directors, who unanimously were favorable to the Offer.

Following the summary of the works of the ad hoc committee, and following those discussions and in light of the various documents which have been disclosed, the Board points out and note, unanimously by the members present, represented and having right to vote, that:

- a. *the proposed price of EUR 35.65 per share offered to the Company's shareholders, results in a premium of 30% compared to the last trading price of 25 September 2015 which amounted to EUR 27.43, prior to the announcement of the main details of the proposed Offer, and of 28.2% and 26.8% respectively on the average trading prices (weighed by volumes exchanged) for the one and three month-periods prior to 25 September 2015;*

- b. *the price of the Offer is favorable in comparison with the different valuation criteria prepared by J.P. Morgan, in the summary of the elements of valuation of the Offer price as set out in the draft information note, while noting the 0.3% decrease on the Triple Net ANR EPRA as of 30 June 2015;*
- c. *the Offerors indicated that the definitive price to be paid by the Purchasers for the Block Trade shall in any case not exceed 35,65 euros;*
- d. *the independent expert's report concludes that the proposed price of 35.65 euros per share is fair for the shareholders who tender voluntarily their shares to the Offer and that the related agreements do not prejudice the fairness of the Offer Price;*
- e. *each shareholder remains free to tender its shares to the Offer;*
- f. *as regards to the Offerors' intentions in relation to corporate governance, the Offerors provide that the Company shall comply with the best corporate and transparency practices, which are the AFEP MEDEF rules, and model in this respect the international best practices applicable to companies of a similar size. In this respect, the Offerors indicate that the Board shall comprise 9 members including at least 3 independent members and that there will be a majority of independent members within each committee, which will be chaired by an independent director. In addition, the Board shall be convened to vote on its rules, in particular its Internal Regulations, in order to strengthen the corporate governance and transparency principles;*
- g. *the Offerors intend to maintain and strengthen the management of the Company;*
- h. *as regards to the Offerors' intentions in relation to the trading of the shares of the Company, the Offerors intend to maintain and preserve the trading of the Company's shares on the regulated market of Euronext Paris and its SIIC regime; and*
- i. *as regards to the Offerors' intentions in relation to strategy and development of the Company, the Offerors intend to maintain the strategic position of the Company, and to follow and comfort the Company's development;*
- j. *the Offer being made with the purpose of continuing the activities and the development of the Company, it should not affect the Company's employment policy and continue the Company's social policy.*

On the basis of these elements, of the purposes and the intents declared by the Offerors and after deliberation, the Board, acting unanimously, including the independent members, and the directors appointed upon Northwood proposal voting as per the independent members' opinion, decides to issue a favorable opinion on the fairness of the proposed Offer as presented, considering that the Offer:

- (i) is friendly;*
- (ii) is made in the Company's interests, since it enables the Company to receive some support from the Offerors for the purpose of its development and its strategy;*
- (iii) is made in the shareholders' interests, since it represents an opportunity of immediate liquidity, at a price considered as fair by the independent expert, whilst enabling the shareholders who intend to remain a shareholder of the Company to do so.*

The Board considers that this offer enable the Company's shareholders who wish so to remain shareholders, under far conditions, to the development prospects of the Company as proposed by the Offerors in the Information Note.

Pursuant to article 231-19 6° of the General Regulations of the AMF, it is then asked to each member of the Board who holds shares in the Company's share capital to detail its intentions in relation to the Offer.

M. Olivier LE BORGNE, representing of GMF VIE, director, indicates that GMF VIE, as well as the other COVEA entities, do intend to tender the shares they hold or will hold.

The other directors who hold shares indicate that they will not tender their shares to the Offer.

Furthermore, the Board decides that the shares held by the Company as of today, i.e. 13.538 shares, won't be tendered to the Offer as they are primarily dedicated to the management of the liquidity contract that the Company intends to continue after implementation of the Offer.

Finally, the Board acknowledges that the Board shall finalize and file on 17 December 2015 with the AMF the draft information note in response, which shall include the expert report and the position expressed today by the Board in relation to the Offer. The Board authorizes the Managing Director to finalize and execute the draft note of the Company in response.

The Board also reviews and acknowledges the draft press release of the Company related to the filing of the information note in response."

3. ADVISORY SERVICES AGREEMENT

Furthermore, on 16 December 2015, the Board of Directors of the Company also approved the terms of the new advisory services Agreement (the "**ASA**") that shall be concluded, for an initial period of 6 years, between Prothin SAS (the Company being the sole partner of Prothin whose holds the which holds the overall existing real estate portfolio) and an affiliated company to the Concert Northwood, Northwood Investors France Asset Management S.A.S (the "**Advisor**"), and that shall executed with an effective date as of January 1st, 2006. The main terms of the ASA appear in the draft information note filed by the Offerors.

4. CONCLUSION OF THE INDEPENDENT EXPERT' REPORT

As part of its report dated 16 December 2015 which is reproduced in full in the note in response of the Company, the independent expert issued the following conclusion with respect to the fairness of the Offer price:

"After our review of the valuation of the shares of CeGeREAL SA, we are in the opinion that the proposed price of 35.65 euros per share is fair for the shareholders who would tender voluntarily their shares to the Offer.

The related agreements do not prejudice to the fairness of the Offer price, which can not be lower than the acquisition price for the Block Trade."

5. INVESTORS CONTACTS

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