Gecimed

Press release

Paris, March 2, 2010

EARNINGS AT DECEMBER 31, 2009

At the Board meeting on March 1, 2010, Gecimed's Directors reviewed the annual financial statements for 2009. The audit procedures have been performed on these accounts, and the certification report will be issued once the information contained in the annual report has been checked.

€'000	Dec 31, 2009	Dec 31, 2008	%
Rental income	42,522	37,589	13.1%
EBITDA	38,860	35,509	9.4%
Value adjustment on buildings	-40,738	-29,358	38.8%
Operating income	-1,957	6,151	-131.8%
Net income (Group share)	-21,865	-26,201	-16.5%
Recurrent income (1)	26,408	15,463	70.8%
Net Asset Value per share (€)	1.34 €	2.30 €	-41.7%

(1) EBITDA - net financial expenses

Gecimed's business was marked by the delivery of all the dependent elderly facilities under construction, as well as ongoing work on the Hôpital du Havre (which will notably offer 356 beds and spaces, 14 operating theatres, emergency services, chemotherapy, dialysis and maternity) and contacts with new operators.

In addition to the Villemomble facility (116-bed dependent elderly unit operated by Medica, delivered mid-December 2008), Gecimed delivered the Roche-sur-Yon facility (75-bed dependent elderly unit and 35-apartment retirement home delivered mid-2009) and the Castera Verduzan facility in the Gers region (84-bed dependent elderly unit delivered in August 2009). These facilities are operated by Medica.

On a financial level, Gecina's alternative public offering or exchange offer and the 100 million euro capital increase have raised Gecina's interest to 98.5% and given Gecimed the financial means for its development.

Revenues are up 13.1% thanks to the 1.9 million euros contributed by the facilities delivered at the end of 2008 and beginning of 2009. Based on a constant number of facilities, this growth comes out at 8.2%, reflecting rent indexing and clinic extensions that have made it possible to generate 1.3 million euros of additional rental income.
After factoring in real estate and management costs, EBITDA came to 38.9 million euros, up 9.4%.

In light of the increase in capitalization rates, the portfolio appraisal value is down 6.2% like-for-like, with a -40.7 million euro impact on the income statement. This downturn was recorded entirely over the first half of the year, with the portfolio's like-for-like valuation remaining stable during the second half. Earnings have also been affected by the -7.4 million euro drop in the valuation of debt hedging instruments at the end of the year, due to the reduction in rates throughout the year. Financial expenses totaled 12.5 million euros, down 6.3% for an average cost of debt of 3.06%, compared with 4.78% in 2008. The loan to value (LTV) ratio came to 66.4%, compared with 77.8% at December 31, 2008.

Consolidated net income shows a loss of -21.8 million euros due to negative fair value adjustments, while corporate net income represents a -25.9 million euro loss due to asset impairments. Thanks to the 100 million euro capital increase, NAV is up 59% to 211.5 million euros. Per share, it comes out at 1.34 euro, compared with 2.30 euros at December 31, 2008, due to the increase in the number of shares. Excluding fair value impacts, recurrent income is up 70.8%, with a positive result of 26.4 million euros.

With 0.17 euro in current cash flow per share, the Board of Directors has decided to put forward a proposal at the General Shareholders' meeting, scheduled for May 19, 2010, to pay out a dividend of 0.07 euro per share, drawn from premiums and reserves, offering a yield of 5.9% on the current share price of 1.18 euro. The Board of Directors is proposing to offer shareholders the possibility to opt for their dividends to be paid in shares.

GOVERNANCE

The Board of Directors acknowledged Mr. Joaquin Rivero's resignation from his position as Chairman, effective March 1, 2010.

The Board has decided to modify the conditions for performing executive management by ending the separation of functions for the Chairman and the Chief Executive Officer. As such, the Board has this day appointed Mr. Christophe Clamageran as Chairman and he will now combine the positions as Gecimed's Chairman and Chief Executive Officer.

Furthermore, the Board of Directors acknowledged, effective March 1, 2010, the resignations of Mr. Rivero, Mr. Juan Suquet and Mr. Emilio Zurita from their positions as Directors.

OUTLOOK

Thanks to the capital increase carried out in 2009, Gecimed once again has the means to continue with a growth phase in 2010. The Hôpital de l'Estuaire, in Le Havre, will be delivered in April 2010 and negotiations are underway with a view to financing extensions for assets within the portfolio, in return for additional rent, and increasing the term on leases. These investments will generate around 6 million euros in additional rental income over a full year. Gecimed is also looking into other acquisitions from new partners in order to further strengthen its medico-social focus and enhance its portfolio.

About Gecimed

Gecimed, a 98.5%-owned subsidiary of Gecina, is the first property management company devoted exclusively to medical real estate. Gecimed's mission is to develop a real estate asset base of healthcare and medico-social facilities, with 38 clinics and dependent elderly facilities to date, representing a total of more than 4,800 beds, leased to leading operators.
www.gecimed.fr

Gecimed contacts
Laurence Chalmet
Tel: +33 (0)1 40 40 52 22
Régine Willemyns
Tel: +33 (0)1 40 40 62 44

Press contact
KEIMA Communication
Alix Hériard Dubreuil
Tel: +33 (0)1 56 43 44 62
alix.heriard@keima.fr