Press release
March 3, 2010

2009 annual results

Cash flow up +14.3%

Financial position effectively under control

New strategic focuses

Paris, March 3, 2010
At the Board meeting on March 2, 2010, chaired by Bernard Michel, Gecina's Directors approved the annual financial statements for 2009. The audit procedures have been performed on these accounts, and the certification reports will be issued once the information contained in the annual report has been checked.

Key figures

In million euros	Dec 31, 2009	Dec. 31, 2008	Var. (%)
Gross rental income	647.2	637.0	+1.6%
EBITDA	501.8	489.7	+2.5%
Recurrent income	348.1	298.0	+16.8%
Cash flow before disposals and after tax	347.7	304.3	+14.3%
Portfolio value			
Block	10,552	11,467	-8.0%
Unit	11,326	12,245	-7.5%
Diluted net asset value/share (€)			
Block	88.3	115.4	-23.5%
Unit	100.8	128.3	-21.4%

Rental income growth: +1.6% on a current basis
+3.5% on a comparable basis

The increase in gross rental income (+1.6%) primarily reflects the consolidation of Gecimed's rental income over the second half of the year for 21.6 million euros. Combined with like-for-like rental income growth (+3.5%) and rent from new assets brought into operation, it has made it possible to offset the loss of revenues linked to disposals. Indeed, disposals came to a total of more than 312,000 sq.m, representing 756.4 million euros, with sale values very slightly lower than valuations at December 31, 2008.

In million euros	Dec 31, 2009	Dec 31, 2008	Change (%)	
			current basis	compar. basis
Group total	**647.2**	**637.0**	**+1.6%**	**+3.5%**
Offices	374.0	370.2	+1.0%	+5.2%
Residential	195.0	206.2	-5.4%	+3.6%
Logistics	36.5	42.3	-13.6%	-19.5%
Healthcare	21.6	0.0	na	+8.2%
Hotels	20.1	18.3	+9.7%	+9.7%

(1) The Health business was consolidated on an equity basis in 2008 and the first half of 2009, and has been fully consolidated since the second half of 2009. For comparison, the

change in rental income on a comparable basis is calculated factoring in 100% of Gecimed's rental income for 2008 and 2009.

On a comparable basis, all business segments reported growth in rental income, except for logistics, due to an increase in the vacancy rate during the year. The publication of negative indexes during the second half of the year (cost of construction index, commercial rent index) had a limited impact over 2009, since indexing is gradually applied in line with the leases' characteristics.

In 2009, the financial occupancy rate rose slightly to 95.9% from 95.4% in 2008. It is at its maximum for healthcare and hotels (100%), and remains very high on residential (98.6%). While it has improved on the office business (96.5% versus 94.3% in 2008), it has fallen on logistics, down from 88.3% in 2008 to 79.9%, with 120,000 sq.m freed up and not relet. The Group's physical occupancy rate represents 92.1%.

The Group's **rental margin** came to 90.4%, compared with 90.3% in 2008. In the office business, it is up to 94.6%, compared with 93.4% in 2008, thanks to an improvement in the occupancy rate; however, the logistics business has seen its margin contract due to a higher vacancy rate.

2009	Group	Offices	Residential	Logistics	Healthcare	Hotels
Rental margin	90.4%	94.6%	81.2%	87.4%	97.2%	98.7%

Asset turnover

Over 2009, more than 312,000 sq.m were sold off for a total of 756.4 million euros, higher than the target initially set for between 600 and 700 million euros. On the whole, sales prices were 1% lower than the appraisal values (block) recorded at December 31, 2008, resulting in a book capital loss of 19.5 million euros.

Investments over 2009 totaled 503 million euros, with approximately half (234 million) focused on existing projects. They also include investments corresponding to the increase in Gecina's interest in Gecimed, as well as the acquisition of a 49% stake in Bami, both carried out during the first half of 2009.

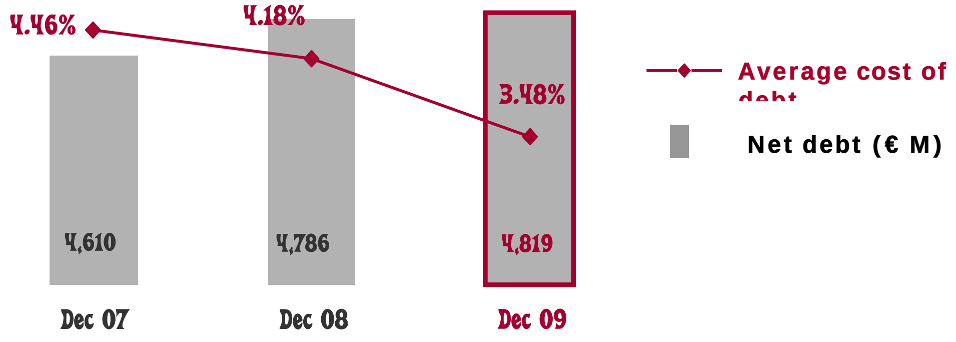
Net cash flow up 15%, financial position effectively under control

The increase in net cash flow has been combined with an improvement in operational performances and a significant reduction in financial expenses:

- EBITDA is up 2.5% thanks to the increase in net rental income, combined with the stability of committed fixed costs;
- The reduction in the average cost of debt, down from 4.18% in 2008 to 3.48%, is reflected in a 19.8% fall in net financial expenses, with the hedging strategy making it possible to benefit from the drop in rates.

As a result, the net **interest coverage ratio** shows an improvement in relation to 2008, climbing from 2.55x to 3.24x.

Net debt at the end of 2009, including Gecimed's debt for 434 million euros, came to 4,819 million euros, virtually stable in relation to the end of 2008 (4,786 million euros). Debt maturity represented 3.5 years at the end of 2009, with 98% of debt hedged.



In light of the change in the portfolio value, the **debt ratio came in at 45.7%**, compared with 47.1% at the end of June 2009 and 41.7% at the end of December 2008 (block value).

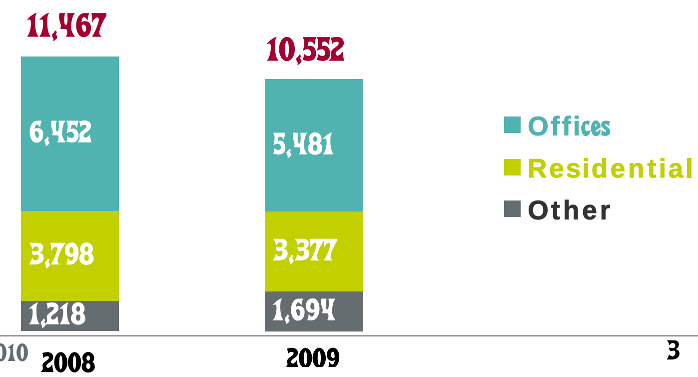
The bond issue which represented the main maturity in 2010 was redeemed on February 19 for a total of 540 million euros. Talks are already at a highly advanced stage with the Group's partner banks concerning refinancing for the 2011 maturities, aiming to renew and increase the credit lines.

Asset value and NAV: stabilization over the second half on a comparable basis

In million euros	Dec 31, 2009	Dec 31, 2008	Change (%)
Portfolio value			
Block value	**10.552**	11,467	-8.0%
Unit value	**11,326**	12,245	-7.5%
Net Asset Value			
Block value	**5,484**	6,986	-21.5%
per share (€)	***88.3***	*115.4*	*-23.5%*
Unit value	**6,257**	7,764	-19.4%
per share (€)	***100.8***	*128.3*	*-21.4%*

The portfolio value (block) shows a 915 million euro reduction, down -8% in relation to December 31, 2008. On a comparable basis, the downturn in value comes out at -6.7% for the year, and only -2.1% for the second half.

Breakdown of the block value by segment (€ M)



Net asset value (block) per share is down 23.5% to 88.3 euros, primarily due to the value adjustment on assets (-14.3 euros per share), in addition to the impact of the dividend payment (-5.7 euros per share) and the change in the market value of debt (-4.7 euros per share).

Consolidated net income came to -773.7 million euros, compared with -875.4 in 2008, factoring in the change in the portfolio value for -871.3 million euros, the value adjustment on financial instruments for -72.1 million euros and asset impairments for 105.6 million euros.

Excluding value adjustments and impairments, **recurrent income** is up to 348.1 million euros, climbing 16.8% in relation to 2008.

The Board of Directors will submit a proposal at the General Meeting for a dividend of 4.40 euros per share, which will be paid in cash.

Renewed strategic focuses

As recommended by Christophe Clamageran, Chief Executive Officer, the Board has approved the Group's new strategic focuses. The aim is to realign the Group's activities around France and sectors in which it already has a leading position (offices, residential) or critical mass (healthcare).

This strategy is based on an analysis of the determining factors for demand on the various market segments, revealing two divisions:

- A demographic division, which includes traditional residential real estate as well as student residences and healthcare
- An economic division, grouping together office real estate, logistics and hotels.

In terms of the realignment to focus on France, Christophe Clamageran confirmed that "The synergies from international development do not exist outside of shopping centers and logistics. In this way, Gecina will be making an ordered withdrawal from Spain".

With regard to business segments, the Group aims to focus on:

- Office real estate (52% of the portfolio), looking to maintain its leading position in the Paris Region
- Residential (32% of the portfolio), accelerating asset turnover and development projects, including student residences;
- Healthcare real estate (6% of the portfolio), through Gecimed, which Gecina intends to maintain control over while looking to bring partners on board through a capital increase.

The deployment of this strategy will be based on greater financial flexibility: indeed, during the last few months, the Group has sought to renegotiate the due dates on its debt. In this way, 2011 credit lines are currently being renegotiated for 800 million euros, with 500 million already approved by the credit committees. Furthermore, a significant amount of disposals are already covered under an agreement to sell or at a highly advanced stage in negotiations (130 million euros of residential assets and 100 million euros of office assets).

The Group's executive management team is drawing on a governance structure that has changed considerably during the past few months, with the main stages in these developments as follows: the separation of roles between executive and non-executive, the restructuring of the Board, reflecting the breakdown of the capital in a balanced way, the restructuring of the various Committees, and more recently Mr. Bernard Michel's appointment as Chairman of the Board. Christophe Clamageran is delighted with these changes "which are contributing towards further strengthening the Group's stability".

2009 annual results
APPENDICES

1- Business by segment

2- Disposals and investments

3- Portfolio value

4- Balance sheet and financial structure

5- Consolidated financial statements

1- Business by segment

Offices

At December 31, 2009, rental income totaled 374 million euros, up +1% compared with December 31, 2008 on a current basis and +5.2% on a comparable basis.

Over 2009, the full effect of the large properties leased during 2008 had a positive impact on the change in revenues. On the other hand, Gecina has anticipated negotiations for reductions on a legal basis (cf. Article L145-39 of the French commercial code) and granted, on a certain number of leases, a revision of rents in return for tenants agreeing to waive the next three-year end date or signing new leases with a firm period. These renegotiations, covering 20% of the portfolio, will make it possible to ensure the long-term viability of cash flow and maintain a high occupancy rate, with new rents still 2% higher than the market rental value despite falling by an average of 13%.

The financial occupancy rate came to 96.5% at December 31, 2009, compared with 94.3% at the end of 2008. At year-end, vacant space represented nearly 39,000 sq.m, with one quarter already let, while 26,000 sq.m of space are to be freed up.

Over 2009, the rental business covered 136,821 sq.m, with:

- 62,946 sq.m subject to renegotiations, after which 27 clients benefited from an average reduction in their rent by 8%, while still remaining higher than the market rent;
- 20,350 sq.m leased to new tenants, with an incoming-outgoing rent differential of -5%;
- 17,186 sq.m of leases renewed, with rents 5.2% lower than under previous leases on average - although excluding one asset in Paris on which the new rent, brought into line with the market level at the start of the year, is 30% lower than the previous rent;
- 36,377 sq.m of space redeveloped, primarily the Le Building (leased to Banque de France) and Central Office building, both located in Paris, as well as newly let space in the L'Angle and Crystalys buildings in western Paris.

Residential

At December 31, 2009, rental income totaled 195 million euros, down -5.4% on a current basis, reflecting the impact of disposals carried out in 2008 and 2009.

However, rental income is up +3.6% on a comparable basis, clearly outperforming the rent revision index (IRL), thanks to an excellent level of reletting activity: in this way, 686 apartments were relet at rents +7.8% higher than previous rents (+10.2% for Inner Paris).

The Residential business is characterized by a high and stable occupancy rate (98% on average over the last 10 years), a moderate turnover rate (13.9% in 2009) and reletting times that have dropped during the last few years to represent 33 days in 2009.

Concerning the student residence segment, on which Gecina is present with the Campuséa brand, the new Lille residence (191 apartments) opened its doors for the start of the 2009 university year, benefiting from a maximum occupancy rate. In total, the Group has six residences in operation, representing 900 apartments.

Logistics

At December 31, 2009, rental income totaled 36.5 million euros, down -13.6% on a current basis. This change is linked to the increase in the vacancy rate, particularly marked during the first half of the year, reflecting the deterioration in the economic environment over the past two years. At the end of 2009, vacant space (182,000 sq.m) represented nearly 20% of the properties in operation, with a financial occupancy rate of 80%.

Set against this backdrop, Gecina implemented an active policy to renegotiate contracts throughout the year in order to bring a certain number of rents, which had risen high due to indexing, back into line with market levels, and to keep tenants in place for renewed terms. In this way, almost 44,000 sq.m spread over three assets have been renegotiated.

In addition, the Group is continuing to move forward with the development of new platforms at the Moussy-le-Neuf, Lauwin-Planque and Sablé sur Sarthe sites as the first sections are let. *[Negotiations are underway for leasing 40,000 sq.m corresponding to the second section of the Lauwin Planque site, which will be delivered during the first quarter of 2010].*

Healthcare

On a market characterized by growing requirements for medicalized housing and care facilities, Gecimed has the largest healthcare real estate portfolio in France, valued at 670 million euros at the end of 2009, with 38 facilities leased to industry-leading tenants (Générale de Santé, Medica, Orpea, Medi Partenaires).

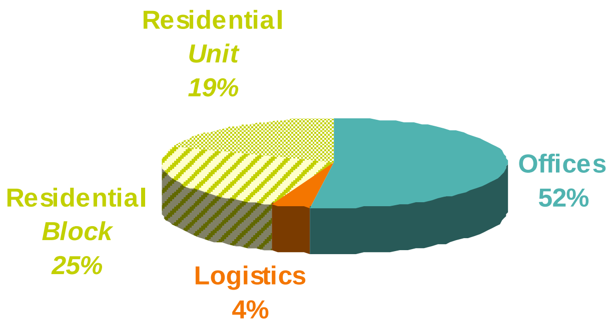
Gecimed, 98.5%-owned by Gecina, has been fully consolidated since the second half of 2009, with rental income over this period representing 21.6 million euros. In 2009, Gecimed recorded 42.5 million euros in revenues, up 13% in relation to 2008. In 2009, Gecimed delivered an 84-bed dependent elderly facility in Castera (Gers), a 116-bed dependent elderly facility in Villemonble (Seine St Denis) and one building combining a 75-bed dependent elderly facility and a 35-apartment retirement home in La Roche sur Yon (Vendée).

Hotels

At December 31, 2009, rental income from the Hotel business totaled 20.1 million euros, up +9.7%. This business has benefited from favorable annual indexing and a 100% financial occupancy rate. Rental income factors in the additional rent negotiated in return for work carried out on three of the four Club Med facilities. Moreover, the extension of the Val d'Isère Club Med complex, completed at the end of 2009, has been combined with the signing of a new 12-year lease.

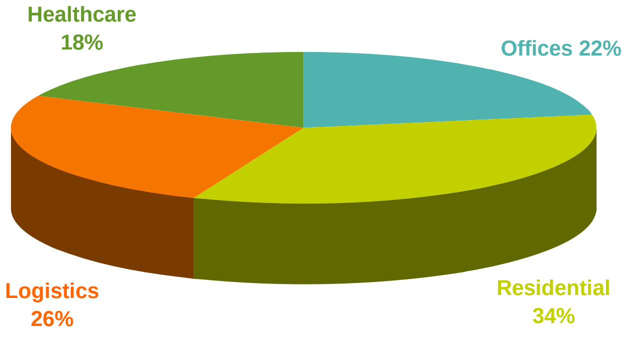
2- Disposals and investments

Disposals carried out in 2009, for a total of 756.4 million euros, can be broken down as follows:



- Offices (396 million euros): they notably concerned two major assets, one for 92,000 sq.m in St Quentin en Yvelines (78), and the other for 31,769 sq.m in Levallois-Perret (92). They were carried out at a price 4.8% below appraisal values at the end of 2008, generating -22.8 million euros in proceeds from disposals.
- Residential (333 million euros): unit-based sales, which concerned 456 apartments, achieved a 20.8% premium over the block value and +1.4% on the unit value, generating +19.9 million euros in proceeds from disposals. Block sales (1,076 apartments) recorded a discount on the block value of -3.6%, with proceeds from disposals totaling -9.1 million euros.
- Logistics (27.4 million euros): the disposal of assets considered to be non-strategic, for a total area of 50,000 sq.m corresponding to five platforms, generated -7.3 million euros in proceeds from disposals.

Investments totaled 503 million euros, with the following breakdown:



Offices: investments concerned 10 projects that are underway, including the Origami building (34-36, avenue de Friedland, Paris 8th), the Mercure building (Paris 15th), and an asset located on Avenue Charles de Gaulle in Neuilly sur Seine. The Group has also continued with its investments in the Beaugrenelle shopping center project (Paris 15th).

Residential: investments focused on four student residences, including the Lille residence, delivered in August 2009, and six conventional residential programs in the Paris Region, Marseille and Lyon.

Logistics: investments concerned the Moussy-le-Neuf, Sablé-sur-Sarthe and Chalon-sur-Marne sites and are being made for each phase as they are let. The biggest investment over 2009 was linked to the first two phases of the Moussy-le-Neuf site in the Paris Region.

Healthcare: investments focused on the Castera and La Roche sur Yon facilities, delivered in 2009, and the ongoing Le Havre private hospital project, which is scheduled to be delivered in a few weeks time, as well as the Gien clinic (delivery planned for the second quarter of 2010).

Furthermore, Gecina invested a total of 181.2 million euros in equity securities over 2009, primarily linked to:

- The acquisition of a 49% stake in Bami for 109.3 million euros (including costs);
- The increase in the interest in Gecimed, now 98.5% owned, with this operation carried out almost exclusively through the exchange of 1.45 million Gecina shares delivered at an average price of 49.9 euros per share.

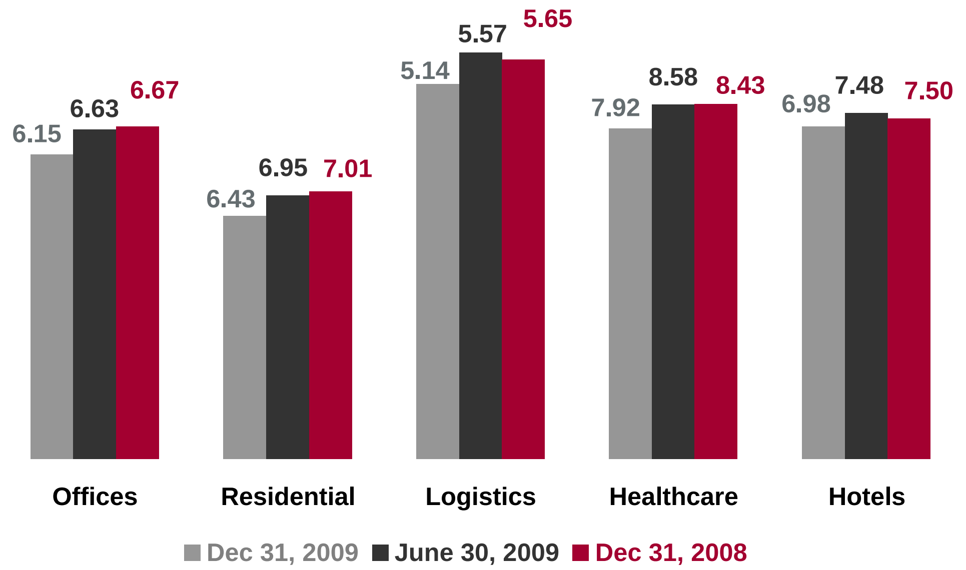
3- Portfolio value - net asset value

Gecina's portfolio is valued twice a year by independent appraisers.

At December 31, 2009, the block value was down 8% to 10,552 million euros. Based on unit valuations for residential properties, the value came to 11,326 million euros, compared with 12,245 million at the end of 2008.

To a very great extent, this reduction in the portfolio value reflects the increase in capitalization rates, with the change in rents having a relatively insignificant impact. This increase was primarily recorded during the first half of the year, with the Group rate climbing from 6.15% at December 31, 2008 to 6.63% at June 30, 2009 then 6.67% at December 31, 2009.

The change for each segment can be broken down as follows:



The net asset value (block value) came to 88.3 euros per share, down 23.5%.

	Dec 31, 2009	Dec 31, 2008
Shareholders equity	5,377.1	6,259.1
Capital gains	21.4	196.6
Tax adjustments	(0.8)	(0.9)
Interim dividend	0.0	148.6
Minority Interests	0.0	0.0
+/-Debt market value	(0.5)	286.2
Undiluted NAV	**5,391.2**	**6,889.5**
Number of shares	60,872,534	59,197,041
Undiluted NAV per share (in €)	**88.6**	**116.4**
Undiluted NAV	5,391.2	6,889.5
Stock-options impact	94.0	96.4
Diluted NAV	**5,485.2**	**6,985.9**
Diluted number of shares	62,091,413	60,523,157
Diluted NAV per share (in €)	**88.3**	**115.4**

4- Balance sheet and financial structure

At the end of December 2009, Gecina's consolidated balance sheet structure shows the following elements:

- 5,373 million euros in **shareholders' equity**, after factoring in 774 million euros in negative income for 2009;

- 4,922 million euros in **gross financial debt**, slightly higher than the level recorded at December 31, 2008 (4,826 million). 98% hedged, its maturity represents 3.5 years.

At the end of 2009, it could be broken down as follows: 45% bank borrowings, 25% credit lines, 9% financial leases and 21% bonds. These include the bond issue which matured in February 2010, redeemed for 540 million euros.

The following schedule shows that 20% of debt has a maturity of over seven years:

Debt maturity	2010	2011	2012	2013	2014	> 5 years
Amount (€ mn)	667	900	884	1,304	77	1,090
% of 2009 debt	14%	18%	18%	26%	2%	22%

- 779 million euros in **cash and cash equivalents**, with 676 million euros in available credit lines and 103 million euros in cash.

At December 31, 2009, Gecina met all of the banking covenants applicable:

Covenant	Limit	2009 ratio
Loan to Value, block appraisal	50.0%	45.7%
Interest coverage ratio (EBITDA/Net financial expenses)	>2.25x	3.26x
Secured debt/Block value	<20%	18.6%
Minimum portfolio value (block) in million euros	8,000	10,552

5- Consolidated financial statements

Consolidated income statement

€ millions	Dec 31, 2009	Dec 31, 2008	Change (%)
Gross rental income	**647.2**	**637.0**	***+1.6%***
Expenses on properties	(153.5)	(154.1)	*-0.4%*
Expenses billed to tenants	91.2	90.8	*+0.5%*
Net rental income	**585.0**	**573.8**	***+2.0%***
Services and other income	7.0	6.8	*+2.4%*
Services and other expenses	(1.7)	(2.1)	*-18.6%*
Net rental and service income	**590.2**	**578.5**	***+2.0%***
Salaries and fringe benefits	(54.0)	(57.0)	*-5.2%*
Net management costs	(34.4)	(31.8)	*+8.3%*
EBITDA before disposals	**501.8**	**489.7**	***+2.5%***
Gains from inventory disposals	(19.5)	0.9	*-349.5%*
Change in fair value of properties	(871.3)	(989.8)	*-12.0%*
Depreciation	(3.3)	(3.0)	*+10.1%*
Net provisions and amortization	(11.6)	(9.2)	*ns*
Operating income	**(403.9)**	**(504.4)**	***-19.9%***
Net financial expenses	(153.7)	(191.7)	*-19.8%*
Financial depreciation and provisions	(94.0)	0.0	*ns*
Change in fair value of financial instruments	(72.1)	(186.6)	*ns*
Net income from equity affiliates	(59.8)	(11.3)	*+430.4%*
Pre-tax income	**(783.5)**	**(894.0)**	***-12.4%***
Current Tax	(3.6)	(2.4)	*+48.2%*
Exit Tax	0.0	(12.6)	*-100.0%*
Deferred Tax	13.5	33.7	*-59.9%*
Minority interests	(0.2)	0.0	*ns*
Consolidated net income (group share)	**(773.7)**	**(875.4)**	***-11.6%***

Net cash flow calculation

€ millions	Dec 31, 2009	Dec 31, 2008	Var (%)
Gross rental income	**647.2**	**637.0**	*+7.6%*
Net rental income	**585.0**	**578.5**	*+7.8%*
Salaries and management costs	(88.5)	(-73.1)	*+21.4%*
EBITDA before disposals	**501.8**	**489.7**	*+5.6%*
Net financial expenses	(153.7)	(191.7)	*+7.2%*
Unrecoverable receivables	(3.4)	(2.9)	*-58.7%*
Reversal of IFRS 2 (stock options)	6.6	7.9	*+21.6%*
Current Tax	(3.6)	(8.7)	*-86.0%*
Cash Flow before disposals and after tax	**347.7**	**281.0**	*+8.3%*
Average number of shares	60,302,852	59,692,060	*+1.0%*
Cash Flow before disposals and after tax/share	5.77	5.10	*+13.1%*

Consolidated balance sheet

ASSETS *In millions euros*	Dec 31, 2009	Dec 31, 2008
Fixed assets	**10.332,5**	**10.772,7**
Investment properties	9,474.9	9,831.1
Buildings under refurbishment	555.3	387.1
Buildings in operation	69.3	70.7
Other tangible fixed assets	4.5	4.1
Intangible fixed assets	3.2	2.7
Long-term financial investments	112.9	358.0
Equity affiliates	86.2	88.2
Financial instruments	25.6	27.5
Deferred tax	0.5	3.2
Current assets	**564.8**	**990.4**
Properties for sale	254.5	729.7
Inventories	0.0	7.2
Rent due and other receivables	64.9	56.4
Other receivables	59.4	73.1
Prepaid expenses	16.2	18.7
Financial instruments	66.5	62.6
Cash & Cash equivalent	103.3	39.8
TOTAL ASSETS	**10,897.3**	**12,892.7**

LIABILITIES *In millions euros*	Dec 31, 2009	Dec 31, 2008
Capital and reserves	**5,372.8**	**6,259.1**
Capital	469.4	468.3
Issue, merger & capital contrib.premiums	1,866.3	1,864.2
Consolidated reserves	3,809.1	4,802.0
Consolidated net profit	(773.7)	(875.4)
Group shareholders' equity	5,371.1	6,259.1
Minority interests	1.7	0.0
Non-current liabilities	**4,564.2**	**4,901.4**
Financial debt	4,253.1	4,679.6
Financial instruments	166.5	85.4
Deferred tax liabilities	33.4	47.1
Taxes due & other employee-related liabilities	108.2	76.5
Provisions for liabilities and charges	3.1	12.8
Current liabilities	**960.3**	**602.6**
Short term financial debt	669.3	146.3
Financial instruments	8.3	27.3
Security deposits	68.3	73.6
Trade payables	100.6	72.0
Taxes due & other employee-related liabilities	49.4	50.7
Other liabilities	64.4	232.8
TOTAL LIABILITIES	**10,897.3**	**11,763.1**