Gecina
Bien plus que des mètres carrés

Press release
May 11, 2010

Business for the 1st quarter of 2010

Recurrent income stable
Financial flexibility further strengthened

At the Board meeting on May 10, 2010, chaired by Bernard Michel, Gecina's Directors reviewed the financial statements at March 31, 2010.

Like-for-like rental income virtually stable: -0.2% compared with Q1 2009

In 2009, Gecina renegotiated contracts on around 20% of its office portfolio, granting a 13% reduction in rents on average at this time in return for extending the term of leases. On a comparable basis, these renegotiations resulted in a 3% reduction in rental income for the first quarter, offset by the positive impacts of indexing from early 2009 (impact of around +1%), combined with the improved occupancy rate for a certain number of assets (impact of around +1%). All in all, the office segment recorded a 1% drop in rental income on a comparable basis. The lower level of rental income stems from the high vacancy rate for the logistics segment, while on hotels, it reflects the application of indexing at -5%. However, rent on residential properties has continued to improve, climbing +3.3% like-for-like.

in million euros	March 31, 2010	March 31, 2009	Change (%)	
			current	*like for like*
Group total	**157.8**	**160.1**	**-1.4%**	**-0.2%**
Offices	86.9	96.5	-10.0%	-1.0%
Residential	46.9	49.2	-4.7%	+3.3%
Healthcare (*)	10.8	na	ns	+0.6%
Logistics	8.3	9.4	-10.9%	-7.7%
Hotels	4.8	5.0	-3.5%	-3.1%

(1) The Health business has been fully consolidated since July 1, 2009. It was previously consolidated on an equity basis. For comparison, the change in rental income on a comparable basis is calculated factoring in 100% of Gecimed's rental income at March 31, 2009.

The Group's financial **occupancy rate** came to 94.1%, compared with 96% at the end of March 2009, with the logistics segment continuing to post a high vacancy rate, representing 26.2% and more than 260,000 sq.m vacant at the end of March 2010. Early April's delivery of the Récy platform, leased to the LVMH Group, will have a favorable impact on the future occupancy rate.

	Total	Offices	Residential	Healthcare	Logistics	Hotels
Q1 2010	94.1%	94.3%	97.3%	100.0%	73.8%	100.0%
Q1 2009	96.0%	95.6%	98.7%	100.0%	85.4%	100.0%

97 million euros of assets sold off and investments maintained for 165 million euros

The residential business accounted for 86% of disposals during the first quarter, on a unit basis (65 million euros) and a block basis (18 million euros), with sales prices 14.6% higher than the block value at December 31, 2009. This arbitrage program was completed with the disposal of an office asset and a hotel, located in Paris, generating 9.5 million euros in consolidated capital gains on disposals. The acquisition of the Anthos building in Boulogne on delivery represents the quarter's main investment, for 80 million euros. Other investments included ongoing work on two residential projects in Prévessin and Marseille (delivery at the end of 2010) and the acquisition of a logistics platform in Récy, delivered on April 2 and leased to the LVMH Group.
In addition to the Anthos building, the projects completed and delivered during the first quarter concerned two logistics assets (first building in Sablé and second section for Lauwin Planque) and one residential building in Marseille.

Impact of 2009 disposals: net cash flow down 3.2% to 90.1 million euros

In 2009, the Group sold off assets for a total of 756 million euros, with 396 million euros of offices and 333 million of residential assets. Further to this major arbitrage program, rental income contracted by 13.4 million euros during the first quarter of 2010, partially offset by rental income from Gecimed, now fully consolidated, for 10.8 million euros. Furthermore, the impact of rental income from investments and deliveries in 2009 will remain limited. In total, the Group's rental income is down 1.4% compared with the first quarter of 2009.

The contraction in rental income and the slight drop in the rental margin, down to 91.3% compared with 91.9% at March 31, 2009, account for the change in net cash flow, dropping 3.2%. Per share, it represented 1.48 euros at March 31, 2010, compared with 1.56 euros at March 31, 2009.

in million euros	March 31, 2010	March 31, 2009	Change (%)
Gross rentals	157.8	160.1	-1.4%
EBITDA	126.9	129.1	-1.7%
Recurring result	90.6	90.8	-0.2%
Net Cash flow	90.1	93.1	-3.2%

see details in appendix

Strengthening of financial flexibility

Most of the facilities maturing in 2011 have been renegotiated with the partner banks. In this way, at March 31, 2010, 815 million euros were renewed for 950 million euros, maturing in 2014-2015. Furthermore, on April 9, Gecina issued 320 million euros of ORNANE convertible bonds which may be redeemed in cash and/or converted into new and/or existing shares, maturing January 1, 2016, with a rate of 2.125% and a conversion price of 111.05 euros, representing a 35% premium over the reference share price (82.26 euros).

With Standard and Poor's upgrading its long-term rating (from BB- outlook negative to BB+ outlook positive) and Moody's awarding its Baa3 investment grade rating in March, followed by the success of this issue, the Group is today in a position to diversify its sources of financing by calling on the capital markets.

Outlook

The impact of the disposals from 2009 on rental income will continue to be seen over the coming quarters, while like-for-like revenues will contract slightly, primarily as a result of the renegotiation of contracts and negative indexing. In total, the Group expects to see a limited drop in rental income over 2010.

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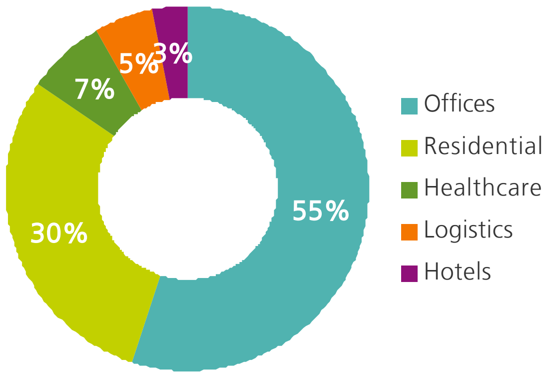
Business for the 1st quarter of 2010

Appendices

1- Business by segment

Breakdown of rental income for the first quarter of 2010:



Offices	Rental income = 86.9 million euros

First-quarter rental income is down 10% on a current basis in relation to the first quarter of 2009, on account of the disposals over the year and the renegotiation of certain leases. On a comparable basis, the downturn in rental income comes out at only -1%.

The financial occupancy rate was 94.3% at March 31, 2010, compared with 95.6% at March 31, 2009. At March 31, 2010, vacant space represented nearly 64,500 sq.m, with 17% already let, while 19,500 sq.m of space are to be freed up.

During the first quarter, rental activity concerned more than 74,000 sq.m, with:

- 63,337 sq.m subject to lease renewals or renegotiations, after which 15 clients benefited from an average reduction in their rent by 17%, while still remaining higher than market rents;
- 5,274 sq.m leased to new tenants, with an incoming-outgoing rent differential of -15%;
- 5,851 sq.m for two new leases, concerning the end of the process to let the Crystalys building in Vélizy-Villacoublay and Défense Ouest in Colombes.

Residential	Rental income = 46.9 million euros

First-quarter rental income is down 4.7% on a current basis, reflecting the impact of disposals carried out in 2009.

However, rental income is up 3.3% on a comparable basis, on account of the combined impact of indexing and relettings. A total of 22,300 sq.m (367 units) have been relet or subject to new leases, with rents +7% higher than previous levels.

The occupancy rate remains very high, coming in at 97.8%, while the turnover rate is moderate (14.3%), particularly in Paris (12.8%). Reletting times have followed on from the trend for 2009 in Paris and the Paris Region (30 days), and increased slightly on certain assets in Lyon.

The portfolio of student residences, marketed by Gecina under the Campuséa brand, comprises six student residences in operation (900 apartments) with a very good occupancy rate (>97%) and a further three residences which are currently being developed (470 apartments).

Bien plus que des mètres carrés

Healthcare	Rental income = 10.8 million euros

Gecimed, 98.5%-owned by Gecina, has been fully consolidated since July 1, 2009. Rental income for the first quarter of 2010 increased by 3% in relation to the first quarter of the previous year. Work has continued on Hôpital Privé de l'Estuaire in Le Havre and the Gien clinic, with delivery scheduled for the end of April and end of July respectively.

Logistics	Rental income = 8.3 million euros

The logistics market has remained difficult over the start of the year. The vacancy rate, representing 26% at March 31, 2010, corresponds to 266,600 sq.m, split primarily between 14 assets. Commercial activity over the first quarter led to one warehouse of over 10,300 sq.m being relet in Saint-Germain les Arpajons. Leases have been renegotiated for 90,000 sq.m, with rents reduced by 13% on average, making it possible to keep the tenants in place.

The first Sablé sur Sarthe building was delivered in February, followed by the Lauwin Planque building in March, representing a total of 72,700 sq.m of new space.

Hotels	Rental income = 4.8 million euros

At March 31, 2010, rental income on the hotel business was down 3.5%. This segment does not reflect any impact for renegotiated leases. However, it has been affected by negative indexing, partially offset by additional rental income linked to extension work on the Val d'Isère Club Med complex. The hotel segment also has a 100% financial occupancy rate. In line with its arbitrage strategy, Gecina sold off a hotel in Paris in February. A preliminary sales agreement has also been signed for another asset in Paris.

The Group's **rental margin** came to 91.3%, compared with 91.9% at March 31, 2009. The only significant change concerns the logistics segment, whose margin has been affected by a high vacancy rate:

	Total	Offices	Residential	Healthcare	Logistics	Hotels
Q1 2010	91.3%	95.3%	83.1%	97.2%	84.5%	99.5%
Q1 2009	91.9%	95.4%	84.4%	97.3%	92.1%	99.3%

2- Asset turnover

Disposals over the first quarter concerned 26,343 sq.m and came to 97.4 million euros, focused primarily on residential assets: 209 apartments sold off on a unit basis for 65 million euros (67% of total disposals) and 81 apartments on a block basis for 18.3 million euros (19% of the total). In addition, an office building was sold off for 9.2 million euros, as well as a hotel for 4.8 million euros.

The total amount of disposals shows a positive differential of 12.4% compared with the block value at December 31, 2009, reflecting the high percentage of unit-based sales, which came in 19.3% above the block values at the end of 2009.

Income from disposals over the first quarter came to a total of 9.5 million euros, representing a capital gain of 9.7%.

	Offices	Residential	Hotels	Total
Surface (sq.m.)	2,329	22,876	1,138	26,343
Number of flats	0	290	0	290
Amount (€ mn)	9.3	83.3	4.8	0
Change vs block value at Dec 31, 2009	+1.2%	+14.6%	+0.0%	+12.4%

Investments totaled 165 million euros for the first quarter, representing 40% of planned investments for the full year in 2010, with the acquisition of the Anthos office building (9,500 sq.m) in Boulogne alone accounting for almost 50% of the total, for a cost of 80 million euros.

The other significant investments concerned:

- Ongoing development work on a residential building of over 10,000 sq.m located in Prévessin (Geneva region), as well as an 8,000 sq.m residence in Marseille, with delivery scheduled for the fourth quarter of 2010;
- A 43,000 sq.m logistics platform in Récy, leased to the LVMH Group, with delivery scheduled for the second quarter of 2010

Excluding maintenance investments, which came to 11 million euros, the breakdown of investments for each segment is as follows:

Q1 2010	Offices	Residential	Logistics	Healthcare	Total
Investments (€ mn)	93	34	19	8	154

3- Condensed income statement and net cash flow

In millions euros *(unaudited)*	March 31, 2010	March 31, 2009	Change (%)
Gross rental income	**157.8**	**160.1**	**-1.4%**
Offices	86.9	96.5	-9.9%
Residential	46.9	49.2	-4.7%
Healthcare	10.8		
Logistics	8.3	9,4	-11.2%
Hotels	4.8	5,0	-3.8%
Expenses on properties	(38.7)	(40,2)	-3.7%
Expenses billed to tenants	24.8	27,3	-9.0%
Net rental income	**143.9**	**147.2**	**-2.2%**
Services and other income	1.1	1.5	-23.9%
Services and other expenses	(0.2)	(0.3)	-35.1%
Net rental and service income	144.8	148.3	-2.4%
Management costs	(17.9)	(19.2)	-6.7%
EBITDA	**126.9**	**129.1**	**-1.7%**
Net financial expenses	(36.3)	(38.3)	-5.2%
Recurring income	**90.6**	**90.8**	**-0.2%**
Unrecoverable receivables	(0.3)	0.1	
Income & expenses calculated on shared-based compensation	0.6	1.9	
Cash flow before disposals and tax	90.9	92.8	-2.1%
Current tax	(0.8)	0.3	
Cash flow before disposals and after tax	**90.1**	**93.1**	**-3.2%**

4- Data per share

In million euros *(unaudited)*	March 31, 2010	March 31, 2009	Change (%)
Averagenumberfo sharesexcludingtreasuryshares	60,864,445	59,500,295	+2.3%
Recurringincomeper share (in euros)	1.49	1.53	-2.4%
Cash flow per share (in euros)	**1.48**	**1.56**	**-5.4%**