Gecina
Bien plus que des mètres carrés

Press release
February 24, 2011

2010 earnings: first impacts of the restructuring

2010 guidance achieved or exceeded: NNNAV up by 12.9%

The year was marked by a change of direction for the real estate strategy, including targeted investments, the accelerated rotation of residential assets, a review of the office portfolio and the renewal of the teams. At the same time, active hedging and liquidity management has been put in place, while Gecina has benefited from a return to the bond market.

- Portfolio up +7.7% (comparable), higher than expectations for around +7%
- Block NNNAV up +12.9% over the year, +14.8% during the second half, at €99.7 per share
- Rental income down -4.7% (current) and -1.8% (comparable), higher than the -5% to -6% (current) announced
- Recurrent cash flow down -5.9%, in the low range from the guidance (-6%)
- Dividend of 4.4 euros per share, with a yield of 5.3% (share price at Dec 31, 2010)

2010 marked a change of direction for the real estate strategy…

- Investments in let or speculative developments with high yields
- Targeted acquisitions of core buildings: 250 million euros in Arcueil, with net yield of 6.45%
- Accelerated rotation on residential on a unit basis for 210 million euros, generating a premium versus the block of 24%
- Asset management: office portfolio brought back into line with market rents and leases extended
- Spain: branch closed, Sanyres sold off, equity interests provisioned for 100%
- Teams renewed and restructured: impact on expenses in the fourth quarter
- Realigned management: more streamlined Executive Committee and creation of a Management Committee

…with a restructuring of the financial policy

- Debt maturities renegotiated
- Gecina opened back up again to the bond market: 500 million euro issue in September
- Financial rating improved, with a return to investment grade
- Hedging facilities extended and made more flexible: better visibility over the cost of debt
- Internal loan-to-value limit, capped at 45%

2011 will see these strategies continuing to move forward…

- Asset management: management of vacant office space and marketing of projects
- Developments: opportunities on offices and healthcare
- Sources of development on student residences, with a net yield of 6% - 7%
- Asset rotation stepped up across all the divisions: <u>target set for 1 billion euros in disposals</u>, with 22% already engaged
- Financial policy making it possible to limit the increase in the cost of financing to 4.15%
- Ongoing moves to diversify debt, with a 500 million euro bond issue in February 2011

⇨ <u>Recurrent income expected to be down 7% mainly due to the increase in the cost of debt</u>

…with the benefits to be seen from 2012

- Real estate strategy still built around the Economic and Demographic divisions
- Asset management: prime office portfolio which will benefit from the cycle starting up again
- Development pipeline added to as properties are let
- <u>Residential property divestments representing about 300 million euros per year from 2012</u>

in €m	Dec 31, 10	Dec 31, 09	*Change (%)*
Gross rentals	616,8	647,2	*-4,7%*
EBITDA	482,4	501,8	*-3,9%*
Recurrent income before tax	327,4	348,1	*-5,9%*
per share in EUR (undiluted)	*5,38*	*5,77*	*-6,9%*
NNNAV per share	99,7	88,3	*+12,9%*
Proposed dividend (EUR per share)	4,4	4,4	*stable*
Average number of shares	60 911 312	60 302 852	*+1,0%*
Average number of diluted shares	61 733 614	61 521 731	*+0,3%*

2010 marked the start of moves to restructure Gecina's real estate and financial policies

Following Christophe Clamageran's appointment as Chief Executive Officer, Gecina's real estate strategy has changed considerably, focusing on optimizing the existing portfolio, set against an economic downturn, and acquiring and developing high-yield assets. This strategy is underpinned by a financial policy which has also been redefined and on teams which have been renewed in part, resulting in exceptionnal costs with an impact on recurrent income.

First of all, the office portfolio is now let at market value on the whole, with almost 20% of leases renegotiated, resulting in lower rents in return for longer leases. The portfolio's prime features should enable it to fully benefit from the effects of an upturn in the cycle.

Gecina has targeted high-yield assets within the framework of a balanced risk between let and speculative assets.
In this way, the Group has raised its stake in the Beaugrenelle project by 25%, with an expected net yield of 7.7%. The 440 million euros of office acquisitions announced have been focused for over 80% on let or prelet assets with a net yield of 6.5%, with the balance concerning a speculative project offering a projected net yield of 8%. At the same time, an active asset management policy has made it possible to prelet one third of Beaugrenelle and 50% of the Horizons building, which make up 41% of the development pipeline for commercial property. Lastly, Gecina has embarked on new developments on healthcare real estate, with 50 million euros invested based on a net rate of 6.75%.

At the same time, Gecina has ramped up its policy for selling off residential properties on a unit basis to 210 million euros, in order to benefit from the particularly favorable trend for prices in the Paris Region. Residential sales, which generated around 0.7 euros per share in capital gains available for distribution in 2010, are consistent with the management of this segment based on a total return approach.

In order to successfully implement its real estate strategy, Gecina has rationalized its structure and renewed its teams. On the one hand, it closed the Spanish branch in July 2010, while selling off its interest in Sanyres in December 2010 and booking provisions for 100% of the remaining equity interests in Spain. On the other hand, the teams have been reorganized and renewed, particularly on office real estate and in the finance department, reflected in 1.3 million euros in non-recurring expenses for the fourth quarter.

After being significantly restructured during the fourth quarter of 2010, the financial policy has already been rolled out by the Group's new chief financial officer. In this way, capitalizing on the opportunity offered by a low-rate environment, the debt hedging facilities have been made more flexible and extended through the cancellation of 3.7 billion euros of lines with a maturity of between three and five years, with 1.4 billion euros of new lines put in place maturing between four and nine years. Thanks to this restructuring, the Group is in a position to limit the increase in its cost of debt to 4.15% for 2011, while ensuring better visibility over this cost for the medium and long term. The Group has also adopted an internal discipline measure, capping its debt at 45% in relation to the portfolio value.

Model optimized by stepping up asset rotation, with a focus on greater profitability

The Group will continue moving forward with the strategy mapped out in 2010, built around its Economic division (commercial property) and its Demographic division (residential, student residences and healthcare), while optimizing the model by stepping up asset rotation and making targeted investments.

Within this framework, in 2011 the Group will continue to strengthen its leading position on office real estate in the Paris Region in line with its target for a 9 billion euro portfolio in this division by

2014. This will be achieved on the one hand through balanced external growth, split between let or prelet operations and higher-yield speculative projects, and on the other hand thanks to the completion of developments currently being implemented by the Group.
Gecina will also be tapping into sources of growth on residential real estate, covering both student residences and traditional residential properties, which will enable new operations to be launched with a target net yield of 6% to 7%. Lastly, Gecina should reach its EUR1bn target on healthcare property as of 2011. The Group is in exclusive negotiation to buy a portfolio comprising 31 nursing homes, operated by Group DVD and Korian for a total of EUR239m generating a 6.35% net yield. A EUR26m extension and refurbishment program will be launched on these assets generating additional rents.

At the same time, Gecina will be accelerating its asset rotation policy, focusing on two areas: optimizing the portfolio and exiting non-strategic assets. This is already underway, with a preliminary sales agreement signed on a logistics portfolio for 119 million euros in February 2011.
Residential real estate divestments will be stepped up, climbing from 272 million euros in 2010 to almost 350 million euros in 2011 in order to benefit from this segment's dynamic development. Gecina is also targeting significant arbitrages on office real estate, covering both mature assets and assets valued at low capitalization rates. Lastly, Gecina will be starting to rotate its healthcare real estate assets. As a result, the global target for disposals represents around 1 billion euros for 2011, with 22% engaged at the end of February.

Alongside this, the Group's financial policy will aim to ensure the liquidity required for real estate investments, while optimizing the cost of financing.
Gecina will continue with moves to diversify its financial resources, already launched in 2010 with a 500 million euro bond issue, setting itself a target for 40% bond debt over the medium term (compared with 25% of gross debt at end-2010). At the end of February 2011, the Group already had a ratio of 35% thanks to a further 500 million euro issue. The level of interest on the bond market is reflected in a major spread differential between these two transactions: 285bp on the September 2010 issue and 168bp in February 2011.

The change in the cost of financing has been kept effectively under control thanks to the restructuring of the derivatives portfolio. Gecina will continue with its efforts to optimize financial expenses, particularly in terms of margins.
Lastly, over the medium term, Gecina is targeting a continued improvement in its financial rating, which is currently BBB- with Standard & Poor's (outlook stable) and Baa3 at Moody's (outlook stable).

2011 recurrent income is expected to be down by -7% reflecting the impact of the increase in the cost of debt. However, Gecina will benefit from an upturn in business as well as positive exceptional items.

Demographic division's good performance confirms the model's relevance

IMPROVEMENT IN THE TREND FOR RENTAL INCOME ON A COMPARABLE BASIS IN THE FOURTH QUARTER OF 2010

Gross rental income is down -4.7% on a current basis to 616.8 million euros at the end of December 2010. On a comparable basis, this contraction in rental income comes out at only -1.8% over the full year, compared with a -2.3% drop at the end of September 2010. In this way, organic growth leveled off during the fourth quarter, after falling significantly during the previous two quarters. The good performances achieved by the residential and healthcare real estate divisions partially offset the contraction on the office and logistics divisions on a comparable basis.

Gecina's model, built around a demographic division (residential and healthcare), which now represents 37% of the Group's business, and an economic division (offices, logistics and hotels), has confirmed its relevance set against a cycle turnaround.

The scope effect still represents the main factor for adjustment. In this way, the disposals carried out in 2009 and 2010 have led to a 50 million euro drop in rental income for the Group as a whole, with 29.5 million euros for the office business and 17.1 million euros for residential. At the same time, the change on a comparable basis has been adversely affected by the significant increase in the vacancy rate on the logistics division, rising to 28.3% in 2010 (compared with 18.0% in 2009). Lastly, rental income has been affected by certain contracts being renegotiated down for office properties in 2009 and 2010. The office portfolio is let at the market price.

The contraction in rental income has been partially offset by healthcare real estate being consolidated over a full year for an additional 25.5 million euros compared with 2009. Investments have also generated an additional 6 million euros in rental income. Over 2011, Gecina will continue to benefit from rent resulting from the acquisitions made and the projects delivered in 2010.

in € mn	31-déc-10	31-déc-09	Variation (%)	
			current perim.	constant perim.
Group Total	**616,8**	**647,2**	**-4,7%**	**-1,8%**
Offices	335,0	374,0	-10,4%	-3,1%
Residential	183,3	195,0	-6,0%	+1,9%
Logistics	47,0	21,6	na	+0,7%
Healthcare	32,1	36,5	-12,1%	-10,8%
Hotels	19,4	20,1	-3,5%	-1,5%

[1] The Health business, consolidated on an equity basis in 2008 and the first half of 2009, 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 the first half of 2009.

AVERAGE FINANCIAL OCCUPANCY RATE STABLE IN RELATION TO THE END OF SEPTEMBER 2010

The average financial occupancy rate came to 94.3% in 2010, stable compared with the average at the end of September 2010. Nevertheless, the occupancy rate is down 1.6 points in relation to 2009 (95.9%), primarily reflecting the increase in the logistics sector's vacancy rate between the two periods.

The office division's occupancy rate improved by 40bp during the fourth quarter of 2010, reflecting the positive impact of the Origami and Anthos buildings being let from October 1 and December 1, 2010 respectively. For the residential business, the occupancy rate is slightly lower than at the end of 2009, primarily reflecting the impact of the three residences delivered recently (Saint Denis, Simon Fryd in Lyon and Prévessin in the Rhône-Alpes region, near the Swiss border). These assets are currently being let and account for 2.1 points of the residential portfolio's vacancy rate.

Vacated properties known to date represent almost 4 points of the office division's vacancy rate, factoring in the termination of the AON lease (26% of this total), which will result in 6.6 million euros being paid in net compensation in 2011.

Average financial occupancy rate	Dec 31, 2010	Sep 30, 2010	Dec 31, 2009
Group	**94.3%**	**94.3%**	**95.9%**
Offices	95.3%	94.9%	95.7%
Residential	97.1%	97.3%	98.6%
Logistics	71.7%	72.8%	82.0%
Hotels/Healthcare	100.0%	100.0%	100.0%

Offices (54% of Group rental income)

Like-for-like change 2010 vs. 2009	Indexes	Renegotiations & renewals	Vacancy
-3.1%	-0.2%	-3.4%	0.5%

Rental income came to 335 million euros, down -10.4% on a current basis. More specifically, this trend reflects the 29.5 million euro loss of rental income resulting from the assets sold off in 2009 and 2010. The contraction in rental income on a comparable basis comes out much lower, at only -3.1%. The pressure over organic growth in the fourth quarter was less strong, coming in at -1.5%, compared with -3.6% through to the end of September 2010. The fourth quarter of 2010 saw the contraction ease slightly, notably as a result of indexation moving back into positive territory.

On a comparable basis, this change stems primarily from the negative reversion on renegotiations and relettings (-3.4% on organic growth for 2010). In this way, on the 128,024 sq.m relet or renegotiated with effect in 2010 (representing almost 16% of the Group's total office space), lower headline rents have been granted, even if the new headline rents have been signed up based on satisfactory levels. In return for rent adjustments, the terms of existing leases have been extended or new contracts have been signed with an extended firm period.

In addition, 63 properties were relet in 2010, representing over 26,000 sq.m (i.e. almost 3% of the portfolio in operation), with an incoming-outgoing rent differential of -11% (compared with -13.6% at the end of September 2010).

Following the letting of the Origami building (October 1, 2010) and the Anthos building (December 1, 2010), the occupancy rate has improved slightly, up to 95.3% in 2010 versus 94.9% on average at the end of September 2010, coming in slightly below the rate of 95.7% recorded in 2009. At the end of 2010, 42,832 sq.m were vacant.

- 11% of this space has already been relet.
- 39% of this space will be redeveloped in 2011
- 13% of this space is concentrated on the Square de Velizy building, whose potential redevelopment is currently being looked into, as well as the offices on Avenue du Général Leclerc in Boulogne, vacated by Avis at the end of July 2010.

Gecina expects to see the office market pick up slightly in 2011, to be reflected in priority in a reduction in commercial incentives. In 2011, the Group will benefit from the full-year impact of the Anthos and Origami buildings being let, generating 8 million euros in rent, as well as the additional rental income from the Portes d'Arcueil building, which was acquired by Gecina in 2010 and will represent 16 million euros in full-year rent. In return, as mentioned previously, the vacated properties known to date represent almost 4 points of the office division's vacancy rate, factoring in the termination of the AON lease (26% of this total), which will result in 6.6 million euros being paid in net compensation in 2011.

Residential (30% of Group rental income)

Like-for-like change 2010 vs. 2009	Indexes	Renegotiations & renewals	Vacancy
1.9%	0.6%	1.3%	0.0%

At December 31, 2010, gross rental income totaled 183.3 million euros, down -6% on a current basis. However, on a comparable basis, rental income is up +1.9%.

The residential portfolio has continued to benefit from an optimum rotation rate (15.8% on average over the year) making it possible to harness the positive reversionary potential, with a very short reletting time of 32 days on average in Paris. This division is therefore benefiting from positive structural and countercyclical growth excluding the impact of indexation. Indeed, Gecina has recorded an +8.3% increase on relettings for its residential portfolio since January 2010.

Asset disposals are reflected in a 17.1 million euro loss of rental income over the year, which has not been offset by the 3.2 million euro increase in rental income on a comparable basis and the rental income generated through investments (+2.2 million euros). However, the division's vacancy rate, not significant in 2009 (1.4%), rose slightly to 2.9% in 2010, primarily following the delivery of three residences (Saint-Denis, Simon Fryd in Lyon and Prévessin). These residences are currently being let, and account for 2.1 points of this division's vacancy rate.

Healthcare (8% of Group rental income)

Like-for-like change 2010 vs. 2009	Indexes	Vacancy	Other items
0.7%	0.5%	0.0%	0.2%

Gecimed, 98.5%-owned by Gecina, has been fully consolidated since the second half of 2009. At the end of 2010, the healthcare division's gross rental income totaled 47 million euros.

Two assets were delivered to Générale de Santé during the year: Hôpital Privé de l'Estuaire in Le Havre in June and the Jeanne d'Arc private hospital in Gien in August. These two assets represent a combined total of nearly 6.5 million euros in full-year rental income. Lastly, between now and 2012, Gecimed will invest 50 million euros to build the Hôpital privé d'Annemasse, a project acquired from Générale de Santé.

Logistics (5% of Group rental income)

Like-for-like change 2010 vs. 2009	Indexes	Renegotiations & renewals	Vacancy	Other items
-10.8%	-0.7%	-3.6%	-6.8%	0.3%

Gross rental income totaled 32.1 million euros at the end of 2010, down -12.1% on a current basis. On a comparable basis, business still shows a marked downturn, coming in at -10.8%.

The financial occupancy rate continued to decline during the fourth quarter, as announced by the Group in November. In this way, the vacancy rate rose from 27.2% on average at the end of September 2010 to 28.3% on average over 2010 (compared with 18% in 2009).

At the same time, Gecina is actively working to let the vacant space. Indeed, in early January, 25,000 sq.m were let on the Corbas site, which will improve the occupancy rate by 2.5 points. Similarly, in line with the objective to withdraw from this business segment, Gecina signed a preliminary sales agreement for a 119 million euro portfolio in February 2011. After the impact of this sale, this division's occupancy rate is back up to 77%.

Hotels (3% of Group rental income)

Like-for-like change 2010 vs. 2009	Indexes	Vacancy	Other items
-1.5%	-5.1%	0.0%	3.6%

Gross rental income came to 19.4 million euros at the end of 2010, down -3.5% in relation to the end of 2009 on a current basis. On a comparable basis, this contraction is less marked, representing -1.5%. This trend reflects the negative indexation seen throughout the year, following the strong indexations from previous years.

Following the sale of the Marivaux hotel on July 30, 2010, Gecina's hotel portfolio primarily comprises the four Club Méditerranée facilities. The average residual term on the division's leases is seven years.

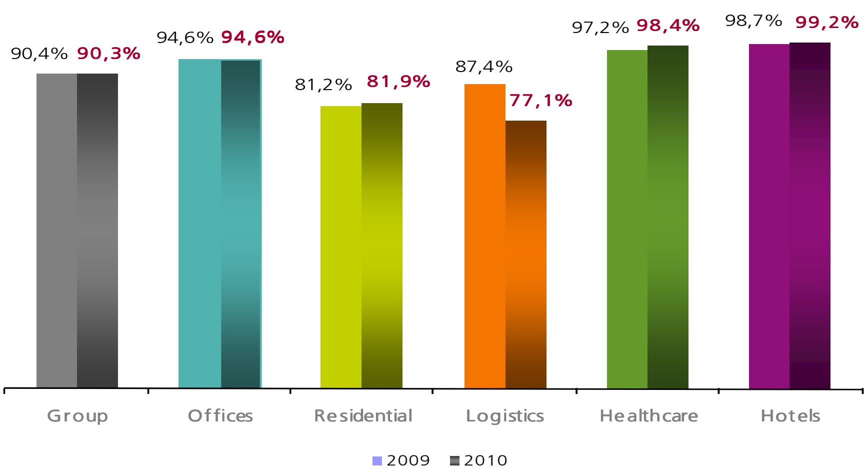
RENTAL MARGIN HOLDING UP DESPITE THE HIGHER VACANCY RATE

The Group's rental margin was virtually stable at 90.3% at the end of 2010, compared with 90.4% at end-2009, showing a good level of resilience faced with the marked contraction on the logistics division.

Above all, this performance reflects the progress made by the residential division, benefiting from the cost optimization policy rolled out by the Group's asset management teams, as well as the accretive impact of the various divestments. The rental margin on office real estate was stable at 94.6% at the end of 2010, despite the higher vacancy rate. The rental margins on healthcare real estate and hotels are still very high from a structural perspective, with only a marginal sequential change in view of adjustments to costs.

The logistics segment is still the only one to see a significant drop in its rental margin, coming in at 77.1% at the end of 2010, compared with 87.4% at end-2009, impacted directly by the cost of vacancies.

Change in the rental margin for 2010 vs. 2009



Contraction in recurrent income in the low range of initial expectations: impact of restructuring measures

RESTRUCTURED DEBT HEDGING ENABLING BETTER VISIBILITY OVER THE COST OF DEBT

Net financial expenses are up slightly (+0.9%) to 155 million euros, compared with 153.7 million euros at the end of 2009. The increase in the average cost of debt, as announced by Gecina, was seen during the fourth quarter, coming in at 3.62% over the full year in 2010 and 3.59% at end-2009.

The Group is able to confirm its forecasts for an average cost of debt of 4.15% for 2011, with 20bp linked to the increase in the rate excluding margins, 23bp linked to the increase in margins. The increase in the cost of financing would have come out with a further 69bp before the hedging facilities were restructured in the fourth quarter of 2010.

Gecina put in place a 400 million euro commercial paper program in November 2010, with the amount outstanding rising steadily to 90 million euros at end-January 2011.

To a great extent, the hedging policy makes it possible to protect cash flow against a potential rate rise. In relation to the existing debt at December 31, 2010, the sensitivity of 2011 financial expenses to a +/-50bp change in the Euribor represents +/-5 million euros.

RECURRENT INCOME DOWN -5.9%

The Group's recurrent income totaled 327.4 million euros, compared with 348.1 million euros in 2009, down -5.9%.

Management costs decreased by -9.8% during the year, despite the restructuring measures.

€m	31-déc-10	31-déc-09	*Change (%)*
Gross rental income	**616.8**	**647.2**	***-4.7%***
Expenses on properties	(155.5)	(153.5)	*+1.3%*
Expenses billed to tenants	94.7	91.2	*+3.8%*
Net rental income	**556.0**	**585.0**	***-5.0%***
Services and other expenses (net)	6.2	5.3	*+18.2%*
Salaries, & management costs	(79.8)	(88.5)	*-9.8%*
EBITDA	**482.4**	**501.8**	***-3.9%***
Net financial expenses	(155.0)	(153.7)	*+0.9%*
Recurrent income	**327.4**	**348.1**	***-5.9%***

Asset rotation: 482 million euros in disposals carried out with a premium of 11.4%

Gecina had carried out a combined total of 482 million euros of asset disposals at the end of December 2010. The sales prices show an average premium of 11.4% in relation to the appraised values from December 2009.

These divestments can be broken down as follows:

- 272 million euros of residential properties, with 77% unit sales based on an average premium of 24% over the appraised values from the end of 2009. The block residential sales were carried out with a 4% premium in relation to the appraised values from the end of 2009.
- 37% of sales concerned office assets, with sales prices coming in slightly higher than the values from the end of 2009.

In addition, Gecina invested 723 million euros in 2010, covering both acquisitions and development projects (92% of investments), as well as capex (8% of investments). These investments concerned:

- **Offices:** Gecina acquired the Portes d'Arcueil building for 250 million euros, with this asset let in full to France Telecom. 199 million euros of investments focused on projects which are underway, including the Park Azur building in Montrouge and the Beaugrenelle shopping center. Lastly, 89 million euros were invested on projects which have now been delivered (Anthos and Origami buildings).
- **Residential:** 37 million euros were invested on projects underway, including a student residence in Paris, as well as various traditional residential programs in the Paris Region and elsewhere in France. 47 million euros of investments were made on buildings which have now been delivered.

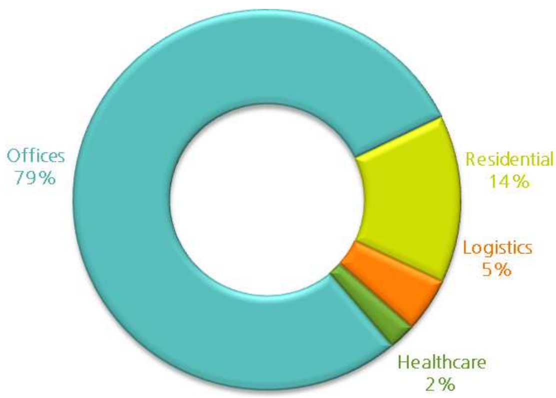
The acquisition of a 25% stake in Beaugrenelle, taking Gecina's interest in this project up to 75%, during the second half of the year represented a further 58 million euros.

At the end of December 2010, Gecina's development pipeline totaled 1,583 million euros, with 865 million euros still to be paid out. These projects are expected to generate a projected net yield of 6.4% and a margin of 13.6% based on the total cost of the buildings.

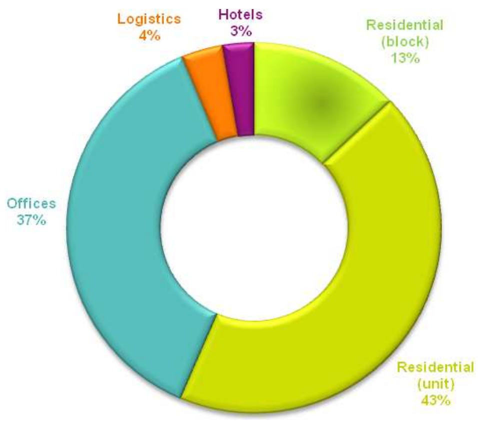
In February 2011, a preliminary sales agreement was signed for a portfolio representing 119 million euros of logistics assets with the funds managed by Cargill. Similarly, the Group sold an office asset for 33.7 million euros, as well as 71 million euros of residential assets, including 47 million euros under preliminary sales agreements.

Gecina has set itself an annual target for 350 million euros of residential real estate sales in 2011, and is targeting about 300 million euros per year in arbitrages on this segment from 2012. Lastly, as mentioned previously, the Group will be divesting office real estate assets which are mature or valued with low capitalization rates, and will be launching an arbitrage policy on healthcare real estate. In this way, the total amount of disposals expected for 2011 represents 1 billion euros, with 22% already engaged.

Investments: 781 million euros



Disposals: 482 million euros



Portfolio value up +7.7% on a comparable basis, with NAV climbing +12.9% over the year

The Group's portfolio is valued twice a year by independent appraisers. At December 31, 2010, the block portfolio value represented 11,667 million euros, up +12.7% on a current basis and +7.7% on a comparable basis. This change is consistent with the forecast given by the Group in November 2010 for the portfolio value to grow by over 7% on a comparable basis. The +7.7% increase primarily factors in the compression of capitalization rates, representing +7.1%, as well as the rent effect, for +0.6%.

Breakdown by segment	Block value			Change at current perimeter		Change at constant perimeter	
€ mn	FY 2010	H1 2010	FY 2009	6 months	12 months	6 months	12 months
Offices	6 575	5 549	5 462	18,5%	20,4%	5,1%	8,2%
Residential	3 639	3 385	3 377	7,5%	7,8%	9,5%	12,4%
Healthcare	737	697	683	5,7%	7,9%	5,2%	7,6%
Logistics	441	556	558	-20,8%	-21,0%	-21,1%	-25,4%
Hotels	275	269	275	2,6%	0,2%	3,7%	4,0%
Sub-total	11 667	10 456	10 354	11,6%	12,7%	5,3%	7,7%
Equity affiliates	7	163	193	na	na	na	na
Group Total Unit value	11 675	10 619	10 547	9,9%	10,7%	5,3%	7,7%
Group Total Unit value	12 423	11 340	11 320	9,5%	9,7%	5,4%	7,3%

Gecina's gross capitalization rates have declined from 6.55% in 2009 to 6.14% in 2010. Net capitalization rates have declined from 6.01% in 2009 to 5.61% in 2010, i.e. a compression of 40bp over the full year.

These rates, on a comparable basis are detailed in the following table:

	Gross cap rate		Change	Net cap rate		Change
	2010	2009		2010	2009	
Offices (incl. head office)	6.40%	6.97%	-0.57%	6.08%	6.68%	-0.60%
Residential	5.10%	5.64%	-0.54%	4.23%	4.64%	-0.41%
Logistics	10.15%	8.30%	1.85%	8.30%	7.25%	1.05%
Hotels	7.12%	7.23%	-0.11%	7.07%	7.14%	-0.07%
Healthcare	7.10%	7.48%	-0.38%	7.00%	7.29%	-0.29%
Total comparable basis	6.17%	6.65%	-0.49%	5.63%	6.11%	-0.48%

Diluted triple net (EPRA reference) NAV (block), the calculation of which is appended, came to 99.7 euros per share at December 31, 2010, up +12.9% in relation to the end of 2009 and +14.8% versus the end of June 2010. The difference compared with the end of 2009 reflects the following impacts:

- Dividend payment (-4.4 euros)
- Impact of recurrent income (+5.3 euros)
- Value adjustment on assets (+12.3 euros)
- Value adjustment on derivatives (-1.7 euros)
- Other items (-0.2 euros)

Financial structure: diversification of resources and restructuring of the hedging policy

At the end of 2010, net debt totaled 5,174 million euros, an increase of +7.4% compared with the end of 2009. The average maturity of debt represents 3.9 years, compared with 3.8 years at the end of 2009. Gecina has successfully negotiated the deferral of credit lines, taking the repayments for 2011 down from 794 million euros to 307 million euros, now representing only 5% of the amount of authorized lines. Debt repayments for the next three years have been reduced from 62% (early 2010) to 43% of outstanding facilities.

The loan to value (LTV) ratio represents 44.3%, in line with the internal limit set by the Group for a maximum of 45%. Gecina had 850 million euros in unused lines at the end of 2010. This amount has been raised to 1,460 million euros following the bond issue in February 2011.

At December 31, 2010, Gecina met all of the banking covenants applicable:

Ratios	Covenant	Dec. 31, 2010
Loan to value ratio (block)	< 50% - 55%	44,3%
EBITDA exl. disposals/financial expenses	> 2,25x	3,09x
Secured debt/block value	< 20%	16,9%
Portfolio value (block, €mn)	> 8 000	11 662

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth euros 11.7 billion at December 31, 2010, with 80% located in the Paris region. This real estate company's business is built around an Economic division, including France's largest office portfolio, and a Demographic division, with residential assets, student residences and healthcare facilities. Gecina has put sustainable innovation at the heart of its strategy to create value, anticipate its customers' expectations and invest while respecting the environment, thanks to the dedication and expertise of its staff.

Gecina is a French real estate investment trust (SIIC) listed on Euronext Paris, and is part of the FTSE4Good and Dow Jones Sustainability Index (DJSI) Stoxx indices. In line with its commitments to the community, Gecina has created a company foundation, which is focused on protecting the environment and supporting all forms of disability.

www.gecina.fr

CONTACTS

Financial communications
Elizabeth Blaise
Tel: +33(0)1 40 40 52 22
Régine Willemyns
Tel: +33 (0)1 40 40 62 44

Press relations
Armelle Miclo
Tel: +33 (0)1 40 40 51 98

APPENDICES

Gecina
Bien plus que des mètres carrés

1. FINANCIAL STATEMENTS

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.

1.1 CONSOLIDATED INCOME STATEMENT

€m	Dec 31, 10	Dec 31, 09	*Change (%)*
Gross rental income	**616,8**	**647,2**	***-4,7%***
Expenses on properties	(155,5)	(153,5)	*+1,3%*
Expenses billed to tenants	94,7	91,2	*+3,8%*
Net rental income	**556,0**	**585,0**	***-5,0%***
Services and other income	6,2	5,3	*+18,2%*
Salaries and management costs	(79,8)	(88,5)	*-9,8%*
EBITDA	**482,4**	**501,8**	***-3,9%***
Gains from disposals	43,8	(19,5)	*n/a*
Change in fair value of properties	763,2	(871,3)	*n/a*
Depreciation	(4,1)	(3,3)	*+26,3%*
Net provisions and amortization	4,2	(11,6)	*n/a*
Operating income	**1 289,4**	**(403,9)**	***n/a***
Net financial expenses	(155,0)	(153,7)	*+0,9%*
Financial depreciation and provisions	(34,6)	(94,0)	*-63,2%*
Change in fair value of financial instruments	(104,2)	(72,1)	*+44,6%*
Net income from equity affiliates	(21,3)	(59,8)	*-64,4%*
Pre-tax income	**974,3**	**(783,5)**	***n/a***
Current Tax	(2,4)	(3,6)	*-32,7%*
Non current Tax	30,8	0,0	*n/a*
Exit tax	(8,0)	0,0	*n/a*
Deferred tax	21,1	13,5	*+53,9%*
Minority interests	(17,6)	(0,2)	*n/a*
Consolidated net income (group share)	998,2	(773,7)	*n/a*
Recurrent income	**327,4**	**348,1**	***-5,9%***
Average number of shares (millions)	60 911 312	60 302 852	*+1,0%*
Recurrent income per share (undiluted)	5,38	5,77	*-6,9%*

1.2 CONSOLIDATED BALANCE SHEET

ASSETS *In million euros*	Dec 31, 2010	Dec 31, 2009
Fixed assets	**11 082.6**	**10 332.5**
Investment properties	10 116.2	9 474.9
Buildings under refurbishment	832.9	555.3
Buildings in operation	67.8	69.3
Other tangible fixed assets	4.1	4.5
Intangible fixed assets	3.9	3.2
Long-term financial investments	9.2	112.9
Equity affiliates	3.9	86.2
Financial instruments	43.4	25.6
Deferred tax	1.2	0.5
Current assets	**835.7**	**564.8**
Properties for sale	650.2	254.5
Inventories	0.0	0.0
Rent due and other receivables	65.6	64.9
Other receivables	71.4	59.4
Prepaid expenses	24.0	16.2
Financial instruments	0.0	66.5
Cash & Cash equivalent	24.6	103.3
TOTAL ASSETS	11 918.3	10 897.3

LIABILITIES *In million euros*	Dec 31, 2010	Dec 31, 2009
Capital and reserves	**6 147.6**	**5 372.7**
Capital	469.6	469.4
Issue, merger & capital contrib.premiums	1 868.1	1 866.3
Consolidated reserves	2 765.8	3 809.1
Consolidated net profit	998.2	(773.7)
Group shareholders' equity	**6 101.8**	**5 371.1**
Minority interests	45.8	1.7
Non-current liabilities	**5 074.4**	**4 564.2**
Financial debt	4 825.0	4 253.1
Financial instruments	171.4	166.5
Deferred tax liabilities	23.1	33.4
Provisions for liabilities and charges	48.9	108.2
Taxes due & other employee-related liabilit	6.0	3.1
Current liabilities	**696.3**	**960.3**
Short term financial debt	374.1	669.3
Financial instruments	5.0	8.3
Security deposits	66.0	68.3
Trade payables	140.1	100.6
Taxes due & other employee-related liabilit	57.7	49.4
Other liabilities	53.5	64.4
TOTAL LIABILITIES	11 918.3	10 897.3

2. ACCOUNTING METHODS AND PRINCIPLES, BASIS FOR CONSOLIDATION

The consolidated financial statements of Gecina and its subsidiaries have been drawn up in accordance with IFRS, as adopted within the European Union.
Since the Gecina Group is not concerned by the exemption from IAS 39 relating to the recognition of financial instruments, or the mandatory interpretations or standards in 2010 which have not yet been adopted by the European Union, these accounts are also compliant with the IASB's IFRS.

The standards and interpretations applicable for the Group since January 1, 2010 have not had any significant impact on its earnings or financial position. The standards and official interpretations that may be applicable following the close of accounts have not been applied in advance and are not expected to have any significant impact on these accounts.

In this way, the Gecina Group was made up of 57 separate legal entities at December 31, 2010:
(i) 55 real estate companies, holding properties or real estate rights, and (ii) two service companies.
Most of the subsidiaries are fully-owned by the Group, with the exception of:

- SCI Beaugrenelle, in which Gecina owns 75% of the capital;
- SAS Labuire, in which Gecina owns 59.77% of the capital;
- The Spanish-law company Bami Newco, in which Gecina owns 49% of the capital;
- SARL Montbrossol, in which Gecina owns 10% of the capital.

Three companies were consolidated for the first time in 2010 and six companies were deconsolidated:

Companies	Consolidation method	% interest Dec 31, 10	% interest Dec 31, 09	% interest Dec 31, 08
First consolidated in 2010				
Anthos	FC	100%	na	na
Hôpital privé d'Annemasse	FC	100%	na	na
Montbrossol	FC	100%	na	na
Deconsolidated in 2010				
Bami Newco	NC	49%	49%	na
Foncigef	FC	Liquidated	100%	100%
Gec 3	FC	Merged	100%	100%
Gec 6	FC	Merged	100%	100%
Paris Saint Michel	FC	Merged	100%	100%
S.G.I.L	EM	Liquidated	36,55%	36,55%
Parisienne Immobilière d'Investissement 1	FC	Merged	100%	100%

3. RENTAL INCOME AND GROSS MARGIN

3.1 ANALYSIS OF THE VACANCY RATE

A breakdown of the vacancy rate is presented in the following table:

2009 - 2010 financial vacancy				
Financial vacancy	**Spot**		**Average**	
	2009	**2010**	**2009**	**2010**
Economic division				
Offices	96,5%	97,4%	97,5%	95,3%
Logistics	79,9%	67,1%	82,0%	71,7%
Hotels	100,0%	100,0%	100,0%	100,0%
Demographic division				
Residential	98,7%	95,8%	98,7%	97,4%
Healthcare	100,0%	100,0%	100,0%	100,0%
Student residences	99,3%	98,6%	97,7%	96,2%
Group total	**96,2%**	**94,7%**	**95,9%**	**94,3%**

The total cost of vacancies is estimated at 37.1 million euros, with 14% in non-transferred expenses (5.3 million euros, with 47% on Logistics).

Gecina's tenants operate across a very wide range of sectors responding to various macroeconomic factors. Services, which account for 17% of rents, are themselves split between several sectors.

The Group's top 20 tenants represent 35% of rent billed, with none of them accounting for more than 10% of the total (7% for Générale de Santé, the Group's leading tenant).

Sector	% of rental income
Technology and telecoms	1%
Real estate	2%
Insurance	2%
Local government	2%
IT	3%
Hotels	3%
Media and TV	3%
Logistics / transport	5%
Banking	5%
Other	5%
Industry	5%
Luxury goods and retail	8%
Healthcare	8%
Services	17%
Residential	30%

The average maturity on firm leases is 4.4 years for the Group's portfolio (excluding residential, i.e. 70% of the scope) and 6.3 years factoring in the contractual maturity of leases, with 3.6 years firm and 6 years contractual respectively for offices.

The average maturity of leases increased by six months at the end of 2010 thanks to the renegotiations carried out during the year.

2009 - 2010 average lease maturity (excl. residential)

	Lease end			3-year		
	2 009	2010	Var	2009	2010	Change
Offices	5,4	6,0	0,5	3,0	3,6	0,6
Logistics	6,0	5,6	-0,5	4,2	4,4	0,3
Hotels	8,0	7,0	-1,1	8,0	7,0	-1,1
Healthcare	8,6	8,7	0,0	8,6	8,7	0,0
Total	**5,9**	**6,3**	**0,4**	**3,9**	**4,4**	**0,5**

Lease-end maturities (excl. residential)

	2011	2012	2013	2014	> 2015
Offices	33,1	14,8	13,0	29,7	255,0
Logistics	0,5	2,2	0,5	1,0	23,6
Hotels	0,0	0,0	0,0	0,2	19,4
Healthcare	0,0	0,0	0,1	0,0	50,9
Total	**34**	**17**	**14**	**31**	**349**
% rental income (excl. residential)	8%	4%	3%	7%	79%

3-year maturities (excl. residential)

	2011	2012	2013	2014	> 2015
Offices/retail	70,8	83,0	56,0	17,4	118,4
Logistics	1,2	5,1	6,8	2,1	12,6
Hotels	0,0	0,0	0,0	0,2	19,4
Healthcare	0,0	0,0	0,1	0,0	50,9
Total	**72**	**88**	**63**	**20**	**201**
% total rental income (right-hand scale)	16%	20%	14%	4%	45%

3.2 Business in each division

OFFICES

The Office division's rental income is down 10.4% to 335 million euros (54% of the Group total), primarily on account of the impact of divestments for 29.5 million euros, representing 75% of the contraction; the impact of deliveries in 2010 is limited to 1.8 million euros (leases signed for the Anthos and Origami buildings during the last quarter).

The year was marked by a very sustained level of rental activity, with more than 170,000 sq.m let or renegotiated, representing 20% of rental income (97 leases negotiated).

85% of this activity has been focused on renegotiating leases (extending the lease's term in return for a reduction in rent) and letting vacant space, with the balance corresponding to the letting of the developments delivered (Origami, Anthos and Défense Ouest).

LOGISTICS

On Logistics, rents are down 12.1% (-4.6 million euros to 32.1 million euros), with the loss of rental income linked to divestments representing 3.1 million euros. At the same time, rents on new investments represent a contribution of 2 million euros.

On a comparable basis, the downturn comes out at 10.8%, with two thirds attributable to the lower occupancy rate, down from 82% to 72%, and the rest linked to renegotiations.

In 2011, the sale of the logistics portfolio with 22 assets to the funds managed by Cargill will make it possible to take the pro forma financial vacancy rate down from 33% to 23%.

HOTELS

The Hotel sector's rental income is down 3.4% to 19.4 million euros, primarily as a result of the sale of three small assets, whereas the scope on a comparable basis is now made up virtually exclusively of four "Club Méditerranée" assets.

On a comparable basis, rental income is down 1.5% due to a sharp contraction in the index (-5.1%), partially offset by the additional rent generated through work carried out.

RESIDENTIAL

In the residential sector, rental income has contracted by 6% to 183 million euros, mainly factoring in the impact of asset divestments (-17.1 million euros in rent), offset in part by the new investments made (+2.2 million euros in rent).

On a comparable basis, the business has performed very well, growing 1.9%, with one third linked to indexation and the balance due to the incoming-outgoing rent differential (+8.3% in 2010 on a portfolio with a rotation of 15.8%).

The average rent billed (excluding Lyon) is 17.74 euros/sq.m for the portfolio, with 15.27 euros/sq.m in the Paris Region and 18.94 euros/sq.m in Paris.

For the Paris Region, the reletting time has remained stable at 32 days.

HEALTHCARE

Healthcare rental income is up 25.5 million euros, as a result of Gecimed being fully consolidated over a whole year.

On a comparable basis, this business achieved +0.7% growth in 2010, reflecting an indexation component for 0.5%, combined with capex generating additional rental income for +0.2%. 2010 saw two projects delivered on behalf of Générale de Santé, with 6.5 million euros in annualized rent.

3.3 Analysis of the gross margin

The gross margin for 2010 was virtually stable, coming in at 90.3% (-0.1%)

2009 - 2010 gross margin

	2009	2010
Offices	94.6 %	94.6 %
Logistics	87.4 %	77.1 %
Hotels	98.7 %	99.2 %
Total Economic division	**94.2 %**	**93.4 %**
Residential	81.2 %	81.9 %
Healthcare	97.2 %	98.4 %
Total Demographic division	**84.4 %**	**85.3 %**
General total	**90.4 %**	**90.3 %**

Offices: stability despite the increase in the vacancy rate during the year.

Logistics: down 10% to 77% on account of non-transferred expenses: 2.5 million euros, representing 7.8% of rent billed, compared with a Group average of 1.6% and 0.8% for Offices.

Hotels & Healthcare: costs are charged back under leases on a triple net basis, giving margins of almost 100%.

Residential: slight increase to 82%, thanks to the accretive impact of arbitrages.

4. OVERHEADS

In 2010, overheads totaled 79.8 million euros, down 9.8% over one year in light of a significant reduction in management costs (down 24% to 26.2 million euros, representing 33% of total overheads).

Salaries and fringe benefits decreased slightly over the period (-0.7%), while factoring in an increase in non-recurring costs for 1.7 million euros.

The headcount (excluding building superintendents) was down slightly at the end of 2010 (399 people, compared with 402 at end-2009), for a total headcount of 600 people at the end of 2010 (201 building superintendents).

Overheads represent 12.9% of rental income, showing a slight decrease over one year, and 0.7% of the value of assets under management.

5. DISPOSALS, INVESTMENTS AND DEVELOPMENTS

5.1 DISPOSALS

Arbitrages came to 482 million euros in 2010, with 44% for the Economic division and the rest concerning the Residential business. This volume of disposals represents 4.1% of the portfolio in terms of value.

The exit rate was 6.1%, giving an average premium of 11% over the values from the end of 2009.

Unit sales represented 77% of Residential disposals, generating 39 million euros in capital gains, giving a 24% premium over the block values from the end of 2009, in line with the average for the last five years.

The main disposals over 2010 concerned:

Offices (11 assets):

- 7 buildings under 3,000 sq.m, representing 30% of sales;
- 3 other mature buildings.

Residential:

- 4 assets sold off on a block basis for 62 million euros;
- 616 apartments sold off on a unit basis for 210 million euros.

Logistics:

- 6 assets sold on a block basis for 17 million euros

Hotels:

- 3 relatively insignificant assets for 11 million euros

At the end of February 2011, an office building was sold off for 33.7 million euros. In addition, Gecina has signed deals for 71 million euros of unit residential sales, including 47 million euros of preliminary agreements. Lastly, the Group has signed a preliminary sales agreement for 22 Logistics assets with the funds managed by Cargill for a total of 119 million euros. In this way, 22% of the annual target of 1 billion euros has already been achieved.

5.2 INVESTMENTS AND DEVELOPMENT PIPELINE

Investments totaled 781 million euros in 2010, up 55% in relation to 2009, with:

- 308 million euros in acquisitions (39% of total investments);

- 250 million euros corresponding to the Arcueil buildings (44,735 sq.m) let to Orange for 16 million euros in annual rent and brought into the portfolio in December 2010

- 58 million euros from the acquisition of a 25% stake in the Beaugrenelle project (securities and current account) in July 2010

– 415 million euros in disbursements on development projects
  - 160 million euros corresponding to assets delivered during the course of the year, primarily including
    - Origami in Paris, delivery in July 2010, 5,160 sq.m, 4.3 million euros in annual rent
    - Anthos in Boulogne, delivery in April 2010, 9,716 sq.m, 4.4 million euros in annual rent,
    - 4 Residential assets (Saint-Denis, Lyon and Marseille), 5.4 million euros in combined potential annual rent
    - 2 student residences, 1.4 million euros in combined annual rent
    - 2 healthcare facilities, 6.4 million euros in combined annual rent

  - 256 million euros relating to projects which had not been delivered at the end of 2010 within a total pipeline of 1,583 million euros, with 45% carried out by the end of 2010 and 81% to be completed by the end of 2011. The estimated margin on the total cost of these projects comes out at 216 million euros, representing 13.6%. The potential gross annual rent is estimated at 102 million euros.

Maintenance capex is down 7% to 48 million euros, representing 9.3% of rental income, significantly lower than the levels seen across all sectors during the last few years (16.3% in 2007), reflecting the optimization efforts carried out, as well as the modernization of the portfolio through investments.

6. PORTFOLIO VALUE AND NAV

6.1 PORTFOLIO

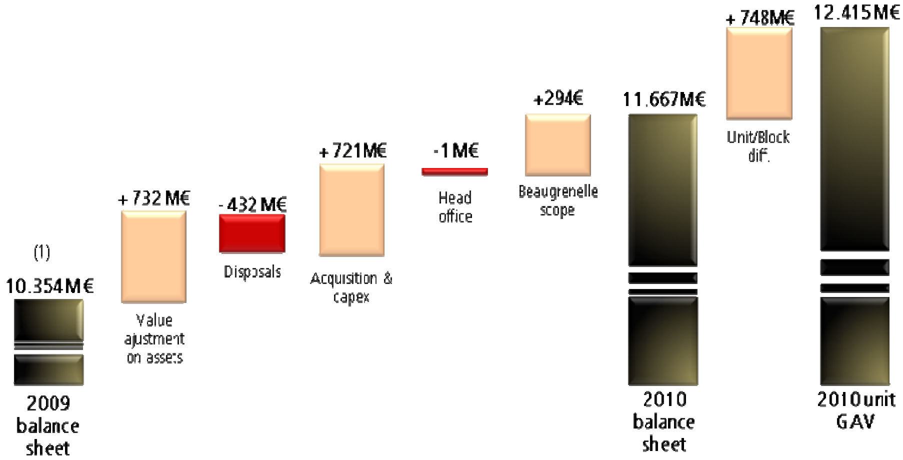
Gecina's consolidated portfolio at December 31, 2010 came to 11,667 million euros, up 1,313 million euros. Investment properties account for 87% of the portfolio, with developments recorded for 833 million euros.

	2 010	% 2010	2 009	Change (€M)
Investment properties	10 116	87%	9 475	641
Buildings under development / refurbishment	833	7%	555	278
Buildings in operation	68	1%	69	-1
Buildings for sale	650	6%	255	395
TOTAL	11 667	100%	10 354	1 313

The Economic division represents 62% of the total value, with 56% for Offices (including the Beaugrenelle project, now fully consolidated), an increase of 997 million euros over one year. The acquisition of 25% of the Beaugrenelle project in 2010 changed its presentation in the accounts, with this project previously recorded on an equity basis.

The Demographic division, which represents 38% of the total value, increased by 316 million euros.

Segments	2010 (€M)	2010 (%)
Offices	6 575	56%
Of which, Beaugrenelle	*393*	*3%*
Logistics	441	4%
Hotels	275	2%
Total Economic division	***7 291***	***62%***
Residential	3 639	31%
Healthcare	737	6%
Total Demographic division	***4 376***	***38%***
Total for Gecina	11 667	100%



(1) Excluding equity affiliates

The 1,313 million euro increase in the portfolio on the balance sheet can be broken down as follows:

- +732 million euro fair value adjustment, with 727 million euros on a comparable basis. On the income statement, the fair value adjustment represents 763 million euros, with the difference due to (i) 33 million euros in provisions written back on the off-balance sheet assets (Horizons and Anthos) and (ii) restatements for -2 million euros.

- +721 million euros of acquisitions/capex, including:
  - 329 million euros of acquisitions (250 million euros for Arcueil and 79 million euros for Anthos);
  - 80 million euros for projects delivered in 2010 (Origami);
  - 252 million euros in projects under development (Montrouge, Gennevilliers, Ville d'Avray, Beaugrenelle, Neuilly);
  - 57 million euros of Capex.

- -432 million euros of disposals (December 31, 2009 value), corresponding to a sale price of 482 million euros (44 million euros in capital gains and 6 million euros in disposal costs).

- 294 million euros for the first-time consolidation of 100% of the value of Beaugrenelle at the end of 2009 (compared with 50% on an equity basis last year, with a 58 million euro acquisition price for securities & advances).

- -1 million euros in various impacts (head office depreciation).

6.2 CHANGE IN CAPITALIZATION RATES AND VALUES

The Group's capitalization rates represent 6.14% and 5.61% respectively in relation to gross rent and net rent[1].

[1] Rental income includes annualized rent billed as well as rent for vacant space based on market rental values. The net rates are determined based on the gross margin for each.

On a comparable basis, the gross and net capitalization rates come out at 6.17% and 5.63%, with a 48bp compression in capitalization rates over one year.

The values increased by 7.7% on average on a comparable basis, with 7.1% linked to the compression of rates and 0.6% to the rise in market rental values.

€ M	Block value Dec 2010	Block value Dec 2009	Change (€M)	Change (%)
Offices	5 300	4 897	402	8.2%
Residential	3 277	2 916	361	12.4%
Logistics	341	458	-116	-25.4%
Hotels	275	265	11	4.0%
Healthcare	627	583	44	7.6%
Comparable basis	*9 821*	*9 119*	*702*	*7.7%*

The yield on the cost of acquisitions / deliveries and the pipeline represents 6.2%. The yield for the historical pipeline[2] comes out at 5.6%, with the projects launched in 2010 showing a spread of over 1.7% (7.3% on average). The total yield on operations launched during the year, including the acquisitions announced, is 7.1%.

	Value on delivery (2009)	Value on delivery (2010)	Total cost	Margin on costs	Yield on costs
Project delivered in 2010		454	480	-26	5,7%
Historical pipeline	731	772	795	-23	5,5%
TOTAL HISTORICAL PIPELINE	**731**	**1 226**	**1 275**	**-49**	**5,6%**
Beaugrenelle	577	645	446	199	7,7%
Acquisitions in 2010		247	250	-3	6,4%
New pipeline in 2010		382	342	40	6,7%
TOTAL OPERATIONS IN 2010	**577**	**1 275**	**1 038**	**236**	**7,1%**

NAV CALCULATION (BLOCK)

In millions euros	Dec. 31, 2010	June 30, 2010	Dec. 31, 2009
Shareholders equity (Group)	**6 101,8**	5 303,1	5 371,1
Latent capital gains	**32,7**	26,6	21,4
Tax adjustments	**(1,9)**	(0,9)	(0,8)
Debt market value	**(9,4)**	(7,0)	(0,5)
Undiluted NAV	6 123,2	5 321,8	5 391,2
Number of shares	**60 988 537**	60 912 271	60 872 534
Undiluted NAV per share (in €)	100,4	87,4	88,6
Undiluted NAV	**6 123,2**	5 321,8	5 391,2
Impact of dilutive items	**37,4**	17,1	94,0
Diluted NAV	**6 160,5**	**5 338,9**	**5 485,2**
Diluted number of shares	**61 810 839**	61 479 927	62 091 413
Diluted NAV per share (in €)	99,7	86,8	88,3

[2] Sourced before 2009.

7. FINANCING

In 2010, Gecina carried out a significant restructuring of its financial resources, marked by the following:

- Renegotiation of existing credit facilities (extending the average maturity);
- Two bond issues (diversifying sources of financing);
- Restructuring of its hedging instruments (short-term flexibility and extended hedging);
- Improvement in its financial ratios (improvements in the margin);
- Return to issuing commercial paper (optimization of financing rate);
- In addition, Gecina has seen its financial rating upgraded by both S&P and Moody's.

7.1 DEBT STRUCTURE AT DECEMBER 31, 2010

Gecina's consolidated gross financial debt totaled 5,199 million euros at December 31, 2010, compared with 4,922 million euros at December 31, 2009, an increase of 277 million euros, while consolidated net financial debt represented 5,174 million euros at end-2010 (+355 million euros over the year).

The main characteristics of the debt are as follows:

	Dec 31, 2009	Dec 31, 2010
Net debt (consolidated)	4 819	5 174
Net debt (Group share)	4 816	5 159
Unused credit lines	676	850
Average maturity of authorizations	3.77	3.86
LTV	45.70%	44.30%
ICR	3.24	3.09
Secured debt / portfolio	18.55	16.94

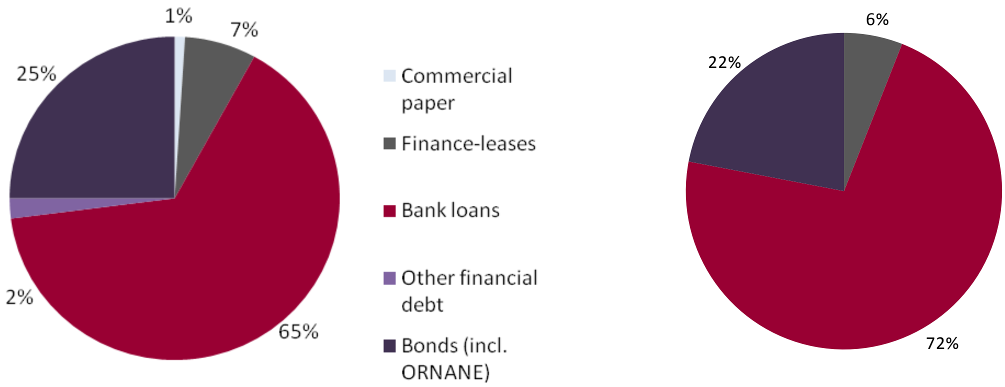
7.2 BREAKDOWN OF DEBT BY KIND

Gecina's gross financial debt at December 31, 2010 comprised:

- 989 million euros in bond issues under the EMTN (Euro Medium Term Notes) program;
- 323 million euros of ORNANE convertible bonds which may be redeemed in cash and/or converted into new and/or existing shares (market value);
- 3,370 million euros of bank loans, including 1,593 million euros of mortgage financing, 1,770 million euros of corporate financing and 7 million euros of bank overdrafts;
- 383 million euros of finance-leases;
- 35 million euros of commercial paper issues, covered by confirmed credit lines;
- 99 million euros of other financial debt.

Breakdown of uses

Breakdown of authorizations



7.3 LIQUIDITY

The financing or refinancing operations carried out in 2010 include (average margin of 2.19% excluding ORNANE bonds):

– The signing of 1,200 million euros of medium and long-term bank financing (average margin of 1.91%, 1.73% after factoring in the LTV of less than 45%; average maturity of 3.89 years):

  ▪ Syndicated corporate financing for 500 million euros with a maturity of five years, put in place in May 2010 to replace the 400 million euro financing facility maturing in December 2011;
  ▪ Extension of the maturity of a 300 million euro bilateral loan (maturing 2014);
  ▪ Extension of and increase in a bilateral loan for 350 million euros (maturing 2015);
  ▪ New 50 million euro corporate line (maturing 2012).

– In April 2010, 320 million euro convertible bond (ORNANE) issue, with the main features as follows:

  ▪ Coupon: 2.125%;
  ▪ Maturity: 5.7 years on issue;
  ▪ Exercise price: 111.05 euros on issue, giving an issue premium of 35%.

– In September 2010, 500 million euro bond issue, with the following characteristics:

  ▪ Coupon: 4.5%;
  ▪ Maturity: 4 years;
  ▪ Mid-swap spread : 2.85%.

In February 2011, the Group also carried out a 500 million euro bond issue, with the following features:

– Coupon: 4.25%
– Maturity: 5 years
– Mid-swap spread: 1.68%

In this way, the two bond issues from September 2010 and February 2011 have an average spread of 227 bp.

The conditions for Gecina's access to the market have improved since the start of 2010, thanks in particular to Gecina's financial rating being upgraded back to investment grade in October 2010.
In this way, the mid-swap spread decreased between September 2010 and February 2011 from 285bp to 168bp based on an issue for the same amount and with a maturity one year higher.

Alongside this, at the end of the year Gecina launched its program to issue commercial paper again, with 35 million euros outstanding at the end of the year (90 million euros at the end of January 2011).

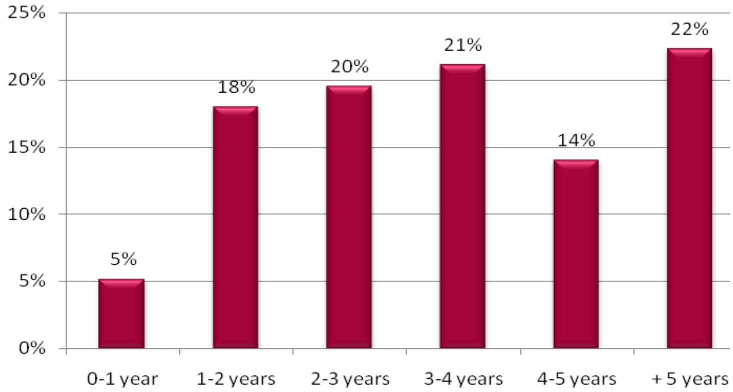
The repayments of Gecina's borrowings are largely covered by the unused credit lines. Indeed, debt repayments in 2011 represented 307 million euros at the end of December 2010, compared with 850 million euros in unused lines on this date. Further to the February 2011 bond issue, this amount was raised to 1,460 million euros.

Surplus cash has been optimized, representing a total of 24.6 million euros at the end of December 2010 (including 9 million euros in blocked cash), compared with 104 million euros one year earlier.

7.4 Breakdown of debt by maturity

The average maturity of Gecina's authorized debt facilities (consolidated) was 3.86 years at December 31, 2010, up 0.1 in relation to the end of 2009.

The following chart presents the maturities for authorizations in place at December 31, 2010.



In this way, almost 57% of the confirmed lines had a maturity of over three years at December 31, 2010 (61% at February 1, further to the 500 million euro bond issue).

7.5 Average cost of debt

The average cost of debt came to 3.62% in 2010, compared with 3.59% in 2009 (including the carrying cost of unused lines and excluding specific financial products). The credit margin on drawdowns represented 0.98% at December 31, 2010, compared with 0.74% one year earlier. More specifically, these changes reflect the renegotiation of existing loans and the bond issues carried out.

Capitalized interest on projects under development came to a total of 18.7 million euros in 2010 (compared with 12.4 million euros in 2009).

7.6 Financial rating

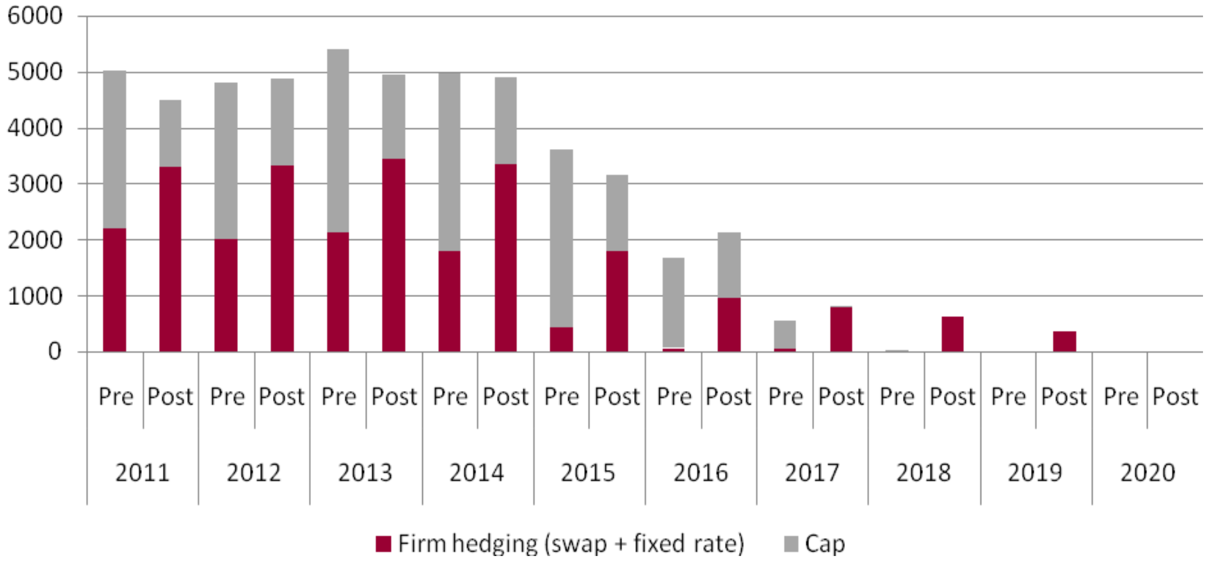
Gecina is followed by Moody's and Standard & Poor's:

- Standard & Poor's upgraded Gecina's financial rating three times during the year, moving from a BB- rating with outlook negative at the end of 2009 to a BBB- outlook stable rating.
- Similarly, Moody's financial rating is now Investment Grade Baa3 with outlook stable.

7.7 Interest rate risk hedging management

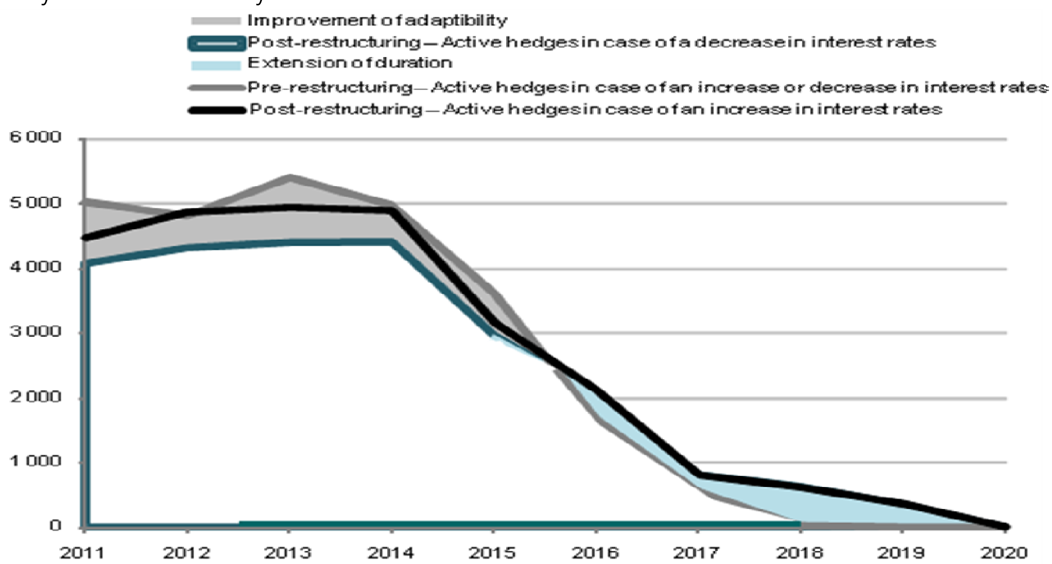
In 2010, Gecina rolled out a hedging policy looking to benefit from the low long-term interest rates, extending the average maturity of its hedging while increasing its short and medium-term flexibility.

In this way, in November and December 2010, Gecina restructured the hedging portfolio, cancelling 3,713 million euros of hedging with a maturity of between three and five years (average maturity: 3.4 years, average reference rate: 3.52%) and putting in place 1,350 million euros of hedging with a maturity of between four and nine years (average maturity: 6.8 years, average reference rate: 2.64%).
At December 31, 2010, the average maturity for hedging was 4.9 years.



The following chart presents the change in the average outstanding amounts of hedging for each category (caps and firm hedging) before and after the restructuring carried out in 2010 (in million euros):

As shown in the following chart, restructuring the hedging portfolio has enabled Gecina to improve its financial flexibility for the next four years.



In January 2011, as a result of the 500 million euro bond issue in February 2011, carried out on a fixed-rate basis, Gecina revised two hedging positions downwards since the bond issue was kept at a fixed rate (as for the September 2010 issue).

Gecina's interest rate risk hedging policy is primarily set up on a global basis, and not assigned specifically to certain financing facilities. As such, it does not satisfy the accounting definition of hedging instruments and the fair value adjustment is therefore recognized through profit and loss.

7.8 Measuring the rate risk

Gecina's net financial debt at December 31, 2010 is 88% hedged against an increase in interest rates (100% active upside hedging further to the February 2011 bond issue) thanks to:

- The fixed-rate debt, notably comprising the bond issues
- The hedging put in place within the Group, restructured during 2010 notably with a view to extending their maturity.

Compared with the debt in place at December 31, 2010, the sensitivity of projected financial expenses to changes in the Euribor over 2011 is as follows:

- -50 bp: -5 million euros
- +50 bp: +5 million euros

7.9 Financial structure and ratios

Gecina's financial position at December 31, 2010 is compliant with the various limits likely to affect the conditions for repayment or early repayment clauses provided for under the various credit agreements.

The following table presents the position for the main financial ratios covered under such agreements:

	Benchmark standard	Position at December 31, 2010
LTV Loan to value ratio (block appraisal)	Maximum 50% (except for temporary exception at 55%)	44.3%
ICR EBITDA (excluding disposals) / financial expenses	Minimum: 2.25 (except for temporary exceptions)	3.09
Outstanding secured debt / block value of property holding	Maximum 20%	16.9%
Net asset value of the portfolio (block), in million euros	Minimum 8,000	11,662

On the whole, the financial covenants improved between December 31, 2009 and December 31, 2010, with a level of debt representing only 44.3% of the block value of its portfolio (compared with 45.7% at December 31, 2009). This improvement to below 45% will enable Gecina to reduce its credit margins.

7.10 Guarantees given

The amount of consolidated debt guaranteed by real sureties (mortgages, lender's liens, unregistered mortgages, leasing) came to 1,976 million euros at the end of 2010, compared with 1,957 million euros at the end of 2009. The Group has not carried out any transactions on this type of vehicle, and the increase between 2009 and 2010 reflects the fact that certain mortgage lines were not used at December 31, 2009, but were at December 31,

2010. In addition, outstanding finance-leases came to 383 million euros, compared with 415 million euros in 2009.

In this way, at December 31, 2010, the total amount of financing guaranteed by assets as mortgages or leasing represented 16.9% of the total value (block) of the property holdings, for a ratio of 20% authorized in the various loan agreements, compared with 18.5% at December 31, 2009. The reduction in this ratio reflects the increase in the portfolio value.

7.11 Early repayment in the event of a change of control

Some of the credit agreements governing Gecina and some of the bonds issued by Gecina provide for the compulsory early repayment and/or cancellation of credit facilities granted and/or their early repayment in the event of a change of control at Gecina.

Based on a total authorized amount comprising outstanding gross debt (5,199 million euros) and undrawn bank credit lines (850 million euros) at December 31, 2010, representing 6,049 million euros, 2,855 million euros of bank debt and 1,315 million euros of bonds (maturing on January 25, 2012, September 19, 2014 and ORNANE bonds maturing on January 1, 2016) are concerned by such a change of control clause. For the bonds maturing on January 25, 2012, only a change of control followed by a non-investment grade rating, not raised to investment grade again within 270 days, may result in their early redemption.

8. Distribution

The annual distribution for 2009, representing 4.4 euros per share, as approved at the general meeting, was paid out on May 20, 2010.

A proposal will be submitted at the general meeting to approve a distribution of 4.4 euros per share in cash relative to 2010. This distribution corresponds to 82% of recurrent income for 2010 and 73% of recurrent income for 2010 plus capital gains on unit sales of residential assets. This level is consistent with the distribution rate seen in the main French real estate groups.

Subject to approval at the general meeting, to be convened for May 24, 2011, the distribution of 4.4 euros will be drawn for 100% from earnings available for distribution.

9. Post-balance sheet events

On January 25, 2011, Gecina successfully carried out a 500 million euro bond issue, with a maturity of five years through to February 3, 2016, based on a spread of 168bp over the mid-swap rate and a coupon of 4.25%. The transaction was more than six times oversubscribed, reflecting the resurgence in interest among European investors. This spread is significantly lower than the level of 285bp seen with the bond issue launched by Gecina in September 2010 with a maturity of four years. More specifically, this improvement reflects the positive impacts of the Group's rating being upgraded by Standard & Poor's to BBB- in October 2010, as well as the return to confidence among European bond investors.

On February 15, 2011, Gecina signed a preliminary sales agreement for a portfolio of logistics assets based on an agreed net sales price of 119.2 million euros with the Carval fund (Cargill group). This portfolio consists of 22 assets, with a total area of 416,054 sq.m and a vacancy rate of 42%.

Lastly, Gecina should reach its EUR1bn target on healthcare property as of 2011. The Group is in exclusive negotiation to buy a portfolio comprising 31 nursing homes, operated by Group DVD and Korian for a total of EUR239m generating a 6.35% net yield. A EUR26m extension and refurbishment program will be launched on these assets generating additional rents.

This document does not constitute an offer to sell or a solicitation of an offer to buy GECINA securities and has not been independently verified.
If you would like to obtain further information concerning GECINA, please refer to the public documents filed with the French securities regulator (Autorité des marchés financiers, AMF), which are also available on our internet site.
This document may contain certain forward-looking statements. Although the Company believes that such statements are based on reasonable assumptions on the date on which this document was published, they are by their very nature subject to various risks and uncertainties which may result in differences. However, GECINA assumes no obligation and makes no commitment to update or revise such statements.