Press release
July 27, 2011

2011 first-half earnings

Block NAV up +2.5% over six months to €102.2 per share

A well-advanced disposal program (€559 million)

Recurrent income down -7.8%, in line with the full-year forecasts

At the Board meeting on July 26, 2011, chaired by Bernard Michel, Gecina's Directors approved the financial statements at June 30, 2011. The procedures for a limited review of these accounts have been completed and the statutory auditors' report on the half-year financial information has been issued today, following a verification of the information contained in the half-year financial report.

The Board reiterated its trust in Gecina's sound fundamentals and in the strategy defined in 2010. The actions carried out in this way have achieved tangible results during the half-year.
Gecina continued moving forward with the realignment and optimization of its strategic segments. This has led to a major healthcare real estate acquisition (€230 million, operation to be finalized during the second half of 2011) and a high level of divestments (€559 million), including 26% of the Group's logistics portfolio and 71% of the residential property holdings in Lyon. Alongside this, major progress has been made in terms of asset management, with the letting of the Le Velum project in Lyon (13,340 sq.m of office space, delivery at end-2012) and the letting of a 41,000 sq.m warehouse in July, which will bring this segment's vacancy rate down below 16%.
The NAV, up +2.5% over the half-year period, illustrates the quality of the portfolio.
The half-year earnings factor in the increase in the cost of financing, which was integrated into the Group's forecasts for the full-year. They also reflect a lower-than-expected upturn in the cycle for the office and logistics market following the positive trends seen at the end of 2010. Gecina still expects its 2011 recurrent income to be down by 7%.

Key figures

In million euros	June 30, 11	June 30, 10	*Change (%)*
Gross rentals	322.0	309.6	*+4.0%*
EBITDA	257.9	246.2	*+4.7%*
Recurrent income before tax	162.8	176.5	*-7.8%*
per share in EUR (undiluted)	*2.67*	*2.90*	*-7.9%*
Block liquidation NAV per share	102.2	86.8	*+17.6%*
Average number of shares over period	61 045 825	60 898 618	*+0.2%*
Diluted average number of shares over period	62 033 636	61 417 399	*+1.0%*

Rental income up +3.8% on a comparable basis, stable excluding AON compensation

Gross rentals are up +4% on a current basis and +3.8% on a comparable basis, but benefit from the transactional compensation paid by AON after breaching its lease for €10.5 million net of IFRS reversal. Restated for this impact, gross rental growth comes out at +0.6% on a current basis and stable on a comparable basis. In addition, the integration of the Portes d'Arcueil office building in December 2010, leased to Orange (€16 million in annual rental income), had a positive impact over the half-year period. Alongside this, half-year rental income was down €14.4 million due to the impact of the assets sold off in 2010 and 2011, with €6.3 million on office properties, €5.6 million on residential and €2.3 million on logistics.

In terms of **offices**, rental income climbed +7.6% on a current basis during the first half of the year, benefiting from the consolidation of the Portes d'Arcueil building. On a comparable basis, gross office rentals are up +5.3% including the transactional compensation paid by AON. Restated for this impact, gross rentals are down -1.3% on a comparable basis, which represents a satisfactory performance in a particularly cautious market.

Residential real estate is up +1.9% on a comparable basis thanks to the positive impact of indexation, as well as an incoming-outgoing rent differential of +9.5%. **Hotels** and **healthcare** have also benefited from the indexation effect, as well as the additional rents resulting from improvement or extension work. On **logistics**, gross rentals are down -1.7% on a comparable basis, penalized again by the increase in the vacancy rate over the period following the delivery of three new platforms in 2010. Two recent operations will make it possible to bring this vacancy rate down: the sale of a €114 million portfolio in May 2011, and the letting of one of the new warehouses (41,000 sq.m) in July 2011. Overall, this segment's vacancy rate is down to less than 16% in July 2011.

In million euros	June 30, 11	June 30, 10	Change (%)	
			Current	Comparable
Group total	**322.0**	**309.6**	**4.0%**	**3.8%**
Offices	181.9	169.1	7.6%	5.3%
Residential	90.6	92.2	-1.7%	1.9%
Healthcare	25.4	22.2	14.2%	2.1%
Logistics	14.3	16.4	-12.6%	-1.7%
Hotels	9.8	9.7	1.1%	3.0%

The **average financial occupancy rate** came to 96.4% for the first half of the year, compared with 94.6% for the first half of 2010. This improvement primarily reflects the reduction in vacancies in the office sector, after the buildings delivered and let at the end of 2010 were brought into operation. The vacancy rate has increased slightly for the residential business as a result of the new residences delivered in 2010 and 2011, currently being marketed. The occupancy rate shows a clear increase for logistics compared with the end of 2010, climbing to 77.4%, following the exclusion of the portfolio sold recently to the Carval fund. Lastly, the occupancy rate has remained stable at 100% for healthcare real estate and hotels.

Average financial occupancy rate	June 30, 11	Dec 31, 10	June 30, 10
Economic division	**95.8%**	**92.7%**	**92.8%**
Offices	97.0%	95.3%	94.9%
Logistics	77.4%	71.7%	75.0%
Hotels	100.0%	100.0%	100.0%
Demographic division	**97.5%**	**97.6%**	**98.0%**
Residential	96.8%	97.1%	97.6%
Healthcare	100.0%	100.0%	100.0%
Student residences	90.4%	96.2%	94.8%
Group total	**96.4%**	**94.3%**	**94.6%**

The Group's **rental margin** shows a slight increase, rising to 91.5% at June 30, 2011, compared with 91.3% at June 30, 2010. More specifically, this change factors in the higher margin on office real estate, benefiting from the €10.5 million in transactional compensation paid by AON after breaching its lease, as well as AON's payment of €1.3 million in additional compensation for work to be carried out. The letting of the buildings delivered or acquired at the end of 2010 based on triple net leases (Anthos and Portes d'Arcueil) has also had a positive impact on the margin.

The rental margin of over 100% recorded on the hotels is due to adjustments for expenses.

On residential real estate, the rental margin dropped slightly from 84% to 82.6%, resulting from the projects delivered over 2010 and 2011 which are currently being let, as well as the end of the marketing process for unit-based sales.

Healthcare real estate has also seen its margin drop, down to 97.5%, linked to the transition period between buildings being delivered and leases coming into effect on the Gien and Le Havre developments, which were delivered recently. Lastly, the rental margin shows a clear contraction on logistics, coming in at 71% for the first half of 2011, compared with 81.7% for the first half of 2010, with the Group primarily affected by the impact of costs relating to the sale of a €114 million portfolio to the Carval fund, recorded over the full year at June 30, 2011.

	Group	Offices	Residential	Logistics	Healthcare	Hotels
Rental margin for 1st half of 2010	91.3%	94.7%	84.0%	81.7%	99.3%	99.9%
Rental margin for 1st half of 2011	91.5%	96.2%	82.6%	71.0%	97.5%	101.0%

Recurrent income: €1.5 million impact of one-off costs, a sound financial structure

Committed fixed costs are up 3.5%, primarily due to the impact of one-off items for a total of €1.5 million. These elements correspond to the cost of closing the Lyon branch following the sale of the residential portfolio in this city. Restated for theses one-off items, staff costs are stable.

Net financial expenses are up to €95.1 million, compared with €69.7 million at June 30, 2010, in line with the trend announced previously by Gecina. The average cost of debt was 4.16% for the first half of the year, compared with 3.29% in the first half of 2010.

Recurrent income came to €162.8 million, -7.8% lower than at June 30, 2010.

Net debt came to €5,166 million at the end of June 2011, stable on the whole in relation to the end of 2010. Debt maturity, hedged for 95%, represented 3.5 years at the end of June 2011, compared with 3.9 years at the end of 2010. During the first half of 2011, Gecina continued working to diversify its debt with a €500 million bond issue.

The **loan to value ratio** (LTV) represents 43.9%, down in relation to the end of 2010 (44.3%). Gecina was compliant with all of its banking covenants at the end of June 2011.

In million euros	June 30, 11	June 30, 10	*Change (%)*
Gross rental income	322.0	309.6	*+4.0%*
Expenses on properties	(77.0)	(75.3)	
Expenses billed to tenants	49.6	48.0	
Net rental income	294.6	282.3	*+4.4%*
Services and other expenses (net)	2.4	1.8	
Salaries, & management costs	(39.2)	(37.8)	
EBITDA	257.9	246.2	*+4.7%*
Net financial expenses	(95.1)	(69.7)	
Recurrent income	162.8	176.5	*-7.8%*

Asset rotation: major progress with divestments

Gecina carried out high level of **divestments** over the first half of 2011, giving a total of €559 million, with 48% resulting from the sale of residential properties, including the block sale of the Lyon portfolio, 32% for office sales, and 20% for the sale of 26% of the Group's logistics portfolio. These divestments represent a major success for the Group, at a time when the market for transactions remains under pressure.

The average premium on asset sales came to +3% compared with the appraisals at year-end 2010, including +16.4% for residential unit sales. With the latest appraisals showing a higher increase on a block basis than the unit values for the residential assets to be sold off, the high premium maintained (16.4%) reflects the quality of Gecina's residential portfolio.

In addition, preliminary agreements have been signed for a further €78 million of assets at June 30, 2011. Gecina will adapt its amount of divestments to market conditions. At the same time, the Group is in a position to manage its investment levels in line with its sales in order to maintain its key financial balances.

Real estate **investments** totaled €432 million, including:

- Projects delivered during the first half of the year for €325 million, including the Horizons office building in Boulogne Billancourt for €308 million
- Investments on projects under development for €81 million
- Capex for €26 million.

Gecina is not committed to any significant investments outside of the €1.1 billion development pipeline, including €460 million still to be made between 2011 and 2014.

Portfolio value: +2.6% on a comparable basis

The portfolio value (block) represents €11,755 million, up +2.6% on a comparable basis in relation to December 31, 2010 and +0.8% on a current basis. This increase reflects the significant growth in values for the residential portfolio (+9.0% on a comparable basis). On a comparable basis, the valuation of offices has stabilized over the period (-0.2%). Growth on a current basis has also benefited from the impact of the delivery of the Horizons building (+€296 million corresponding to the appraisal value) and the increase in the value of the development pipeline (+€82 million), offsetting the sale of €559 million of assets.

Diluted NAV (block) represents €102.16 per share, an increase of +2.5% in relation to the end of 2010, with this €2.5 difference reflecting the following impacts:

- Dividend payment: -€4.3
- Impact of recurrent income: +€2.6
- Value adjustment on assets: +€3.1
- Other items: +€1.1

The unit NAV came to €114.42 per share at June 30, 2011.

In million euros	June 30, 11	Dec 31, 10	June 30, 10
Capital and consolidated reserves	6,244.0	6,101.8	5,303.1
Unrealized capital gains	31.5	32.7	26.6
Unrealized capital gain (loss) on debt	4.2	(9.4)	(7.0)
Tax and sundry	(1.2)	(1.9)	(0.9)
Undiluted NAV - block	6,278.4	6,123.2	5,321.8
Number of shares (excl. treasury stock)	61,066,889	60,988,537	60,912,271
Undiluted NAV per share - block (euros)	102.81	100.40	87.37
Undiluted NAV	6,278.4	6,123.2	5,321.8
Impact of stock options	61.4	37.4	17.1
Diluted NAV - block	6,339.8	6,160.5	5,338.9
Diluted number of shares (excl. treasury stock)	62,054,700	61,810,839	61,479,927
Diluted NAV per share - block (euros)	102.16	99.67	86.84

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth 11.8 billion euros at June 30, 2011, with 87% 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.

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APPENDIX

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

The procedures for a limited review of these accounts have been completed and the statutory auditors' report on the half-year financial information has been issued today, following a verification of the information contained in the half-year financial report.

In million euros	June 30, 2011	June 30, 2010	*Change (%)*
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Net rental income	294.6	282.3	*+4.4%*
Services and other income	2.4	1.8	*+35.5%*
Salaries and management costs	(39.2)	(37.8)	*+3.5%*
EBITDA	257.9	246.2	*+4.7%*
Gains from disposals	7.3	20.9	*-65.1%*
Change in fair value of properties	192.4	186.1	*+3.4%*
Depreciation	(2.2)	(2.2)	*-0.4%*
Net provisions and amortization	(7.1)	1.1	*na*
Operating income	448.3	452.2	*-0.9%*
Net financial expenses	(95.1)	(69.7)	*+36.4%*
Financial depreciation and provisions	(0.2)	(9.5)	*-97.7%*
Change in fair value of financial instruments	2.9	(151.0)	*na*
Net income from equity affiliates	0.7	(21.5)	*na*
Pre-tax income	356.6	200.5	*+77.8%*
Current tax	(2.0)	(1.9)	*na*
Non current tax	46.2	6.1	*na*
Exit tax	0.0	0.0	*na*
Deferred tax	1.2	(3.6)	*na*
Minority interests	0.9	(0.1)	*na*
Consolidated net income (group share)	402.9	200.9	*+100.5%*
Recurrent income	162.8	176.5	*-7.8%*
Average number of shares (millions)	61,045,825	60,898,618	*+0.2%*
Recurrent income per share (undiluted)	2.67	2.90	*-7.9%*

CONSOLIDATED BALANCE SHEET

ASSETS *In million euros*	June 30, 2011	Dec. 31, 2010
Fixed assets	11 466.7	11 082.6
Investment properties	10 553.7	10 116.2
Buildings under refurbishment	795.2	832.9
Buildings in operation	67.1	67.8
Other tangible fixed assets	4.2	4.1
Intangible fixed assets	4.3	3.9
Long-term financial investments	9.9	9.2
Equity affiliates	4.5	3.9
Financial instruments	27.2	43.4
Deferred tax	0.6	1.2
Current assets	550.1	835.7
Properties for sale	338.6	650.2
Inventories	0.0	0.0
Rent due and other receivables	68.8	65.6
Other receivables	92.5	71.4
Prepaid expenses	26.5	24.0
Financial instruments	7.3	0.0
Cash & cash equivalents	16.4	24.6
TOTAL ASSETS	12 016.8	11 918.3

LIABILITIES *In million euros*	June 30, 2011	Dec. 31, 2010
Capital and reserves	6 286.7	6 147.6
Capital	469.9	469.6
Issue, merger & capital contrib.premiums	1 870.4	1 868.1
Consolidated reserves	3 500.8	2 765.8
Consolidated net profit	402.9	998.2
Group shareholders' equity	6 244.0	6 101.8
Minority interests	42.7	45.8
Non-current liabilities	4 441.7	5 074.4
Financial debt	4 237.8	4 825.0
Financial instruments	127.9	171.4
Deferred tax liabilities	21.2	23.1
Provisions for liabilities and charges	50.8	48.9
Taxes due & other employee-related liabilities	4.0	6.0
Current liabilities	1 288.4	696.3
Short-term financial debt	944.7	374.1
Financial instruments	1.3	5.0
Security deposits	65.5	66.0
Trade payables	144.8	140.1
Taxes due & other employee-related liabilities	83.2	57.7
Other liabilities	49.0	53.5
TOTAL LIABILITIES	12 016.8	11 918.3