

2012 first-half earnings

Letting successes on major assets

Financing and rate hedging optimized, immediate impact on the cost of debt

Recurrent income per share up +2.4% for the half-year, with -2% expected for 2012

During the first half of 2012, Gecina rolled out various decisive measures to execute the strategy defined in 2011, covering both its real estate portfolio and its liability structure. This successful execution phase is delivering positive impacts as of 2012: recurrent net income per share at the end of June 2012 is up +2.4%, with the expected contraction in recurrent net income per share for 2012 revised from -5% to -2%.

The Group has stepped up the pace of its asset rotations, with sales expected to exceed 1.2 billion euros in 2012 and assets sold or under preliminary agreements coming in at 975 million euros at June 30. These divestments, focused primarily on traditional residential and logistics, are in line with two goals. On the one hand, achieving the target loan to value ratio of 40% for the end of 2012. On the other, working towards the target portfolio breakdown, with increased office exposure (around 70% of the portfolio) and diversification through the Demographic segment, representing almost 30% of the portfolio, with a lower proportion of traditional residential properties in favor of healthcare and student housing. In this way, Gecina will continue to offer a balanced risk profile thanks to recurrent diversification flows, while optimizing the portfolio yield.

Alongside this, investments have been adapted in line with the objective to reduce debt and focused on the target segments, with the Group acquiring a portfolio of nursing homes valued at 70.5 million euros (excluding duties) and launching the development of two new student residences. Over the medium term, the development pipeline will be consistent with the Group's target portfolio, including restructuring operations to create value on office assets within Gecina's holdings.

Gecina has already achieved major letting successes on its office assets delivered in 2011 and 2012, with almost 28,000 sq.m let over the first seven months of the year. The new lettings recorded in July 2012 for 19,000 sq.m account for 3% of the annualized occupancy rate.

The Group has finalized the process it embarked on at the end of 2010 to optimize its financial structure. In this way, financing maturities are covered by available lines through to June 2014, with this liquidity also giving Gecina the leeway required for it to optimize the timing and choice of its financing facilities. Financial resources have been diversified and extended to 4.1 years through a seven-year 650 million euro bond issue, combined with the 808 million euros of corporate bank credit lines put in place. Lastly, Gecina has stabilized its average cost of debt at 4.1% in 2012 and will limit it to 4.3% over the medium term by completing moves to restructure its rate hedging, in line with its bond issue (based on a seven-year fixed rate) and the expected reduction in its debt.

Key figures

In million euros	Jun 30, 11	Jun 30, 12	Change (%)
Gross rental income	322.0	303.0	-5.9%
EBITDA	257.9	246.5	-4.4%
Recurrent net income	161.6	164.9	+2.0%
per share in € (undiluted)	2.65	2.71	+2.4%
Block liquidation NAV per share	102.0	98.7	-3.3%
Average number of shares over the period	61,045,825	60,843,863	-0.3%

All the figures published outside of the appendices to this press release exclude any impact of IFRS 5 relating to the reclassification of the Logistics business.

Letting successes on major assets: 28,000 sq.m for 16 million euros in annualized rents

Gecina let almost 28,000 sq.m between January and July 2012 through four major transactions. These operations concerned one building in operation, as well as various projects delivered in 2012, representing a combined total of 16 million euros in full-year rental income, based on headline rents. These major letting successes, set against the backdrop of a market slowdown, affecting assets in the Central Business District and the Western Crescent, highlight the quality of Gecina's assets and teams.

The lettings achieved in July 2012 on the Horizons, Magistère and Mercy Argenteau buildings represent 3% of the occupancy rate on an annualized basis.

	Area let (sq.m)	Remaining vacant space (sq.m)	Annualized rents (headline) in €m
Building delivered in 2011	9,705	8,575	4.2
Horizons	9,705	8,575	4.2
Buildings delivered in 2012	17,899	1,170	11.8
96-104 av. Charles de Gaulle (Neuilly)	8,918	0	5.6
Magistère (rue de Lisbonne)	7,835	0	5.7
Mercy Argenteau (bd Montmartre)	1,146	1,170	0.5
TOTAL	27,604	9,745	16.0

Rental income up +0.8% on a comparable basis excluding AON penalty

Gross rental income came to 303.0 million euros at June 30, 2012, down -5.9% on a current basis in relation to the first half of 2011. This contraction primarily reflects the loss of rent due to divestments (-24.7 million euros) coming in higher than revenues from investments (+14.4 million euros). On a comparable basis, rents are down -3.0%, mainly affected by the non-recurrent transaction penalty paid by AON during the second quarter of 2011 (10.5 million euros). Restated for this effect, rental income growth comes out at +0.8% on a comparable basis. On a comparable basis, the positive impact of indexation (+2.3%) offset the increase in vacancies (-1.4%). Overall, the impact of renegotiations and relettings is neutral in terms of the change in rents on a comparable basis.

On **offices**, rental income is down -9.8% on a current basis and -7.1% on a comparable basis. Restated for the penalty paid by AON during the second quarter of 2011, this change comes out at -1% like-for-like. On a current basis, rents reflect significant scope effects, with -10.1 million euros in rent lost following the assets sold off and +4.6 million euros in additional rent generated by the investments made. On a comparable basis, the change benefited from a positive indexation effect (+2.4%), which was nevertheless offset by the increase in the vacancy rate, whose impact came to -2.8%.

In the **traditional residential** business, rents are down -8.8% on a current basis, reflecting the impact of disposals. However, rental income is up +3.7% on a comparable basis, thanks to the positive indexation effect (+1.9%), the improved occupancy rate (+0.9%) and the relettings achieved (+0.9%). In this way, the incoming-outgoing rent differential came to +9.6% for the half-year period.

In the **healthcare** segment, rental income is up +36.6% on a current basis following the acquisition of 30 nursing homes in July 2011. On a comparable basis, this business has benefited from positive indexation (+3.1%). Lastly, on **logistics**, rental income is down -25.9%, impacted by the portfolio of assets sold in May 2011. On a comparable basis, the change comes out positive, with the combined impact of indexation (+2.4%) and the reduced vacancy rate (+2.7%), offsetting the impact of renegotiations (-3.3%).

In million euros	Jun 30, 11	Jun 30, 12	Change (%)		
			Current basis	Comparable basis	Comparable basis excl. AON
Group total	322.0	303.0	-5.9%	-3.0%	0.8%
Offices	181.9	164.1	-9.8%	-7.1%	-1.0%
Traditional residential	87.3	79.6	-8.8%	3.7%	3.7%
Student residences	3.3	4.1	24.2%	3.6%	3.6%
Healthcare	25.4	34.7	36.6%	3.3%	3.3%
Logistics	14.3	10.6	-25.9%	4.3%	4.3%
Hotels	9.8	9.9	0.6%	0.6%	0.6%

The average **financial occupancy rate** came to 94.1% for the first half of the year, stable compared with the end of March 2012 and down in relation to the end of 2011 (95.1%). This decrease over the first six months is due to the increased vacancy rate on office properties. On this business, the deterioration in the occupancy rate factors in the full impact of AON's departure from the Défense Ouest building during the second quarter of 2011, as well as the impact of the Mercure and Horizons buildings being delivered from the third quarter of 2011. Excluding these effects, the Group did not see any significant space vacated during the first half of 2012.

The residential occupancy rate is up 30 bp compared with the end of 2011 to 97.9%, buoyed by strong underlying demand. Compared with the end of March 2012, the occupancy rate for this segment shows a slight drop, with the space becoming vacant in properties up for sale not being relet. Lastly, the occupancy rate has remained stable at 100% for healthcare real estate and hotels.

Average financial occupancy rate	Jun 30, 11	Dec 31, 11	Mar 31, 12	Jun 30, 12
Economic Division	95.8%	93.4%	91.6%	91.7%
Offices	97.0%	94.3%	91.9%	92.0%
Logistics	77.4%	77.7%	81.8%	82.0%
Hotels	100.0%	100.0%	100.0%	100.0%
Demographic Division	97.5%	98.1%	98.9%	98.5%
Traditional residential	97.1%	97.6%	98.4%	97.9%
Student residences	90.4%	93.0%	98.8%	95.3%
Healthcare	100.0%	100.0%	100.0%	100.0%
Group total	96.4%	95.1%	94.2%	94.1%

The **rental margin** is down 80 bp compared with June 30, 2011 to 90.7%, primarily reflecting the impact of increased vacancies on office properties and the non-recurrent penalty paid by AON during the second quarter of 2011. On residential real estate, the rental margin is stable overall (82.3%), while factoring in the end of the marketing process for unit-based sales. Rental margins remain structurally close to 100% for healthcare properties and hotels, thanks to triple net leases.

	Group	Offices	Residential	Logistics	Healthcare	Hotels
Rental margin for 1 st half of 2011	91.5%	96.2%	82.6%	71.0%	97.5%	101.0%
Rental margin for 1st half of 2012	90.7%	93.2%	82.3%	84.6%	98.5%	99.5%

Recurrent net income up +2%

Salaries and management costs are down by almost 17% (i.e. 6.5 million euros) in relation to June 30, 2011, in line with the full-year target set by the Group for around 10 million euros of savings.

Net financial expenses are down -14.6% over one year to 81.2 million euros, primarily thanks to a marked reduction in the cost of debt. Indeed, the average cost of debt came to 3.7% for the half-year period, versus 4.2% at June 30, 2011. This change reflects the positive impact of moves to restructure the hedging portfolio, combined with the drop in Euribor rates.

Recurrent net income is up +2% compared with the first half of 2011, climbing to 164.9 million euros.

Recurrent net income per share is expected to be down by around -2% in 2012.

In million euros	Jun 30, 11	Jun 30, 12	Change (%)
Gross rental income	322.0	303.0	-5.9%
Expenses on properties	(77.0)	(74.2)	-3.6%
Expenses billed to tenants	49.6	46.1	-7.2%
Net rental income	294.6	274.9	-6.7%
Services and other income (net)	2.4	4.3	+80.2%
Salaries and management costs	(39.2)	(32.7)	-16.6%
EBITDA	257.9	246.5	-4.4%
Net financial expenses	(95.1)	(81.2)	-14.6%
Recurrent income	162.8	165.3	+1.5%
Recurrent tax	(1.2)	(0.4)	-68.6%
Recurrent net income	161.6	164.9	+2.0%
Average number of shares	61,045,825	60,843,863	-0.3%
Recurrent net income per share (undiluted)	2.65	2.71	+2.4%

1.5 billion euros of financing raised, extending debt maturity, average cost of debt stabilized at 4.1% and more flexible covenants adopted

Net debt represented 5,194 million euros at the end of June 2012. During the first six months of 2012, Gecina continued moving forward with four objectives relating to its financial structure: ensuring its liquidity, extending its maturity, diversifying its sources and making its covenants more flexible. In this way, the Group has raised 1.5 billion euros during the first seven months of the year, with a 650 million euro bond issue and 808 million euros in unsecured bank credit lines. In addition, refinancing over the period has made it possible to significantly extend the average maturity of financing to 4.1 years at June 30, 2012, compared with 3.4 years at end-2011. Lastly, Gecina also has 1.3 billion euros of unused lines at the end of July 2012, enabling it to cover all the debt repayments for 2012 (16 million euros at end-July 2012) and 2013 (548 million euros at end-July 2012).

Following the seven-year 650 million euro bond issue and the expected reduction in debt, Gecina completed moves to restructure its rate hedging facilities during the first six months of the year, cancelling 1.6 billion euros of short-term positions (2.7 years on average) and raising 650 million euros of fixed-rate debt at seven years (bond issue). These operations, adapting the hedging in line with changes in the Group's debt and extending its maturity, have paved the way for the average cost of debt to stabilize in 2012, while limiting it to 4.3% over the medium term. In addition, the hedging restructuring carried out since 2010 had a positive effect of 55 million euros on NAV at June 30, 2012.

The **loan to value ratio** (LTV) represents 44.4%, with the increase in relation to the end of 2011 (42.6%) reflecting the staggering of divestments and investments, the dividend payment and the share buybacks. Factoring in the sales under preliminary agreements and the level of recurrent income, net of investments, expected for the second half of 2012, the pro forma LTV comes out at 41.2%. In this way, the Group is able to confirm its LTV target of 40% for the end of 2012.

Lastly, Gecina has successfully made its main **bank covenants** more flexible. In this way, at the end of July 2012, the Group's strictest covenants represented 55% for the LTV, versus 50% previously, and 2x for the ICR (EBITDA excluding disposals / financial expenses), compared with 2.25x previously. These revised figures underscore the confidence and trust in Gecina among its financial partners, while contributing towards improved headroom for the Group.

Asset rotation: 975 million euros of sales secured

Gecina carried out 420 million euros of **sales** during the first half of 2012. These primarily concerned residential assets on a block basis (368 million euros) and unit-by-unit sales (40 million euros), as well as logistics assets (11 million euros). The average premium on asset sales came to +4.4% compared

with the appraisals at end-2011, with +2.3% for block residential sales and +29.4% for unit residential sales.

In addition, Gecina had signed 352 million euros of **preliminary sales agreements** at the end of June 2012, with 146 million euros for block residential assets, 45 million euros for unit residential assets and 157 million euros for offices.

Furthermore, Gecina signed a preliminary agreement on July 23 to sell Blackstone a portfolio of 28 logistics assets with a net sales price of almost 203 million euros. This price represents a 13.9% discount in relation to the valuation of these assets at the end of 2011. With this transaction, Gecina is selling off its entire logistics portfolio, with the exception of two non-significant assets, and taking a decisive step forward with the realignment of its portfolio.

At the same time, **investments** totaled 265 million euros at June 30, 2012. These investments focused on projects that have been delivered or are underway for 58%, acquisitions for 29%, primarily a portfolio of six nursing homes, with capex accounting for the rest. Lastly, 333 million euros are still to be committed for the development pipeline, with 173 million euros over the second half of 2012, 139 million euros in 2013 and 21 million euros in 2014.

Lastly, the Group has rolled out a 44.6 million euro **share buyback program**, based on an average cost of 66.0 euros per share, with a return of 6.7%. These buybacks are reflected in a +0.4% increase in recurrent income per share.

Portfolio value: +0.2% on a comparable basis

The portfolio value (block) represents 11,646 million euros, down by only -1.2% on a current basis compared with December 31, 2011, resulting from the assets sold off.

On a comparable basis, the portfolio value increased by +0.2% over the half-year period. An increase in values was recorded across all the segments, with the exception of logistics, notably benefiting from higher values for the healthcare (+1.8%) and residential (+0.9%) portfolios. On a comparable basis, the valuation of offices remained stable over the period (+0.1%).

EPRA diluted triple net NAV (block) represents 98.7 euros per share, down -3.0% in relation to the end of 2011, with this 3.0 euro difference reflecting the following impacts:

- Dividend payment:	-4.4 euros
- Impact of recurrent income:	+2.7 euros
- Value adjustment on assets:	-0.1 euros
- Value adjustment on financial instruments and fixed-rated debt:	-1.9 euros
- Other items:	+0.7 euros

The unit NAV came to 109.6 euros per share at June 30, 2012, compared with 112.1 euros per share at December 31, 2011.

	Jun 30, 12		Dec 31, 11		Jun 30, 11	
	Amount/no. of shares	€/share	Amount/no. of shares	€/share	Amount/no. of shares	€/share
Fully diluted number of shares	60,984,923		61,581,036		62,054,700	
Shareholders' equity under IFRS	6,031		6,264		6,244	
+ Impact of exercising stock options	16		19		61	
Diluted NAV	6,047		6,283		6,305	
+ Fair value reporting of buildings, if amortized cost option has been selected	35		29		28	
+ Fair value reporting of inventory buildings	2		2		4	
- Fair value of financial instruments	182		252		95	
- Beaugrenelle earnout	-9		-17		-8	
- Deferred tax relating to fair value reporting of buildings and financial instruments	-23		-13		-17	
= Diluted EPRA NAV	6,234	€102.2	6,537	€106.2	6,407	€103.2
+ Fair value of financial instruments	-182		-252		-95	
+ Fair value of liabilities	-59		-35		4	
+ Deferred tax on revaluation of assets at fair value	24		12		16	
= Diluted EPRA triple net NAV	6,017	€98.7	6,262	€101.7	6,332	€102.0

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth 11.6 billion euros at June 30, 2012, with 86% 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, DJSI World, Stoxx Global ESG Leaders and ASPI Eurozone 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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2012 half-year earnings

APPENDIX

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

At the Board meeting on July 23, 2012, chaired by Bernard Michel, Gecina's Directors approved the financial statements at June 30, 2012. The procedures for a limited review of these accounts have been completed and the statutory auditors' report on the half-year financial information was issued on July 24, 2012 following a verification of the information contained in the Half-year Financial Report.

The financial statements hereafter are presented in accordance with IFRS, as approved by the European Union. The process to sell off the Logistics business is reflected in the application of IFRS 5 for this scope, isolating the rent and expenses relating to this segment under "net income from discontinued operations". The following table also incorporates the income statement excluding the impact of this standard.

<i>In million euros</i>	Including application of "IFRS 5"		Excluding application of "IFRS 5"	
	Jun 30, 12	Pro forma Jun 30, 11	Jun 30, 12	Jun 30, 11
Gross rental income	292.5	307.7	303.0	322.0
Expenses on properties	-70.2	-69.5	-74.2	-77.0
Expenses billed to tenants	43.7	46.3	46.1	49.6
Net rental income	265.9	284.5	274.9	294.6
Services and other income (net)	4.0	2.2	4.3	2.4
Salaries and management costs	-32.5	-39.0	-32.7	-39.2
EBITDA	237.4	247.7	246.5	257.9
Gains from disposals	6.9	11.7	8.7	7.3
Change in fair value of properties	29.2	221.1	-8.5	192.4
Depreciation	-2.5	-2.2	-2.5	-2.2
Net provisions and amortization	-1.5	-3.4	-1.5	-7.1
Operating income	269.5	475.1	242.7	448.3
Net financial expenses	-81.8	-95.1	-81.2	-95.1
Financial depreciation and provisions	0.0	-0.2	0.0	-0.2
Change in fair value of financial instruments	-92.4	2.9	-92.4	2.9
Net income from equity affiliates	1.6	0.7	1.6	0.7
Pre-tax income	96.9	383.3	70.6	356.6
Tax	2.9	45.9	3.7	45.4
Minority interests	1.2	0.9	1.2	0.9
Net income from continuing operations	101.0	430.0	75.5	402.9
Net income from discontinued operations	-25.5	-27.1		
Consolidated net income (group share)	75.5	402.9	75.5	402.9
Recurrent income before tax	165.3	162.8	165.3	162.8
Recurrent net income	164.9	161.6	164.9	161.6
Recurrent net income per share (undiluted)	2.71	2.65	2.71	2.65

CONSOLIDATED BALANCE SHEET (INCLUDING THE IMPACT OF IFRS 5)

ASSETS			LIABILITIES		
Jun 30, 12			Jun 30, 12		
Dec 31, 11			Dec 31, 11		
<i>In million euros</i>			<i>In million euros</i>		
Fixed assets	10,762.9	11,001.3	Capital and reserves	6,074.1	6,308.1
Investment properties	9,639.3	9,951.4	Capital	470.4	469.9
Buildings under refurbishment	1,006.8	937.0	Issue, merger & capital contrib. premiums	1,871.9	1,870.4
Buildings in operation	66.0	66.4	Consolidated reserves	3,613.4	3,512.6
Other tangible fixed assets	4.3	4.2	Consolidated net profit	75.5	411.2
Intangible fixed assets	4.5	4.6	Group shareholders' equity	6,031.3	6,264.2
Long-term financial investments	12.8	14.1	Minority interests	42.8	43.9
Equity affiliates	5.3	5.8	Non-current liabilities	5,258.5	4,390.6
Financial instruments	2.9	4.4	Financial debt	5,005.0	4 063.8
Deferred tax	21.1	13.5	Financial instruments	181.8	257.3
Current assets	891.8	1,026.1	Deferred tax liabilities	24.7	14.6
Properties for sale	713.7	825.8	Provisions for liabilities and charges	44.9	50.9
Inventories	8.0	5.8	Taxes due & other employee-related liabilities	2.0	4.0
Rent due and other receivables	67.2	62.6	Current liabilities	493.2	1,328.8
Other receivables	65.1	64.0	Short term financial debt	156.3	996.1
Prepaid expenses	34.0	24.1	Financial instruments	2.8	0.0
Financial instruments	0.0	0.9	Security deposits	58.1	62.0
Cash & cash equivalents	3.8	42.9	Trade payables	169.6	153.2
Assets held for sale	216.6		Taxes due & other employee-related liabilities	70.4	60.7
			Other liabilities	36.0	56.8
			Liabilities held for sale	45.5	
TOTAL ASSETS	11,871.2	12,027.5	TOTAL LIABILITIES	11,871.2	12,027.5

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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.

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