Bien plus que des mètres carrés

Paris, October 17, 2012

Completion of financial restructuring recognized by S&P: rating upgraded to BBB

Gecina focused on investing and optimizing the profitability of its assets

Standard & Poor's has upgraded its rating for Gecina from BBB- outlook stable to BBB outlook stable. This decision recognizes the Group's determined approach, including an in-depth financial restructuring process, successfully rolled out between 2010 and 2012, and a dynamic asset divestment policy.

Thanks to its healthier balance sheet, Gecina will be able to resume a value-creating investment strategy from 2013 by restructuring assets within the portfolio or making opportunistic acquisitions, with the loan to value ratio capped at 40%. The Group will continue to focus on an active asset management approach.

This policy is reflected in the reduction in debt levels by around 700 million euros between the end of 2010 and end of 2012, primarily thanks to 2.1 billion euros of sales over 2011 and 2012. In this way, an 18% rotation rate has been achieved for the portfolio across all segments, with an average premium of 2.7% over the appraisal values, confirming the asset portfolio's liquidity and valuation. The restructuring process has also involved overhauling debt and hedging facilities. Lastly, liquidity is guaranteed, with the Group benefiting from over 1.3 billion euros of unused credit lines, covering debt maturities through to the end of 2014.

Gecina will benefit from significant and cumulative savings on its financial expenses. In this way, the restructuring of its debt hedging will enable the Group to effectively manage and optimize the cost of debt over the short term (maximum of 4.1% in 2012), while offering visibility over the medium term with a maximum of 4.3% or less depending on the rate environment. The reorganization of the various hedging facilities is also expected to have a positive impact of 73 million euros on Gecina's NAV at end-2012.

The forecasts for a maximum cost of debt of 4.3% factor in the substantial savings resulting from the improved rating on three levels. Firstly, as a regular bond issuer, the Group will benefit from a major rate differential on its future issues, with the impact of these savings set to increase as the Group continues to use this source of financing. Secondly, the upgrading of its rating will have an impact on part of the banking margins and non-utilization fees for credit lines. Lastly, this new rating will pave the way for Gecina to accelerate its commercial paper program, which may reach 500 million euros.

In total, the savings resulting from the upgrading of Gecina's rating are estimated at 7 million euros for 2013 and approximately 20 million euros by 2017.

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