Press release

July 23, 2013

2013 first-half earnings

Significant increase in the office occupancy rate and sustained organic rental growth

Further improvement in financial ratios: LTV reduced to 39% and ICR raised to 3.3x

Return to value-creating investments

During the first half of 2013, Gecina achieved further major letting successes, including the full letting of the Newside building, which represented almost 18,000 sq.m. In total, Gecina let close to 88,000 sq.m of office space over the period (factoring in new lettings, relettings, renegotiations and renewals), with 32 million euros in annualized headline rents. The negative reversion recorded on these lettings had an impact of only -1.1% on organic growth in office rents for the first half, with the like-for-like change in office rents coming out at +3.5% for the period, thanks in particular to indexation and improvements in the occupancy rate.

Gecina's letting challenges were therefore limited at the end of June 2013, with residual vacancies in three buildings: Horizons (Boulogne), Portes de la Défense (Colombes) and Pointe Metro 2 (Gennevilliers), representing less than 28,000 sq.m. The Group is forecasting an average financial occupancy rate of 94% for its office segment in 2013, higher than average for the Paris Region market at end-June 2013 (93.3%).

In addition, after selling the logistics business in 2012, Gecina has finalized its exit from its non-core business segments with the sale of four Club Méditerranée villages for 280 million euros (excluding duties), at a premium of +3.5% over the appraisal values from end-2012.
The Group has also continued to make divestments within its portfolio, selling 192 million euros of mature or non-strategic office assets, as well as a 62 million euro portfolio (excluding duties) of healthcare assets, reducing its exposure to the short-stay sector, and 131 million euros of residential assets on a block and unit-by-unit basis.

Alongside this, Gecina has resumed an active investment policy for offices, acquiring two buildings for a combined total of 301 million euros (excluding duties) and 47,000 sq.m in Paris: Tour Mirabeau and 32 rue Marbeuf. In addition to a high immediate yield rate, these two assets offer major redevelopment opportunities over the medium term, enabling Gecina to capitalize on potential for additional rent, combined with value growth. In the healthcare sector, Gecina has sealed a new partnership with Capio to build a private clinic, based on an investment of 70 million euros and a triple net yield of 6.6%.

The Group is also focusing on potential opportunities for redevelopment within its portfolio. At this stage, 14 long-term projects have been identified, representing a 1.5 billion euro pipeline, with 690 million euros of capex, generating a target ROCE of 7%. In this way, a first redevelopment project, covering almost 11,000 sq.m in Boulogne, has been launched in July 2013.

Lastly, Gecina has continued working to optimize its financial structure. The loan to value (LTV) ratio represented 39.0% at the end of June 2013, below the internal cap of 40%. In May, Gecina carried out a 300 million euros 10-year bond issue with a coupon of 2.875%, helping stabilize the average cost of debt at a maximum of 4.0% in 2013, in addition to diversifying its resources and extending the maturity of the Group's financing.

As Bernard Michel, Chairman, explains: "The policy to deleverage and realign the Group that we have been implementing for the past two years is delivering benefits. Gecina now has sound foundations for continuing with its development". Philippe Depoux, Chief Executive Officer, confirms: "In line with the strategy defined by the Board of Directors, I will be focusing my efforts on generating value-creating investment operations, both internally and externally, in order to optimize Gecina's cash flow profile, while maintaining a healthy financial structure".

Key figures

In million euros	**June 30, 2012**	**June 30, 2013**	***Change (%)***
Gross rentals	303.0	294.4	*-2.8%*
EBITDA	246.5	243.3	*-1.3%*
Net recurrent income	**164.9**	**167.4**	***+1.5%***
per share in EUR (undiluted)	***2.71***	**2.75**	***+1.4%***
NNNAV per share (EPRA)	98.7	99.9	*+1.2%*

Rental income up +3.5% on a comparable basis, sustained growth for offices (+3.5%)

Gross rental income came to 294.4 million euros at June 30, 2013, an increase of +3.5% on a comparable basis. This growth notably reflects the positive impact of indexation (+2.8%) and the higher occupancy rate (+0.7%). The negative impact of renegotiations and relettings is limited in terms of like-for-like rental trends (-0.6%).

On a current basis, rental income is down -2.8% compared with the first half of 2012. This contraction primarily reflects the loss of rent due to divestments (-34.5 million euros) coming in higher than revenues from investments and project deliveries (+15.6 million euros).

Rental income on **offices** is up +3.5% on a comparable basis, significantly higher than the +0.7% increase recorded in 2012 (excluding the impact of the penalty paid by AON during the second quarter of 2011). On a comparable basis, the change benefited from a positive indexation effect (+3.0%), combined with an increase in the occupancy rate for buildings on a comparable basis (+1.2%). These positive effects have offset the impact of relettings and renegotiations, which came to -1.1% at end-June 2013, virtually unchanged from the level recorded at the end of March 2013 (-0.9%).

For the **residential** portfolio, rental income is down -15.0% on a current basis, reflecting the impact of disposals in 2012 and 2013. However, rental income is up +3.4% on a comparable basis, thanks to the positive impact of indexation (+1.9%) and relettings (+0.9%). In this way, the incoming-outgoing rent differential came to +5% for the half-year period, higher than the level recorded during the first quarter of 2013 (+3.8%). The tenant turnover rate came to 13.8% for the first half of the year.

In the **healthcare** sector, rental income is up +7.6% on a current basis. This increase reflects the rent resulting from the acquisition of six nursing homes in April 2012 and the delivery of the Annemasse private hospital in October 2012. On a comparable basis, rental income is up +3.8%, thanks to a positive indexation effect (+3.8%), combined with the impact of capex generating additional rent (+1.8%), offsetting the -1.8% contraction due to the renegotiation of leases on assets let to Générale de Santé during the third quarter of 2012.

In million euros	June 30, 2012	June 30, 2013	Change (%)	
			Current basis	Comparable basis
Group total	**303.0**	**294.4**	**-2.8%**	**3.5%**
Offices	164.1	176.0	7.2%	3.5%
Traditional residential	79.6	66.5	-16.5%	2.8%
Student residences	4.1	4.6	12.9%	12.3%
Healthcare	34.7	37.4	7.6%	3.8%
Logistics	10.6	0.3	na	na
Hotels	9.9	9.6	-2.9%	na

The **average financial occupancy rate** came to 94.8% for the first half of the year, up 70 bp compared with end-March 2013. This growth during the second quarter was driven by an improvement in the occupancy rate on office properties, climbing from 91.0% at end-March 2013 to 92.2% at end-June, with the leases signed on the Horizons (10,585 sq.m) and Magistère (7,835 sq.m) buildings coming into effect. This positive trend for the office portfolio will continue during the second half of 2013: the spot financial occupancy rate at end-June 2013 was 94.6%, some 240 bp higher than the average rate for the first half of the year, thanks in particular to the letting of the Newside building in La Garenne-Colombes.

The occupancy rate for traditional residential properties has remained stable, with a high figure of 98.3%, buoyed by a structurally strong level of underlying demand. Lastly, the occupancy rate has remained stable at 100% for healthcare real estate and hotels.

Average financial occupancy rate	June 30, 12	Dec 31, 12	March 31, 13	June 30, 13
Economic Division	**91.7%**	**90.8%**	**91.5%**	**92.6%**
Offices	92.0%	90.9%	91.0%	92.2%
Logistics	82.0%	82.0%	na	na
Hotels	100.0%	100.0%	100.0%	100.0%
Demographic Division	**98.5%**	**98.3%**	**98.9%**	**98.8%**
Traditional residential	97.9%	97.7%	98.2%	98.3%
Student residences	95.3%	94.3%	97.8%	95.5%
Healthcare	100.0%	100.0%	100.0%	100.0%
Group Total	**94.1%**	**93.4%**	**94.1%**	**94.8%**

The rental margin rose to 92.1% at the end of June 2013, +140 bp higher than June 30, 2012, in view of the combined impact of changes in the mix (sale of the logistics business, which had a margin of 84.6% for the first half of 2012, and increase in the weighting of healthcare assets, on which the margin is close to 100%) and a +120 bp improvement in the residential rental margin to 83.5%. The rental margin has remained stable and high for the office portfolio, coming in at 93.2%.

	Group	Offices	Residential	Healthcare	Hotels
Rental margin for H1 2012	90.7%	93.2%	82.3%	98.5%	99.5%
Rental margin for H1 2013	**92.1%**	**93.2%**	**83.5%**	**99.4%**	**99.9%**

Net recurrent income up +1.5% (+3% restated for the 3% dividend tax), annual guidance for stable earnings confirmed

Overhead costs are down by nearly -3.2% versus June 30, 2012, reflecting the Group's ongoing cost optimization policy.

Net financial expenses are down -10.3% over one year to 72.8 million euros, primarily following a reduction in the volume of debt. The average cost of debt was 3.7% at the end of June 2013, in line with the rate recorded for the first half of 2012.

Net recurrent income is up +1.5% compared with the first half of 2012 to 167.4 million euros, factoring in the payment of the 3% tax on dividends paid out in excess of the SIIC requirement for listed real estate trusts, i.e. 2.4 million euros. Restated for the payment of this tax, net recurrent income growth comes out at +3%.

Gecina is able to confirm its forecasts for net recurrent income to be stable in 2013.

In million euros	June 30, 2012	June 30, 2013	*Change (%)*
Gross rental income	**303.0**	**294.4**	***-2.8%***
Expenses on properties	(74.2)	(66.7)	*-10.1%*
Expenses billed to tenants	46.1	43.5	*-5.6%*
Net rental income	**274.9**	**271.2**	***-1.3%***
Services and other expenses (net)	4.3	3.7	*-14.0%*
Overheads	(32.7)	(31.6)	*-3.2%*
EBITDA	**246.5**	**243.3**	***-1.3%***
Net financial expenses	(81.2)	(72.8)	*-10.3%*
Recurrent gross income	**165.3**	**170.4**	***+3.1%***
Recurrent tax	(0.4)	-3.1	*na*
Net recurrent income	**164.9**	**167.4**	***+1.5%***
Average number of shares	60 843 863	60 876 884	*+0.1%*
Net recurrent income per share (undiluted)	**2.71**	**2.75**	***+1.4%***

Continued optimization of the financial structure

During the first half of the year, Gecina continued working to optimize its financial structure.

Net debt represented 4,234 million euros at the end of June 2013, down 4.4% versus end-2012, with a **loan to value ratio** (LTV excluding duties) of 39.0%, significantly lower than the 40% cap that Gecina has set itself. In relation to EBITDA, the interest coverage ratio (ICR) is up to 3.3x, significantly higher than at the end of 2012 (2.8x). Gecina therefore has headroom to capitalize on investment opportunities and finance its internal redevelopment pipeline.

Gecina has continued to **diversify** its financing structure, with resources from the financial markets making up 38% of authorized financing facilities at the end of June 2013, compared with 34% at end-2012. In this way, during the second quarter of 2013, the Group placed a 300 million euros bond issue, with a maturity of 10 years, based on a 140 bp spread over the mid-swap rate and a coupon of 2.875%. This level represents the lowest coupon for the longest maturity on a bond issue by Gecina, reflecting the drop in market rates, and above all the improvement in Gecina's financial profile.
This operation will contribute towards stabilizing the **average cost** of its debt at a maximum of 4.0% in 2013, while extending the maturity of debt. In this way, the **average maturity** for financing was 3.9 years at the end of June 2013, stable in relation to end-2012. In addition, Gecina has 2.3 billion euros of **unused credit lines**, making it possible to cover more than two years of debt maturities.

Alongside this, following the early repayment of two loans for a total of 156 million euros, Gecina's mortgage debt now makes up only 20% of its authorized financing (versus 24% at end-2012). In this way, the Group is once again building up significant headroom on this type of financing, which will be able to be used if conditions tighten up on the bank or bond markets.

Asset rotation: 716 million euros of sales secured and 328 million euros of investments

Gecina carried out 665 million euros of **sales** during the first half of 2013, with these sales concerning the four Club Méditerranée hotels owned by the Group (280 million euros), 192 million euros of asset rotations for mature or non-strategic offices, and 131 million euros of residential assets (37% block and 63% unit-by-unit). Lastly, after achieving critical mass on healthcare, Gecina has launched its rotation policy on this segment, selling a portfolio of short-stay facilities operated by Générale de Santé for 62 million euros. The average premium on asset sales came to +6.4% compared with the appraisals at end-2012, with +5.3% for block residential sales and +33.4% for unit residential sales.

In addition, Gecina had signed 51 million euros of **preliminary sales agreements** at the end of June 2013, with 42 million euros for unit residential assets and 9 million euros for offices.

Alongside this, **investments** totaled 328 million euros at June 30, 2013, with 92% focused on office projects and acquisitions, including the Mirabeau Tower in Paris' 15th arrondissement, based on an immediate yield rate of 7.6%, and the various projects currently underway (including Beaugrenelle, Le Velum and Docks de Saint-Ouen).

At the end of June 2013, 251 million euros were still to be invested for the development pipeline, with 144 million euros in the second half of 2013, 71 million euros in 2014 and 36 million euros in 2015. 50 million euros are set aside for the Beaugrenelle shopping center, which will be opening in October 2013. This asset is expected to be fully pre-let when it opens, with 97% of its space already pre-let.

Lastly, in July 2013, Gecina finalized the acquisition of an 11,575 sq.m office building on Rue Marbeuf, in Paris' Central Business District, for a total of 122 million euros including duties. This asset is primarily let to WPP Group and Orientis, giving an immediate net yield of 5.5%.

At the end of June 2013, capitalized financial expenses relating to investments represented a total of 8.5 million euros.

Portfolio value stable on a comparable basis, NAV per share up +1.2% versus the first half of 2012

The portfolio value (block) represents 10,692 million euros, down by only -2.9% on a current basis compared with December 31, 2012, resulting from the asset sales carried out.

On a comparable basis, the portfolio value is virtually stable (-0.1%) for the half-year period. Values are up +0.5% for residential assets and +0.4% for the healthcare segment, offsetting the slight downturn in values on the office portfolio (-0.5%).

EPRA diluted triple net NAV (block) represents 99.9 euros per share, down -0.7% in relation to the end of 2012, with this 0.7 euro difference reflecting the following impacts:

- Dividend payment: -4.4 euros
- Impact of recurrent income: +2.7 euros
- Value adjustment on assets: +0.6 euros
- Value adjustment on financial instruments and fixed-rated debt: +1.3 euros
- Other items: -0.8 euros

The unit NAV came to 109.05 euros per share at June 30, 2013, compared with 110.4 euros per share at December 31, 2012.

	June 30, 2012		Dec 31, 2012		June 30, 2013	
	Amount / no. of shares	€ / share	Amount / no. of shares	€ / share	Amount / no. of shares	€ / share
Fully diluted number of shares	60,984,923		61,049,425		61,588,663	
Shareholders' equity under IFRS	**6,031**		**6,182**		**6,112**	
+ impact of exercising stock options	16		15		48	
Diluted NAV	**6,047**		**6,197**		**6,159**	
+ Fair value reporting of properties, if the amortized cost option is adopted	35		35		36	
+ Fair value reporting of inventory properties	2		2		1	
- Fair value of financial instruments	182		211		152	
- Beaugrenelle earnout	(9)		(6)		(7)	
-Deferred tax relating to fair value reporting of buildings and financial instruments	(23)		(3)		(9)	
= Diluted EPRA NAV	**6,234**	**€102.2**	**6,436**	**€105.4**	**6,332**	**€102.8**
+ Fair value of financial instruments	(182)		(211)		(152)	
+ Fair value of liabilities	(59)		(91)		(38)	
+ Deferred tax on the revaluation of assets at fair value	24		3		9	
= Diluted EPRA triple net NAV	**6,017**	**€98.7**	**6,137**	**€100.5**	**6,151**	**€99.9**

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APPENDIX

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

At the Board meeting on July 22, 2013, chaired by Bernard Michel, Gecina's Directors approved the financial statements at June 30, 2013. 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 22, 2013 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. With the basis for comparison at June 30, 2012, the process to sell off the Logistics business was 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 at June 30, 2012.

	Including IFRS 5	Excluding IFRS 5		Excluding IFRS 5
In million euros	Jun 30, 2012	Jun 30, 2012	Jun 30, 2013	Change %
Gross rental income	**292.5**	**303.0**	**294.4**	**-2.8%**
Expenses on properties	(70.2)	(74.2)	(66.7)	-10.1%
Expenses billed to tenants	43.7	46.1	43.5	-5.6%
Net rental income	**265.9**	**274.9**	**271.2**	**-1.3%**
Services and other income (net)	4.0	4.3	3.7	-14.0%
Salaries and management costs	(32.5)	(32.7)	(31.6)	-3.2%
EBITDA	**237.4**	**246.5**	**243.3**	**-1.3%**
Gains from disposals	6.9	8.7	26.0	+198.1%
Change in fair value of properties	29.2	(8.5)	(22.9)	na
Depreciation	(2.5)	(2.5)	(2.7)	+6.6%
Net provision and amortization	(1.5)	(1.5)	(4.1)	na
Operating income	**269.5**	**242.7**	**239.5**	**-1.3%**
Net financial expenses	-81.8	(81.2)	(72.8)	-10.3%
Financial depreciation and provisions	0.0	0.0	(0.3)	na
Change in fair value of financial instruments	(92.4)	(92.4)	31.6	na
Net income from equity affiliates	1.6	1.6	0.0	na
Pre-tax income	**96.9**	**70.6**	**198.0**	**+180.4%**
Recurrent taxes	(0.4)	(0.4)	(3.1)	na
Non recurrent taxes	(0.7)	(0.8)	(0.3)	na
Exit tax	0	0.0	0.0	na
Deferred taxes	4.0	4.8	(5.9)	na
Minority interests	1.2	1.2	(4.4)	na
Net income from continuing operations	**101.0**	**75.5**	**184.3**	**+144.0%**
Net income from discontinued operations	(25.5)			
Consolidated net income (group share)	**75.5**	**75.5**	**184.3**	**+144.0%**
Recurrent income before tax	165.3	165.3	170.4	+3.1%
Net recurrent income	164.9	164.9	167.4	+1.5%
Net recurrent income per share (undiluted)	**2.71**	**2.71**	**2.75**	**+1.4%**

Gecina
Bien plus que des mètres carrés

CONSOLIDATED BALANCE SHEET

ASSETS *In million euros*	**Dec 31, 12**	**Jun 30, 13**
Non-current assets	**10,600.7**	**10,410.0**
Investment properties	9,865.4	9,516.3
Buildings under refurbishment	638.0	799.5
Buildings in operation	65.5	64.7
Other tangible fixed assets	3.8	3.4
Intangible fixed assets	5.1	3.6
Long-term financial investments	12.5	12.2
Share in equity-accounted companies	5.3	5.4
Non-current derivatives	5.1	4.6
Deferred tax assets	0.0	0.2
Current assets	**580.7**	**498.2**
Properties for sale	428.4	304.3
Inventories	7.2	7.2
Accounts and notes receivables	68.1	78.6
Other receivables	48.7	42.0
Prepaid expenses	27.0	30.7
Current derivatives	0.0	0.0
Cash and cash equivalents	1.2	35.5
Assets held for sale	**6.7**	
TOTAL ASSETS	**11,188.1**	**10,908.2**

LIABILITIES *In million euros*	**Dec 31, 12**	**Jun 30, 13**
Share capital	**6,182.2**	**6 112.5**
Capital	470.8	471.2
Additional paid-in capital	1 886.4	1 874.7
Consolidated reserves	3 599.5	3 581.4
Consolidated net income	225.5	184.3
Shareholders' equity linked to owner of the parent	**6 182.2**	**6 111.5**
Non-controlling interests	0.0	0.9
Non-current liabilities	**3 934.5**	**3 926.2**
Non-current financial debt	3 667.8	3 710.4
Non-current derivatives	216.1	156.4
Deferred tax liabilities	3.1	9.0
Non-current provisions	44.8	50.5
Non-current tax and social security liabilities	2.7	0.0
Current liabilities	**1 070.7**	**869.5**
Current financial debt	763.5	559.1
Current derivatives	0.0	0.0
Security deposits	58.8	64.1
Trade payables	154.5	155.8
Current tax and social security liabilities	53.6	51.5
Other current liabilities	40.3	39.0
Liabilities held for sale	**0.7**	
TOTAL LIABILITIES	**11 188.1**	**10 908.2**