2013

Reference document

gecina

Far more than square meters

gecina

Far more than square meters

Reference document

Including the Annual financial report
and the Sustainable development report

2013

AUTORITÉ
DES MARCHÉS FINANCIERS

AMF

This reference document was filed with the French securities regulator (Autorité des marchés financiers, AMF) on 02/26/2014, in accordance with Article 212-13 of the AMF's general regulations. It may be used in support of a financial transaction if supplemented with a transaction memorandum that has been approved by the AMF. This document has been drawn up by the issuer and is the responsibility of its signatories.

Summary

"Despite a sluggish economy, **2013 delivered an abundance of real estate success for Gecina."**

A DIVIDEND OF €4.60 PER SHARE

Despite a sluggish economy, 2013 delivered an abundance of real estate success for Gecina. The Group's net recurring income rose by 1.5% to €313.4 million, exceeding our initial expectations that this indicator would remain stable during the period. As a result of this performance, we will be asking attendees at the General Meeting, to be held in April 2014, to approve a dividend of €4.60 per share, an increase of 4.5%.
Based on the Gecina share price at the end of 2013, this represents a return for our shareholders of 4.8%. Our good operating and financial performance during the year was also recognized by the markets, with a rise in our share price of 13.1% in 2013, versus 6.3% for the SIIC France real estate sector index.

STRONGER GOVERNANCE

We also continued our efforts to improve Gecina's governance, once again separating the functions of Chairman and Chief Executive Officer. As part of these efforts, the Board of Directors appointed Philippe Depoux as Chief Executive Officer with effect from June 2013. Philippe Depoux has considerable experience in the real estate sector, having worked for both listed real estate companies and insurance firms. He previously held the position of Chief Executive Officer at Generali Real Estate French Branch. Together we will continue the efforts already underway to ensure Gecina remains Europe's leading real estate company.

Our management structure was further strengthened by the appointment in September 2013 of a new Chief Financial Officer, Nicolas Dutreuil, who was formerly Deputy Financial Director of another major French real estate group.

RECOGNITION FOR OUR CORPORATE SOCIAL RESPONSIBILITY POLICY

Meanwhile, we have continued to improve Gecina's performance in terms of Corporate Social Responsibility, an area that has become a key component of our real estate strategy. To deliver on this objective, in 2013 we introduced new ways to further improve our performance. We now map all of our assets so we can measure the environmental performance of our buildings (energy, CO_2, water, connectivity, wellbeing, etc.) and have introduced a tool that monitors the energy consumption of commercial properties in real time. We also routinely apply for the highest level of environmental certification (exceptional or excellent) for the office buildings we are developing or refurbishing. By the end of 2013, 44% of our buildings were accredited under France's HQE (High Environmental Quality) standard. With regard to our healthcare assets, the private clinic we have built for Capio in Bayonne will be one of the first private-sector buildings to be awarded healthcare-sector environmental certification under France's HQE Construction Santé certification program.

These CSR achievements – a source of pride for Gecina employees and also of benefit to our tenants – have been positively received by non-financial credit agencies. For example, Gecina was ranked second in the real estate sector by France's Baromètre Novéthic, an annual analysis of the quality of environmental reporting by listed real estate companies. The Group has also made progress on some of the stock market indexes that are benchmarks in non-financial analysis: it is listed on the Dow Jones Sustainability World and Europe indexes and has been ranked one of France's top nine companies for energy performance and carbon footprint reduction by the NGO Carbon Disclosure Project. This steady, recognized progress is making Gecina more attractive to investors seeking to make socially responsible investments.

Furthermore, by signing the UN Global Compact in 2013, Gecina has committed to adhering to the Compact's ten fundamental principles, which are divided into four main categories: human rights, working conditions, the environment and anti-corruption. These values have been incorporated into our culture through our Ethics Charter and the Sustainable Development strategy introduced by the Group in 2008.

At the same time we have continued our efforts to be transparent in our financial reporting. In this regard, our Reference Document, published in February 2013, was awarded a "silver medal" by EPRA, the organization representing Europe's listed real estate companies, for the quality of its financial reporting and for its application of financial reporting best practices recommendations.

A NEW SHOPPING CENTER IN PARIS

Lastly, we were delighted to officially open the new Beaugrenelle shopping center in October 2013 after a decade of complex, demanding work. In 2003, the year the project began, we had envisioned a shopping center for the 21st century and that has now become a reality. As part of the urban renewal of Paris's 15th arrondissement, the center is expected to become the go-to address for Paris shopping thanks to its upscale offering and stunning architecture.

Looking ahead to 2014, the macro-economic environment is still hard to forecast. However, Gecina has solid financial and operating fundamentals and these will enable us to pursue our desired growth strategy, which will be mainly focused on the office sector.

Bernard Michel
Chairman

“Gecina has proved its ability to have implemented a major repositioning of our activities while consolidating our financial structure.”

GECINA ACHIEVED A GOOD PERFORMANCE IN AN OFFICE MARKET WHICH CAME UNDER PRESSURE

With demand significantly slowed by an uncertain outlook for businesses, 2013 proved a tough year for the office sector. Occasional oversupply in some office property markets in the Paris region, particularly La Défense, impacted some of the city’s northern inner suburbs in which Gecina has holdings.

I am particularly pleased, therefore, that against such an unfavorable backdrop we have been able to meet our operational challenges and achieve the key strategic objectives we had set for ourselves.

For example, in 2013 we succeeded in renting out more than 158,000 sq.m of office space (including new rentals, re-lets, renegotiations and renewals) worth almost €50 million in annualized economic rent. While vacancy rates rose slightly to 7% in the office property market in the Paris region, Gecina’s vacancy rates dropped to 5% (versus 5.7% at the end of 2012), close to the lowest possible level.

CONTINUED REFOCUSING OF OUR PORTFOLIO AND STREAMLINING OF OUR FINANCIAL STRUCTURE

Our strategy to refocus on our core businesses continued with the disposal of four Club Méditerranée hotels for €280 million. This was a very satisfactory return on these assets, three of which had been repositioned in the high-end market in collaboration with the operator (Club Méditerranée). Our repositioning will be completed in 2014 with the disposal of Beaugrenelle, the shopping center we rebuilt from the ground up and which enjoys an unrivalled location in central Paris. This asset was part of our historical portfolio and represented an exceptional opportunity. A preliminary sales agreement was signed on February 20, 2014, after the end of the Board of Directors drafting the 2013 financial statements.
Meanwhile, we have continued our efforts to streamline the Group’s financial structure by diversifying our resources, extending the maturity of our debt and controlling financial costs, which remained stable during the period. The €300 million bond issue in May was a success; the operation was five times oversubscribed, reflecting investor appetite for the Group’s attractive credit premiums. The bond was also issued based on the lowest coupon and

the longest maturity of any Gecina bond issue. Standard & Poor's acknowledged the soundness of our balance sheet, raising Gecina's rating from BBB/Stable Outlook to BBB/Positive Outlook. The rating agency highlighted the ongoing improvements in the Group's financial ratios and the appropriateness of our overall credit policy.

RESUMPTION OF A DYNAMIC INVESTMENT POLICY

The soundness of our balance sheet has allowed us to start investing again. We made two flagship investments in 2013 as part of our value creation strategy, which we intend to pursue on an ongoing basis. The first was the Tour Mirabeau in Paris's 15th arrondissement, and the second was the building at 32-34 Rue Marbeuf in the 8th arrondissement. Both assets are producing immediate and very satisfactory returns, and present significant development opportunities in the long term. We also continued to make major inroads in the student housing market, launching three new development programs during the year. Our operating assets in this segment now total 1,442 beds, to which another 1,520 will be added as part of our ongoing developments. Given the forecasts for our additional projects, we expect to exceed our goal of 5,000 beds in the medium term and thus obtain a critical size in this market, where we are France's only private owner-operator. Lastly, we have formed a new partnership with a leading European healthcare operator, Capio, for whom we are building two private clinics in Bayonne and Orange. These developments offer an immediate net return of 6.6% and 6.9% respectively, plus a projected 15-year rental flow.

Gecina has proved its ability to outperform a sluggish rental market and we have implemented a major repositioning of our activities while consolidating our financial structure. We are proud of these results and of our ability to pursue an ambitious growth policy.

OUTLOOK: THE INTRODUCTION OF A NEW ORGANIZATIONAL STRUCTURE, STABLE NET RECURRING INCOME EXPECTED FOR THE GROUP IN 2014

As soon as I joined Gecina in June 2013, I launched a major restructuring program to give Gecina the resources it needed for a new phase in its development. This program will come into effect in the first quarter of 2014. As a result of this reorganization, operational teams, which were previously organized "vertically" by product, i.e. in silos, will henceforth work "horizontally" across business lines. For example, three multi-product divisions will be created: Investments and Transactions, Asset Management, and Property Holdings. I also want to make CSR a real differentiating factor in our strategic positioning. CSR will therefore be a key component of this new organization, and will fall under the direct responsibility of the Executive Management, as will the new Marketing and Communications department. This new structure will be in line with the value creation strategy we are implementing for the Group.

We forecast stable net recurring income Group share for 2014, this forecast is based on an assumption for the proceeds from the sale of the Beaugrenelle shopping center to be reinvested during the second half of 2014.

Philippe Depoux
Chief Executive Officer

A

Executive Committee members

Philippe DEPOUX *(A)*
Chief Executive Officer

Yves DIEULESAINT *(B)*
Director of CSR

Nicolas DUTREUIL *(C)*
Chief Financial Officer

Loïc HERVÉ *(D)*
Director of Property Holdings

André LAJOU *(E)*
Director of Investments and Transactions

Vincent MOULARD *(F)*
Director of Asset Management

Philippe VALADE *(G)*
General Secretary

B

C

D

E

F

G

Group profile

1.1. Key figures

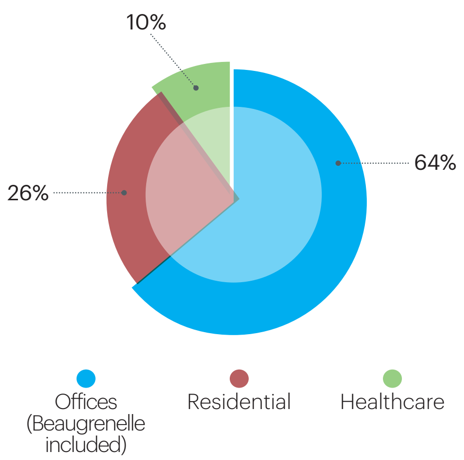
€ million	Change	2013	2012
Rental revenues	**-1.2%**	**588.9**	**596.1**
Economic division			
Offices	+4.6%	345.0	329.9
Beaugrenelle	n.a.	18.8	2.2
Logistics	n.a.	0.7	12.6
Hotels	n.a.	9.6	19.8
Demographic division			
Residential	-11.6%	140.8	159.4
Healthcare	+2.3%	74.0	72.3
Net recurring income (1)	+1.5%	313.4	308.6
Net recurring income – Group share (1)	+0.8%	311.1	308.6
Value in block of property holding (3)	-2.1%	10,781	11,015
Economic division			
Offices	+3.7%	6,908	6,660
Logistics	-7.4%	6	6
Hotels	n.a.	0	271
Demographic division			
Residential	-5.7%	2,797	2,965
Healthcare	-3.3%	1,071	1,108
Other (2)	n.a.	0	5
Net yield on property holding (4)	+1.1%	5.71%	5.65%

Data per share (€)	Change	2013	2012
Net recurring income	+1.2%	5.14	5.08
Net recurring income – Group share	+0.4%	5.10	5.08
Diluted block triple net NAV (EPRA) (5)	+1.7%	102.2	100.5
Net dividend (6)	+4.5%	4.6	4.4

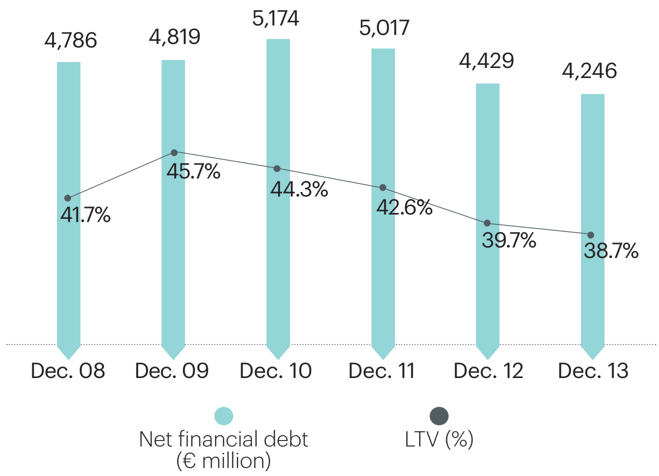
Number of shares	Change	2013	2012
Number of shares comprising share capital as at Dec. 31	+0.1%	62,870,496	62,777,135
Number of shares excluding treasury stock as at Dec. 31	+0.5%	60,997,495	60,667,910
Diluted number of shares excluding treasury stock as at Dec. 31	+1.0%	61,658,902	61,049,425
Average number of shares excluding treasury stock	+0.4%	60,991,382	60,739,297

(1) EBITDA less financial expenses and recurring tax.
(2) "Other" cover companies accounted for under the equity method with their related receivables.
(3) See note 2.3. Valuation of property holdings.
(4) Like-for-like basis 2013.
(5) See note 2.5. Triple Net Asset Value.
(6) Dividend 2013 submitted for approval by the General Metting 2014.

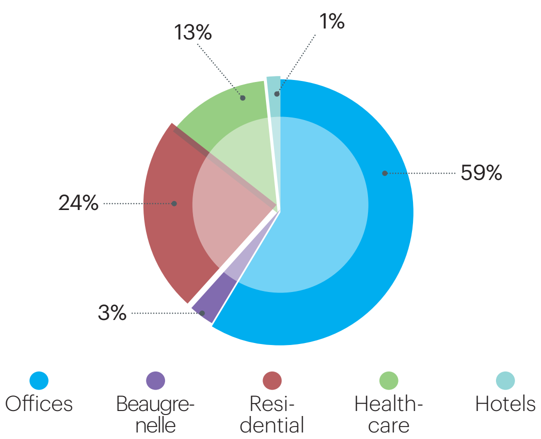
Property holding appraisal by business



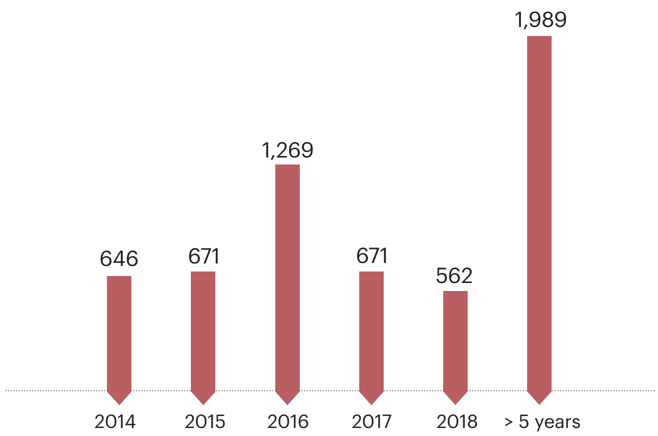
LTV ratio



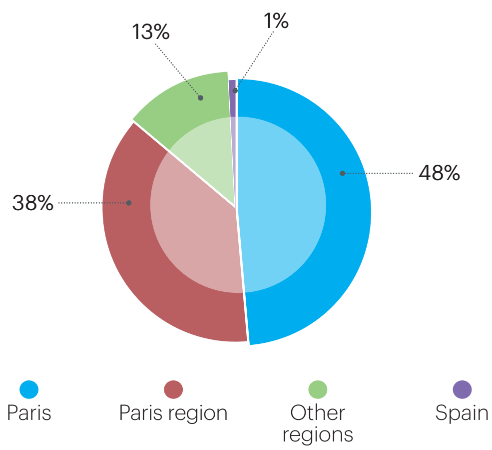
Breakdown of rental revenues by business



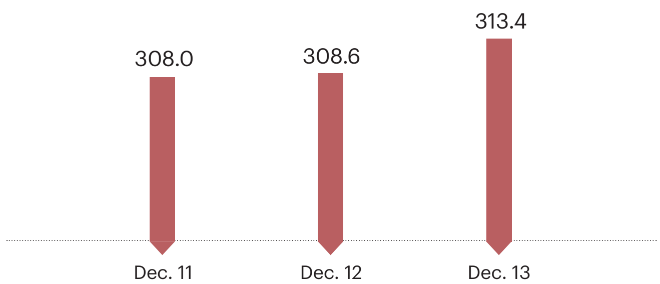
Schedule of authorized financing (including unused credit lines and excluding commercial paper) (€ million)



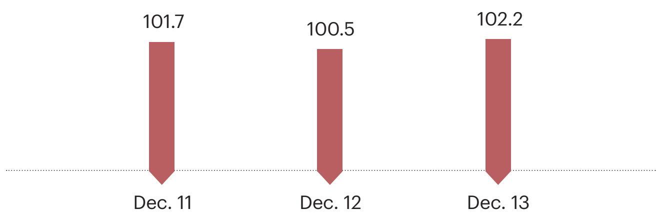
Geographic breakdown of rental revenues



Net recurring income (€ million)



Diluted block triple net NAV (EPRA) (€)



1.2. Performance indicators

Rental income from offices and retail depends on the average rent levels, the occupancy rate, acquisitions or disposals of real estate assets, but also on criteria specific to this business, namely:

- as regards offices, changes in rents depend on office market conditions, on lease renewal negotiations carried on by the management teams and on automatic annual reviews on the basis of the French Cost of Construction Index (ICC) and the Tertiary Activities Rent Index (ILAT) for current leases. On expiration of the lease, since office rent is not subject to the cap rules applicable to retail leases, the Group's asset management teams negotiate with the tenant to set the renewal rent at the rental value;

- as regards retail, leases signed for several years contain automatic annual review clauses for rents based on the French Cost of Construction Index (ICC). For rents subject to renewal, the rules are more restrictive than those applicable to offices, in that these rents are in principle subject to the cap rule. What is more, leases may henceforth be subject to the new French Commercial Rent Index (ILC).

The change of rental income for housing units depends, among other things, on the rental market conditions and on how efficiently the Group manages the property holdings.

The principal factors affecting the amount of rents taken by the Group for its housing units are as follows:

- the rent per sq.m billed to tenants. Its change is principally a function of the reference indices for current leases (French Cost of Construction and Rent Reference Indices) and of conditions on the rental market for re-rentals. Rental market conditions are described further on in this chapter;

- the financial occupancy rate of buildings. The financial occupancy rate is the ratio between the rents billed for a given period and the rents the Group would receive if all of its property holdings were rented (vacant premises are computed at the rent paid by the departing tenant). The vacancy periods are determined day by day during the period of calculation. Buildings for which a disposal procedure has been initiated are not taken into account in the calculation of financial occupancy because, beginning at this stage, the Group stops putting the vacant units up for rent in order to be able to sell the wholly unoccupied units. The structural cap of the financial occupancy rate is less than 100% because of improvements performed during the periods of structural non-occupancy of housing units at times of tenant turnover (these periods being the minimum time necessary to complete the work needed to restore to previous condition or to renovate). The level of this cap depends on the efficiency of the rental and marketing management teams, the goal of the Group in the present market context being to keep the financial occupancy rate close to the structural cap;

- the financial occupancy rate is influenced by the turnover rate, defined for any given period as the number of housing units becoming vacant in the given period divided by the number of the Group's housing units at the same given period, exclusive of buildings for which the transfer period has been initiated. Under present market conditions, a high turnover rate would be expressed in an increase in the total rent per sq.m so long as the rents billed by the Group are on average below the market rents for new leases (which has been the case for several years). In principle, unless the units are not re-rented within a short time, an increase in the turnover rate will result in a fall in the financial occupancy rate;

- acquisitions and disposals of real estate assets.

Four indicators are particularly sensitive for real estate companies:

- Net Recurring income (also known as net current cash flow) per share, which Gecina defines as the difference between EBITDA and net financial expenses and recurring income tax. This amount is based on the average number of shares comprising share capital, excluding treasury shares;

- Diluted Net Asset Value (NAV) per share: Its calculation is defined by the European Public Real Estate Association (EPRA). Detailed in paragraph 2.5, this indicator comprises the company's revalued shareholders' equity, i.e. based on fair value of consolidated assets and liabilities, including balance sheet items not valued at fair value, such as the headquarters and most financial debt at fixed rate. This amount, known as the NAV, is calculated in relation to the company's number of shares at the end of the period excluding treasury shares, taking account of any diluting items stemming from the equity instruments to be issued when the issuance conditions are met;

- the yield: It is calculated on the basis of a potential rent over the block value of the property holdings duties included, where the potential rent corresponds to the following definition: Potential rent = annualized rent end of period + market rental value of vacant units;

- the capitalization rate: It is calculated as the ratio of potential rents as described above to appraisal values excluding duties. Duties correspond mainly to transfer duties (notary expenses, registration taxes, etc.) applied to the asset sale or the company holding that asset.

Gecina applies the EPRA best practices recommendations regarding key performance indicators. These indicators aim to make the financial statements of public real estate companies more transparent and more comparable across Europe. Gecina reports on all the EPRA key performance indicators (see chapter 2.7. Reporting EPRA):

- EPRA net recurring income
- EPRA Net Asset Value and EPRA triple NAV
- EPRA Net Initial Yield and EPRA "topped-up" Net Initial Yield
- EPRA Vacancy Rate
- EPRA cost ratios

1.3. Key Gecina dates

1959
- Foundation of Groupement pour le Financement de la Construction (GFC).

1963
- Listing of GFC on the Paris stock market.

1991
- GFC absorbs GFII.

1997
- GFC acquires Foncina.

1998
- GFC absorbs UIF and acquires Foncière Vendôme. GFC becomes Gecina.

1999
- Gecina absorbs Sefimeg (which holds Fourmi Immobilière founded in 1879) followed by Immobilière Batibail.

2002
- Acquisition of Simco, a real estate company, which had previously acquired Compagnie Immobilière de La Plaine Monceau (founded in 1878) and Société des Immeubles de France (founded in 1879).

2003
- Gecina adopts the status of a Société d'Investissement Immobilier Cotée (Listed Real Estate Investment Trust).
- Gecina absorbs Simco.

2005
- After a public tender offer, Metrovacesa holds 68.54% of Gecina's share capital.
- Joaquín Rivero is appointed Chairman of Gecina at the Shareholders' General Meeting.
- First investments in new types of assets, hotel properties and logistics.
- "Building of the Year 2005" trophy, renovated buildings category, awarded at SIMI.

2006
- Public tender offer on Sofco, which becomes Gecimed, and purchase of 28 clinics from Générale de Santé.

2007
- Signing of a Separation Agreement among Metrovacesa shareholders.
- On completion of the first phase of this Separation Agreement, Metrovacesa holds only a 27% stake in Gecina, Mr. Rivero 16% and Mr. Soler 15%.
- Gecina launches its brand of premium logistics platforms: Gecilog.

- Merger by absorption of Société des Immeubles de France by Gecina.

2008
- The "Building", former head office of "Le Figaro", receives the "Building of the Year 2008" trophy, renovated buildings category, awarded at SIMI.
- Gecina launches its Corporate Foundation.
- Gecina launches "Campuséa", its student residences brand.

2009
- Labuire Park receives the urban development prize.
- Gecina launches a mandatory public offer on Gecimed and obtains 98.5% of the share capital.
- Definite waiving of the Separation Agreement.
- Gecina amends its system of governance, separates the positions of Chairman and Chief Executive Officer and in November appoints Christophe Clamageran as Chief Executive Officer.

2010
- Bernard Michel is appointed Chairman to replace Joaquín Rivero.
- Gecina starts withdrawing from Spain by shutting down the local branch and selling its interests in Sanyres.
- Gecina acquires 25% of SCI Beaugrenelle, and raises its interests to 75%.

2011
- The "Pierre d'Or 2011" is awarded to Christophe Clamageran in the investor category.
- Gecina combines the duties of Chairman and Chief Executive Officer and Bernard Michel is appointed Chairman and CEO in October.
- The Horizons building wins the SIMI Grand Prize in the "New building" category.

2012
- Gecina wins the "SIIC Trophy" in the "Best transaction for the year" category for its financial restructuring.
- As part of its refocusing policy, Gecina disposed of its logistics assets.

2013
- The "Pierre d'Or 2013" is awarded to Bernard Michel in the manager category.
- Gecina decided to separate duties of Chairman of the Board of Directors from those of CEO, Philippe Depoux is appointed Chief Executive Officer in June.
- As part of its refocusing policy, Gecina disposed of its hotel assets.
- Reopening of Beaugrenelle shopping center in October.

1.4. Group structure and organization chart

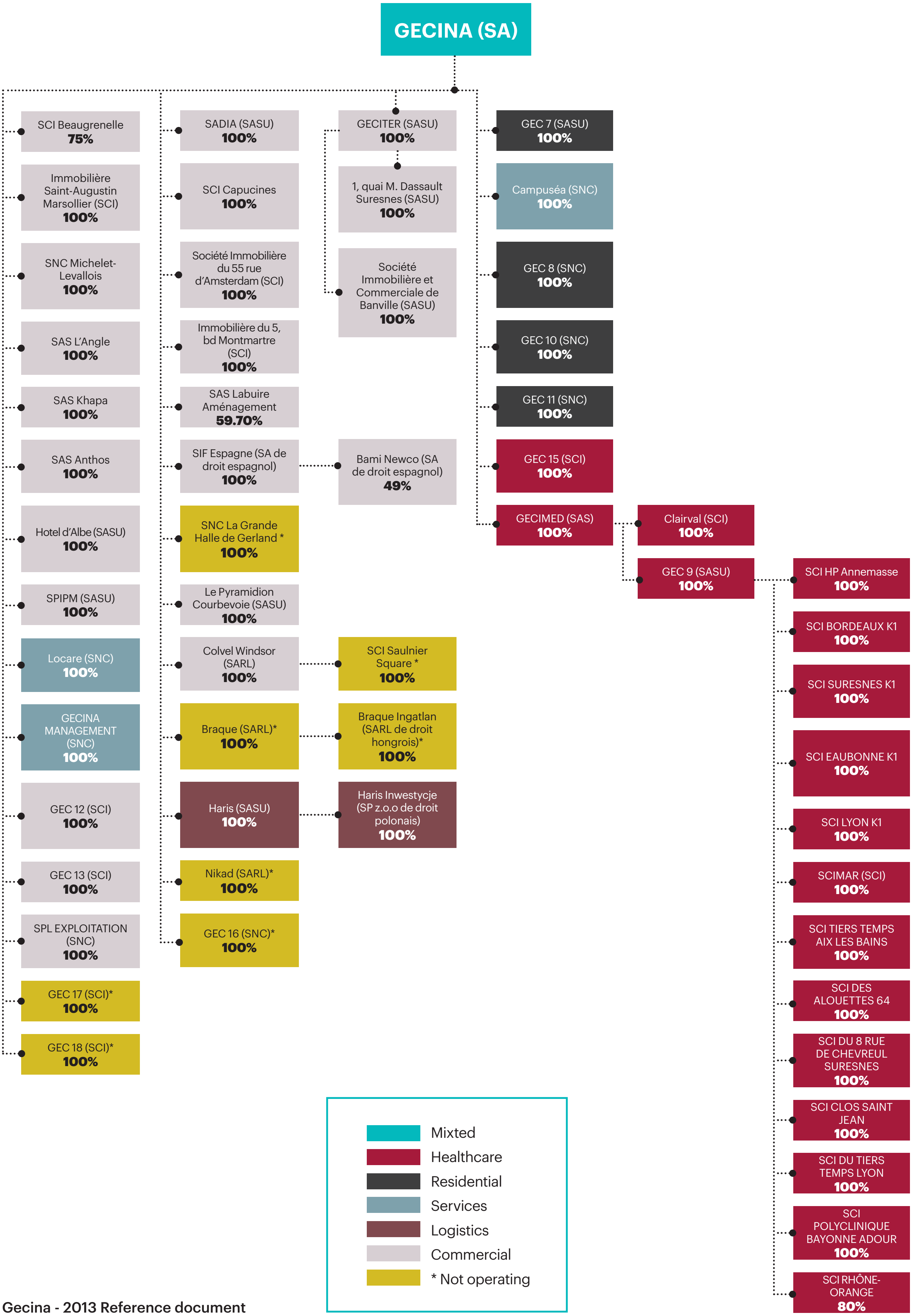
1.4.1. GROUP STRUCTURE AND ORGANIZATION CHART

The Group operates its business in two divisions of the real estate sector: the economic sector, which comprises office property and hotel buildings (activity sold in June 2013), and the demographic division, which includes traditional residential property, student residences and healthcare real estate.

On December 31, 2013, the Gecina group consisted of 58 distinct legal entities including (i) 47 real estate companies with property holdings or real estate rights, and (ii) three service companies.

The main legal entities are based in France.

The organization chart below shows that most subsidiaries are wholly owned by the Group with the exception of:
- SCI Beaugrenelle, in which Gecina holds a 75% equity stake;
- SAS Labuire Aménagement, in which Gecina holds a 59.7% equity stake;
- Spanish company Bami Newco, in which Gecina holds a 49% equity stake through its wholly-owned subsidiary SIF Espagne.


GECINA (SA)
SCI Beaugrenelle 75%
Immobilière Saint-Augustin Marsollier (SCI) 100%
SNC Michelet-Levallois 100%
SAS L'Angle 100%
SAS Khapa 100%
SAS Anthos 100%
Hotel d'Albe (SASU) 100%
SPIPM (SASU) 100%
Locare (SNC) 100%
GECINA MANAGEMENT (SNC) 100%
GEC 12 (SCI) 100%
GEC 13 (SCI) 100%
SPL EXPLOITATION (SNC) 100%
GEC 17 (SCI)* 100%
GEC 18 (SCI)* 100%
SADIA (SASU) 100%
SCI Capucines 100%
Société Immobilière du 55 rue d'Amsterdam (SCI) 100%
Immobilière du 5, bd Montmartre (SCI) 100%
SAS Labuire Aménagement 59.70%
SIF Espagne (SA de droit espagnol) 100%
SNC La Grande Halle de Gerland * 100%
Le Pyramidion Courbevoie (SASU) 100%
Colvel Windsor (SARL) 100%
Braque (SARL)* 100%
Haris (SASU) 100%
Nikad (SARL)* 100%
GEC 16 (SNC)* 100%
GECITER (SASU) 100%
1, quai M. Dassault Suresnes (SASU) 100%
Société Immobilière et Commerciale de Banville (SASU) 100%
Bami Newco (SA de droit espagnol) 49%
SCI Saulnier Square * 100%
Braque Ingatlan (SARL de droit hongrois)* 100%
Haris Inwestycje (SP z.o.o de droit polonais) 100%
GEC 7 (SASU) 100%
Campuséa (SNC) 100%
GEC 8 (SNC) 100%
GEC 10 (SNC) 100%
GEC 11 (SNC) 100%
GEC 15 (SCI) 100%
GECIMED (SAS) 100%
Clairval (SCI) 100%
GEC 9 (SASU) 100%
SCI HP Annemasse 100%
SCI BORDEAUX K1 100%
SCI SURESNES K1 100%
SCI EAUBONNE K1 100%
SCI LYON K1 100%
SCIMAR (SCI) 100%
SCI TIERS TEMPS AIX LES BAINS 100%
SCI DES ALOUETTES 64 100%
SCI DU 8 RUE DE CHEVREUL SURESNES 100%
SCI CLOS SAINT JEAN 100%
SCI DU TIERS TEMPS LYON 100%
SCI POLYCLINIQUE BAYONNE ADOUR 100%
SCI RHÔNE-ORANGE 80%
Mixted
Healthcare
Residential
Services
Logistics
Commercial
* Not operating

1.4.2. CHANGES IN THE GROUP'S STRUCTURE DURING THE FISCAL YEAR

In June 2013, Geciotel sold all of its assets, namely four holiday resorts operated under the Club Méditerranée trademark. After this disposal, Geciotel was merged with Gecina.

The companies GEC 12 and GEC 13, created in 2012, are now the respective holding companies for the office property located at rue Marbeuf and the Tour Mirabeau, acquired by the Group in 2013.

SCI Polyclinique Bayonne Adour, 100% owned by GEC 9, a subsidiary of Gecimed, was created in 2013 to serve as the holding company for the development project for a clinic located in Bayonne.

In 2013, SCI Rhône Orange, 80% owned by GEC 9, a Gecimed subsidiary, and 20% by the structural operator CAPIO, was formed to serve as the holding company for the development project of a clinic located in Orange.

GEC 17 and GEC 18 have been created for future developments.

1.4.3. POST-BALANCE SHEET EVENTS RELATING TO THE GROUP STRUCTURE

None.

1.5. Business and markets

1.5.1. ECONOMIC DIVISION

1.5.1.1. OFFICE SECTOR

Sources: BNP Paribas Real Estate, CBRE, Cushman & Wakefield, Immostat, IPD, Jones Lang LaSalle, Knight Franck, MBE Conseil.

PROPERTY

At the end of 2013, Gecina managed a portfolio of offices & retail of nearly 1,000,000 sq.m of which more than 900,000 sq.m in operation broken down (in value) as follows:

- 58% in the City of Paris;
- 41% in the Paris Region;
- 1% in Lyon and in Spain.

Breakdown of assets in operation by size:

- properties with a floor space of more than 10,000 sq.m representing 58% of the portfolio (versus 44% in 2004);
- 26% of the portfolio is comprised of properties between 5,000 and 10,000 sq.m;
- properties with less than 5,000 sq.m account for only 16% of the property holdings, versus 29% in 2004.

A STILL DYNAMIC INVESTMENT MARKET

Despite the continuing pressure on the rental market, large volumes of liquidities have maintained the buoyancy of the investment market. For example, in France, €17.6 billion were invested in commercial real estate in 2013, representing an increase of 3% over 2012. 62% of this €17.6 billion was invested in offices and 18% in the retail sector with the balance mainly in services, industrial premises and logistics. Investors focused primarily on the Paris region, which attracted 72% of the volume of acquisitions.

The market remained active on large transactions, since 44 transactions worth more than €100 million were recorded, representing 50% of the total investment amount. Investors remain attentive to the search for prime assets with secure fundamentals, but a rare offer on this segment pushed investors to position themselves on broader asset types, specifically in terms of localization. Therefore, the safest assets located in prime districts represented in 2013, slightly less than one third of invested amounts, versus 56% in 2012.

National investors were the principal investors (60% of transactions), with the most active being insurance companies, real estate investment trusts (SCPI) and real estate mutual funds (OPCI). International investors were mainly from English-speaking countries. German open funds were generally sellers, especially in the drive to gradually liquidate their assets.

The dynamism of the investment market supported the valuations of prime assets, whose rates stayed at 4.25% in 2013. On the contrary, the yield rates of secondary assets reportedly recorded a moderate increase.

TAKE-UP REMAINS BUOYANT WITH LOCALIZED PRESSURE ON RENTS

Take-up for offices shrank by -25% in 2013 to 1.85 million sq.m, due in particular to the sharp fall of large-size turnkey projects, after admittedly an exceptional 2012, while demands for small and medium-sized floor spaces stayed fairly resilient. Due to the sluggish economic growth and greater uncertainty, users of large floor areas in particular postponed their long term relocation projects and focused on lease renegotiations. In connection with changes in location, demand for office property remains primarily driven by the need to streamline property costs, by occupying buildings that are more efficient in terms of cost per workstation and combinations. Moreover, users continue to show preference for properties close to public transports and major roads, and which convey a modern and environment-conscious image of their company.

Transactions above 5,000 sq.m fell by 45% compared to 2012, although there was a slight pickup in the 4th quarter. Rentals for floor areas of less than 5,000 sq.m were more resilient, falling by 6% for the year.

Meanwhile, the offering for offices stood at 3.9 million sq.m at the end of 2013, up by +9% compared to the level at the end of 2012, reflecting a vacancy rate slightly up by 7% in the Paris region. The vacancy rate continues to be particularly low in the Paris Central Business District (5.8%), and higher in the Western Crescent (12.5%) and at La Défense (12.2%). These changes were mainly caused by deliveries of new or restructured programs, primarily at La Défense and in the Western Crescent. In total, nearly 800,000 sq.m of offices were delivered in 2013 in the Paris region. In 2014, 756,000 sq.m of office deliveries are expected, of which roughly 50% have reportedly already been pre-leased.

In this context, headline rents remained generally stable. However, assistance measures were on the rise compared to 2012, representing an average of 2.5 to 3 months of rent per year of commitment in the Paris region. The rent-free periods are however shorter in Paris, corresponding to an average of 1.5 to 2 months rent per year of commitment.

OUTLOOK

In 2014, the abundance of available cash and possible anticipations of a pickup on the rental market should continue to drive the investment market while Paris and its region present defensive qualities such as liquidity and depth. Real estate companies may also become buyers, as liability problems seem to have waned. The main issue remains the willingness of investors to raise their exposure to secondary assets considering the limited prime offering. In all, nearly €18 billion could be invested in commercial real estate in France in 2014, according to property consultants.

Concerning the rental market, the office property market will still be influenced by the macro-economic environment, and particularly the employment trend. According to property brokers, take-up in 2014 should be around 2 million sq.m Demand will probably continue to be primarily motivated by the search for savings by tenants, as well as business combinations. The effect of indexing, which is gradually changing from the Cost of Construction Index (ICC) to the office rental index (ILAT), should remain slightly positive for Gecina.

Gecina should benefit in 2014 from its exposure to prime assets, especially in the Paris Central Business District, and will focus on optimizing the return on its property holdings.

In 2013, the Group began to restructure two office assets. On one hand, the restructuring of a 10,568 sq.m office building located in Boulogne (Hauts de Seine), which will be delivered in the 4th quarter of 2015. On the other hand, the restructuring of a 12,341 sq.m building in the 8th arrondissement of Paris, whose delivery is scheduled for the 3rd quarter of 2016. Lastly, early 2014, Gecina signed an agreement with EDF for the construction of a campus of offices with total space of 20,341 sq.m in the Gerland district in Lyon. The delivery of this project is scheduled for the 4th quarter 2016. Gecina will therefore operate a land bank already included in its property holdings, while participating in the development of this district in Lyon.

1.5.2. DEMOGRAPHIC DIVISION

1.5.2.1. RESIDENTIAL SECTOR

Sources: www.paris.notaires.fr, INSEE, Guide du crédit, Clameur.

PROPERTY HOLDINGS

Following a series of divestments, Gecina's residential portfolio is almost exclusively concentrated on Paris and the adjacent department of Hauts de Seine, markets where the decisive factors, especially in terms of scarcity of supply, appear very specific compared to the rest of the country.

Residential surface areas in operation are broken down as follows:
- 71% in the City of Paris;
- 25% in the Paris Region;
- 4% in other regions.

PRICES DECREASED SLIGHTLY IN 2013 WHILE VOLUMES RALLIED

Residential property prices in Paris fell slightly in 2013 to €8,200/ sq.m at the end of November 2013, according to the statistics of notaries, representing a fall of -1.3% over one year. The notaries' leading indicator expects prices to rally slightly in spring 2014. In this context, Gecina successfully completed a unit-by-unit sales program worth €164 million in 2013. The amount of block sales totaled €80 million for the year.

Prices stayed high driven by both scarce supply and particularly favorable credit terms. For example, at the end of December 2013, credit rates for 15-year mortgage loans fell to a historically low level of 3.15%.

Meanwhile, despite a very low-growth macro-economic context, the number of transactions, which were clearly down (-13%) in 2012 rallied by +2% over one year at the end of November 2013 in the Paris region. Notaries are expecting a +5% increase in volumes in the region for the full year of 2013.

Paris and, to a lesser extent, the First Rim, represent a market with genuine shortages and growing demand due to demographic changes, the interest of foreign investors, concern about pensions and uncertain financial markets. For example, the Paris population increased by 5% between 1999 and 2009, while the volume of real estate grew by 1.8%.

A GENERALLY STABLE RENTAL MARKET IN THE PARIS REGION

Rents stayed nearly flat in 2013, with the trend dipping by a tiny -0.4% to €24.1/sq.m (excluding charges). In the Paris region, rents stood at €18.8/sq.m (excluding charges), representing an increase of +0.3%. For the whole of France, the increase in rents in 2013 was limited to +0.1%, significantly lower than the 1998/2013 average of +2.8%. This change mirrors the sluggish pace of indexing, as the Rent Reference Index, went up by +0.7% in 2013.

The scarcity of the rental offering remains particularly significant in the City of Paris. It is particularly the result of the shortage of new constructions in this zone. This situation could not be corrected by the deliveries of new buildings covered by the Scellier (since 2009), then the Duflot (since January 2013) tax-relief initiatives as they are not really relevant for city centers. In this context of limited supply, the gradual increase in the number of first-time homeowners resulted in a lower number of private properties available for rental. These market conditions are reflected in a high average financial occupancy rate of 98.1% for Gecina's residential property holdings in 2013.

OUTLOOK

The scarcity of housing supply in Paris and in the First Rim should remain the structuring factor for this market in the medium term and will help to keep asset prices up. By 2014, transaction volumes could still be adversely affected by a difficult macro-economic context and less favorable conditions for buying investors (lower yields due to rent regulation in particular). However, financing conditions represent a substantial support factor for creating solvent demand.

Rents should stay on a stable trend in Paris and in the First Rim, especially with the 2012 rent regulation decree, renewed in 2013. The tenant turnover rate in the Gecina portfolio should remain close to the 2013 level (15%).

1.5.2.2. STUDENT RESIDENCES SECTOR

PROPERTY HOLDINGS

At the end of 2013, Gecina was running, through its Campuséa subsidiary, nine student residences, of which three in the Paris Region and six in other French regions, representing approximately 1,440 beds.

A MARKET WITH INSUFFICIENT CAPACITY IN LARGE UNIVERSITY CITIES

In the long term, we expect the student residences sector to be boosted by an increase in the number of students, while supply continues to be limited.

This is because France, together with Germany and the United Kingdom constitute the three European countries with the largest student populations, i.e., nearly 2.4 million students. We expect this number to rise given the increase in the length of university courses and the number of foreign students. According to the French Minister of Higher Education and Research, the number of students is likely to increase by +7% to more than 2.5 million by 2020. At the same time, the number of foreign students should increase by around 285,000 now to nearly 750,000 in 2020, representing by that date 30% of the total number of students on France.

Within this student population, more than 60% of students share apartments. The level of apartment sharing rises in proportion to the age of students: two thirds of students aged 21 and above no longer live with their parents. In this context, there is a genuine shortage of suitable housing, especially in the Paris region. For example, there are only 120,000 bed spaces in student residences, 165,500 in university residences and 40,000 to 50,000 in hotels and social housing. Students need to find accommodation in the traditional sector, often sharing with other students, sometimes in conditions of limited comfort, and at very high prices.

In 2013, Gecina continued the ongoing developments of 5 projects, of which two in Paris in the 13th and 15th arrondissements of Paris, two residences in the Paris region (Saint-Denis and Bagnolet) and a residence in Bordeaux. These five projects total 787 beds and will be delivered in 2014 and 2015.

Furthermore, Gecina launched three new development projects in 2013.

First, Gecina will enter the student residence market in Marseille for the first time by acquiring a pre-construction sale project (VEFA) for a residence with 198 beds in the 2nd arrondissement, near the seaside. The asset will be delivered for the start of 2016 academic year and is aiming for an Effinergie + label and an H&E (Habitat & Environnement) profile A certification.

Furthermore, the Group signed a pre-construction sale agreement for a students' residence located at Palaiseau, on the Saclay plateau. This project is located close to the Campus of the Ecole Polytechnique and thus strengthens Gecina's presence in the student's zones under development. Indeed, the booming Saclay plateau will host 48,000 students and 10,500 teachers-researchers in 2015. This residence will offer 155 beds and will be ready for students for the start of 2015 academic year. The building is aiming at an Effinergie + label and an H&E (Habitat & Environnement) profile A certification.

Lastly, Gecina signed with EPADESA (State developer for the La Défense area), a land charge reservation protocol for the construction of a residence on the "Rose de Cherbourg" site, on the edge of the circular boulevard, in the town of Puteaux.

This project, in which Gecina will maintain a promotion margin, is part of a vast development project aimed at creating a vibrant city district through a mixed development of office, retail and residential properties. In a sector that is extremely well-served by public transportation, this new offering of student accommodation will strengthen the appeal of the higher learning district located at La Défense and Nanterre. The building will offer around 380 beds and is being designed by the Ateliers Jean Nouvel architectural firm. The project is aiming for a triple Habitat & Environnement, LEED and BREEAM certification and for the Effinergie + label. Delivery is scheduled for the start of 2018 academic year.

OUTLOOK

Gecina's ambition is to raise its student residence portfolio to 5,000 beds, by targeting major French university cities. A total of eight development projects are currently under promise or under construction in the Paris Region, in Bordeaux and in Marseille. The Group acquires or develops entirely new residences, or converts office buildings into residences, always to the highest sustainable development standards and especially all with the Effinergie + label and compliant with the premium (high level of comfort, design, equipment and services) spirit of Campuséa, its dedicated subsidiary. This has enabled Gecina to assert its ranking as the No. 1 owner-operator in France.

1.5.2.3. LOCARE, GECINA'S MARKETING AGENT

Through its subsidiary Locare, Gecina is one of the only fully integrated French players in the residential property sector, which provides asset management, property management, facility management and transactions functions for its own property holdings and for third parties.

As such, Locare focuses on three key areas:
- Rental of assets for Gecina group companies and for third parties;
- Block and unit-by-unit disposals of assets, for both residential as well as offices, retail and hotel properties, for Gecina group companies and for third parties;
- Asset management for Gecina companies and for third parties.

1.5.2.4. HEALTHCARE SECTOR

PROPERTY HOLDINGS

Through the intermediary of Gecimed, its healthcare real estate subsidiary, Gecina owns the buildings of 74 facilities, clinics and Homes for Elderly Dependent Persons, with a total of over 8,000 beds, and thus represents the 2nd largest player on this market in France.

Created in 2001 by giving a structural form to their funding, the Homes for Elderly Dependent Persons have considerably developed since that date, with nursing care offered in existing homes and new facilities created. According to the Eco-Santé database, the number of beds in Homes for Elderly Dependent Persons increased from 121,400 in 2003 to 547,700 in 2012. However, private structures are still a minority (22% in number) on this market, where public or charity run facilities are still the majority.

Nevertheless, the private sector continues to consolidate by buying independent facilities, medium-sized groups and forming alliances between entities of significant sizes. Thus in 2013, operators Korian and Medica announced their merger which created a European leader on the market of Homes for Elderly Dependent Persons. The two players accounted for a total of 14% of Gecina's annualized rents in healthcare real estate at the end of 2013. The size effect allows operators to optimize their financing capacities, optimize the medical resources but also gain more clout with respect to supervisory authorities and enhance their bed operating licenses.

Indeed, the budget constraints weighing on public finances have considerably limited the construction of new facilities, and the Agences Régionales de Santé (ARS, or regional health agencies) have launched few new calls for projects. This scarcity has an impact on the rising value of existing real estate assets. The share of long-term stay assets continued to grow in Gecina's portfolio, accounting for 33% of the Group's rents in healthcare real estate in 2013.

On the health sector (clinics, private hospitals), operators are still impacted by the pressure on prices and higher charges. Indeed, the prices strictly regulated by the State fell by -0.2% in 2013 for the Medical, Surgical and Obstetric (MSO) activities handled by the private sector according to the FHP-MCO. These constraints have led to a change in care structures and real estate strategies. For example, operators are encouraged to shorten the length of an average stay and provide more outpatient care facilitated by progress in surgical techniques. In line with this optimization strategy Gecina has concluded a new partnership with a major European operator: Capio. Accordingly, in 2013, Gecina launched the construction of two new private clinics that will be leased and run by Capio in Bayonne and Orange, for total investment of nearly €83 million. These assets will allow Capio to optimize its real estate costs while offering more comfort to its patients.

MSO operators have also positioned themselves downstream, offering post-op and rehabilitation care, often within the MCO-SSR healthcare divisions, such as Générale de Santé. The capacities growth momentum has been very strong for the past decade (+73% since 2002). This segment, which is dominated by private players, should continue expanding, with post-op and rehabilitation (SSR) beds accounting for 20% of the number of hospitalization beds, versus 46% for the MSO sector.

The healthcare real estate market, which is a recent segment of the investment market, continued its structuring in 2013. Investment volumes remained significant at €460 million, after a record year in 2012 (€850 million), and €650 million in 2011. In 2013, the outsourcing of property holdings concerned relatively low amounts: €240 million versus an average annual amount of €320 million between 2006 and 2012. Investments were driven by sales between investors, with Gecimed as one of the stakeholders, underlining the increasing power of new players who offer enhanced liquidity to these assets and demonstrate the existence of a full-fledged separate secondary market.

OUTLOOK

In the future, the Group will focus on investment in medium and long-term stay facilities (Homes for Elderly Dependent Persons, psychiatric clinics and post-op care). Gecina will nevertheless take advantage of investment opportunities in the short-stay sector in new or structuring facilities on its healthcare territories in partnership with leading operator-tenants.

The Group could also continue selling off some selective assets, as part of its asset turnover policy.

1.6. Risks

1.6.1. RISK FACTORS

1.6.1.1. RISKS RELATED TO CHANGES TO THE REAL ESTATE MARKET

1.6.1.1.1. CHANGE IN THE REAL ESTATE MARKET

Gecina operates in various sectors of the real-estate market: offices, hotels (economic division) and residential, student residences and healthcare (demographic division). It should be noted that the bulk of the logistics portfolio was sold off in the second half of 2012 and that the hotel business was sold off in the first half of 2013.

Over and above the risk factors specific to each asset, the business is exposed to unforeseen factors and to specific risks and, in particular, the cyclical nature of the sector. Rents and real property prices are cyclical by nature. The cycles are long with variable durations. Real property prices follow the cycle in different ways and at different levels of intensity depending on location and type of asset. Fluctuations depend, in particular, on the balance between supply and demand, available investment alternatives (financial assets themselves are affected by interest rate levels) and the economic climate in general.

It is difficult to predict economic cycles and fluctuations in the real estate market. That is why Gecina might not always be able to carry out its investments or disposals at the precise moment when market conditions are optimal. The market context could also encourage or oblige Gecina to defer certain investments or disposals. A lease may also be due to expire during periods of market downturn and hence will not be able to cash in on the upside potential of a rent assessment. All in all, a depressed real estate market could have a negative impact on the valuation of Gecina's portfolio, as well as on the income it generates.

Economic conditions such as the level of economic growth, interest rates, inflation and/or deflation, unemployment rates, the method used in calculating rent indexation and the indexes evolution are all subject to change and may adversely affect the real estate market in which Gecina operates.

A protracted economic crisis affecting sectors of the economy on which Gecina's tenants are active could have unfavorable and hard to quantify consequences on Gecina's rental income and margins. Such a crisis could reduce demand for real estate, lead to a decline or slowdown in the growth of the indexes on which Gecina pegs its rents, affect Gecina's capacity to increase or maintain rents and generally be detrimental to the occupancy rate of real estate assets and the ability of tenants to pay their rent. These factors are likely to have a negative impact on the Group's rental income, the portfolio value, renovation costs as well as investment and development policy. For further information on the sensitiveness of the main financial indicators, see Note 3.5.6.6. of the Notes to the Consolidated financial statements.

1.6.1.1.2. GECINA'S EXPOSURE TO SPECIFIC RISKS RELATED TO ITS OFFICE REAL ESTATE BUSINESS

Office real estate accounts for 62% of rental income (Beaugrenelle included) and 64% of the value of the Group's property holdings. In its office real estate business, the Group is confronted with specific risks that can adversely affect the appraised value of the Group's property holdings, its earnings, its business in general and its financial position. These risks derive from the fact that:

- the office real estate business is more sensitive to the economic environment in France and the Paris Region than is the residential or healthcare real estate business;
- the regulations for office leases, while less strict than those for residential leases, are still very restrictive for the lessor;
- new regulations arising, in particular, from the "Grenelle 2" Act have modified energy consumption considerations (see chapter 7 "CSR responsibility and performances");
- work undertaken to restore vacant premises to their former condition before they are re-rented is often more extensive for office real estate than for residential real estate;
- the risks attendant on tenant insolvency and their impact on the Group's earnings are greater for office real estate owing to the relative importance of each tenant.

1.6.1.1.3. COMPETITION

Gecina is present on four segments of the real estate market (offices, traditional residential, student residences, and healthcare). It should be recalled that the hotels portfolio was sold off in the first half of 2013. It has to deal with competition both in the rental and investment business on each segment. Gecina is therefore in competition with numerous international, national and local players, some of whom have significantly larger financial resources, property holdings and acquisition and asset management capacities. These players may be in a position to acquire or develop real estate assets on terms, such as price, that do not meet the investment criteria or the objectives Gecina has set for itself.

Among European real estate companies, Gecina carried a weight of 3.1% of the IEIF Immobilier Europe index at the end of December 2013, behind respectively Unibail-Rodamco (14.8%), Land Securities (12.9%), British Land (10.7%), Hammerson (6.4%), Klépierre (5%), Corio (4.8%), Segro (4.4%); Derwent London (4.1%), Intu Properties (4.0%), Great Portland Estate (3.5%) and Icade (3.3%).

With block property holdings of €10.8 billion as at December 31, 2013, Gecina is the third largest real estate company in France after Unibail-Rodamco and Klépierre.

This competition is especially active in the acquisition of available land and properties. Moreover, even if Gecina considers that its positioning gives it a competitive advantage, in some of its businesses it may have to deal with competitors with larger market shares. If Gecina is unable to pursue its investment and buying/selling policies and to maintain or strengthen its rental income and margins, its strategies, business activities in general and earnings could be negatively affected.

1.6.1.2. OPERATING RISKS

1.6.1.2.1. ASSET VALUATION RISKS

Gecina has opted for the valuation of investment properties at fair value.

Gecina's property portfolio is valued on June 30 and December 31 each year by a board of independent appraisers. The procedure applied by Gecina for the last appraisal of its real estate properties on December 31, 2013 is described in paragraph 2.3 of chapter 2 "Valuation of property holdings", and in Note 3.5.3.1. of the accounting principles.

The change in fair value of buildings over a six-month or one-year period is recorded in the Group's consolidated net earnings. It could also have an impact on Gecina's cost of debt, compliance with its financial ratios and its borrowing capacity, since these factors depend, in particular, on Gecina's debt ratio in relation to the value of its real estate assets.

For the first-time valuation of an asset, the real estate appraisers draft a detailed appraisal report, then an update of the following half years. The valuations adopted by the independent appraisers are based on several assumptions, specifically occupancy rate and future rent levels. Such assumptions may not be fulfilled and they furthermore depend on developments in the different markets on which Gecina operates. In this case, the valuation of the Group's property holding may turn out to be different from its actual realizable value if the assets are to be sold.

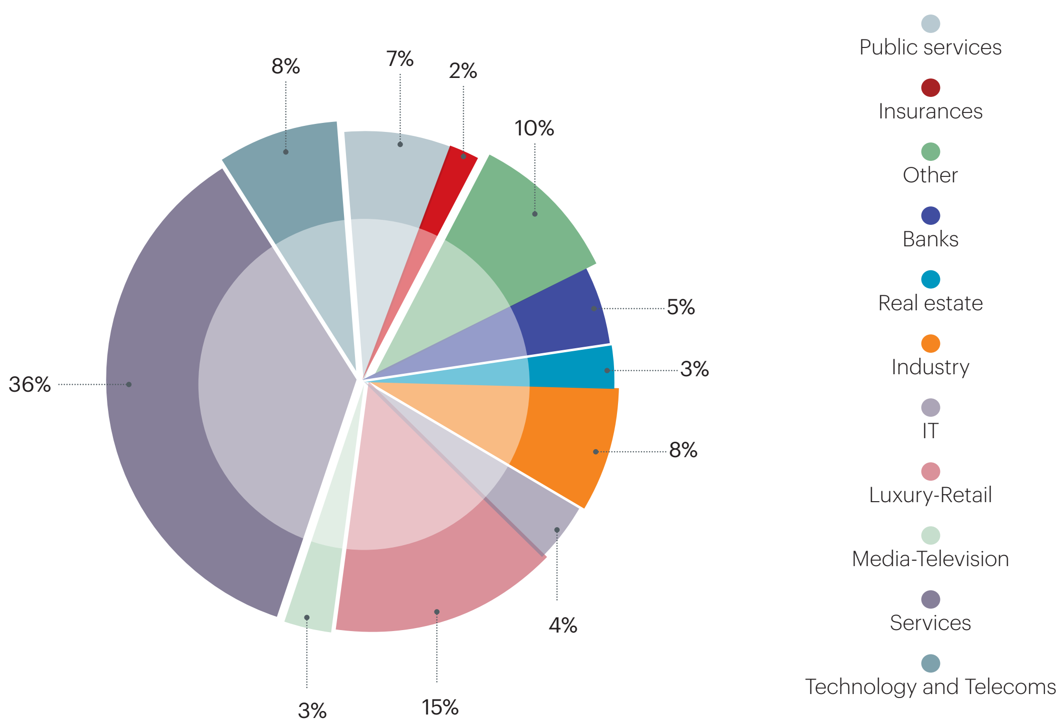
1.6.1.2.2. RISKS LINKED TO ACQUISITIONS THROUGH BLANK AND PRE-CONSTRUCTION SALE AGREEMENTS (VEFA)

Launching a real estate project within the framework of blank and pre-construction sales often entails starting the development before marketing. If the developer is unable to find users shortly after construction begins or after delivery of the asset, this type of development can generate costs for Gecina (such as the financing of works or financial expenses) that can significantly impact the profitability of said developments and more generally Gecina's financial position. The Group strives to prevent this type of risk by signing pre-construction leases (BEFA) (see Note 3.5.4.1. of the Notes to the Consolidated financial statements).

1.6.1.2.3. RISK OF TENANT INSOLVENCY

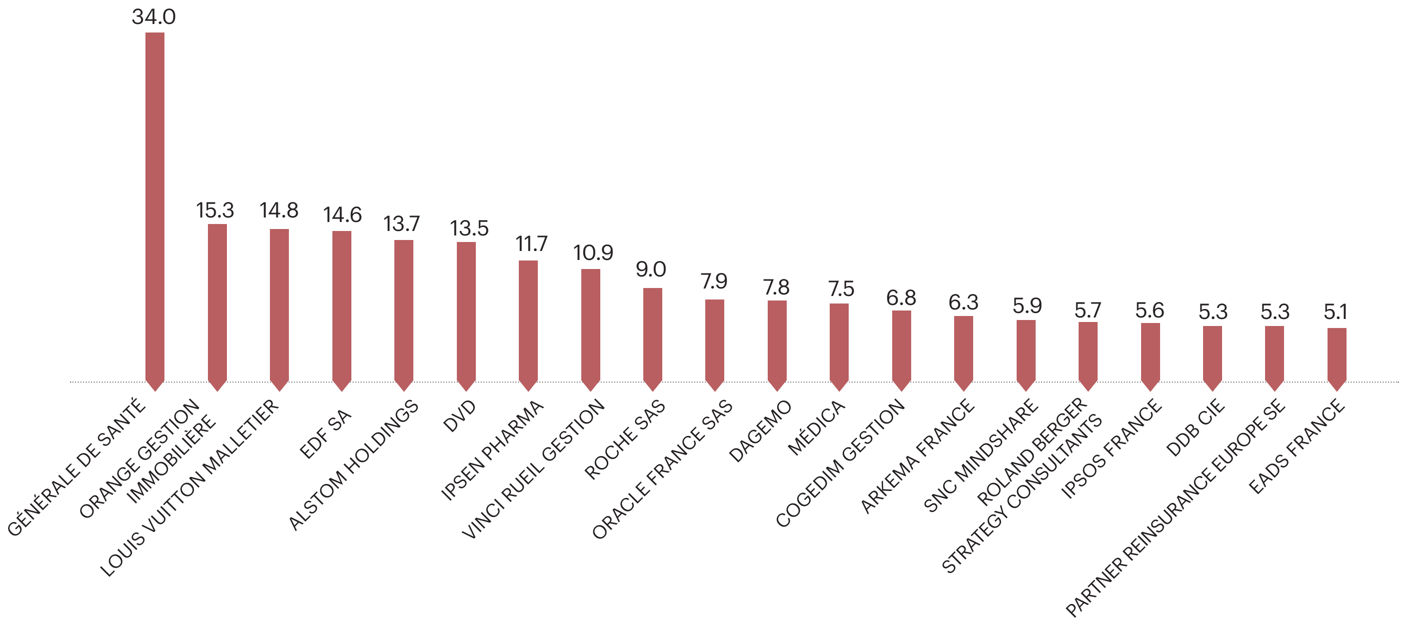
Rental income comes from rent collected and may therefore be considerably affected by the insolvency or departure of tenants. Depending on the change in economic environment, any financial difficulties of tenants, in particular in the office and commercial market, are likely to be more frequent, change their solvency and consequently adversely affect Gecina's rent collection.

Breakdown of office tenants by sector



As at December 31, 2013, the Group's dependence on its main customers was as follows:

■ **Rent from main tenants (€ million)**



Gecina's top 20 tenants in 2013 accounted for 35% of rental income of the entire Group.

1.6.1.2.4. RISK LINKED TO A DROP IN THE FINANCIAL OCCUPANCY RATE OF ITS BUILDINGS, PRIMARILY IN ITS OFFICE BUILDINGS

The financial occupancy rate of the Group's buildings was 95.5% as at December 31, 2013. When the current leases expire, Gecina may be unable to renew or lease the assets concerned as rapidly as it expects and with terms as favorable as those of the current leases. The vacancy of some premises could have a negative impact on Group results for several reasons. First, the absence of rent combined with an increase in operating expenses borne by the Group, resulting from the fact that Gecina cannot recharge part of the overheads relating to the vacant premises, together with rehabilitation expenses before the property is put back on the market. Should Gecina be unable to attract enough tenants to rent its offices and maintain a satisfactory financial occupancy rate and rental income, this could adversely affect its revenues, operating income, profitability and valuation of its property holdings.

■ **Rents volume by three-year lease terms**

	2014	2015	2016	2017	2018	2019	2020	> 2021
Offices (1)	39	87	77	40	21	28	15	44
Healthcare	0	0	2	0	10	7	10	43
TOTAL	**39**	**87**	**79**	**40**	**31**	**35**	**25**	**87**

(1) Outstanding maturities in the first half of 2014 carried forward to the next maturity date.

■ **Rents volume by lease agreements expiry schedule**

	2014	2015	2016	2017	2018	2019	2020	> 2021
Offices	22	22	39	36	63	42	27	99
Healthcare	0	0	2	0	10	7	10	43
TOTAL	**22**	**22**	**41**	**36**	**73**	**49**	**37**	**142**

1.6.1.2.5. ACQUISITION RISKS

Gecina is planning to acquire commercial, healthcare and student residential real estate assets. The acquisition strategy for real estate assets or for the companies that own these assets involves several risks likely to impact the Group's business, earnings or financial position:

- Gecina could over-estimate the expected yield or the potential for the assets to increase in value. It could therefore buy them at an overly high price or be unable to buy them on satisfactory terms, in particular in the case of acquisitions made through a bidding process or in times of volatility or high economic uncertainty; especially, Gecina could underestimate the cost of works for its projects under development due to possible overruns that periodic monitoring of construction costs would not have anticipated;
- if an acquisition is to be financed by the sale of other assets, unfavorable market conditions or long delays could set back or compromise Gecina's capacity to conclude the planned acquisition;
- the assets acquired could have hidden defects (e.g. environmental, technical or town planning non-compliances, subletting, etc.);
- should Gecina be obliged to resort to external financing as a result of growth through acquisitions, it cannot guarantee that it will have the financing required or would receive financing under acceptable financial terms;
- with respect to company acquisitions, Gecina may encounter difficulties when integrating staff or processes, which could temporarily reduce the synergies expected.

Acquisition projects are first reviewed by the Investment and Transaction Committee, then by the Strategic Committee, and lastly by the Board of Directors depending on the size of the investments. The review is aimed at assessing the potential risks linked to an acquisition and primarily at mitigating these risks.

1.6.1.2.6. OBSOLESCENCE RISKS

The risk of property obsolescence is inherent in increasingly stringent regulations, new professional standards, industry-validated practices or more demanding requirements from its clients. Quality labels or certifications may also issue guidelines for certain activities or impose additional technical goals requested by the Group's clients. This applies, for example, to the general demand by players for environmental certifications such as HQE®, BBC, LEED, BREEAM, on the majority of new or restructured commercial buildings or Patrimoine Habitat & Environnement on the residential property holding.

With respect to sustainable development, Gecina is committed to the development of responsible property holdings through its PRIME project (c.f. Chap. 7.1.4.3 The PRIME project). Gecina has set up a dedicated action plan and monitors the environmental performances of its property holdings through indicators and objectives (c.f. Chap. 7.1.3 CSR Policy: commitments, action plan, goals and key indicators). With respect to energy, Gecina anticipates the provisions of the future decree on the renovation of the population of commercial buildings by signing the voluntary commitment charter for the energy efficiency of commercial buildings (c.f. Chap. 7.3.1. Energy performance and renewable energies). Lastly, its participation in different think tanks allows it to conduct the thematic watch required for implementing best practices and experimentations (c.f. Chap. 7.6.2.5 Active participation in representative bodies and think tanks).

Furthermore, the location or configuration of the company's assets might no longer meet market expectations due to unexpected developments in tenant expectations, or insufficient or inappropriate maintenance of its property holdings. Failure by the company's buildings to meet client demands could negatively impact Gecina's revenues, operating costs and the value of its assets.

1.6.1.2.7. RISKS LINKED TO SUB-CONTRACTING

The Group makes use of external service providers and is therefore exposed to the risk of the poor performance of their obligations and the risk of their insolvency.

In its rental business, the Group uses certain external service providers and suppliers, in particular, for its construction/reconstruction works, elevator maintenance, cleaning of the communal areas of buildings, or for restoration, renovation, or refacing work.

The discontinuance of business or the insolvency of certain external service providers and suppliers or the poor performance of their obligations could result in a decline in the quality of the services provided by the Group and an increase in corresponding costs.

Likewise, the insolvency of external service providers and suppliers could affect the implementation of the guarantees from which the Group benefits. In particular, in renovation projects, the Group could find itself unable to obtain compensation for damage incurred on this account. Poor performance on the part of the Group's external suppliers, or their insolvency could have a significant unfavorable effect on the Group's business, earnings, and on its reputation.

The Group makes sure that its suppliers and subcontractors act in accordance with applicable labor laws and regulations, and especially those pertaining to undocumented work. The internal reporting standards for applicable procedures can be used to check and assess the certifications transmitted by the Group's suppliers and subcontractors.

1.6.1.2.8. RISKS RELATED TO THE FAILURE TO OBTAIN ADMINISTRATIVE PERMITS AND POSSIBLE REMEDIES AGAINST PERMITS ISSUED

Investments made by Gecina for its real estate activities may be subject to administrative permits prior to the execution of work, performance of services or the commissioning of facilities. These permits may be issued with delays or even be refused at the end of a review period by the administrative authorities; that is not always within Gecina's control. After they are issued, these administrative permits may be reviewed, withdrawn or lapse. The process for obtaining administrative permits may encounter delays, extra costs or even be abandoned, thus having significant negative impacts on Gecina's business and earnings.

1.6.1.2.9. RISKS RELATED TO INSURANCE COSTS AND LACK OF COVERAGE FOR CERTAIN RISKS

Currently, the cost of insurance premiums paid by Gecina for its compulsory and optional insurance coverage accounts for a limited portion of its operating costs. All the Group's assets are covered by insurance policies.

However, the cost of these policies may increase in the future, and it is possible that Gecina will not be able to maintain the appropriate insurance cover at an acceptable cost. This would have a materially adverse impact on Gecina's financial position and earnings. Moreover, some types of risks to which Gecina is exposed may no longer be covered by insurance companies. Lastly, Gecina may be faced with the risk of the bankruptcy of one of its insurers, who, if so, may be unable to pay any compensation due.

1.6.1.3. LEGAL AND TAX RISKS

It is incumbent upon the Group to comply with numerous general or specific regulations that govern, among others, regulations for real estate rental or transactions activities, urban planning, operating permits, construction, public health, the environment, and safety. To reduce the risks linked to mandatory compliance with these obligations and the impact that amendments to the applicable regulations could have on operational earnings or on the Group's outlook for development and growth, the Group consistently sets its goals above what the regulations require.

1.6.1.3.1. RISKS LINKED TO CHANGES IN REGULATIONS

As a company operating on property markets, Gecina must comply with many restrictive regulations, in particular, concerning real property rental or transactions, the construction, maintenance and renovation of buildings, health, safety, environment, development and town planning. Changes in the nature, interpretation or enforcement of these regulations could compromise some of the practices adopted by Gecina in managing its property holdings, restrict its capacity to sell its assets or implement investment and renovation programs. Such changes could increase Gecina's costs for operating, maintaining and renovating its property holding and adversely affect the valuation of its property holdings.

1.6.1.3.2. RISKS LINKED TO CHANGES IN LEASE REGULATIONS

DEMOGRAPHIC DIVISION

With respect to residential leases, the annual rent revision is regulated and, for a current lease, it may not exceed the annual change in the Rent Reference Index. So long as the annual turnover rate of the Group's operating residential properties is low, rent increases for most residential leases concluded by the Group and consequently the Group's residential rentals will follow the change in the Rent Reference Index. In this respect, it is worth noting that decree No. 2012-894 of July 20, 2012, which became effective on August 1, 2012, stipulates that rent for premises primarily used as housing or for mixed purposes with leases governed by the provisions of the law of July 6, 1989, which are re-rented or renewed within 12 months of the effective date of the said decree, cannot exceed the last rent paid by the previous tenant adjusted in accordance with the Rent Reference Index variance. There are, however, exceptions to this capping principle, set out in the following cases: i) upgrades to the communal or private areas representing at least half of the last rental year, ii) clearly undervalued rent, iii) the existence in the lease of a contractual clause stemming from an increase in rent consecutive to the payment by the lessor of upgrade works, iv) conclusion of a collective agreement with tenant associations.

It must be noted that Article 17-a section 2 of the 1989 law allows lessors to freely determine their rent if the vacant unit has been upgraded to comply with standards.

Furthermore, a so-called "ALUR" draft bill aimed at amending the 1989 Act is under discussion. This could introduce in particular i) a change to rent control rules, relying specifically on an average rate based on yet-to-be-defined calculation conditions ii) shortening of notice periods for tenants from three months to one month in tight areas iii) reviewing of marketing fees in the context of leasing iiii) introduction of a universal rent guarantee whose application methods are yet to be defined.

ECONOMIC DIVISION

With respect to commercial leases, the three-year revision of rents is a matter of public policy. The resulting increase in rent, calculated to reflect changes in the quarterly Cost of Construction Index published by INSEE (ICC), must not exceed the rental value, barring modification in local commercial factors.

However, most leases include an automatic annual rent indexing clause (escalator clause) which provides an exemption from the three-year revision mechanism. Until recently, this indexing was systematically calculated for commercial and healthcare facilities rent as a function of the change in the quarterly Cost of Construction Index (ICC). According to the law, if, due to the effect of the escalator clause, rents increase by more than 25% over the last rent fixed by contract, the tenant (or the owner) can ask for the rent to be pegged on the rental value.

Given the erratic trend of the Cost of Construction Index, new indices for commercial rent indexes (ILC) and tertiary activities rent index (ILAT) were created by the law. These indices are not automatically applicable; their application is discretionary and must be the subject of a contractual agreement with the lessees. These indices are composites (The ILC comprises consumer prices, the Cost of Construction Index and the retail trade revenue index, while the ILAT also includes the consumer price index and the Cost of Construction Index as well as the GDP index in value).

Furthermore, contractual requirements related to the duration, cancellation or renewal of leases or the calculation of compensation due to evicted tenants are mostly justified under public policy and restrict Gecina's freedom to optimize its management of yields from its rental income.

This means that if the rental market were to be characterized by high demand for premises in the commercial sector (which is currently not the case), the Group would not be free to raise the rents of ongoing leases and could therefore not set the market rental value outside the foregoing revision rules. Similarly and in certain cases, pegging the renewal rent on the rental value is regulated and may be limited for certain types of leases (retail mostly), by cap rules.

Furthermore, a "Pinel" draft bill is under discussion, which mainly seeks to better control non-recoverable expenses inside leases, as well as the amendment of the rent capping rules.

Lastly, with respect to rebilling expenses, there is a risk of tenants challenging new levies or new taxes or new compliance obligations created during the lease.

1.6.1.3.3. RISKS RELATED TO CHANGES IN SOME TAX SYSTEMS

Risks linked to constraints stemming from the SIIC tax regime

Gecina is subject to the tax system for French listed real estate investment trusts (hereinafter "SIIC") as provided for in Article 208 C of the French General Tax Code, which allows it to benefit from a corporate tax exemption on the portion of its profits generated from the rental of its buildings as well as from capital gains from disposals of properties or equity interests in real estate companies, and dividend payments from certain subsidiaries.

Despite the benefits of the SIIC regime, it entails a certain number of risks for Gecina and its shareholders, which are described in this section.

The benefit from the tax exemptions under the SIIC regime is contingent on compliance with the mandatory distribution of a significant percentage of Gecina's profits. The obligation to distribute could limit the resources available for financing new investments and oblige the Group to take on more debt or turn to the market to finance its development.

Gecina's business activities will be limited by the constraints of the SIIC regime

Under the SIIC regime, Gecina is not subject to an exclusive corporate purpose. It may engage in activities incidental to its main corporate purpose (for example property trading, marketing and development) on the condition that the value of the assets used for and directly involved in the exercise of this business does not exceed 20% of the gross value of Gecina's assets. In case of the contrary, the benefit of the SIIC regime could be revoked. In any event, the profits accruing from incidental business are subject to corporate income tax based on the ordinary tax rate.

The 20% withholding tax due by the company under the Amended Finance Act for 2006, and applicable to distributions by SIICs to a shareholder being a legal entity (not an individual) paying little or no tax that holds at least 10% of the capital ("Deduction Shareholder") could affect Gecina insofar as this withholding tax must be paid back to Gecina by the Deduction Shareholder, although in practice this repayment is done by way of an offset with the dividend payable to such Deduction Shareholder. Nevertheless, Gecina's bylaws specify that this withholding tax is due by the Deduction Shareholder.

Gecina is subject to the risk of future amendments to the SIIC regime

The criteria of eligibility to the SIIC regime and the tax exemption conditions associated with this regime and the scope of the withholding tax may be amended by the legislator or on the strength of interpretations of the tax authorities. As an example, the Finance Acts and amended Finance Acts voted for the past 10 years have brought certain changes to the regime, especially the aforementioned provisions concerning a holding of 60% or more of the capital or voting rights by one or several shareholders (except for the SIICs themselves) acting in concert, or to the 20% withholding tax, at the exit tax rate which increased from 16.5% to 19% as at January 1, 2009, the extension of the regime to include certain property rights, sanctions in the case of definitive withdrawal from the SIIC system and the SIIC III system which ended on December 31, 2011. Since August 17, 2012, SIIC companies have been subject to an additional contribution to the corporate tax equal to 3% of the amount of distributed revenues. Since January 1, 2013, the amounts distributed by SIIC companies are exempted from the contribution for the full amount of their distribution obligations. The amended finance act for 2013 modified the mandatory distribution rates for SIIC companies. Thus, the distribution rate for rental revenues was raised from 85% to 95% and that of capital gains from the disposal of buildings from 50% to 60%. These successive amendments could leave room for interpretation by the tax authorities through investigations and advance rulings, the details of which are not known at the time of writing of this document. Furthermore, future amendments to the SIIC regime could have a materially adverse effect on the Group's business, financial position and earnings.

TAX ENVIRONMENT

Gecina is exposed to risks related to changes in applicable tax rules, their interpretations and new taxes, duties and fees such as the "territorial economic levy" (Contribution Économique Territoriale – CET). Even if Gecina can sometimes pass on part of the corresponding costs to third parties, such changes could have an adverse effect on the Group's financial position and earnings.

Furthermore, the complexity, formalism and constant change typical of the tax environment of Gecina's business generates a risk of errors in complying with tax rules. Although Gecina takes all necessary steps to avoid them, it may be faced with proposed adjusted tax assessments and disputes. Any adjusted tax assessment or dispute could have adverse effects on Gecina's financial position and earnings.

1.6.1.4. INDUSTRIAL AND ENVIRONMENTAL RISKS

In every business sector in which it operates, Gecina must comply with laws on environmental protection, public health and personal safety in areas as varied as the use of hazardous materials (such as asbestos or lead), sanitary risks, performance of technical audits on termites, lead, energy efficiency and natural and technological hazards, fire risks, explosions, falls, accidents, leaks and floods (see paragraph 1.6.3.1.1. on "Real estate risk mapping").

The identified risk groups may have a range of diverse consequences:

- the presence of health risks or problems of pollution (in particular soils and subsoils) may generate significant costs and delays due mainly to the search and removal of toxic substances and materials during investment projects or building renovation;
- Gecina could be held liable under civil or criminal law for any environmental accident, infringements of safety rules and, more broadly, failure to comply with these legal and regulatory obligations. Any such incident would tarnish the Group's reputation.

1.6.1.5. FINANCIAL RISKS

1.6.1.5.1. MARKET RISKS

Gecina's market risks primarily cover the following:

- financial market risk: holding financial assets for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares;
- interest rate risk: the Group primarily borrows at variable rates and is subject to the risk that interest rates may increase with time;
- exchange rate risk: the Group is not exposed to exchange rate risk.

Market risk management is described in Note 3.5.4.1. in the Notes to the Consolidated financial statements.

1.6.1.5.2. LIQUIDITY RISKS

Gecina finances its activities and investments through its capacity to harness financial resources, in particular in the form of bank loans and bonds. In certain cases (such as the disruption of debt markets, occurrence of events that affect the real estate sector, a credit crunch among banks or downgrading of Gecina's credit rating), the Group may find it difficult to raise funds or may have to borrow on less favorable terms.

Furthermore, the Group's principal loans are subject to contractual provisions requiring compliance with certain financial ratios or in the case of a change in control that impact the interest terms and early repayment clauses. Consequently, any failure to meet its financial commitments may have an adverse impact on Gecina's financial position, its earnings and the continuation of its development.

Liquidity risk management is described in Note 3.5.4.4 in the notes to the Consolidated financial statements.

1.6.1.5.3. COUNTERPARTY RISKS

Gecina uses derivative instruments principally to hedge interest rate risk associated with its financial operations. The default of a counterparty may result in late payments or defaults, which would have an impact on Gecina's results. Counterparty risk management is described in Note 3.5.4.3. in the notes to the Consolidated financial statements.

Counterparty risk also concerns the insolvency risk of tenants as mentioned in paragraph 1.6.1.2.3. above.

1.6.1.5.4. RISK LINKED TO CERTAIN TRANSACTIONS IN SPAIN

Up until 2009, Gecina, chaired by Mr. Joaquín Rivero, made a certain number of acquisitions in the Spanish real estate sector, including SIF Espagne's acquisition of a 49% stake in Bami Newco in 2009, and also made certain commitments, notably granting certain guarantees relating to these acquisitions, as referred in chapter 1.6.2 and Notes 3.5.5.12 .and 3.5.9.3. to the Consolidated financial statements.

These acquisitions and some of these commitments have been subject to depreciation and provisions in accordance with the regulations in force. Moreover, some of these guarantees were granted outside of the framework defined by Gecina's internal control arrangements and despite the specific measures put in place (see chapter 5.1.9.).

Furthermore, in June 2013, Bami Newco requested the opening of bankruptcy proceedings in Spanish courts. These proceedings have been accepted by the Madrid Commercial Court. Gecina reported its receivables in the context of these bankruptcy proceedings.

Gecina cannot entirely rule out the possibility of non-compliance with its internal control and risk management arrangements or the deterioration in Spain's economic environment resulting in additional financial, legal, tax or regulatory risks that have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

1.6.2. DISPUTES

Each of the known legal disputes in which Gecina or the Group's companies are involved, was reviewed at the close of the accounts and the provisions deemed necessary have, where called for, been created to cover the estimated risks (see also Note 3.5.5.12. in the Notes to the Consolidated financial statements).

The Association de Défense des Actionnaires Minoritaires (minority shareholders association), the Gecina Works Council and a former Gecina director lodged a complaint in 2009 with the Dean of examining magistrates. The complaint pertains to certain transactions that may concern the former Chairman of Gecina's Board of Directors, Joaquín Rivero, who resigned as Chairman at the Board Meeting of February 16, 2010 and was replaced by Bernard Michel.

A judicial inquiry, led by Mr. Van Ruymbeke, an examining magistrate in Paris, has been opened following this complaint. The company fully assisted the investigations and joined the proceedings as a civil party in 2010 to safeguard its interests.

An order issued on November 26 2013 sent Mr. Joaquín Rivero back to the Criminal Court on several counts as a result of the aforesaid complaint. No appeal was filed against this order.

On March 4, 2013, the Appeal Court of Paris confirmed the garnishment order of April 18, 2012 taken by the investigating magistrate in charge of the aforesaid judicial investigation, for the sums representing the dividends owed to Mr. Rivero and to the companies under his control following the Shareholders' Meeting of April 17, 2012, paid to the Agency for the management and recovery of seized and confiscated assets. Mr. Rivero and the companies under his control submitted an appeal for annulment of this order. On April 18, 2013, a new seizure order was handed down by the examining magistrate in charge of the aforesaid judicial information, ordering the seizure of the sums representing the dividends owed to Mr. Joaquin Rivero and the companies under his control following the Gecina Shareholders' Meeting held on the same day. Pursuant to this order, the company paid these sums to the Agency for the management and recovery of seized and confiscated assets. Mr. Rivero and the companies under his control filed an appeal against this seizure order.

To date, the company cannot assess any risks, in particular, regulatory, legal or financial risks, arising from facts covered by the ongoing criminal proceedings. In particular, it cannot exclude the possibility that it may be joined as a party in the future, together with the company's officers and representatives.

On July 16, 2012, the company was informed by Banco de Valencia of the existence and recording in its ledgers of four promissory notes, issued in 2007 and in 2009, for a total amount of €140 million, three of which are in the name of Gecina S.A. Succursal en España and one in the name of Gecina S.A., in favor of a Spanish company known as Arlette Dome S.L. and which was allegedly transmitted to Banco de Valencia as collateral for loans granted by the latter. Arlette Dome S.L. is a shareholder of the company.

After verifications, the company realized that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome S.L. which could have justified such an issuance. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the latter were confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. No provision was recognized for this purpose. After being accepted as a party to the proceedings before Madrid's Court No. 17, the company was denied this capacity at the National Court, now prosecuting the case, in spite of its petition. Proceedings are still ongoing.

A ruling of September 10, 2012 ordered Bami Newco to refund €2.7 million (which corresponds to the residual amount of an advance granted by the Gecina group) plus legal interests to SIF Espagne. Bami Newco has appealed this decision. On January 18, 2013, the Madrid Appeal Court handed down a ruling that, confirmed the sentence of September 10, 2012. The resulting debt has been reported in the context of Bami Newco's bankruptcy proceedings.

The Spanish company Bamolo, to which Gecina granted in 2007 a €59 million loan, which matured in October 2010, filed for bankruptcy in 2011. Gecina has reported this loan refund receivable as a loss, under the Spanish proceedings. The proceedings are ongoing in Spain.

In 2012, the company was informed of the existence of a guarantee granted by SIF Espagne, represented by Joaquín Rivero, on January 14, 2010, for the reimbursement by Bami Newco of a credit contracted on the same day, through a renewal, from Caja Castilla la Mancha, for an amount of €9 million in principal, with the company Inmopark 92 Alicante, also shareholder of Bami Newco and controlled by Joaquín Rivero. Following the summons of Caja Castilla la Mancha, SIF Espagne and Inmopark 92 Alicante (as the guarantors) were each sentenced to pay 50% of the principal in addition to the interests to Caja Castilla la Mancha; SIF Espagne has paid €5.2 million, and is demanding the reimbursement of this sum from Bami Newco. The corresponding debt has been reported in the context of Bami Newco's bankruptcy proceedings.

A joint bond of €5 million involving SIF Espagne was granted to FCC Construcción for the development by Bami Newco of a corporate office in Madrid. In Spain, FCC Construcción went to court to demand the payment of this €5 million bond. On January 22, 2013, the court sentenced Bami Newco and its guarantors, including SIF Espagne and Inmopark 92 Alicante, to pay the sum of €1 million to FCC Construcción. These €5 million are fully covered by provisions given the possibility of appeal proceedings (see Note 3.5.5.12.). The resulting debt has been reported in the context of Bami Newco's bankruptcy proceedings.

In 2013, the Spanish company Inmopark 92 Alicante, shareholder of Bami Newco and controlled by Mr. Joaquín Rivero, requested the opening of bankruptcy proceedings in the Spanish court. The contingent debt that could stem from a final ruling sentencing SIF Espagne to pay FCC Construcción, in connection with the aforesaid dispute, has also been reported under the bankruptcy proceedings of Inmopark 92 Alicante.

In October 2012, Alteco Gestión y Promoción de Marcas S.L. (company controlled by Mr. Joaquin Rivero, former member of Gecina's Board of Directors, and corporate officer in Gecina) and Mag Import S.L. (controlled by Ms. Victoria Soler, member of Gecina's Board of Directors and a Gecina corporate officer) filed for the opening of bankruptcy proceedings at the Madrid commercial court. Gecina has asserted its rights under both bankruptcy proceedings.

To the company's knowledge, there is no other government, judicial or arbitration proceedings pending or threatening it, which may have had, in the last twelve months, or may have a material impact on the financial position or profitability of the company and/or the Group.

1.6.3. RISK MANAGEMENT

Gecina's risk management control structure is intended to:
- create and protect the company's value, assets and reputation;
- secure decision-making and the company's procedures to ensure that it meets its targets;
- ensure that the company's actions are in line with its values;
- galvanize employees around a shared vision of the main risks.

Risk identification, analysis and management systems are implemented by the "Risks" Department with respect to risks linked to the safety and environment of properties, and by Internal Audit with respect to general risks. The treatment of risks falls under the responsibility of the Group's various Group Committees, depending on the nature of the risks.

Risk management will be strengthened in 2013 with the creation of a "Risks & Compliance" function within the Internal Audit Department. The main tasks of this new function entails implementing and monitoring the risk management and risk mapping policy, in addition to permanent control and compliance oversight in the company.

1.6.3.1. MANAGEMENT OF REAL ESTATE RISKS

The inventory of risks associated with building safety and environment is regularly reviewed by the Risk Department and validated by the Executive Management.

Such risks are assessed based on a set of control standards defined for each area of risk, with indicators measuring the level of efficiency for the various buildings in relation to these reporting standards.

For certain subjects that are deemed to be more important or linked to regulatory requirements, preference has been given to an external assessment of compliance (asbestos, soil contamination, fire, floods, etc.).

Each evaluation results in the introduction of action plans based on objectives to be achieved.

The control of real estate risks is based on three principal tools: risk mapping, risk prevention plans and an alert system.

1.6.3.1.1. REAL ESTATE RISK MAPPING

The mapping aims to identify and define sets of standards and policies for each of the major risks associated with property holdings.

It seeks to help the different Group players pay more attention to risks in their day-to-day management. It is constantly updated.

As in 2012, the mapping covers 18 areas of risk, hazard or factors relevant to environmental protection.

Categories	Areas
Health protection	"Asbestos risk"
	"Management of cooling towers and risks of legionnaire's disease"
	"Management of risks associated with cell phone towers"
	"Management of risk from lead in cladding"
Control of customer safety and comfort	"General safety"
	"Passenger and freight elevators"
	"Fire safety"
	"Flood risk management"
	"Safety related to technical equipment"
	"Management of natural risks"
	"Management of industrial risks"
Environmental protection	"Management of regulated facilities for environmental protection (ICPEs)"
	"Water management"
	"Energy management of real estate assets"
	"Termites and xylophagous organism risk"
	"Management of subsoil contamination risk"
Protection of Gecina employees	"Prevention of occupational risks"
Responsibilities in leases and supplier contracts	"Management of operational risks concerning liabilities" in leases and supplier contracts

UNDERLYING PRINCIPLES

The purpose of this procedure, since its introduction, is to:
- identify the real-estate risks to which Gecina is exposed;
- characterize these risks in order to prioritize them;
- establish best practices reporting standards for each identified risk;
- define and implement action plans for controlling risks.

This procedure is managed by the Architecture and Construction Department.

The Gecina group has been using the services of the Provexi company since 2006. Provexi provides Gecina with a secure web platform, where data linked to the risks for its assets in the 18 mapped areas is centralized, structured and harmonized. All the audits required by regulation (asbestos, lead paints, etc.) and those stemming from Gecina's policy (flood, fire, general safety, etc.) are integrated and controlled on this platform.

Dynamic scorecards are used to constantly monitor the compliance of buildings with regulations and Gecina's policy and to control the actions to be taken to improve risk management and enhance the efficiency of assets.

Since 2011, in collaboration with Provexi, the "Technical Audit Files" (DDT) module has been added to the mechanism. This module allows the editing of the required documents on the platform (asbestos, lead (homes), state of natural and technological risks, EPA) in case of rental, in addition to verifications of the electrical, gas (homes) installations and parasitic statements in case of a sale. Warning systems have been set up to inform operational staff of actions to be implemented or non-satisfactory controls for compiling the Technical Audit Files. A simulation tool allows projection of the compliance level of documents on the estimated date of the sale or the arrival of a new tenant.

THE SCOPE OF PROPERTY HOLDINGS CONCERNED

It covers the entire spectrum of the Group's activities. The risk mapping and the DDT module are used to process 266 assets under operation, while the sale DDT is used to monitor 43 assets under sale, with a unit floor space of under 200 sq.m The remaining 12% of assets are discarded because they are atypical (sites under construction, under management for third parties or withdrawn from market).

Assets acquired during the year are integrated into the procedure in real time.

METHOD

Assets are rated and ranked using measurement indicators by:
- introducing various sets of indicators adapted to the method of holding (full ownership or joint ownership) and renting (multiple tenants or single tenant);
- enhancing the performance of assets over and above regulatory compliance;
- introducing a method of rating for sites by area, on three levels modeled on the HQE® process:

– standard: level corresponding to the regulatory performance. It may exceed the level required by the regulation if that regulation is not considered sufficiently demanding with regard to the efficiency of buildings,
– efficient: Standard + level corresponding to acceptable performance defined by Gecina,
– highly efficient: efficient + level corresponding to best industry practices;
- application of weighting on a scale of 1 to 9 for risk areas;
- integrating weighting according to the financial value of the assets.

The 18 areas are assessed:
- either through self-assessment by Operational Departments and audited by an independent external auditor;
- or by qualified and independent external third parties.

The efficiency of an area on each asset is then calculated according to whether the Standard, Efficient and Highly Efficient indicators were assessed and/or met:

An area will be rated:
- standard: if all "Standard" indicators are assessed and met;
- efficient: standard level reached and all "Efficient" indicators are assessed and met;
- highly efficient: efficient level reached and 2/3 of "Highly Efficient" indicators are met.

The efficiency of an asset is obtained by calculating the sum of its various efficiency levels by weighted risk according to the risk level of the areas. Obtaining an award (bronze, silver or gold) depends on the result obtained

Note: at the very least, all 18 areas of an asset must be assessed under the standard criteria before it can qualify for a medal.

A specific web platform also ensures transparency for customers with regard to risk. For eight years now, customers can access the asbestos technical documents and the Statement of Natural and Technological Risks (SNTR) of their building. This viewing right was extended in 2012 to files on ICPEs (regulated facilities for environmental protection), TARs (wet cooling towers), and lead paint. The general and specific instructions in case of a major risk (natural and/or technological) are also provided on the platform.

Transparency is also available to companies contracted by Gecina, which provides them with a login/password to specifically access information on asbestos and lead (since 2013) in the buildings in which they operate.

A risk management system audited by an independent external auditor every year.

An external audit was performed late 2013 – early 2014 to verify the mapping on the following three areas:
- assessment of the quality of self-assessments and the quality of the data transmission and consolidation process;
- checking of the results obtained against Gecina's commitments for 2013 (assessment rate of indicators at 98% weighted overall efficiency level at 95% and obtaining gold and silver trophies on at least 70% of the financially weighted property holdings);
- verification of the appropriateness of the change in the mapping system following the recommendations made by the auditor and Gecina's Executive Committee in 2012.

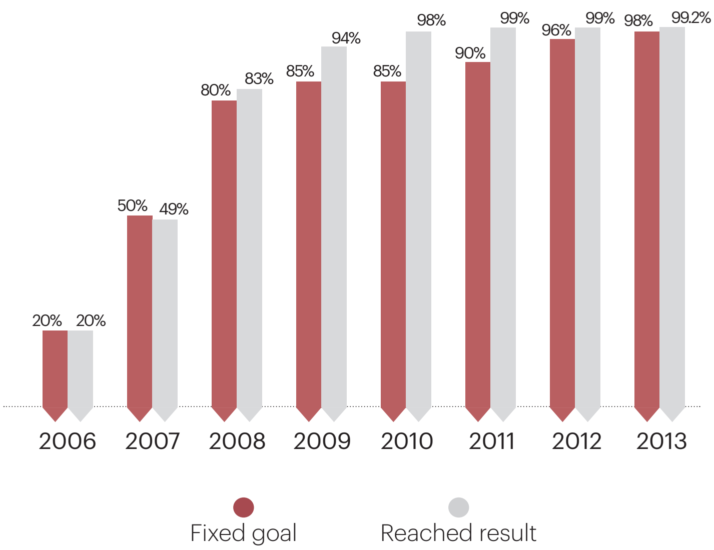
The auditor's findings are once again encouraging this year: "In conclusion, we consider that Gecina has an efficient risk assessment and control system that allows real and constant monitoring of its property holdings, and representative of the implemented weighting percentages. Furthermore, the audit performed by the Service Provider allowed us to verify the set up of a control mechanism, for both quality and business,

effective and demanding, well formalized and presenting solid traceability in the tool with respect to the service provider. The audit on the quality of self-assessments carried out by operational staff, showed satisfactory results owing to the expertise accumulated by teams on this recurring annual exercise on one hand, and to their enhanced competence on using the mechanism...
Lastly, the improvements to the mechanism underline a strong determination for continuous improvement, and help to lead to a multi-facetted and multi-user tool".

The audit certificate is presented at the end of this section.

99.2% of indicators assessed
The quantitative and qualitative control of assessments confirms "that the overall assessment rate for risk control indicators was 99.2%, which exceeded Gecina's goal to reach 98% at the end of 2013".

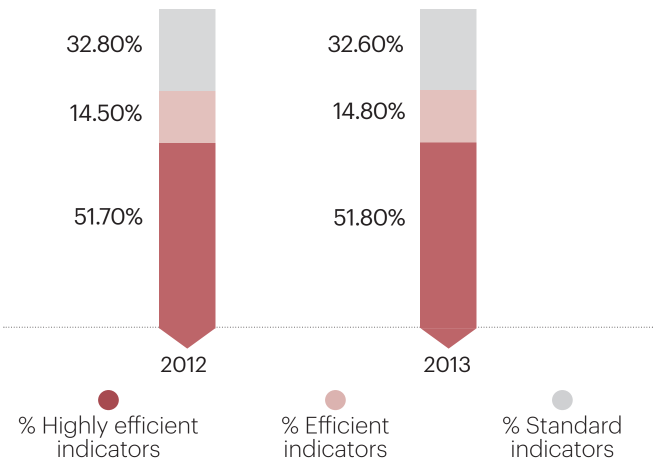
Risk assessment rate: 99.2% of indicators are completed on the adopted scope of assets:



85.5% of indicators complied with
Out of a total of 47,723 indicators, 85.5% are complied with, representing an increase of 2.8% compared to the rate reached in 2012 and demonstrating the ever increasing involvement of teams.

A weighted overall efficiency rate of 99.2%
The initial goal of 95% for 2013 is exceeded by 4.2%

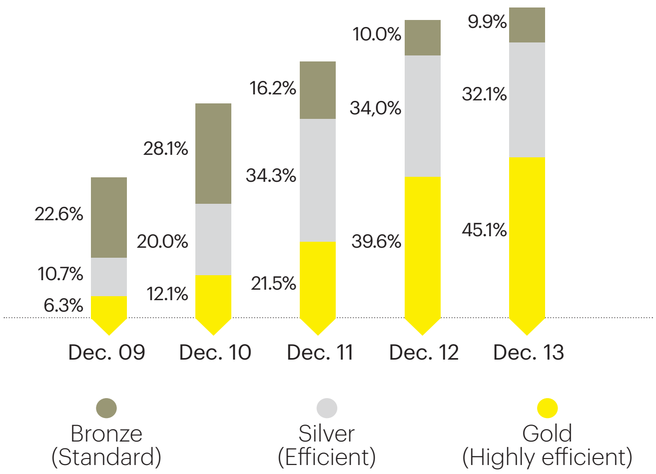
Breakdown of indicators by efficiency criterion (after inter-area and financial weightings):



The change in the percentages of weighted indicators is barely significant, but considering the change in population in 2013 following the acquisition of a value-creating 36,000 sq.m office building (the Mirabeau Tower), the sale of our hotel property holdings and of premium office and residential assets, it is still a good result.

87.1% of the weighted property holding obtained a trophy, representing an increase of 3.5% compared to 2012

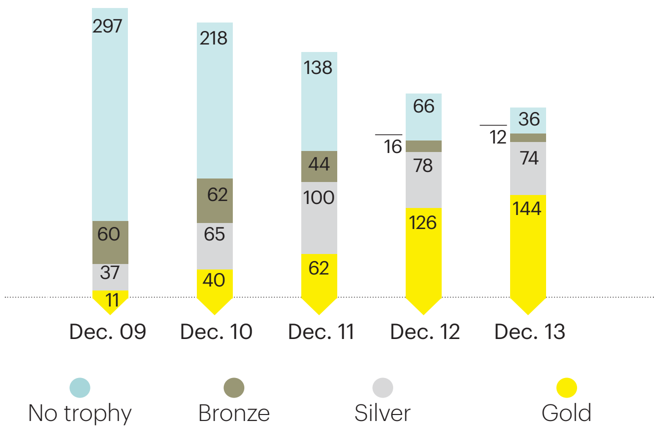
Weighted breakdown of trophies for the entire Gecina property holding:



The goal of obtaining gold or silver trophies for 70% of the weighted property holdings at end-2013 was largely overshot at 77.2% and shows a very clear increase in earnings for the "gold" trophies.

Breakdown of trophies in number of sites

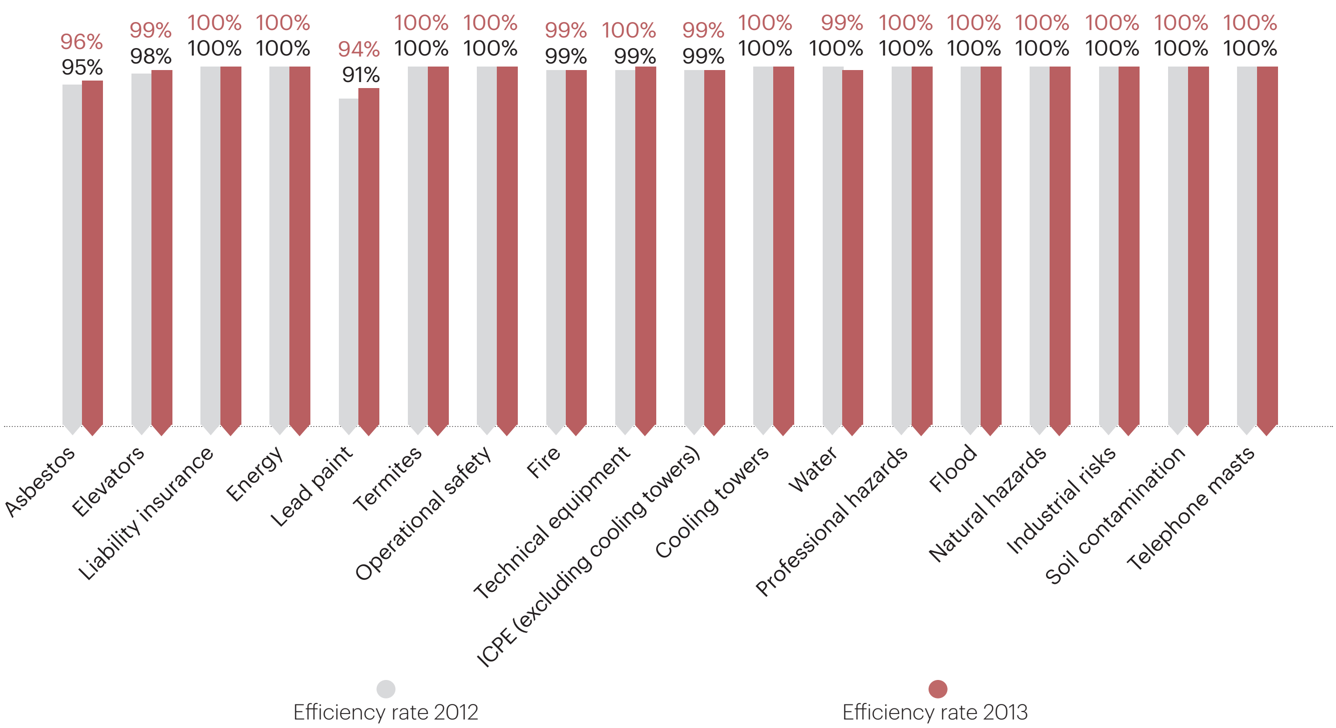
The sale of 25 assets in 2013, including 15 medal holders and the purchase of the Tour Mirabeau, were offset by the improvement of the quality of the retained property holding. Adjusted to the number of sites, the Group has a total of 218 gold and silver assets (of which 144 in gold):



Gecina's proactive risk management policy minimizes the risk of its property holdings becoming obsolete due to regulatory changes.

1.6.3.1.2. MEASURED CLASSIFICATION OF GECINA'S RISK EXPOSURE

Weighted breakdown of the performance by area

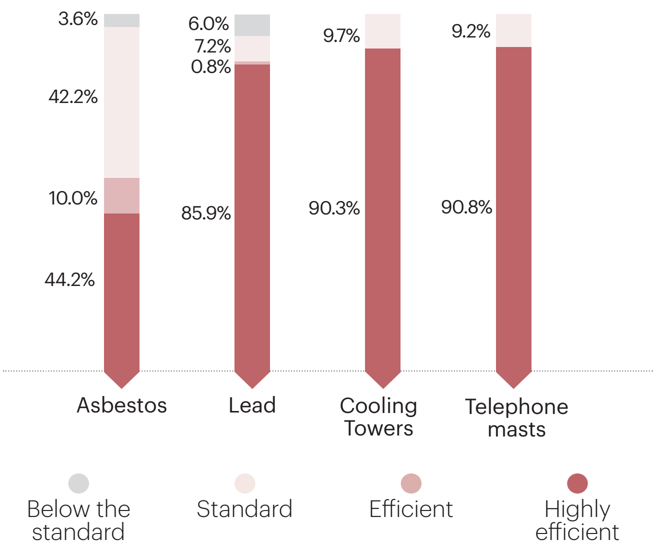


Out of the seven self-assessed areas, six were audited in 2013 (lead paint, water, ICPEs, TARs, technical equipment and telephone masts) from a 10% to 15% sampling of the assets concerned and randomly selected.

A. HEALTHCARE PROTECTION

Gecina pursues a preventive policy concerning health risks subject to statutory and regulatory requirements specific to the real-estate business (e.g. asbestos, lead poisoning, Legionnaire's disease, etc.).

The areas involved here represent health, legal and media risks:



ASBESTOS

Since 1997, the regulation on asbestos has grown more severe to prevent health risks.

In 2011 in particular, then in 2012, the "asbestos" regulatory section of the public healthcare code has been restructured and new obligations have appeared to introduce an asbestos risk mitigation policy.

Gecina complies with the new regulation and has adopted a proactive approach to asbestos risk by implementing an aggressive asbestos risk management policy

This policy is implemented along five priorities:

- continue asbestos searches extended to the entire property holding;
- adopt an aggressive stance to the treatment of asbestos (removal, confinement, prevention);
- adopt regular and systematic monitoring of all the materials in place;
- be proactive on controlling the risks for the companies involved;
- promise full transparency on the presence of asbestos in its buildings towards clients/tenants but also towards the associates and staff of the construction and maintenance companies.

Gecina's progress in the asbestos area has not been weakened by the introduction of harsher regulations: the weighted overall performance rate is currently 96.4%.

Finally, in order to preserve the environment for future generations, Gecina is careful to render all its asbestos waste inert.

LEAD IN COATINGS

Lead poisoning of young children, known as childhood lead poisoning is a public health problem in France.

Lead was heavily used in the building industry until 1949. Children are mainly exposed to lead mainly through eating crumbling wall coatings which contain lead (mostly paint). To a lesser extent, inhaling dust is also dangerous for people who have to work on elements that may contain lead.

Gecina is very sensitive to the presence of lead paint and exceeds regulatory requirements by applying the mandatory housing obligations to all its property holdings (offices, healthcare).

Gecina keeps records of lead exposure risk (CREP) which can be consulted by tenants, construction companies and persons required to work on elements that may contain lead and discloses to the occupants concerned, information on its control of the risks of exposure to lead in the coatings (risks, advice, roles and responsibilities of each stakeholder, etc.).

Gecina undertakes to remove from all its property holdings, the risk of exposure to lead in case of the presence of deteriorated coatings containing lead at a concentration exceeding the defined thresholds, thereby reinforcing its regulatory obligations.

65 assets predating 1949, 13 of which are in the process of disposal.

In 2013, no tenant reported significant deterioration in its private area and as in previous years, no case of lead poisoning was reported.

WET COOLING TOWERS (TARS) AND RISK OF LEGIONNAIRE'S DISEASE

Wet cooling towers (TARs) are locations where legionella can grow. These bacteria can cause serious chest infections. Contamination is through the respiratory canal, by inhaling contaminated water sprayed into the air.

To respond to this risk, Gecina:

- protects the environment and complies with the regulations in force by implementing controls and carrying out the necessary maintenance of water distribution, heating or cooling systems with selected contractors;
- checks the quality of the elements discharged by the wet cooling towers (discharges into the air, into sewers, etc.);

• ensures transparency by placing documents on the management of TARs online for its tenants.

At the end of 2013, Gecina had only ten assets equipped with TARs and continues its policy of dismantling installations.

ELECTROMAGNETIC WAVES AND TELEPHONE MASTS

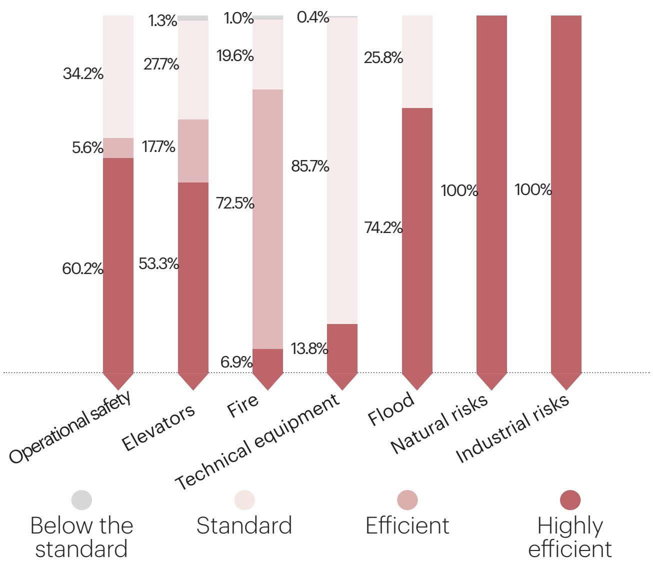
In view of the controversy surrounding the effects of wave emissions from telephone masts, the Group has implemented a pre-emptive risk policy. Gecina seeks to ensure maximum safety by maintaining the compliance of the installations located on its grounds.

In 2013, Gecina amended its policy to include the upgrades caused by the new Paris charter and also applies it on sites in other French cities unless there are more restrictive local constraints.

In addition to ongoing oversight, the Group has entrusted a specialized research agency with the task of monitoring the terms set out in operator contracts. A measuring campaign was launched and it confirms that on Gecina's installations, the level of maximum field exposure in enclosed living areas is compliant with the City of Paris charter of December 13, 2012 (including for facilities located outside Paris).

20 installations are located on the balconies of buildings and no new telephone masts has been installed on property holdings since 2007. Tenants or their representatives may request access to the technical documents relating to the safety of the mobile telephone installations. They are informed about any modification programs and planned work.

B. CUSTOMER AND BUILDING SAFETY, COMFORT



GENERAL SAFETY

Safety in Gecina's buildings is not limited to the consideration of risks linked to fires, falls, presence of asbestos, etc.

Safety is apprehended from a "multi-criteria" angle while taking the conduct of users into account.

Since 2001, independent experts conduct audits covering the risks associated with explosions, falls and traffic accidents, accidents and falls from a height, intrusions, electrical accidents, leaks, floods, ICPEs and other.

These audits are useful for classifying the assets into three categories (low-risk buildings, average risk buildings with emergencies identified during inspection, risky buildings which require attentive additional inspection). Reported to property managers, the audits help them to assess the vulnerability of assets and to introduce preventive actions along with risk mitigation measures.

The entire property holding is assessed and subject every year to a regular review of outstanding actions to be undertaken.

ELEVATORS

In the wake of elevator accidents since 2001, the government has adopted regulations to reinforce the safety of elevators. In its desire to assure occupants of the quality and safety of such mechanisms, Gecina has decided to take preventive action and adopt a pro-active approach.

Precautions have been taken to minimize the risk for users and workers:

• all elevator cars are inspected annually by technical service companies working under standardized contracts;
• these machines are covered by a full maintenance contract tailored to the latest regulatory changes;
• technical inspections are conducted by an independent inspection company at the intervals required by regulations, especially in high-rise buildings and after any new standards are introduced;
• the safety and modernization programs described above are currently underway: the pro-active work of updating elevators to meet new standards was undertaken in 2013, notably in several office buildings. This work involved 21 elevators and has already made the elevators compliant with regulations required by 2014 or 2018 at a total cost of €0.28 million.

For unoccupied offices and sites awaiting complete restructuring, the standards in place will be taken into account during the renovations.

Neither Gecina nor its occupants/users were involved in any accidents in 2013.

FIRE SAFETY

Gecina seeks to provide the occupants of its assets with a good level of fire safety and eliminate the faults that could be the source of danger for people and properties.

Gecina has set up measures to reduce weak points identified by consultants accredited by the Group's insurer:

- management arrangements: monitoring, alert procedures and systems…;
- constructive arrangements;
- preventive mechanisms.

100% of the properties in service have been audited and guarantee the good level of Gecina's assets.

Gecina takes advantage of any renovation work on all or part of assets to improve fire safety and, if necessary, exceed the relevant regulations. It then informs the occupants concerned about the measures put in place.

TECHNICAL EQUIPMENT

Gecina is subject to strict regulations concerning technical equipment on which, for the most part, the safety and quality of service provided to occupants depends (fire equipment, electricity, lightning rods, boiler rooms, CMV gas, etc.).

The extent of Gecina's obligation means that all of its properties are appropriately equipped with safety devices and technical systems that function properly. The inspections, tests and technical examinations provide an opportunity to identify the installations in order to detect any possible defects that could endanger people and property, and to rapidly implement the recommendations made during these operations.

Once again, the audit confirmed this year that the results were satisfactory.

NATURAL PHENOMENA OR EVENTS, FLOODS AND INDUSTRIAL HAZARDS

With regard to natural or industrial events or accidents, the law requires preparation of Natural Risk Prevention Plans (NRPPs) and Technological Risk Prevention Plans (TRPPs), and calls for better public information. In this respect, general and specific instructions in case of major risks (natural and/or technological) have been placed online and are accessible to tenants.

In response to the regulatory requirement of providing a State of Natural Mining and Technological Risks (SNMTR) as part of property transactions (leasing, sale), Gecina has implemented a process guaranteeing the production of systematically valid Statements of Natural Mining and Technological Risks.

The mapping of these risks enables the necessary economic and strategic information to be consolidated, and the cumulative risk involving the same event to be identified.

FLOOD HAZARDS

All Gecina sites have been analyzed with the help of outside experts. The 65 assets exposed to the risk and their vulnerability levels have been identified.

Gecina has included among the buildings at risk those located in service areas susceptible to disruptions in the supply of water, electricity and heating. This brings the number of sites exposed to 139.

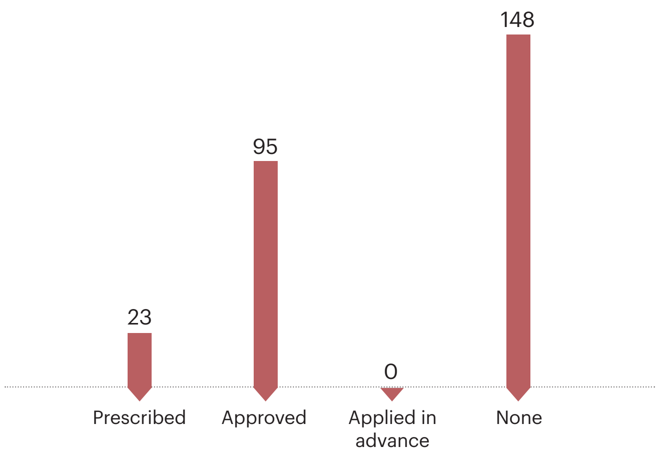
These buildings have already undergone a flooding hazard audit and action plans are being implemented.

NATURAL HAZARDS

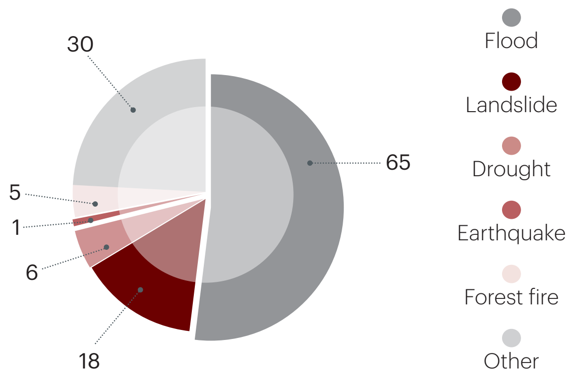
The assessments were made using the information provided by the SNMTRs.

To Gecina's knowledge, no building has to be subjected to a special survey procedure to reveal any possible risk of collapse.

Number of buildings situated within an area covered by a natural risks prevention plan (NRPP) in 2013:



Assessment of Natural Hazards



INDUSTRIAL AND TECHNOLOGICAL HAZARDS

The assessments were prepared based on information provided by the State of Natural Mining and Technological Risks and a French mapping of all "Seveso" classified sites that was provided by the Préfectures.

In addition to a better understanding of the risks involved, Gecina strives to:

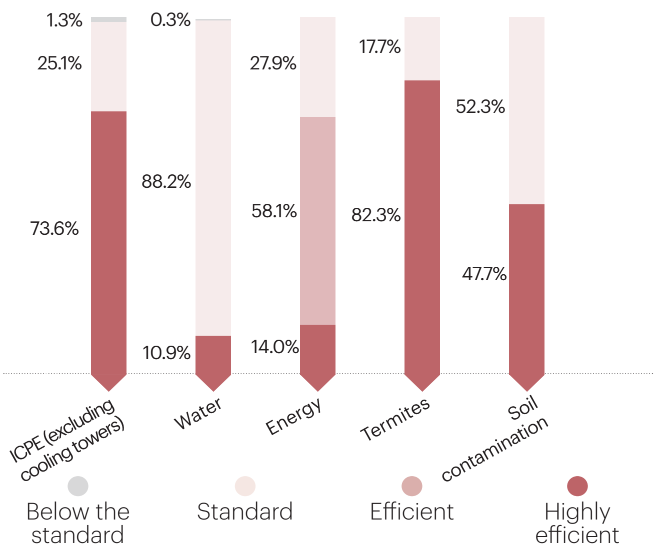
- limit vulnerability and reduce potential damage by technical means;
- guarantee the comfort and continued activity of occupants;
- and, above all, ensure the safety of occupants.

In the current state of TRPPs, 99.5% of Gecina's property holdings are not located in a technologically hazardous zone.

MINING RISK

Gecina's assets are not located in a mining risk zone.

C. ENVIRONMENTAL PROTECTION



REGULATED FACILITIES FOR ENVIRONMENTAL PROTECTION (EXCLUDING COOLING TOWERS)

The existence and operation of regulated facilities for environmental protection (ICPEs) expose Gecina to risks of harm or pollution. These risks can also affect the health and safety of tenants and nearby residents. The Group is very attentive to the compliance of these facilities, only 38 sites are concerned and 11 are directly operated by Gecina.

In a concern for transparency, information on the equipment operated by Gecina is available on the special web platform for its tenants.

WATER QUALITY

The management of water presents Gecina with several challenges:

- on the one hand, from the health and legal point of view, in terms of water quality (presence of lead, particles or bacteria, etc. above regulated levels);
- and on the other hand, from the environmental viewpoint: management of the water resource which is described in the chapter dedicated to CSR.

Gecina's policy focuses on a commitment to:

- Protect the environment and follow the regulation in force;
- Guarantee the quality of drinking water at pumping points;
- Transparency: supply on demand any document concerning the quality of water.

Mapping of the "water" area allows the development of an annual water quality review for all Gecina's properties. In 2013, Gecina organized a water analysis campaign on all its residential and office property holdings to ensure that the new lead content rates are met, which was the case.

ENERGY MANAGEMENT

The measures taken with regard to the energy risks mapped and analyzed by Gecina are explained in the chapter on CSR.

TERMITES

The presence of termites can have serious consequences on the building structure, resulting in material damage and often significant repair costs or the risk of contaminating neighboring buildings.

Tenants, through the web platform, are informed of whether or not there is an administrative order indicating whether their building is located in an infested area.

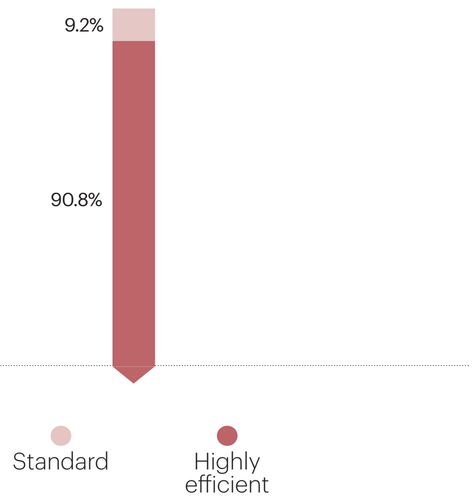
There were no termites in any of Gecina's buildings in 2013.

SOIL CONTAMINATION
The presence of pollutants in the soil can be a health hazard for the people staying on a site. These reports and associated regulations give rise to legal and market risks, as well as a risk to Gecina's image.

The Group systematically checks if its assets are in a zone with a soil contamination risk (BASIAS, BASOL database) and 125 sites have been subject to historical and documentary studies and/or soil analyses. Based on these results and the activities that are subsequently conducted there, Operational Departments have verified the absence of risks for occupants and the environment.

The risks to the environment are not covered by any provision or guarantee, and no compensation was paid during fiscal year 2013.

D. PROTECTION OF EMPLOYEES



OCCUPATIONAL HAZARDS
The assessment of occupational assets entails identifying the dangers and analyzing the risks facing Gecina's staff. The assessment is formalized in a single document, which is updated.

Gecina takes the necessary steps to ensure the safety and protect the physical and mental health of its staff. As appropriate, corrective or preventive actions are carried out to mitigate identified significant risks. For example, this year, a kit of mandatory individual protective gear is supplied to each superintendent, in addition to training (electrical skills certification (H0B0), gestures and postures, conflict management). The group has also acquired equipment to improve working conditions.

All properties where Gecina's staff is used have already been subjected to a field audit repeated in 2013 and 2014 for a more thorough review of musculoskeletal and psychosocial risks.

For more details please refer to the CSR chapter.

E. CIVIL LIABILITY INSURANCE IN LEASES

Gecina's entire property holding has undergone an analysis of the insurance clauses contained in leases. The efficiency rate is 100%.

Assessments relating to these reporting standards are described in the "Insurance" section of this chapter.

1.6.3.1.3. CRISIS MANAGEMENT

To be responsive and effective when an incident or accident occurs, a 24-hour monitoring and crisis management system has been set up to boost skills required to deal with a major accident.

The system is based on three successive response levels to match the seriousness of the identified incidents:
- the first involves a call center (Gecina Sécurité) where tenants can call for "everyday" problems;
- the second involves the intervention of an on-call officer for events considered as more serious;
- lastly, the crisis unit can be mobilized for accidents considered as "serious" or exceptional events that may have serious consequences for the Group.

The crisis unit mechanism will be reviewed in 2014 following Gecina's new reorganization.

It is updated on a regular basis. The existing procedures have been supplemented with the preparation of potential crisis scenarios.

Gecina Sécurité recorded 581 calls which required an intervention and 141 without any immediate follow-up.

No serious incident required the mobilization of the crisis unit in 2013.

Number of calls for minor incidents outside office hours (example: water damage, various breakdowns, etc.)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of calls to the call center	481	552	584	574	641	614	584	494	**581**

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CERTIFICATE

Magellan was mandated by Gecina to issue an external opinion on the results of the risks' cartography on its assets. The audit conducted between December 16th, 2013 and January 27st, 2014 led us to provide a moderate level of assurance on the following conclusions:

Achievement of performance objectives:

Magellan certifies that, at the 8th of January 2014, the global rate of estimated indicators equals to 99.2 %. The objective of 98 % of evaluation is reached. Besides, the rate of overall weighted performance reaches 99.2 %. Magellan certifies as well that, for 2013, 77 % of Gecina's assets were rewarded with either gold or silver trophy. Performance objectives for 2013 are exceeded.

Therefore, Magellan certifies that 100 % of the sites which are active and included in the risks' cartography have been assessed on the fire domain.

Quality of self-assessments:

Regarding self-assessments quality, the audit covered six segments: telecommunications antennas, Technical Equipment, Installations Classified for Environmental Protection, Cooling Towers, Lead and paint, Water. According to the results of the interviews and the testing we performed during our audit, we can assume that the quality of self-assessments for these segments is globally satisfactory.

Quality of data transmission & consolidation process:

We identified no issue on data transmission quality & consolidation process between data input and output. A process audit, performed at the provider in charge of the software platform and the data consolidation, has ensured the implementation of controls 1st and 2nd level, as well as the implementation of detailed procedures. The strict quality controls performed by the provider ensure good quality of the process. And verifications carried help ensure the reliability of data cartography.

Evolution of the risks control device:

Magellan noticed the improvements made on the risks dispositive in 2013, including: the software platform access to the lead field for businesses operating on the assets; the creation of a "balance sheet" page for each site, improving the visibility of operational staff; the revision of indicators for the following fields (Elevators, Antennas, Lead and water) and the updates related to the new regulations on Asbestos areas, antenna and occupational hazards.

At PARIS, January 27th, 2014

Michel HATIEZ, CEO

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1.6.3.2. MANAGEMENT OF OPERATIONAL RISKS

With regard to the Group's operational risks management, Gecina's Risks & Compliance function, which reports to Internal Audit, oversees the preparation and annual updating of their mapping and assessment based on frequency and severity criteria. This work was performed as part of the self-assessment approach, which includes an evaluation of the internal controls associated with each risk. The assessment was conducted by holding interviews with the Group's various Executive Committees based on analytical and credit rating systems defined in advance. The material used by the Group for self-assessments is progressively revised in line with questionnaires and the application guide that completes the reference framework published by the French market regulator, AMF. The system gave rise to action plans focusing on priority areas in which control procedures need to be improved. It also served as a support for setting the Internal Audit's work program by identifying critical areas in which control must be regularly checked.

Risk mapping is a reflection of management's assessment.

For each risk, the assessment concerns the impact, probability and the system in place to control the risk. This system is taken into account when the impact and occurrence of the risk are evaluated. The scales used are on all four levels. The final risk is expressed as a product of occurrence and impact, which gives a final scale ranging from 1 (very low, minimum level) to 16 (very high, maximum level).

The impact scales take the different types of impacts into account:
- financial;
- image/reputation;
- social.

The scale of probability ranges from "unlikely" to "very likely" and includes "possible" and "likely".

Operational risk management is described in a summarized form in the table below, as well as in paragraph 5.1.9. of chapter 5 "Corporate Governance".

Risks	**Control mechanisms**
Asset valuation risks Risk of asset value estimate error or non realizations of the adopted assumptions.	Property valuations are made twice a year by independent appraisers according to recognized and consistent methods from one year to another. Furthermore, internal valuations are made by each Operational Department on the basis of rental statements. The process is subjected to a formalized procedure, whose application is supervised by a central function, independent from the Operational Departments. The results of each half-year appraisal campaign are presented to the Audit Committee.
Risks linked to acquisitions made under blank and pre-construction sale agreements Risk of carrying costs if users are not found quickly after the construction begins.	With respect to these types of projects, the search for tenants begins once the investment decision is taken with a view to the signing of pre-construction leases (Baux en l'État Futur d'Achèvement – BEFA).
Risk of tenant insolvency Risks of deterioration of rent recovery rates as a result of the financial difficulties of tenants, for example in a bad economic climate, especially for office and commercial assets.	The Group strives to diversify its tenant portfolios, both in terms of income per tenant as in terms of business sectors. Procedures for selecting tenants include an analysis of their financial strength with the assistance of a financial advisor, in addition to the arrangement of collaterals. Rent monitoring and collection procedures are also used to prevent and minimize the risks of losses on receivables.

Risks	Control mechanisms
Risk of a fall of the financial occupancy rate Risk of not renewing the leases or not renting out the assets within the time frames and at prices consistent with the company's expectations or under lease conditions as favorable as the current ones. This risk is particularly high for office and commercial assets.	Management constantly monitors its vacant premises and the upcoming expiry dates of its leases, using statements obtained from its IT system. This monitoring, completed by the organization set up for tenants relations and rental market watch, is useful for anticipating as rapidly as possible the actions to take to minimize the financial costs linked to the vacancy: early renegotiations, marketing, scheduling of renovations...
Acquisition risks Risk of overestimating the expected yield or the value accretion potential of the acquired assets, or failure to detect hidden defects of said assets. For projects under development, there is the additional risk of underestimating development costs. There is also the risk of not having the financial resources projected at the time of the asset's acquisition.	These risks are controlled by using an acquisition process based on the technical, legal and financial study of the asset, including modeling tools in particular. The process also includes assistance from external advisors. The acquisition projects are previously studied by the Investment Committee. Depending on the thresholds defined by the limitations to the powers of the CEO, investment projects must also be reviewed and validated by the Board of Directors, on the opinion of the Strategic Committee. The acquisitions financing risk control mechanism is presented with the financial risks below (liquidity risk).
Obsolescence risk Risk of harsher regulation, changes in industry practices or tenant expectations that may lead to non compliance or unsuitability of the assets to market expectations, due to the company's inability to foresee these changes. Changes in CSR related issues represent a significant component of this risk.	Operational Departments conduct technological and industrial watch operations in which they are mainly assisted by CSR and building risks functions. Quality studies are also performed with tenants in order to identify changes in their expectations. The intelligence gathered from the watch is reflected in updates to building renovation budgets, and investment and disposal criteria. More generally, the Group's CSR policy is translated into specific goals and action plans, the achievement of which is measured with the help of published indicators (chapter 7). A CSR mapping of the property holdings is currently being prepared. It will help to keep this risk under control.
Risks linked to sub-contracting Risks of insolvency, poor performance or non compliance with the regulation by the main subcontractors, especially for construction/restructuring and maintenance works for the properties. These risks could lead to a deterioration of the quality of services supplied by the Group, a deterioration of the company's image, and an increase in the corresponding costs or legal risks.	Construction or renovation works are supervised by dedicated internal specialized departments: Architecture & Construction and Technical Departments. These functions also use the services of external consultants (engineering, inspection firms, etc.) and as appropriate, client representatives. Suppliers are required to follow accreditation and benchmarking rules. The latter covers issues of safety and labor law. The suppliers also sign the responsible buying charter (chapter 7.6.4.). During the works, suppliers are then selected by viewing quotations or competitive bidding procedures depending on the predefined thresholds. The specifications and standard agreements which are binding on the suppliers are frequently updated to reflect regulatory obligations. Sub-contracting is only authorized after Gecina's explicit agreement. While the works are being performed, they are subject to frequent operational and budget checks.
Risks linked to failure to issue administrate permits and review Risks of refusal to issue, late issue, or review, withdrawal or expiry of the administrative permits required for the company's property investments, may lead to delays, additional costs or even the abandonment of operations or the impossibility to operate certain assets.	These operations are carried out under the supervision of internal specialized departments (Architecture & Construction Department and Technical Departments). These Departments organize regulatory watch in conjunction with the Legal Department and external consultants. Permit applications are anticipated right from the design phase of projects and factored into the business plans of operations. Significant development projects are also reviewed and validated by the Investment Committee. The implementation of permit applications is then frequently checked by the specialist department in charge, which may seek the assistance of project managers or external consultants.

Risks	Control mechanisms
Risks related to insurance costs and lack of coverage for certain risks Risk that the company may not be capable of maintaining the appropriate insurance covers at an acceptable cost, may not be covered for certain types of risks or may be confronted to the default risk of one of its insurers. These risks could then adversely impact the company's financial position and earnings.	The management of this risk is monitored by the dedicated "insurance" function which reports to the Financial Department, with the assistance of an external broker-consultant. This function periodically conducts audits of the Group's insurance programs and the renewal of the competitive bidding procedures of brokers and insurers; thus helping to optimize the Group's insurance covers and costs. Policy categories are moreover distributed between several brokers and insurers.
Legal and tax risks The Group is required to comply with numerous legal and tax regulations. Changes in the nature, interpretation, application or compliance with the formalism associated with these regulations could call into question certain Gecina practices or activities, and/or adversely impact its financial position and earnings. This relates in particular to regulations linked to real estate activities (rental, transactions, construction, maintenance and renovation of buildings, hygiene, safety, environment; planning and urban development, etc.) and the SIIC tax system to which the company is subjected.	With respect to legal risks, the Operational Departments are backed by the Legal Department in their regulatory watch and in the vetting of the various contracts signed inside the Group. To do so, the Departments also call upon, when necessary, external legal advisors. The regulatory changes then result in updates to standard contracts and the processes concerned. Compliance with tax regulations and more specifically with the French Listed Real-Estate Investment Company (SIIC) system is supervised by the Finance Department, which conducts periodic reviews, calling in external advisors whenever necessary. Generally, the Group follows a policy of prudent interpretation of the regulation and has set its goals beyond the regulatory obligations.
Financial risks - Interest rate risk The Group primarily borrows at variable rates and is subject to the risk that interest rates may increase with time	This risk is controlled by using hedging instruments managed by the Financing, Treasury and Business Plan Department supported by external advisors in this area. The Group's hedging policy is managed under a formalized framework that specifically defines hedge limits, decision-making channels and authorized instruments. Hedges are also managed through quarterly reporting to the Audit, Risks and Sustainable Development Committee.
Financial risks - liquidity risk Risk of not having the financial resources necessary for the everyday running of the company's activities and investment or acquiring them under adverse conditions. This risk is specifically influenced by changes on financial and property markets, but also by the company's strategy, performances and financial management.	This risk is managed by constantly monitoring the maturity of loans, maintaining available credit lines, diversifying resources and counterparties, in addition to monthly cash forecasts. Furthermore, the Group strives to continuously improve its financial credit rating.
Financial risks - counterparty risk Risk particularly linked to the possible default of banking counterparties on available credit lines or hedging instruments. These defaults may lead to payment delays or defaults which might have an impact on the company's cash and earnings.	This risk is managed through constant diversification of financial resources and counterparties by focusing on the choice of premier financial institutions. The hedge management framework specifically provides for counterparty exposure and quality standards.
Risks linked to certain transactions in Spain Risk linked to acquisitions and commitments made in Spain, under the Chairmanship of Mr. Joaquin Rivero. The company cannot rule out an unfavorable development of these operations or the emergence of additional financial, legal, tax or regulatory risks.	These operations are monitored from a legal standpoint by the Group's internal teams with the support of law firms in France and in Spain. Frequent coordination meetings are held with the other departments concerned under the authority of the CEO. Finally, new developments of these risks are regularly reported to the audit, Risks and Sustainable Development Committee and to an advisory ad-hoc Committee.

1.6.4. INSURANCE

The core objective of Gecina's policy with regard to insurance is the safeguarding of its assets and protection against liabilities incurred.

It is focused on assuring the Group's long-term viability faced with various risks, reducing the costs of these risks when they occur, constant improvement of guarantees and management of indemnification flows, and providing quality service to its tenants.

The principal risks for which Gecina has taken out insurance coverage are property damage and consequent loss of rents, construction risks and civil liability as a property owner and real estate professional.

The insurance program consists of four distinct parts:
- insurance for developed real estate assets, including owner third-party liabilities (RCPI);
- construction insurance policies (constructor's liability, all construction risks);
- third-party liabilities (general, environmental and officers liability);
- other policies (cars, staff travel, etc.).

To ensure that there is adequate coverage and management of the major risks, the Group has traditionally given preference to high levels of coverage with deductibles, enabling it to keep insurance costs down.

Cover for damage to properties and/or loss of use and RCPI account for the bulk of the budget, because of its strategic importance to the Group in terms of risk management.

These risks are insured in a program that covers Gecina as well as all its subsidiaries or partnerships with leading insurers, principally ACE Europe, Affiliated FM, Allianz and Liberty Mutual, through its insurance broker, Assurances-Conseils, SIACI Saint-Honoré, Marsh and Bessé.

In addition, in commercial leases Gecina favors a mutual waiver of appeal to facilitate the management of claims and reduce its frequency risk and that of its insurers.

There is no captive insurance company in the Group.

1.6.4.1. COVERAGE OF DAMAGES AND LIABILITIES ASSOCIATED WITH PROPERTIES

Because of the broad geographic dispersion of the Group's assets and its custom insurance coverage, a major claim affecting one of the Group's properties should have little impact on its financial situation. Indeed, cover has been set at levels that would easily cover a major claim for the largest property of the Group.

Ongoing contracts, renewed in 2011 for two years, expired on June 30, 2013. The Group therefore decided, at the beginning of 2013, to launch a restricted call for bids with three brokerage firms in order to renew the Property Damage program. The best proposals were submitted by the incumbents ACE Europe and the broker SIACI Saint-Honoré. With a new breakdown of the property holdings over two policies and a significant reduction of deductibles, the Group was able to considerably improve its guarantees and reduce premium payments. The proposal was accepted and the new contracts were implemented on July 1, 2013 for a period of two years, valid until June 30, 2015. It must be noted that for the first time, Gecina is trying co-insurance with the entry of AXA for 25%. Gecina benefits from a Group insurance program that covers damage to its property holding, including that caused by natural events, acts of terrorism and attacks, claims by neighbors and third parties, loss of rental income, and consequential losses and indemnities. The program also covers replacement value as at the day of the loss.

The property holding is covered up to its brand new value with a Limit of Indemnity (LOI) of €150 million, with the exception of seven assets (large office or residential buildings) which are covered by LOIs of €300 million.

Property damage and casualty policies include building owner third-party liability and environmental risks.

The general exclusions common to the insurance market as a whole (e.g. acts of war, damage consequential to the possible presence of asbestos, etc.) normally apply to the coverage taken out by Gecina.

The insurance program for buildings also includes construction insurance, namely, primarily contractor's liability insurance (in France "Dommages Ouvrages" or DO), in accordance with the Spinetta Law 78-12 of January 4, 1978, and All construction risks insurance.

A master agreement signed with Allianz, through the firm Marsh, was set up on July 1, 2012 and provides All construction risks, contractor's liability and promoter (Constructeurs Non Réalisateurs) coverage to all construction sites for up to €15 million.

For works entailing sums greater than €15 million, contracts are negotiated and concluded on a case-by-case basis.

1.6.4.2. GENERAL AND PROFESSIONAL THIRD-PARTY LIABILITY

The consequences of bodily, material and immaterial third-party liability due to employee malpractice or flawed professional work are insured under a Group policy. Due to the quality of risks presented by Gecina, it was able to maintain the amount of guarantees after extending the policy by three years to cover 2014, 2015 and 2016.

Mandatory coverage for professional third-party liability of subsidiaries whose activities come under the Hoguet Law is incorporated into the Group's civil liability program.

1.6.4.3. ENVIRONMENTAL THIRD-PARTY LIABILITY

This innovative coverage in the real estate sector was instituted as early as 2007 (see below) to cover Gecina's liability for damage suffered by third parties as well as damage to biodiversity when such damage is the result of the impact of the Group's activities on the environment, and also any costs incurred from on-site pollution cleanup operations to neutralize or eliminate an environmental hazard. The program has just been renewed for two years on January 1, 2014.

1.6.4.4. LEASE MANAGEMENT AND MANAGEMENT OF SUPPLIER CONTRACTS

The real estate risk assessment approach described in this chapter contains guidelines on the management of the insurance clauses and liability in the leases described herein.

Since 1998, liability law has been toughened considerably and made much more complex with the integration of European Directives harmonizing the legal provisions of member states. In the aim of ensuring indemnification of the victim, origin of a third-party liability is no longer to be found solely in the fault but rather more and more in the responsibilities and competence required of professionals (the "deep pocket" principle).

The importance of liability risk has to do with its complexity and growing importance as laws and regulations evolve. This risk is difficult to foresee. It materializes when court proceedings are initiated by one or more third parties without it being possible to prejudge the validity of their reasons.

Aside from court costs, and the expenses and internal costs of defense, these steps to respond to court injunctions may also have major indirect effects on earnings and the company's finances. Whatever the case, they can adversely affect Gecina's image.

Like all other professionals, organizations or individuals, the Gecina group is bound by four types of commitment, which must all be followed:
- its technical commitments;
- control over them;
- its disclosure and advisory obligations;
- its contractual obligations.

To each of them must be added the notion of security, which is increasingly taking the form of a quasi performance guarantee.

Although Gecina accepts in its commercial leases an equitable mutual appeal waiver clause with its tenants and the relevant insurers, the regulation specific to residential leases requires the tenant to take out insurance for damage that might be sustained by the lessor and for which the tenant may be judged liable. However, even though the regulations authorize the lessor to require an appeal waiver from tenants for damage they might sustain due to the owner's fault, Gecina does not wish to systematically include such a clause in its leases out of concern for fairness towards its customers.

1.6.4.5. CLAIMS

There was no significant claim in 2013 and until the date of the publication of this document.

Comments on the fiscal year

The Group's consolidated income is presented in a format that is appropriate for its real estate business and specifically includes the following items:

- Income recorded in the Group's income statement (gross rental revenues), which mainly comes from rent paid by tenants of the Group's properties;
- EBITDA (total of gross rental revenues and income from services and other items minus total net property expenses, services and other items and overheads including salaries and fringe benefits and net management fees) represents income from operations related to the properties and service businesses.

The company also uses recurring earnings as an indicator (which is EBITDA less net financial expenses and recurring tax). This indicator is used to assess changes in the Group's earnings from operations before disposals, valuation adjustments and non-current taxes.

Value adjustments include changes in the fair value of properties as well as changes in the value of financial instruments. Gains or losses due to these changes in value are unrealized and do not generally correspond to actual transactions: the Group has no intention of disposing of its entire real estate portfolio in the short term, while most of the derivatives are hedges for long-term debt to safeguard the Group from interest rate rises and thus cap the cost of debt.

2.1. Business review

2.1.1. GOOD PERFORMANCE FOR GECINA ON THE OFFICE MARKET IN 2013

In 2013, Gecina achieved a good performance in an office market under pressure in the Paris region. Thus, the spot occupancy rate of the Group's office properties stood at 94.7% at the end of 2013 versus 90.1% at the end of 2012, while at the same time, the market occupancy rate fell by 50 bp to 93%.

This performance was driven by the quality of Gecina's property holding, its high exposure to the Central Business District (41% of annualized rents) underpinned by solid fundamentals, but also an aggressive rental strategy in the Western Crescent. This policy has generated positive results for Gecina, which reports +3.4% increase in its office rents on a like-for-like basis, including a negative effect and re-lets limited to -1.1%.

Organic growth is also on an uptrend for all other segments and stands at +3.2% for the entire Group at the end of 2013.

In an uncertain environment in 2014, Gecina is still confident about its future prospects, especially on the office sector, since the Group has anticipated a significant portion of its rental challenges for the year. Thus, thanks to another increase in the occupancy rate and positive albeit decelerating indexing growth on a like-for-like basis of office rents should remain positive in 2014.

Gecina's extremely robust financial structure allowed Gecina to resume in 2013 an active investment policy through asset acquisitions (for €320 million) and through its development pipeline (€213 million). Furthermore, after the sale of the hotels portfolio in 2013, the last non-strategic asset remains the Beaugrenelle shopping center, which disposal was decided in 2013, whose reopening in October 2013 was a huge success, with the number of shoppers exceeding expectations at 3.7 million visitors at the end of January 2014. A preliminary sales agreement was signed on February 20, 2014, after the end of the Board of Directors drafting the 2013 financial statements, for a price of 700 million euros including transfer taxes, representing a net yield of 4.6%. The reinvestment of the proceeds from the sale will go as a priority to Parisian office assets with a value creation potential. At the same time, Gecina continues to operate the redevelopment potential of its property holding, which is manifested in the launch of the restructuring of an asset in the 8th arrondissement of Paris and the construction of 20,000 sq.m for EDF on a land reserve in Lyon Gerland.

Net recurring income for 2013 stood at €313.4 million up by +1.5% over 2012, in line with the revised perspective in October 2013. The dividend that will be proposed to the General Meeting of April 23, 2014 amounts to €4.60 / share, representing a distribution of 90% of net recurring income and reflecting the Company's confidence in its medium term perspectives.

2.1.2. LIKE-FOR-LIKE RENTAL REVENUES UP 3.2%, A PERSISTENTLY POSITIVE TREND IN OFFICE PROPERTY

Gross rental income amounted to €588.9 million at December 31, 2013. On a like-for-like basis, rents are up by +3.2%, which is in line with the trend observed at the end of September 2013 (+3.3%). This progression is the specific result of the positive indexing effect (+2.3%) and higher occupancy rate (+1.0%). The negative effect of renegotiations and re-lets remains very limited to the change in rents on a like-for-like basis for the entire Group (-0.5%).

On a current basis, rents are down -1.2% over 2012. This decline is mainly the result of rent losses caused by disposals and restructurings (-€70.6 million), greater than the aggregate revenue from investments and deliveries of projects (+47.9 million) and growth on a like-for-like basis (+€15.5 million).

€ million	12/31/2013	12/31/2012	Change (%) Current basis	Comparable basis
Group total	**588.9**	**596.1**	**-1.2%**	**+3.2%**
Offices (excluding Beaugrenelle)	345.0	329.9	+4.6%	+3.4%
Beaugrenelle	18.8	2.2	n.a	n.a.
Traditional residential	131.5	150.4	-12.5%	+3.0%
Student residences	9.3	9.0	+3.4%	+3.0%
Healthcare	74.0	72.3	+2.3%	+2.8%
Logistics	0.7	12.6	n.a	n.a.
Hotels	9.6	19.8	n.a	n.a.

The average financial occupancy rate (FOR) significantly improved from 93.4% in 2012 to 95.5% in 2013. This improvement was driven by the significant increase in the average occupancy rate of office property, which increased from 270 bp to 93.6% at year-end 2013, through the time prorated effect of leases signed on the Horizons buildings, Newside and Portes de la Défense. This positive trend on the occupancy rate should continue in 2014: the spot financial occupancy rate observed at the end of December 2013 on the office portfolio stood at 94.7%, 110 bp higher than the 2013 average rate, thanks in particular to the impact of the letting of the Newside building in La Garenne-Colombes, which came into effect in July 2013, as well as 13,000 sq.m of the Velum building in Lyon from January 2014, 6,730 sq.m of the Dock en Seine building in Saint-Ouen from June 1, 2014, and the completion of the letting process for the Portes de la Défense building in 2013.

The occupancy rate of traditional residential property remained at a structurally high level of nearly 98.1%. Lastly, the occupancy rate of healthcare property remained unchanged at 100%.

Average FOR	12/31/2013	12/31/2012
Economic division	**93.8%**	**90.8%**
Offices (*)	93.6%	90.9%
Logistics	n.a	82.0%
Hotels	n.a	100.0%
Demographic division	**98.7%**	**98.3%**
Traditional residential	98.1%	97.7%
Student residences	94.9%	94.3%
Healthcare	100.0%	100.0%
TOTAL GROUP	**95.5%**	**93.4%**

(*) Excluding Beaugrenelle

Office property (59% of Group rental income excluding Beaugrenelle)

Change on a like-for-like basis 2013 vs. 2012

Like-for-like change	Indices	Renegotiations & renewals	Vacancy	Other
+3.4%	+2.5%	-1.1%	+1.7%	+0.3%

Rental revenues for offices (excluding Beaugrenelle) are up by +3.4% on a like-for-like basis, corresponding to a more rapid growth pace compared to the change recorded at the end of September 2013 (+3.1%). The like-for-like change was boosted by a favorable indexing impact (+2.5%) as well as an increase in the properties occupancy rate on a like-for-like basis (+1.7%). These positive effects are offset by the effect of re-lets and renegotiations which come off at -1.1% at year-end 2013, almost unchanged compared to the level observed at the end of September 2013 (-1.0%).

On a current basis, office rents (excluding Beaugrenelle) are up by +4.6%, specifically through rents from recently delivered or acquired buildings such as the Tour Mirabeau, Marbeuf, Park Azur, Magistère and Newside. At the end of 2013, Gecina will have leased nearly 158,000 sq.m of offices, taking into account new rentals, re-lets, renegotiations and renewals, representing around €50 million of annualized economic rent.

In 2013, 39% of office tenants with three-year leases did not renegotiate their lease conditions, 48% renegotiated the terms (taking account of maturities subsequent to 2013 but negotiated in advance) and only 14% chose to terminate their lease. The new leases concluded following renegotiations have a weighted average term of 7.3 years.

Residential (24% of Group rental income)

■ Change on a like-for-like basis 2013 vs. 2012

Like-for-like change	Indices	Renegotiations & renewals	Capex with additional rents	Vacancy	Other
+3.0%	+1.4%	+1.4%	0.0%	-0.2%	+0.4%

Rent for residential properties was up by +3.0% on a like-for-like basis thanks to the positive indexing effect (+1.4%), but also the impact of re-lets which are up by +1.4% or a level close to the one recorded in 2012 (+1.5%). Thus, the differential of incoming/outgoing rents stood at +5.2% on the basis of a 15.0% pickup in tenant turnover rate (13.7% in 2012).

Healthcare (13% of Group rental income)

■ Change on a like-for-like basis 2013 vs. 2012

Like-for-like change	Indices	Capex with additional rents	Renegotiations & renewals	Other
+2.8%	+3.1%	+1.3%	-1.3%	-0.2%

Rental revenues for healthcare assets were up by +2.8% on a like-for-like basis thanks to indexing (+3.1%) and the additional rents generated by works (+1.3%), offsetting the -1.3% contraction caused by lease renegotiations on assets rented to Générale de Santé in the 3rd quarter of 2012. On a current basis, rents were up by +2.3%, the full year effect of rents from the acquisition of six nursing homes in April 2012 and the delivery of the Annemasse Private Hospital in October 2012 offsetting the effect of the disposal of our short-term stay assets completed in the 4th quarter of 2012 and in the 1st quarter of 2013.

Beaugrenelle (3% of Group rental income)

Lastly Gecina booked rents on the Beaugrenelle shopping center project based on the delivery of commercial spaces to trade names, representing €18.8 million at year end 2013. On a full-year basis, gross rental income under IFRS would represent nearly 31 million euros in 2014. Based on 32 million euros of normalized net rents, the preliminary sales agreement dated February 20, 2014, after the end of the Board of Directors drafting the 2013 financial statements, with the price of 700 million euros (including transfer taxes) gives a net yield of 4.6%.

■ Rental margin

	Group	Offices	Beaugre-nelle	Residential	Logistics	Healthcare	Hotels
Rental margin at 12/31/2012	90.8%	93.3%	n.a	82.0%	83.7%	98.8%	98.9%
Rental margin at 12/31/2013	**91.4%**	**93.0%**	**93.8%**	**81.8%**	**n.a**	**99.1%**	**100.9%**

The rental margin would come off at 91.4% at year-end 2013, up by 60 bp over December 31, 2012, under the combined effects of the mix change (disposal of the logistics activity, increase in the weight of healthcare assets, which now has a nearly 100% margin).

2.1.3. NET RECURRING INCOME UP BY + 1.5% IN 2013, IN LINE WITH THE REVISED FORECAST IN OCTOBER 2013

Overheads are slightly up (+1.4%) for the year.

Net financial expenses dropped -7.1% for the year, to €162.7 million, mainly through a reduction in the debt volume to around €600 million for the period. The average cost of drawn-down debt amounted to 3.5% in 2013, versus 3.7% in 2012. The average cost of total debt stood at 4.0% compared to 2012.

Recurring taxes include the payment of the 3% tax on dividends distributed beyond the SIIC obligation, namely €2.4 million.

Recurring net income amounted to €313.4 million, up by +1.5% on 2012, or in line with the revised forecast of October 2013 which projected a slight increase in this indicator.
Recurring net income per share rose to €5.14 /share in 2013 versus €5.08/share in 2012, up by +1.2%.
In 2013, Gecina recognized **minority** interests of €2.3 million, generated by the entry into service of the Beaugrenelle shopping center which is 75% held by the Group.

€ million	12/31/2013	12/31/2012	Change (%)
Gross rental income	**588.9**	**596.1**	**-1.2%**
Property expenses	(140.0)	(142.4)	-1.6%
Recharges to tenants	89.5	87.2	+2.6%
Net rental income	**538.4**	**541.0**	**-0.5%**
Services and other income (net)	7.6	9.6	-21.6%
Overheads	(65.7)	(64.7)	+1.4%
EBITDA	**480.3**	**485.9**	**-1.2%**
Net financial expenses	(162.7)	(175.1)	-7.1%
Gross recurring income	**317.6**	**310.9**	**+2.2%**
Recurring minorities	(2.3)	(0.1)	n.a
Recurring taxes	(4.2)	(2.2)	+89.7%
Recurring net income (Group share)	**311.1**	**308.6**	**+0.8%**
Recurring net income	**313.4**	**308.6**	**+1.5%**

2.1.4. SUCCESS OF THE DIVESTMENT POLICY AND INVESTMENTS RALLY TO €580 MILLION

Gecina completed €128 million of sales in the 4th quarter, raising the total amount of disposals made in 2013 to €846 million in line with the annual goal of €850 million. Divestments were made throughout the Group. Accordingly, €280 million were obtained from the disposal of the entire hotels portfolio, €260 million from the divestment of non strategic buildings, €244 million concerned residential assets (of which 33% of block sales and 67% on a unit-by-unit basis) and €62 million achieved through the healthcare properties portfolio turnover policy.

The net exit yield rate for these sales was 5.1%. The average premium on asset sales amounted to +8.8% compared with appraisals at year-end 2012, of which +34% on residential assets sold in units.

Furthermore, in addition of Beaugrenelle, at the publication date €29 million of additional assets are covered by purchase agreement, of which €22 million of residential assets.

At the same time, investments amounted to €580 million in 2013, €213 million of which was committed to a development pipeline (including €97 million on the Beaugrenelle shopping center), €320 million in acquisitions (of which the Tour Mirabeau mainly and a rue Marbeuf asset respectively in the 15th and 8th arrondissements of Paris). Capex represented €47 million (including upgrades leading to additional rents), being 0.4% of the total property holding value, demonstrating the Group's constant efforts to optimize the quality of its portfolio.

At December 31, 2013, there was still €371 million to be invested for committed developments in the pipeline, of which €183 million in 2014, €116 million in 2015 and the balance in 2016. Ongoing projects should generate €31 million in annualized headline rents.

Capitalized financial expenses under the investments totaled €13.6 million in 2013.

2.2. Financial resources

In 2013, Gecina continued to improve the flexibility of its financial structure, maintained solid financial ratios and indicators and increased the maturity of its debt financing:

- The loan-to-value (LTV) ratio stayed under the 40% mark at 38.7% excluding transfer duties (versus 39.7% the previous year)
- Extending the average life of its debt to 4.9 years
- The Group continued to diversify its financial resources in terms of market and counterparty;
- The cost of drawn-down debt fell from 3.7% the previous year to 3.5%
- The Group finalized the harmonization of its banking covenants
- Liquidity amounts to €2,195 million, covering credit maturities for the next two years
- The Group also continued its strategy of streamlining its debt maturity dates

The main transactions carried out in 2013 include:

- The signature of €962 million of new debt financing (a bond issue of €300 million and €662 million of bank loans) for an average period of 7.2 years;
  - A €300 million bond was issued for a 10-year maturity period expiring on May 30, 2023. The issue spread was 140 basis points on the mid-swap rate, raising the coupon to 2.875%, i.e. the lowest coupon for Gecina's bond issue with the longest maturity;
- The early reimbursement of four mortgage loans, for an amount of €295 million, as well as the assignment of two financial leases for a residual outstanding of €65 million;
- The renegotiation of margin conditions and non-utilization fee for four corporate bank loans, for an outstanding of €580 million;
- The easing of one of the Group's bank covenants, the secured debt ratio. Thus, at the end of 2013, the strictest covenant for Gecina for the secured debt stood at 25% (20% at 12/31/2012);
- Continuous issue of treasury notes with an average balance for the year of €690 million, clearly up on 2012 (average outstanding of €168 million).

Following the different refinancing transactions completed in 2013, the Group's next important maturity will be in the 3rd quarter of 2014 with the maturity of a 500 million bond issue, very largely hedged by currently available credit lines.

All the actions undertaken by the Group were once again hailed by Standard & Poor's which raised its outlook on Gecina's credit rating from BBB / stable outlook to BBB / positive outlook on December 17, 2013. Furthermore, the Banque de France raised the Group's credit rating from 4 to 4+ in June 2013.

2.2.1. DEBT STRUCTURE AT DECEMBER 31, 2013

Gecina's consolidated gross financial debt amounted to €4,258 million as at December 31, 2013 versus €4,431 million at December 31, 2012, representing a decrease of €173 million. Net financial debt reached €4,246 million at the end of 2013, corresponding to a decrease of €183 million over the previous year, mainly as a result of the net disposals of investments during the year.

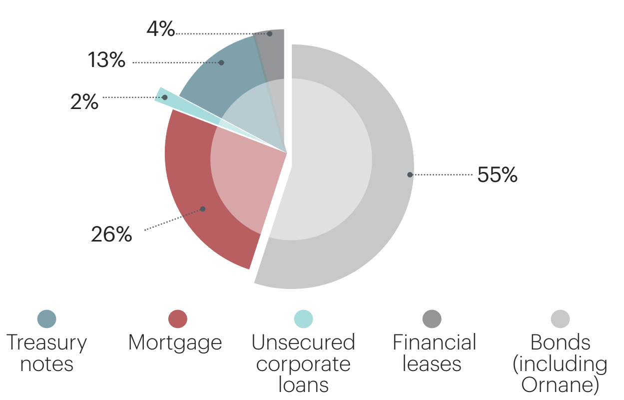
The main characteristics of the debt are:

	12/31/2012	12/31/2013
Gross financial debt (€ million) (1)	4,431	4,258
Net financial debt (€ million)	4,429	4,246
Gross nominal debt *(€ million)* (1)	4,333	4,143
Unused credit lines (€ million)	2,050	2,195
Average maturity of debt (years, restated by available unused credit lines)	4.7	4.9
LTV	39.7%	38.7%
LTV (including transfer taxes)	37.8%	36.7%
ICR	2.8x	3.0x
Secured debt/Properties	15.0%	11.7%

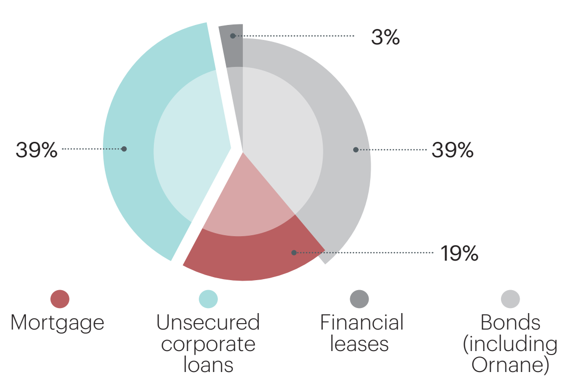
(1) Gross financial debt = Gross nominal debt + impact of the recognition of ORNANE at fair value + impact of the recognition of bonds at amortized cost + accrued interests not due

Debt by type

Breakdown of gross nominal debt



Breakdown of authorized financing (including €2,195 million of unutilized credit lines as at 12/31/2013)



Thanks to the transactions executed in the last 12 months, Gecina has succeeded in continuing to diversify the Group's financial resources. Nominal debt currently comprises 55% of long-term market resources (compared with 26% at end 2010 and 45% at end 2012).

The market accounts for 39% of Group resources (EMTN or convertible bonds) compared with 22% at end 2010 and 34% at end 2012.

Gecina's nominal financial debt at December 31, 2013 comprised:

- €1,950 million of notes issued under the EMTN (Euro Medium Term Note) program;
- €320 million of "Ornane" convertible bonds;
- €1,174 million of bank loans, of which €1,091 million of mortgage financing and €82 million of corporate financing;
- €169 million of financial leases;
- €530 million of treasury notes, covered by medium and long-term confirmed credit lines;

2.2.2. LIQUIDITY

As at December 31, 2013, Gecina had €2,195 million of unused credit lines, covering all credit maturities for the next two years.

Gecina's 2013 financing and refinancing transactions include:

- The exercise of €962 million including primarily:
  - The issuance in May 2013 of bonds for €300 million maturing in 10 years and a coupon of 2.875%. The issue spread was 140 basis points on the mid swap rate, raising the coupon to 2.875%, i.e., the lowest coupon for the longest maturity Gecina bond issue.
  - The signature of three bilateral bank credits for a total outstanding of €660 million, in consideration for the early termination of €585 million maturing in 2014 and 2015. These new financing plans have an average life of 6.0 years.
- The early repayment of four mortgage loan contracts for an amount of €295 million at maturity together with the assignment of two financial lease contracts for a residual outstanding of €65 million.
- The renegotiation of margin conditions and non-utilization fee for four corporate bank loans, for an outstanding of €580 million.

Thus, in 2013, Gecina continued to diversify its sources of financing and its banking counterparties while retaining satisfactory flexibility and liquidity. Thanks in particular to the credit rating upgrade by Standard & Poor's and Moody's in the second half of 2012, access to the terms of various financing sources improved again for Gecina; especially on bond markets and treasury notes.

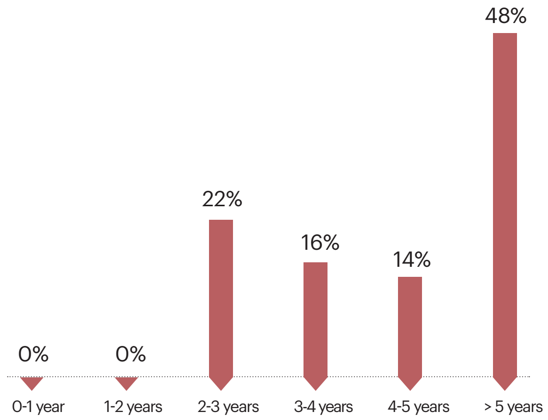
Gecina updated its EMTN program of €2.5 billion with the AMF and its treasury notes with the Banque de France.

Gecina stepped up the rate of its treasury note issues. The outstanding at year-end 2013 was €530 million versus €550 million at year-end 2012. The average annual outstanding amounted to €690 million in 2013 and was issued at an average rate of 023%, versus an average outstanding in 2012 of €168 million issued at an average rate of 0.60%.

Lastly, Gecina's loan repayments in the next 24 months are largely covered by unused credit lines. Gecina has debt repayments due in 2014 and 2015 amounting to respectively €1,106 million (of which €530 million of treasury notes) and €48 million at December 31, 2013, compared with €2,195 million of unused long-term credit lines at the same date.

2.2.3. DEBT REPAYMENT SCHEDULE

Gecina's debts have an average maturity of 4.9 years [1] (up by 0.2 year). The chart below shows Gecina's debt repayment schedule as at December 31, 2013 (after allocation of the unused credit lines).



All the credit maturities for the next two years were covered by unused credit lines as at December 31, 2013. Furthermore, 78% of the debt has a maturity exceeding three years and nearly half of the debt has a maturity exceeding five years.

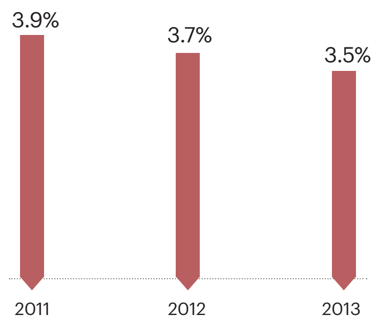
(1) After taking account of unused credit lines

2.2.4. AVERAGE COST OF DEBT

The average cost of drawn-down debt is up by 3.5% in 2013, versus 3.7% in 2012. This favorable change can be primarily explained by the increased issue of treasury notes, the successful restructuring of the hedge portfolio (mainly realized in 2012) and the drop of the Euribor rates partly offset by the full year effect of re-financings for 2012.

The average cost of total debt (drawn and undrawn) was 4.0% in 2013, stable compared with 2012.

The chart below shows the trend of average cost of Gecina's drawn-down debt by in the last three years.



Capitalized interest on development projects amounted to €13.6 million in 2012 (versus €23.2 million in 2012).

2.2.5. CREDIT RATING

The Gecina Group is monitored by both Moody's and Standard & Poor's:

- Standard & Poor's raised Gecina's credit rating outlook from BBB / stable outlook to BBB / positive outlook on December 17, 2013.
- Moody's confirmed its Baa2 rating with stable outlook on November 5, 2013.

2.2.6. MANAGEMENT OF INTEREST RATE RISK HEDGES

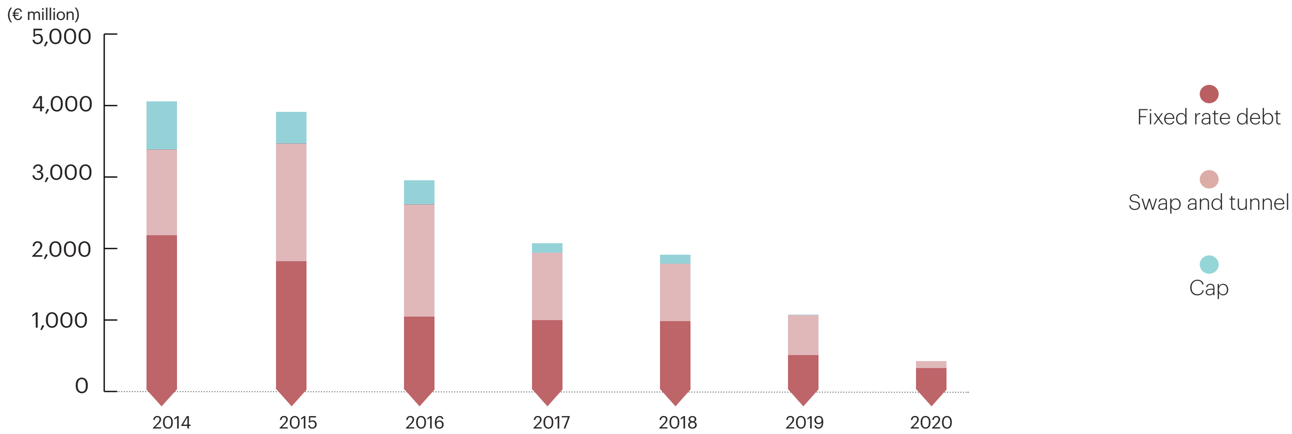
Gecina's interest rate risk management policy is aimed at hedging the company's exposure to interest rate risk. To do so, Gecina uses fixed-rate debt and derivative products (primarily caps and swaps) in order to limit the impact of interest rate changes on the Group's results, and to keep its cost of debt under control.

Gecina continued to adjust and optimize its hedging policy in 2013 aimed at:

- Maintaining an optimal hedging ratio
- Adjusting its hedging portfolio after the issue of the fixed-rate bond and when the debt volume decreases
- Retaining a stable average maturity of hedges (fixed-rate debt and derivative instruments).

Consequently, as at December 31, 2013, the average maturity of hedges (fixed-rate debt and derivative instruments) was 4.2 years.

The chart below shows the hedging portfolio:



Gecina's interest rate hedging policy is primarily a blanket, long-term policy for all its loans; it is not specifically assigned to certain loans. As a result, it does not meet the accounting definition of hedging instruments and the change in fair value is posted to the income statement.

MEASURING INTEREST RATE RISK

Gecina's anticipated net financial debt in 2014 is 95% hedged against interest rate hikes (as a function of the observed Euribor rate levels, due to caps).

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2013 and anticipated debt in 2014, a 50 basis point increase in the interest rate would generate an additional expense in 2014 of €4.4 million. A fall in interest rates by 50 basis points would result in a reduction in interest expense in 2014 of €4.6 million.

2.2.7. FINANCIAL STRUCTURE AND BANK COVENANTS

Gecina's financial position as at December 31, 2013, meets the various ratios likely to affect repayment terms or to trigger premature repayment clauses provided for in the various loan agreements.

The table below reflects the status of the main financial ratios outlined in the loan agreements:

	Benchmark standard	Balance at 12/31/2013
LTV Net financial debt/Revalued block value of property holding	Maximum 55%	38.7%
ICR EBITDA before disposals to Net financial expenses	Minimum 2.0x	3.0x
Outstanding secured debt/Block value of property holding	Maximum 25% (1)	11.7%
Revalued block value of property holding (€ million)	Minimum 6,000 / 8,000	10,819

(1) In 2013, the Group renegotiated the bank covenant concerning the ratio of secured debt to the total portfolio value (block value). This covenant was revised from 20% to 25%, offering greater protection for Gecina.

The methods of calculating the financial ratios shown above are the same as those used in the covenants included in all the Group's loan agreements.

LTV fell to 38.7% at December 31, 2013 compared to 39.7% at December 31, 2012. The ICR is also up by 0.2x (from 2.8x at December 31, 2012 to 3.0x as at December 31 2013).

2.2.8. GUARANTEES GIVEN

The amount of consolidated nominal debt guaranteed by real sureties (i.e. mortgages, lender's liens, unregistered mortgages, and financial leasing) amounted to €1,091 million at year-end 2013, compared with €1,399 million at year-end 2012. Furthermore, the nominal outstanding of financial leases reached €169 million versus €253 million at December 31, 2012.

Thus at December 31, 2013, the total amount of financing secured by mortgage-backed assets or leasing amounted to 11.7% of the total block value of the property holding held, versus 15.0% at December 31, 2012, for an authorized maximum limit of 25% in the various credit covenants. This decrease can be primarily explained by the early repayment of 4 mortgage loans and the disposal of 2 financial leases during the year.

2.2.9. EARLY REPAYMENT IN CASE OF A CHANGE OF CONTROL

Certain loan agreements to which Gecina is party and certain bonds issued by Gecina provide for mandatory early repayment and/or cancellation of loans granted and/or a mandatory early repayment liability if there is a change of control of Gecina.

Based on a total amount of €5,808 million authorized (including drawn-down debt and available undrawn bank credit lines) at December 31, 2013, €2,665 million of bank debt and €2,270 million in bonds (falling due on September 19, 2014, February 03, 2016, April 11, 2019 and the "Ornane" on January 1, 2016) is affected by such a clause concerning a change of control of Gecina.

For the bond loan falling due in September 2014 to become due for early repayment, the change of control must cause a downgrading of Gecina's rating to below BB, and not upgraded within 120 days to BB+.

With respect to the bond issues maturing in February 2016, April 2019 and May 2023, a change of control followed by the down rating of Gecina's credit rating to Non-Investment Grade, not upgraded to Investment Grade within the next 120 days, may trigger the early repayment of the debt.

2.3. Appraisal of property holdings

The entire property holding of Gecina Group undergoes appraisals each year at June 30 and December 31 conducted by a board of five independent appraisers: CBRE, BNPP Real Estate, Foncier Expertise, Jones Lang LaSalle, and Catella; the fees of these appraisers are based on the number of assets appraised and not on the value of those assets.

The values presented in this chapter stem from the appraisals conducted by specifically mandated real estate appraisers.

The Group's properties include commercial assets (offices and retail), residential assets, logistics assets and healthcare facilities. For purposes of its Consolidated financial statements, the Group opted for the fair value model of appraisal for its properties in accordance with IAS 40, with the fair value being measured by the independent appraisers twice a year. In accordance with this standard, changes in fair value of the properties (after factoring in capitalized work) in each accounting period are posted to the income statement.

The value of each appraised asset is measured by one of the appraisers on the board; the appraisers are rotated in accordance with a procedure reviewed by the Group's Audit, Risk and Sustainable Development Committee, which stipulates that each appraiser should be given a portfolio of properties to value and that an annual average turnover of 10% be maintained by transferring properties between appraisers. This Committee checked that this procedure was applied.

The appraisers determine the value of the properties based on two approaches: individual sale of units comprising the properties (appraised unit value) and sale of entire properties (appraised block value). The method used by the appraisers is described in Note 3.5.3.1.1 of the Notes to the Consolidated financial statements. The appraisers produce a detailed report for each building valued.
The appraisals were carried out in accordance with standard procedures that remain consistent from year to year on the basis of net sales prices, i.e., exclusive of costs and duties. Gecina does not disclose values inclusive of duties, given that they do not add value for the shareholders. Gecina deems that disclosures including such costs that artificially increase the value of the assets are not appropriate.

The gross or net capitalization rates are determined as the ratio of gross or net potential rents respectively over the appraisal values excluding transfer duties.

Information on the sensitivity of the property holding valuation to changes in the economic situation is indicated in the Consolidated financial statements section, in Note 3.5.6.6.

During a real estate valuation, the appraiser performs the appraisal on the basis of the rental statement that he receives from the company.

If this statement includes vacant surface areas, the appraiser uses the market rental value to measure the rents of vacant surface areas.

Potential rent is then obtained by the combination of rents for ongoing leases and the rental values of vacant surface areas.

The appraiser uses this overall rent as the basis for pricing the building's value by applying the rate of return linked to the type of asset under review in the case of income-based methods.

In the case of the Discounted Cash Flow method, the appraiser values vacant premises in the same way based on the market rental value.

In the case of a DCF over 10 years, the appraiser will use at the end of each lease under consideration, the market rental value (Valeur Locative de Marché, or VLM in French) of the surface areas that have been released.

For measuring the market rental value, the appraiser takes account of the market situation in question on the date on which the appraisal is performed.

Changes in the fair value of balance sheet assets according to the Group's accounting standards in 2013 are as follows:

Breakdown by segment	Block value			Change current basis		Change like-for-like
€ million	12/31/2013	06/30/2013	12/31/2012	12/31/2013 vs. 12/31/2012	12/31/2013 vs. 06/306/2013	12/31/2013 vs. 12/31/2012
Offices (Beaugrenelle included)	6,908	6,751*	6,660	+3.7%	+2.5%	-0.3%
Residential	2,797	2,872	2,965	-5.7%	-2.6%	+0.3%
Healthcare	1,071	1,063	1,108	-3.3%	+0.7%	-0.3%
Logistics	6	6	6	-7.4%	-5.8%	-12.0%
Hotels	0	0	271			
Sub-total	**10,781**	**10,692**	**11,009**	**-2.1%**	**+0.9%**	**-0.1%**
Equity affiliates	0	0	5	-	-	-
GROUP TOTAL	**10,781**	**10,692**	**11,015**	**-2.1%**	**+0.9%**	**-0.1%**
UNIT VALUE TOTAL	**11,368**	**11,285**	**11,654**	**-2.4%**	**+0.8%**	**-0.4%**

(*) Including an acquisition down-payment.

The property holdings had a block value of €10,781 million, corresponding to a loss of €234 million in 2013.

The main items are the following:

- a like-for-like structure representing €9,196 million, a decrease of €13 million (or 0.1%) including €48 million of costs and upgrades completed during the year;
- €809 million of projects delivered in the year (value at December 31, 2013), including deliveries of the Beaugrenelle shopping center, the Docks en Seine and Velum in Lyon 3rd arrondissement;
- €306 million of acquisitions (of which €190 million for the Tour Mirabeau in Paris 15th arrondissement, and €116 million for the rue Marbeuf asset in Paris 8th arrondissement);
- €116 million of buildings under development (of which €33 million on the restructuring portion of the Cristallin asset in Boulogne and €24 million for the Capio Clinic in Bayonne) representing total investment of €58 million in 2013;
- €64 million of head office book value including depreciation of €1 million in 2013;
- €52 million of land reserves for which €4 million of expenses and works were booked in 2013;
- €28 million of assets in the process of block sale;
- €211 million of assets in unit-by-unit sales at December 31, 2013, of which €122 million of units were sold;
- €655 million of block disposals and €1 million of residual disposals on assets sold in units (value at December 31, 2012) achieved for the year (generating disposal income of €682 million, or gross capital gain of €27 million compared to the valuation at December 31, 2012);
- a €44 million fall in the property holding value recognized in the income statement.

Net capitalization rates for the year rose slightly by 6 basis points for the year on a like-for-like basis.

	Gross cap rate			Net cap rate		
	2013	2012 (1)	Change	2013	2012 (1)	Change
Officies (excl. Beaugrenelle)	6.38%	6.32%	6bp	6.03%	6.03%	0bp
Residentiel	5.27%	5.09%	18bp	4.40%	4.28%	12bp
Logistics	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hotels	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Healthcare	7.08%	6.93%	16bp	7.02%	6.84%	17bp
Total like-for-like basis	**6.16%**	**6.06%**	**10bp**	**5.71%**	**5.65%**	**6bp**

(1) Like-for-like basis 2013.

For each asset category, the property appraisers established working assumptions based mainly on their knowledge of the market and in particular of the latest transactions. It is in this context that they determine the various capitalization and discount rates.

The table below indicates, by asset category, the range of discount rates used by the property appraisers to prepare the Discounted Cash Flow (DCF method) in their current appraisals.

Sector-specific premium risks were determined with reference to the French Treasury's 10-year OAT (with an interest rate of 2.5% as at December 31, 2013).

		Discount rate December 2013			Specific risk premium December 2013		
OFFICES		**4.10%**	**-**	**13.75%**	**1.60%**	**-**	**11.25%**
	Paris	4.10%	-	8.50%	1.60%	-	6.00%
	Paris central business district	4.10%	-	7.10%	1.60%	-	4.60%
	Paris, excl. Central business district	4.95%	-	8.50%	2.45%	-	6.00%
	Paris Region	5.75%	-	13.75%	3.25%	-	11.25%
	Inner suburbs	5.75%	-	8.10%	3.25%	-	5.60%
	Outer suburbs	8.25%	-	13.75%	5.75%	-	11.25%
	Other regions	7.50%	-	7.50%	5.00%	-	5.00%
LOGISTICS		**11,00%**	**-**	**11,00%**	**8,50%**	**-**	**8,50%**
	Outside France	11.00%	-	11.00%	8.50%	-	8.50%
HEALTHCARE		**6,75%**	**-**	**8,00%**	**4,25%**	**-**	**5,50%**
	Paris	7.45%	-	7.45%	4.95%	-	4.95%
	Paris region	6.90%	-	8.00%	4.40%	-	5.50%
	Other regions	6.75%	-	7.50%	4.25%	-	5.00%

The block value of the property holding shows a drop of -2.1% on a current basis.

This drop is due to the €777 million sale of property for the year partly offset by the increase in the value of assets delivered or acquired in the year (+€502 million including €470 million of investments) and assets under development (+€55 million).

- Like-for-like, the value of property holdings was stable (-0.1% or -€13 million):

(i) The like-for-like value of office properties was stable for the year (-0.3% or -€17 million). Capitalization also remained stable overall (+6 bp at 6.38%);
(ii) The value of residential properties was stable for the year (+0.3% or +€6 million) for traditional residential properties and +1.2% for student residences. Unit valuations fell by 0.6%. The value per square meter of residential properties stood at €4,826/sq.m as at December 31, 2013 with gross a capitalization rate of 5.27%.
(iii) The value of healthcare assets barely changed during the year (-0.3% or -€3 million).

- On a current basis:

(i) three assets were delivered in 2013 for a value of €809 million as at December 31, 2013. These deliveries included the Beaugrenelle shopping center in October, the Docks en Seine in November and the Velum in Lyon 3rd arrondissement in September;
(ii) the balance sheet value of the pipeline as at December 31, 2013, rose by €55 million. This increase in value can be explained by upgrades totaling +€56 million;
(iii) block sale of 18 assets for a total sale price of €682 million and a value December 31, 2012, of €655 million, of which:
– €280 million of hotel assets (4 Clubs Med'), at a capitalization rate of 7.0%.
– €260 million of office assets (including the Mercure in Paris 15th arrondissement for €64 million), at a capitalization rate of 6.3%,
– €80 million of residential assets at a net capitalization rate of 4.6%,
– €62 million of healthcare assets (including €39 million for the Claude Galien clinic at Quincy-sous-Sénart), at a capitalization rate of 6.7%,
The overall net capitalization rate of these assets on the basis of their sale price at December 31, 2013 amounts to 6.4% (calculated on potential rents);
(iv) €164 million of apartments and car parks (€123 million in book value at December 31, 2012) were sold to private customers in 2013;
(v) Furthermore, €28 million of assets are currently covered by purchase agreements or held for block sale. The overall capitalization rate for these assets amounted to 6.25% at December 31, 2013.

The breakdown of the value in the balance sheet as at December 31, 2013 is as follows:

Segments	2013 (€ million)	2013 (%)
Offices (including Beaugrenelle)	6,908	64%
Logistics	6	0%
Total Economic division	**6,913**	**64%**
Residential	2,797	26%
Healthcare	1,071	10%
Total Demographic division	**3,868**	**36%**
TOTAL GECINA	**10,781**	**100%**

In accordance with the EPRA guidelines, the table below presents the reconciliation between the book value of buildings on the balance sheet and the total appraisal value of the property holdings:

	2013 (€ million)
Book value	**10,781**
Operating properties (head office)	37
Under development projects booked at their historic cost	(11)
Inventory properties booked at their historic cost	(3)
Investment properties	15
APPRAISAL VALUE	**10,819**

2.3.1. BUILDINGS IN THE REAL ESTATE PROPERTY HOLDINGS OF THE ECONOMIC DIVISION

Valuation of office properties in the balance sheet

€ million	12/31/2013	12/31/2012	Change
Valuation of office properties	6,908	6,660	+3.7%
Valuation of office properties on a like-for-like basis	5,641	5,658	-0.3%

Given the acquisitions completed in 2013 (€306 million), the value of buildings in the office properties portfolio increased by 4% to €6,908 million compared with December 31, 2012 (i.e., +€247 million).

In a lackluster economic environment not conducive to risk taking, the fundamentals of investment barely changed, with the bulk of transactions concerning secure office assets on prime locations. The increase in the office building portfolio in the Paris Central Business District particularly offset the decline of assets in the other segments. The market value of Gecina's commercial assets remained unchanged, like-for-like, in 2013. The portfolio's gross capitalization rate on potential rents was also unchanged in 2013 at 6.38%.

Office portfolio assets in operation (on a constant basis)

	Appraisal value (block) (€ million)	Value (€/sq.m)	Gross capitalization rate	Net capitalization rate
Paris CBD	2,472	12,047	5.53%	5.23%
Paris non CBD	425	5,523	7.69%	7.27%
Paris	2,897	10,268	5.84%	5.53%
1st Rim	2,612	6,152	6.82%	6.45%
2nd Rim	91	2,110	9.25%	8.75%
Paris Region	2,703	5,781	6.90%	6.52%
Lyon region	6	1,705	8.79%	8.31%
Other countries	35	2,903	10.14%	9.59%
TOTAL	**5,641**	**7,368**	**6.38%**	**6.03%**

On a like-for-like basis, 51.3% of the Group's office properties are located in Paris, a sector in which the rates of return remained stable in 2013, and 47.9% in the Paris Region.

Valuation of logistics property holdings on the balance sheet

€ million	12/31/2013	12/31/2012	Change
Valuation of logistics property holdings	6	6	-7.4%
Valuation of logistics properties on a like-for-like basis	4	5	-12.0%

There is still one logistics portfolio asset that was almost completely divested in 2012. Its value fell by 12% in the year.

Logistics properties in use on a constant basis

	Appraisal value (block) (€ million)	Value (€/sq.m)	Gross capitalization rate	Net capitalization rate
Other countries	4	178	n.a.	n.a.
TOTAL	**4**	**178**	**n.a.**	**n.a.**

2.3.2. BUILDINGS IN THE REAL ESTATE PROPERTY HOLDINGS OF THE DEMOGRAPHIC DIVISION

Valuation of residential properties in the balance sheet

€ million	12/31/2013	12/31/2012	Change
Valuation of residential property holdings	2,797	2,965	-5.7%
Valuation of residential properties on a like-for-like basis	2,509	2,502	+0.3%

Following the disposals made in 2013 (including €199 million value at December 31, 2012: €76 million in block and €123 million in units), the residential portfolio contracted by 5.7% to €2,797 million on a current basis.

On a constant basis, the value of residential properties was stable for the year (+0.3%) of which +0.3% or +€7 million for traditional residential properties and 1.2% for student residences. This change in value was in line with the market trend in 2013.

With respect to traditional residential properties, the block/unit general discount fell by 95 bp to 16.83% at December 31, 2013. The fall stems from the slight drop in unit values as compared with block values which have shown remarkable resilience. The value per square meter of these assets stood at €4,826/sq.m as at December 31, 2013 with a capitalization rate of 5.27%

Residential properties in use on a constant basist

	Appraisal value (block) (€ million)	Value (€/sq.m)	Gross capitalization rate	Net capitalization rate
Paris Region	2,403	4,929	5.18%	4.35%
Other regions	107	3,279	7.31%	5.53%
TOTAL	**2,509**	**4,826**	**5.27%**	**4.40%**

95.8% of the Group's residential property in use is located in the Paris region, of which 70.7% in Paris. The average gross capitalization rates and the average retail values are generally unchanged in 2013.

Valuation of healthcare properties in the balance sheet

€ million	12/31/2013	12/31/2012	Change
Valuation of healthcare properties	1,071	1,108	-3.3%
Valuation of healthcare properties on a like-for-like basis	1,042	1,045	-0.3%

On a current basis, the healthcare property holding lost 3.3% of its value in the year and fell to €1,071 million following in particular the disposal of the three clinics covered by a purchase agreement on December 31, 2012, for €62 million.

On a constant basis, the healthcare portfolio remains unchanged (-0.3%,-€3 million), and the gross average capitalization rate stands at 7.08%

Healthcare properties in use on a constant basis

	Appraisal value (block) (€ million)	Value (€/sq.m)	Gross capitalization rate	Net capitalization rate
Paris Region	266	2,640	rate	6.67%
Other regions	776	1,815	7.20%	7.14%
TOTAL	**1,042**	**1,972**	**7.08%**	**7.02%**

2.3.3. CONDENSED REPORT OF PROPERTY APPRAISERS

GENERAL BACKGROUND TO THE APPRAISAL ENGAGEMENT

GENERAL BACKGROUND

GECINA consulted the property appraisers:
- CB Richard Ellis Valuation;
- BNPP Real Estate Valuation;
- Catella Valuation Advisors;
- Foncier Expertise;
- Jones Lang LaSalle;

to obtain the updated value of its portfolio of real estate assets, broken down as follows:

€ million		Number of assets	Valuation at 12/31/2013 in € million
CBRE			
	Offices	56	4,463
	Healthcare	8	176
BNP RE			
	Offices	40	2,398
	Healthcare	1	4
Catella			
	Healthcare/Hotels	59	817
Foncier Expertise			
	Offices	5	84
	Residential	52	1,233
JLL Expertises			
	Residential	35	1,479
	Healthcare	6	73
Non-appraised assets		38	92
Total Gecina group assets		**300**	**10,819**

(Appraisal value amounts €10,819 million versus book value of €10,781 million)

In accordance with GECINA's instructions, the property appraisers drafted appraisal reports and determined the requested fair values, the objective value as at December 31, 2013.

No conflict of interest was recognized.

This engagement represents less than 2.5% of the annual revenues of each property appraiser, except for Catella Valuation Advisors where the percentage is 4.7% of its annual revenues. The fees of property appraisers are determined on the basis of a lump sum per asset examined and never on the basis of an amount proportional to the value of the building.

It was conducted in response to AMF recommendations on the presentation of valuation items, and the property holding risks of listed companies, published on February 8, 2010.

MISSION

All the concerned real estate assets have been inspected by the appraisal teams over the last five years, including 53 assets in 2012 and 63 assets in 2013.

To carry out the appraisal, no technical, legal, environmental or administrative audit was required. The valuation was based on the documents given by the principal, namely:

- leases;
- descriptive sections of purchase deeds;
- details of receipts;
- details about the tax regime and certain charges.

PERFORMANCE CONDITIONS

This appraisal was conducted on the basis of documents and information sent by Gecina to the appraisers, in particular rental statements sent out in October, all supposedly genuine and representing all the information and documents held by or known to the principal and likely to have an impact on the fair value of the property.

The appraisal procedures and assessments were made in accordance with:

- the recommendations of the Barthès de Ruyter report on assessing the real estate portfolios of publicly-listed companies, published in February 2000;
- the Charter of Professional Real Estate Appraisers;
- the "European Valuation Standards", published by TEGoVA (The European Group of Valuers' Associations);
- the "Appraisal and Valuation Manual" of the Royal Institution of Chartered Surveyors (RICS);
- the "International Valuation Standards" of the International Valuation Standard Committee.

The following methods were used to estimate the fair value of assets:

- comparison method;
- revenue method;
- cash flow method;
- so-called developer's balance sheet method (only applied to buildings under construction).

The valuation method is summarized in Note 3.5.3.1.1. of the Notes to the Consolidated financial statements.

This value applies subject to market stability and absence of significant changes in the buildings between the date of the appraisals discussed in this report and the value date.

With respect to properties and rights in rem covered by a financial lease, the appraisers exclusively valued the properties and the underlying rights in rem and not the assignment value of the financial lease.
Similarly, the appraisers did not take account of any specific financing methods that may have been used by property owners.

OBSERVATIONS

Fair values are stated exclusive of costs and duties.

All appraisers have declared that they were independent and held no stake in Gecina; each appraiser has certified the fair values of the properties measured thereby without assuming liability for appraisals performed by any of the other appraisers and has agreed that this summary report be included in Gecina's Reference Document.

CBRE Valuation	BNPP Real Estate Valuation	Catella Valuation Advisors	Foncier Expertise	Jones Lang LaSalle

2.4. Business and corporate earnings and main subsidiaries

2.4.1. GECINA

2.4.1.1. BUSINESS AND EARNINGS

2013 rental income amounted to €271 million compared with €268 million in 2012. Residential sector rents fell from €137 million in 2012 to €124 million in 2013 as a result of asset disposals in 2012 and in 2013 mostly offset by rents from the buildings contributed by Parigest.

Commercial sector rents rose from €131 million in 2012 to €147 million 2013. This increase can be primarily explained by the new rentals or the end of rent free periods.

With respect to the write-backs of provisions in 2013, €1.9 million were written back for impaired receivables, €4.8 million concerned share buyback plans (in 2012 they concerned €2.6 million of provisions for receivables and €1.6 million for tax provisions).

Operating income includes €49 million of re-charges to tenants and, under other income, re-charges of inter-company services amounting to €32.7 million.

2013 operating expenses amounted to €256 million, versus €236 million the previous year. External expenses decreased by €4 million and specifically include €3 million of management fees and €7 million for consulting and bank fees.

Depreciation expense increased in 2013 by €10 million (new assets in use and entry of buildings as a result of 2012 mergers). Operating income amounted to €100 million compared with €112 million the previous year.

The financial result for the year amounted to a net income of €108 million compared with a net income of €317 million the previous year. This reflects:

- interest and related expenses (net of cash revenues) of €4 million (including €15 million payments of balances resulting from the restructuring of transactions on hedging financial instruments);
- dividends received from subsidiaries and income from equity investments of €90 million;
- write-backs on depreciations of €25 million related to shares and receivables from subsidiaries, of which €19 million concerned SIF Espagne and €1.7 million for Gecina treasury shares;
- financial depreciations of €4 million.

A net revenue of €113 million was recorded under exceptional items, €117 million of which concerned capital gains on the disposal of buildings, €2 million of capital loss on the sale of securities (primarily linked to the sale of GEC 4 shares), €1 million of net write-backs on provisions on properties and €1 million of gains on the treasury share purchases.

2013 net earnings amounted to €318 million, down from €411 million in 2012.

2.4.1.2. FINANCIAL POSITION

The Company's total balance sheet at December 31, 2013 amounted to €8,023 million, compared with €7,737 million at December 31, 2012.

Fixed assets include intangible assets, primarily consisting of €416 million of unrealized merger gains from the SIF property holding (taken over in 2007) and its subsidiaries for €195 million, as well as €62 million on the property holding of Horizons taken over in 2011 and €159 million on the property holding of Parigest, Montbrossol, Geci 1 and Geci 2 (taken over in 2012).

Gecina's directly held property holding fell €212 million, from a net amount of €4,019 million at year end 2012 to €3,807 million at year end 2013.

The changes were as follows:

• capitalized expenditures	103
• net book value of assets sold	(280)
• net depreciation and provisions	(35)
	(212)

Investments in subsidiaries, equity interests and related receivables represented a total net amount of €3,134 million at December 31, 2013, compared with €2,792 million at the end of 2012.

The main changes were as follows (€ million):

• capital increase of the subsidiary GEC 7	80
• merger-absorption of the Geciotel subsidiary	(50)
• total transfer of the property holdings of the subsidiary Investibail Transactions	(16)
• increase of the cost price of the Beaugrenelle subsidiary	12
• increase in trade receivables	295
• net change in provisions	21
	342

At December 31, 2013, the most significant equity investments were, in gross value: Geciter (€782 million of shares), Gecimed (€314 million of shares and €282 million of receivables) and SIF Espagne (€33 million of shares and €230 million of receivables and loans).

Other equity investments consisted of 1,112,445 treasury shares amounting to €79 million, plus 760,556 shares recorded as transferable securities held for stock option and performance share plans granted to employees and company officers amounting to €56 million (gross value). Total treasury shares represented 2.98% of share capital.

Current assets totaled €343 million at December 31, 2013, compared with €155 million at December 31, 2012. They include:

- "other receivables" (€219 million net) mainly composed of inter-company receivables (€179 million, as the €20 million receivable from Bami Newco has been fully written down for impairment), €14 million of VAT receivables, €14 million of income receivables (Group rebilling) and €10 million for rebillings of property upgrade works;
- investment securities and cash of €57 million, made up of treasury shares reserved for employees (net of provisions) and cash and cash equivalents of €28 million.

Prepaid expenses (€29 million), which primarily concern deferred loan issuance costs.

Shareholders' equity increased by €56 million as a result of the following changes:

€ million	
Shareholders' equity at December 31, 2012	**3,855**
Capital increase and merger premium resulting from the exercise of stock options and subscriptions to the company savings scheme (PEE)	3
Merger premiums	3
Dividends paid in 2013	(268)
2013 earnings	318
Shareholders' equity at December 31, 2013	**3,911**

Merger premiums result from the total transfers of the property holdings of Investibail Transactions, Geciotel and Denis. Financial debt at December 31, 2013 totaled €3,986 million compared with €3,734 million at the end of 2012, of which €395 million represented inter-company liabilities.

During the fiscal year, the company launched a new bond issue in May 2013 for €300 million.

Provisions for risks and charges amounted to €17 million, compared with €19 million the previous year.

The provisions mainly concern €11 million of provisions for pension commitments and long service awards and €1 million of provisions for future charges caused by the allocation to employees of performance shares and stock options on €3 million for property disputes.

Disclosures about Gecina's terms of payment (art. D.441-4 of the French Commercial Code)

The table below presents the breakdown of outstanding trade payables by maturity date, as at December 31, 2012 and December 31, 2013.

Balances in €'000	Not due				Due at year end		Off schedules		Total	
	< 30 days		Between 30 and 60 days							
	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013
Trade payables	7,594	4,411	69	1	(3,468)	39			4,195	4,451
Provisions for invoices not received							67,054	48,411	67,054	48,411
Other							(352)	(62)	(352)	(62)
TOTAL GECINA	**7,594**	**4,411**	**69**	**1**	**(3,468)**	**39**	**66,703**	**48,349**	**70,898**	**52,800**

2.4.2. BUSINESS AND EARNINGS OF THE MAIN SUBSIDIARIES

Key details of the Group's principal subsidiaries, based on their Individual financial statements, are as follows:

GECIMED

This wholly-owned Gecina subsidiary owns 32 healthcare properties and two others on a financial lease, with an appraised value in total, exclusive of duties, of €613 million as at December 31, 2013.

The total amount of rents billed for 2013 amounted to €45.4 million, compared with €48.7 million in 2012. Net earnings for the year amounted to €12.7 million compared with €6.6 million in 2012 (mainly as a result of the €5.6 million increase in net financial profits).

In 2013, Gecimed disposed of three clinics and generated a capital gain of €8.3 million.

In 2013, Gecimed distributed a dividend of €0.01 per share for fiscal year 2012, for a total amount of €2.3 million. Gecimed decided to increase the capital of its subsidiary GEC9 by €20 million, through the creation of new shares.

GECITER

This subsidiary, wholly owned by Gecina, owns 29 office buildings with a block value, exclusive of duties, of €1.2 billion as at December 31, 2013.

In 2013, Geciter disposed of three buildings and generated a capital gain of €52.2 million.

The total amount of rents billed for 2013 amounted to €74.3 million, compared with €86.6 million in 2012. This fall is primarily the result of disposals completed during the year. Net earnings for the year amounted to €91.4 million versus €116.8 million in 2012. This can be explained by the lower capital gains on asset disposals.
In 2013, Geciter distributed a dividend of €350 per share for fiscal year 2012, for a total amount of €61.2 million (€40 million of which was paid in December 2012 as interim dividend).

An interim dividend of €143 per share, representing a total of €25 million, was paid on December 27, 2013.

GECIOTEL

This wholly-owned Gecina subsidiary was merged into Gecina following the disposal, in June 2013, of its four holiday resorts operated under the Club Méditerranée trademark (located at La Plagne, Val d'Isère, Opio and Peisey Vallandry). The sale price for these assets totaled €280 million excluding transfer duties.

2.4.3. RELATED PARTY TRANSACTIONS

2.4.3.1. TRANSACTIONS BETWEEN GECINA GROUP AND ITS SHAREHOLDERS

At December 31, 2013, Gecina had no material transaction with the company's major shareholders, other than those described in Note 3.5.9.3. of the Notes to the Consolidated financial statements.

2.4.3.2. TRANSACTIONS BETWEEN GROUP COMPANIES

The Group structure is highly centralized. Gecina is the direct employer of most of the administrative staff, with the exception of Locare's sales teams and the property personnel, consisting mainly of caretaker staff, who are paid by the property companies.

All the Group's financing requirements are organized by Gecina (with the exception of some financing specific to certain assets held by subsidiaries).

Cash pooling agreements and loan agreements of associates and shareholders provide for optimized management of cash flow based on the various subsidiaries' excess funds and cash requirements between the different branches.

2.5. Triple Net Asset Value

TRIPLE NET ASSET VALUE – BLOCK (EPRA FORMAT)

The diluted triple Net Asset Value is calculated according to the EPRA(*) recommendations. The calculation is based on the group's shareholders' equity obtained from financial statements, which include the fair value by block, excluding duties, of investment properties, buildings under reconstruction and properties held for sale, as well as financial instruments.

The foregoing elements are restated of the group's shareholders' equity to calculate diluted NAV and diluted triple net NAV:
- unrealized capital gains on buildings valued at their historic cost such as operating buildings and inventory buildings are calculated on the basis of block appraisal values excluding duties, determined by independent appraisers;
- consideration of the deferred tax systems of companies not covered by the SIIC system;
- the fair value of fixed rate financial debts;
- revaluation at year end of potential earnout payables and debt.

The number of diluted shares includes the number of shares likely to be created through the exercise of equity instruments to be issued in the right conditions. The number of diluted shares does not include treasury shares.

The diluted EPRA triple Net Asset Value amounted to €6,299 million as at December 31, 2013 or €102.20 per fully diluted share. Diluted EPRA NAV totaled €6,468 million as at December 31, 2013, or €104.90 per share.

The diluted triple net unit NAV came to €111.05 per share at December 31, 2013, compared with €110.40 per share at December 31, 2012.

(*) European Public Estate Association.

The table below, compliant with EPRA recommendations, presents the transition between the group's shareholders' equity derived from financial statements and the diluted triple net NAV:

€ million	12/ 31/2013 Amount/ Number of shares	12/ 31/2013 €/share	12/31/2012 Amount/ Number of shares	12/31/2012 €/share
Number of fully diluted shares excluding treasury shares	61,658,902		61,049,425	
IFRS shareholders equity	**6,245.5**		**6,182.2**	
+ Effect of the exercise of stock options	47.9		15.1	
Diluted NAV	**6,293.4**	**€102.07**	**6,197.3**	**€101.51**
+ Fair value reporting of properties, if the amortized cost option is adopted	37.0		35.4	
+ Fair value reporting of inventory properties	-		2.3	
- Fair value of financial instruments	139.7		211.1	
- Beaugrenelle earnouts (*)	0.0		(6.5)	
– Deferred taxes due to fair value reporting of properties and financial instruments	(2.4)		(3.4)	
= Diluted EPRA NAV	**6,467.7**	**€104.90**	**6,436.1**	**€105.42**
+ Fair value of financial instruments	(139.7)		(211.1)	
+ Fair value of payables and debt	(31.3)		(90.8)	
+ Deferred taxes on the revaluation of assets at fair value	2.4		2.8	
= Diluted EPRA net triple NAV	**6,299.1**	**€102.16**	**6,137.1**	**€100.53**

(*) The Beaugrenelle earnout is now fully booked and as at year-end 2013, was no longer the object of a specific NAV restatement.

2.6. Developments, outlook and trends

2.6.1. TRENDS AND OUTLOOK

Gecina is forecasting continued positive growth in its office rental income for 2014 on a comparable basis. Indeed, the continued improvement in the occupancy rate is expected to have a positive impact of around +1%, which, combined with indexation still being positive despite its slowdown (around +1% estimated), is expected to more than offset the still negative impact of renegotiations and relettings (-1.5% expected).

Recurring net income Group share should be stable in 2014. As the impacts of changes in scope are expected to be significant, this goal is based on the reinvestment of the revenue from Beaugrenelle disposal in the 2nd half of 2014.

2.6.2. DEVELOPMENTS

As at the end of December 2013, Gecina's development pipeline amounted to €447 million, €371 million of which is to be paid out by mid-2018.

Three projects are ongoing on the office property holdings. On one hand, restructuring concerning a 10,568 sq.m office building located in Boulogne (Hauts de Seine), which will be delivered in the 4th quarter of 2015. On the other hand, the restructuring of a 12,341 sq.m building in the 8th arrondissement of Paris, whose delivery is scheduled for the 2nd quarter of 2016. Lastly, early 2014, Gecina has been selected by EDF for the construction of a campus of offices with total space of 20,341 sq.m in the Gerland district in Lyon. The delivery of the project is scheduled for the 4th quarter of 2016. Gecina will therefore operate a land bank already included in its property holding, while participating in the development of this district in Lyon.

For the residential property segment, Gecina will develop eight student residences in the Paris region, Bordeaux and Marseille, representing an additional 1,500 beds.

Lastly, in healthcare real estate, Gecina is building two private clinics in Bayonne and Orange for Capio, a tenant/operator.

These developments are expected to generate a forecast overall net return of 7.0%. Annual headline net rent is estimated at nearly €31 million.

Concise overview of the developments pipeline

Project	Location	Delivery date	Floor space (sq.m)	Total investment (€ million)	Investment already made (€ million)	Remaining investment (€ million)	Provisional net rate of return	Pre-letting	% of interests
Boulogne	Hauts-de-Seine (92)	Q4-15	10,568	68	3	64	7.5%	0%	100%
Amsterdam	Paris	Q2-16	12,341	102	1	101	7.2%	0%	100%
Gerland	Rhône (69)	Q4-16	20,341	55	0	54	7.9%	100%	100%
TOTAL OFFICES			**43,250**	**224**	**5**	**219**	**7.4%**	**26%**	**n.a.**
St-Denis Pleyel	Seine-St-Denis (93)	Q2-14	4,518	18	13	5	6.7%	n.a.	100%
Bagnolet Philia	Seine-St-Denis (93)	Q2-15	4,066	19	5	14	6.1%	n.a.	100%
Bordeaux Blanqui	Gironde	Q3-15	3,828	12	3	9	6.7%	n.a.	100%
Lançon	Paris 13th	Q3-15	1,465	11	7	4	5.5%	n.a.	100%
Lecourbe	Paris 15th	Q3-14	2,674	17	11	6	5.3%	n.a.	100%
Palaiseau Saclay	Essonne (91)	Q3-15	3,002	11	2	9	6.5%	n.a.	100%
Puteaux Rose de Cherbourg	Hauts-de-Seine (92)	Q2-18	7,479	38	1	37	7.0%	n.a.	100%
Marseille Mazenod	Bouches-du-Rhône (13)	Q2-16	3,742	15	0	15	6.2%	n.a.	100%
TOTAL RESIDENTIAL			**30,774**	**141**	**42**	**99**	**6.3%**	**n.a.**	**n.a.**
Clinical Bayonne	Pyrénées-Atlantiques (64)	Q3-15	29,594	69	24	45	6.6%	100%	100%
Clinical Orange	Vaucluse (84)	Q3-15	4,797	13	5	8	6.9%	100%	80%
TOTAL HEALTHCARE			**34,391**	**82**	**29**	**53**	**6.6%**	**n.a.**	**100%**
GROUP TOTAL			**108,415**	**447**	**75**	**371**	**7.0%**	**n.a.**	**n.a.**

2.7. EPRA reporting as of December 31, 2013

Gecina applies the EPRA(*) best practices recommendations regarding the indicators listed hereafter. Gecina has been a member of EPRA, the European Public Real Estate Association, since its creation in 1999. The EPRA best practice recommendations include, in particular, key performance indicators to make the financial statements of public real estate companies more transparent and more comparable across Europe. Gecina reports on all the EPRA indicators defined by the "Best Practices Recommendations" available on the EPRA website.

	12/31/2013	12/31/2012	See Note
EPRA Earnings	€303.6m	€303.3m	2.7.1.
EPRA Earnings per share	€4.98	€4.99	2.7.1.
EPRA Net Asset Value (EPRA NAV)	€6,467.7m	€6,436.1m	2.7.2.
EPRA Triple Net Asset Value (EPRA NNNAV)	€6,299.1m	€6,137.1m	2.7.2.
EPRA Net Initial Yield	4.55%	4.67%	2.7.3.
EPRA "Topped-up" Net Initial Yield	5.12%	5.02%	2.7.3.
EPRA Vacancy Rate	4.5%	6.6%	2.7.4.
EPRA Cost Ratio (including direct vacancy costs)	19.9%	20.0%	2.7.5.
EPRA Cost Ratio (excluding direct vacancy costs)	18.8%	18.7%	2.7.5.

2.7.1. EPRA NET RECURRING INCOME

The table below indicates the transition between the recurring net income disclosed by Gecina and the recurring net income defined by EPRA.

€'000	12/31/2013	12/31/2012
Gecina net recurring income	313,410	308,639
- Depreciations, net impairments and provisions	(7,556)	(5,275)
- Minority recurring income	(2,281)	(84)
+ Recurring income from equity-accounted investments	57	58
EPRA net recurring income	**303,630**	**303,338**
EPRA net recurring income per share	**€4.98**	**€4.99**

(*) European Public Estate Association.

2.7.2. EPRA NET ASSET VALUE AND EPRA TRIPLE NAV

The calculation for the diluted EPRA triple NAV is explained in paragraph 2.5. "Triple Net Asset Value".

€/share	12/31/2013	12/31/2012
Diluted NAV	€102.07	€101.51
Diluted EPRA NAV	€104.90	€105.42
Diluted EPRA triple NAV	€102.16	€100.53

2.7.3. EPRA NET INITIAL YIELD AND EPRA "TOPPED-UP" NET INITIAL YIELD

The table below indicates the transition between the yield rate disclosed by Gecina and the yield rates defined by EPRA.

%	12/31/2013	12/31/2012
Gecina net yield	**5.71%**	**5.65%**
Impact of estimated duties and costs	-0.30%	-0.22%
Impact of changes in scope	-0.03%	0.00%
Impact of rent adjustments	-0.83%	-0.76%
EPRA Net Initial Yield	**4.55%**	**4.67%**
Excluding lease incentives	0.58%	0.35%
EPRA Topped-up Net Initial Yield	**5.12%**	**5.02%**

2.7.4. EPRA VACANCY RATE

The financial occupancy rate disclosed corresponds to (1 –EPRA vacancy rate).

%	12/31/2013	12/31/2012
Economic division	**6.2%**	**9.2%**
Offices (1)	6.4%	9.1%
Logistics	n.a.	18.0%
Hotels	n.a.	0.0%
Demographic division	**1.3%**	**1.7%**
Residential	1.9%	2.3%
Student residences	5.1%	5.7%
Healthcare	0.0%	0.0%
GROUP TOTAL	**4.5%**	**6.6%**

(1) Excluding Beaugrenelle

2.7.5. EPRA COST RATIOS

€'000 / en%	12/31/2013	12/31/2012	12/31/2012 published
Property expenses	(140,018)	(142,356)	(137,150)
Overheads	(65,684)	(64,732)	(64,389)
Depreciation, net impairments and provisions	(7,556)	(5,275)	(5,275)
Recharges to tenants	89,491	87,225	84,080
Rental expenses recharged in gross rent	705	700	700
Other income covering G&A expenses	5,485	4,514	4,514
Share of costs from equity-accounted affiliates	(32)	(76)	(76)
Land-related expenses	882	813	813
EPRA costs (including cost of vacancy) (A)	**(116,726)**	**(119,188)**	**(116,784)**
Cost of vacancy	6,289	7,696	7,318
EPRA costs (excluding cost of vacancy) (B)	**(110,437)**	**(111,492)**	**(109,466)**
Gross rental income less land-related expenses	588,048	595,333	582,704
Rental expenses recharged in gross rent	(705)	(700)	(700)
Share of rental income from equity-accounted affiliates	0	0	0
Gross rental income (C)	**587,342**	**594,633**	**582,004**
EPRA Cost Ratio (including cost of vacancy) (A/C)	**19.9%**	**20.0%**	**20.1%**
EPRA Cost Ratio (excluding cost of vacancy) (B/C)	**18.8%**	**18.7%**	**18.8%**

Consolidated financial statements

3.1. Consolidated statement of financial position

Assets

€'000	Note	12/31/2013 Net	12/31/2012 Net
Non-current assets		**10,587,951**	**10,600,740**
Investment properties	3.5.5.1	10,337,580	9,865,418
Properties under reconstruction	3.5.5.1	151,795	637,966
Operating properties	3.5.5.1	64,028	65,453
Other tangible fixed assets	3.5.5.1	4,214	3,814
Intangible fixed assets	3.5.5.1	3,408	5,126
Financial fixed assets	3.5.5.2	12,036	12,549
Shares in equity-accounted companies	3.5.5.3	3,711	5,328
Non-current derivatives	3.5.5.11.2	10,817	5,086
Deferred tax assets	3.5.5.4	362	0
Current assets		**411,522**	**580,713**
Properties held for sale	3.5.5.5	219,940	428,391
Inventories	3.5.5.1	7,382	7,220
Accounts and notes receivable	3.5.5.6	89,094	68,144
Other receivables	3.5.5.7	55,862	48,745
Prepaid expenses	3.5.5.8	26,967	27,025
Current derivatives	3.5.5.11.2	0	0
Cash and cash equivalents	3.5.5.9	12,277	1,188
Assets classified as held for sale [1]	3.5.3.1.2	0	6,694
TOTAL ASSETS		**10,999,473**	**11,188,147**

(1) Please refer to Note 3.5.3.1.2. related to the application of IFRS 5 Non-current assets held for sale and discontinued operations.

Liabilities

€'000	Note	12/31/2013	12/31/2012
Shareholders' equity	**3.5.5.10**	**6,245,545**	**6,182,243**
Share capital		471,529	470,829
Additional paid-in capital		1,877,444	1,886,410
Consolidated reserves linked to owners of the parent		3,582,526	3,599,457
Consolidated net income linked to owners of the parent		314,041	225,511
Shareholders' equity linked to owners of the parent		**6,245,540**	**6,182,207**
Non-controlling interests		5	36
Non-current liabilities		**3,274,808**	**3,934,529**
Non-current financial debt	3.5.5.11.1	3,089,797	3,667,827
Non-current derivatives	3.5.5.11.2	150,557	216,119
Deferred tax liabilities	3.5.5.4	5,539	3,069
Non-current provisions	3.5.5.12	28,915	44,769
Non-current tax and social security liabilities	3.5.5.15	0	2,745
Current liabilities		**1,479,120**	**1,070,672**
Current financial debt	3.5.5.11.1	1,168,282	763,514
Current derivatives	3.5.5.11.2	0	32
Security deposits		65,107	58,776
Trade payables	3.5.5.14	155,943	154,453
Current tax and social security liabilities	3.5.5.15	45,927	53,607
Other current liabilities	3.5.5.16	43,861	40,290
Liabilities classified as held for sale (1)	3.5.3.1.2	0	703
TOTAL LIABILITIES AND EQUITY		**10,999,473**	**11,188,147**

(1) Please refer to Note 3.5.3.1.2. related to the application of IFRS 5 Non-current assets held for sale and discontinued operations.

3.2. Consolidated statement of comprehensive income (EPRA format)

€'000	Note	12/31/2013	12/31/2012
Gross rental income	3.5.6.1	**588,930**	**583,517**
Property expenses	3.5.6.2	(140,018)	(137,150)
Recharges to tenants	3.5.6.2	89,490	84,080
Net rental income		**538,402**	**530,447**
Services and other income (net)	3.5.6.3	7,552	9,269
Overheads	3.5.6.4	(65,655)	(64,389)
EBITDA		**480,299**	**475,327**
Gains or losses on disposals	3.5.6.5	46,156	36,099
Change in value of properties	3.5.6.6	(44,197)	69,980
Depreciation	3.5.5.1	(5,443)	(5,157)
Net impairments and provisions	3.5.5.12	(5,508)	342
Operating income		**471,307**	**576,591**
Financial interest		*(165,799)*	*(177,047)*
Financial revenues		*3,138*	*1,799*
Net financial expenses	3.5.6.7	(162,661)	(175,248)
Financial impairment and amortization	3.5.5.2	(608)	(168)
Change in value of derivatives and debts	3.5.6.8	28,108	(155,617)
Net income from equity-accounted investments	3.5.5.3	290	1,645
Pre-tax income		**336,436**	**247,203**
Tax	3.5.6.9	(8,687)	1,272
Net gains or losses from continued operations		**327,749**	**248,475**
Net gains or losses from discontinued operations (1)	3.5.3.1.2	0	(30,034)
Consolidated net income		**327,749**	**218,441**
Of which consolidated net income linked to non-controlling interests		(13,708)	7,070
Of which consolidated net income linked to owners of the parent		**314,041**	**225,511**
Consolidated net earnings per share	3.5.6.10	€5,15	€3,71
Consolidated diluted net earnings per share	3.5.6.10	€5,12	€3,70

(1) Result of the application of IFRS 5 as explained in Note 3.5.3.1.2.

€'000	12/31/2013	12/31/2012
Consolidated net income	**327,749**	**218,441**
Items not to be recycled in the net income	**(1,031)**	**(2,473)**
Actuarial gains (losses) on post-retirement benefit obligations	(1,031)	(2,473)
Items to be recycled in the net income	**849**	**718**
Gains (losses) from translation differentials	(120)	(226)
Gains (losses) on change in value of derivatives	969	944
Comprehensive income	**327,567**	**216,686**
Of which comprehensive income linked to non-controlling interests	(13,708)	7,070
Of which comprehensive income linked to owners of the parent	**313,859**	**223,756**

3.3. Statement of changes in consolidated shareholders' equity

€'000 (except for number of shares)	Number of shares	Share capital	Additional paid-in capital and consolidated reserves	Shareholders' equity (owners of the parent)	Non-controlling interests	Total shareholders' equity
Balance at January 1, 2012	**62,650,448**	**469,878**	**5,794,307**	**6,264,185**	**43,942**	**6,308,127**
Dividend paid in 2012			(267,518)	(267,518)		(267,518)
Assigned value of treasury shares (1)			(37,099)	(37,099)		(37,099)
Gains (losses) on change in value of derivatives (2)			944	944		944
Impact of share-based payments (3)			3,162	3,162		3,162
Actuarial gains (losses) on post-retirement benefit obligations			(2,473)	(2,473)		(2,473)
Gains (losses) from translation differentials			(226)	(226)		(226)
Group capital increase (4)	126,687	951	785	1,736		1,736
Changes in consolidation scope (5)			(6,015)	(6,015)	(36,837)	(42,852)
Other changes						
Net income at December 31, 2012			**225,511**	**225,511**	**(7,070)**	**218,441**
Balance at December 31, 2012	**62,777,135**	**470,829**	**5,711,378**	**6,182,207**	**36**	**6,182,243**
Dividend paid in 2013			(267,695)	(267,695)		(267,695)
Assigned value of treasury shares (1)			11,435	11,435		11,435
Gains (losses) on change in value of derivatives (2)			969	969		969
Impact of share-based payments (3)			2,549	2,549		2,549
Actuarial gains (losses) on post-retirement benefit obligations			(1,031)	(1,031)		(1,031)
Gains (losses) from translation differentials			(123)	(123)		(123)
Group capital increase (4)	93,361	700	2,488	3,188		3,188
Changes in consolidation scope (5)					(13,739)	(13,739)
Other changes						
Net income at December 31, 2013			**314,041**	**314,041**	**13,708**	**327,749**
Balance at December 31, 2013	**62,870,496**	**471,529**	**5,774,011**	**6,245,540**	**5**	**6,245,545**

1) Treasury shares:

	12/31/2013		12/31/2012	
€'000 (except for number of shares)	Number of shares	Net amount	Number of shares	Net amount
Shares recorded as a deduction from shareholders' equity	1,873,001	**135,733**	2,109,225	151,003
Treasury stock in %		**2,98%**		3,36%

(2) Recognition in shareholders' equity of the effective portion of the change in fair value of cash flow derivatives (see Note 3.5.3.8).
(3) Impact of benefits related to stock allocation plans (IFRS 2).
(4) New shares from the capital increase reserved for Group employees (43,302 shares in 2013 and 28,807 shares in 2012) and stock options subscribtion reserved for Group employees, (2,094 shares in 2013 and 97,880 shares in 2012) and definitive acquisition from the performance share plan dated December 14, 2011 (47,965 shares in 2013.)
(5) Sale option granted to SCI Pont de Grenelle on its share (25% of the capital of SCI Beaugrenelle) and Beaugrenelle additional prices.

3.4. Statement of consolidated cash flows

€'000	12/31/2013	12/31/2012
Consolidated net income (including non-controlling interests)	**327,749**	**218,441**
Net income from discontinued operating activities	**0**	**(30,034)**
Net income from continued operating activities	**327,749**	**248,475**
Net income from equity-accounted investments	(289)	(1,645)
Net depreciations, impairments and provisions	11,558	4,983
Changes in fair value and discouting of debts and receivables	16,089	85,637
Calculated charges and income from stock options	2,549	3,162
Tax charges (including deferred tax)	8,687	(1,272)
Current cash flow before tax	366,342	339,341
Capital gains and losses on disposals	(46,158)	(36,099)
Other calculated income and expenses	(21,820)	(10,172)
Net financial expenses	162,661	175,248
Net cash flow before cost of net debt and tax (A)	461,026	468,320
Tax paid (B)	(222)	(2,966)
Change in operating working capital (C)	(37,963)	(36,204)
Net cash flow from continued operating activities	**422,842**	**429,150**
Net cash flow from discontinued operating activities	**0**	**17,054**
Net cash flow from operating activities (D) = (A+B+C)	**422,842**	**446,204**
Acquisitions of tangible and intangible fixed assets	(584,264)	(348,584)
Disposals of tangible and intangible fixed assets	824,026	1,058,509
Impact of changes in consolidation scope	0	130,403
Dividends received (equity-accounted affiliates, non-consolidated securities)	1,906	2,152
Changes in loans and agreed credit lines	59	1,269
Other cash flows from investing activities	(4,464)	(6,862)
Change in working capital from investing activities	(18,526)	(2,844)
Net investment cash flow from continued operating activities	**218,738**	**834,042**
Net investment cash flow from discontinued operating activities	**0**	**7,479**
Net cash flow from investing activities (E)	**218,738**	**841,521**
Amounts received on the exercise of stock options and of the compagny savings plans (PEE)	10,747	4,929
Purchases and sales of treasury shares	3,877	(40,291)
Dividends paid to owners of the parent	(267,676)	(268,008)
Dividends paid to non-controlling interests	0	0
New borrowings	4,113,215	1,724,343
Repayment of borrowings	(4,312,518)	(2,404,363)
Net interests paid	(160,546)	(176,578)
Other cash flows from financing activities	(15,653)	(128,967)
Net financing cash flow from continued activities	**(628,554)**	**(1,288,935)**
Net financing cash flow from discontinued activities	**0**	**(42,459)**
Net cash flow from financing activities (F)	**(628,554)**	**(1,331,394)**
NET CHANGE IN CASH AND CASH EQUIVALENTS (D+E+F)	**13,025**	**(43,669)**
Opening cash and cash equivalents	(748)	42,921
Closing cash and cash equivalents	**12,277**	**(748)**

3.5. Notes to the Consolidated financial statements

3.5.1. HIGHLIGHTS

FOREWORD

Gecina holds, manages and develops property assets worth €10.8 billion as at December 31, 2013 located 90% in the Paris region. Gecina's operations are organized around an Economic division comprising France's leading office property holdings and a Demographic division of residential assets, student residences and healthcare facilities. Gecina has made sustainable development central to its strategy for creating value, staying a step ahead of its clients' expectations and investing while protecting the environment thanks to the involvement and expertise of its employees.

Gecina is a Real Estate Investment Trust (Société d'Investissement Immobilier Cotée, SIIC) listed on Euronext Paris, and is included in the FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders and Euronext Vigeo France 20 indices. To cement its social commitments, Gecina has created a corporate foundation dedicated to protecting the environment and supporting persons suffering from all forms of disability.

FISCAL YEAR 2013

Gecimed, Gecina's healthcare real estate subsidiary, acquired from Capio, a leading European healthcare market player, on March 11, 2013, the development project for a clinic in Bayonne.

This transaction will involve an investment of nearly €70 million for Gecimed. Gecimed signed with Capio, tenant-operator, an irrevocable commitment, corresponding to 15 years of rental flows from delivery, which represents a net triple yield of 6.60%. The construction began in March 2013, for a delivery planned for the third quarter of 2015.

Gecimed also acquired a clinic located in Orange on November 29, 2013. The property scheduled for delivery in 2015 was acquired through a joint venture in which Gecimed holds 80% and Capio 20%. The investment represents €12.5 million for the joint venture. Gecimed has signed, an irrevocable commitment, with Capio, the tenant-operator, corresponding to 15 years of rental flows from the extension's delivery, which represents a net triple yield of 6.9%.

Meanwhile in April 2013, Gecimed finalized the sale of a portfolio of four clinics run by Générale de Santé (one clinic was sold in the 2nd half of 2012), which comprised three short stay facilities and a psychiatric institution, to a healthcare property collective investment undertaking (OPCI) managed by BNP Paribas REIM France. The assets amounted to a total of 720 beds and places on 53,800 sq.m. The disposal price totaled €80 million (including transfer duties).

On March 19, 2013, Gecina acquired the Tour Mirabeau building (36,500 sq.m of useable floor area) from Aberdeen, acting on behalf of the German fund DEGI International, for a price of nearly €186 million excluding transfer duties. The immediate net yield from this investment at the time of acquisition corresponded to slightly more than 7% and turned out to be 7.6% after renting the additional 2,050 sq.m of space in June 2013, raising the occupancy rate to 95.1%. The net yield would go up to more than 8% if the occupancy rate reaches 100%. In the medium term, this building could be extensively restructured to generate very significant value for Gecina.

On July 3, 2013, Gecina finalized the acquisition of a 11,636 sq.m office building, rue Marbeuf, in the Paris Central Business District, for an amount of €122 million, transfer duties included. The asset is leased entirely to the WPP Group and to Orientis, and generates an immediate net yield of 5.5%. In the medium term, the asset may require extensive restructuring, which could lead to highly substantial value creation for Gecina through a sharp increase in rental income and a compression of the capitalization rate.

Furthermore, Gecina will continue its investment policy in the offices sector. In this way, in July 2013 the restructuring of nearly 11,000 sq.m has been launched on an asset located at 122, avenue du Général Leclerc in Boulogne. This project will represent a total amount of €68 million and could generate a target net yield of 7.5%.

Gecina continued its growth in the market of student residences by signing with EPADESA (State developer for the La Défense area), a land charge reservation protocol for the construction of a residence on the "Rose de Cherbourg" site, on the edge of the circular boulevard, in the town of Puteaux. The construction is part of a vast development project aimed at creating a vibrant city district, through a mixed development of office, retail and residential properties. The building will comprise a floor area of 7,500 sq.m of which a 100 sq.m shop on the ground floor. The project is aiming for a triple Habitat & Environnement, LEED and BREEAM certification and for the Effinergie + label. Delivery is scheduled for the start of the 2018 academic year. The residence will be managed by Campuséa, Gecina's dedicated subsidiary. This development underlines the Group's determination to renew its property holdings while acting as project owner. The project allows Gecina to capture the development margin. The investment will amount to a total of €38 million and expected net yield of around 7%.

In line with its policy to refocus on its core business, Gecina sold four holiday resorts operated under the Club Méditerranée trademark (Val d'Isère, La Plagne, Peisey-Vallandry and Opio sites) to Assurances du Crédit Mutuel. The sale price totaled €280 million excluding transfer duties.

The Beaugrenelle shopping center has reopened its doors on October 23, 2013. Beaugrenelle has been entirely pre-leased, thus reflecting its attractiveness for retailers owing to its prime location, architecture and department store-inspired concept. Developed against the backdrop of the Seine river, Beaugrenelle is a genuine gateway to the 15th arrondissement of Paris, an example of the architectural renewal in Paris and key contributor to the revitalization of the Front de Seine district. In 2013, Gecina began the procedure for disposing of this non-strategic asset.

Gecina rented out the entire Newside building, located at La Garenne-Colombes (Boucle Nord sector) to Technip France SA. The tenant signed an irrevocable eight year "green lease", which starts from July 15, 2013. Newside is a new building, delivered in the third quarter 2012; it represents an investment of €67.5 million for Gecina, with a headline net yield of 7.0% following this transaction. This asset, designed by the architectural firm Valode & Pistre, spreads over 17,955 sq.m of useable floor area of offices and represents the first building in France to receive a triple certification: HQE® Construction exceptional level (BBC label), BREEAM (Very Good) and LEED (Platinum).

In October 2013, Gecina pre-leased 6,726 sq.m in the Dock en Seine building, located at Saint-Ouen (northern First Rim), to the SVP group on the basis of a nine year irrevocable lease starting from June 1, 2014. Dock en Seine is a new building delivered in December 2013. The building comprises 16,155 sq.m of useable floor space for offices and has obtained HQE (Exceptional level) and BBC certifications. The project represented an investment of €72 million for Gecina. On the basis of the transaction signed with SVP and the market rental value for the rest of the building, the headline net yield for the asset should amount to 7.8%.

In May 2013, Gecina successfully placed a €300 million 10 year bond issue, maturing on May 30, 2023. The bond was issued on a spread of 140 bp on the mid-swap rate, offering a 2.875% coupon, which is the lowest coupon for the longest maturity of a Gecina bond issue. The cost of this issue reflects the downturn on the fixed-income market, but more importantly, the improvement in Gecina's financial profile, which has led to an upgrade of its financial rating by Standard & Poor's and Moody's, to BBB and Baa2 respectively in the fourth quarter 2012. This transaction confirms Gecina's capacity to stabilize the average cost of its debt at a maximum of 4.0% in 2013 and contributes to extending the maturity of the Group's loans.

On December 17, 2013, Standard & Poor's raised Gecina's credit rating outlook from BBB / stable outlook to BBB / positive outlook. The credit rating agency stressed two major factors in its decision. Firstly, the continuous improvement of the Group's financial ratios, specifically the hedging of financial expenses by EBITDA. Secondly, the relevance of the comprehensive credit policy implemented by Gecina, which allows it to optimize (i) its debt maturity, primarily through long-term bond issuances, (ii) liquidity, which covers credit maturities for the next two years and (iii) the diversification of its resources, the bonds issued in the 1st half of 2013 and the recent repayment of mortgage loans illustrate the Group's access to all financing sources.

The Gecina Board of Directors' Meeting of April 17, 2013, chaired by Bernard Michel, decided to appoint Mr. Philippe Depoux as the CEO starting from June 3, 2013. In connection with the separation of the duties of Chairman from those of the CEO starting from that date, the Board of Directors decided to confirm Mr. Bernard Michel in his position as Chairman of the Board of Directors, a position he had been holding since February 2010. Mr. Bernard Michel had also served as Gecina's Chief Executive Officer since October 2011. Lastly, Nicolas Dutreuil has joined Gecina as Chief Financial Officer since September 2, 2013.

3.5.2. GENERAL PRINCIPLES OF CONSOLIDATION

3.5.2.1. REPORTING STANDARDS

The Consolidated financial statements of Gecina and its subsidiaries ("the Group") are prepared in accordance with IFRS as adopted by the European Union.

The standards and interpretations applicable for the Group since January 1, 2013 – in particular IFRS 13 (Fair value measurements), IAS 19 revised (Employee benefits) and IFRS 11 (Joint arrangements) – have no significant impact on its results and financial position. The standards and official interpretations that may be applicable after the balance sheet date have not been applied in advance and are not expected to have any material impact on its financial statements.

The preparation of the financial statements in accordance with IFRS requires certain key accounting estimates to be made. The Group is also required to exercise its judgment on the application of accounting principles. The areas with the most important issues in terms of judgment or complexity or those for which the assumptions and estimates are material in relation to the Consolidated financial statements are presented in Note 3.5.3.14.

Gecina applies the ethical code for French Real Estate Investment Trust (SIIC) as established by the Fédération des Sociétés Immobilières et Foncières.

3.5.2.2. CONSOLIDATION METHODS

All companies in which the Group holds direct or indirect exclusive control and companies in which Gecina exercises a notable or joint influence are included in the scope of consolidation. The former are fully consolidated and the latter are consolidated under the equity method.

3.5.2.3. SCOPE OF CONSOLIDATION

As at December 31, 2013, the consolidation included the following companies:

Companies	SIREN	12/31/2013 % interest	Method of consolidation	12/31/2012 % interest
Gecina	592 014 476	100.00%	Parent company	100.00%
5, rue Montmartre	380 045 773	100.00%	FC	100.00%
55, rue d'Amsterdam	382 482 065	100.00%	FC	100.00%
8, rue de Cheuvreul/Suresnes	352 295 547	100.00%	FC	100.00%
Alouettes 64	443 734 629	100.00%	FC	100.00%
Anthos	444 465 298	100.00%	FC	100.00%
Beaugrenelle (1)	307 961 490	75.00%	FC	75.00%
Bordeaux K1	512 148 438	100.00%	FC	100.00%
Braque	435 139 423	100.00%	FC	100.00%
Braque Inglatan	12 698 187	100.00%	FC	100.00%
Campuséa	501 705 909	100.00%	FC	100.00%
Capucines	332 867 001	100.00%	FC	100.00%
Clairval	489 924 035	100.00%	FC	100.00%
Clos Saint Jean	419 240 668	100.00%	FC	100.00%
Colvel Windsor	477 893 366	100.00%	FC	100.00%
Dassault Suresnes	434 744 736	100.00%	FC	100.00%
Eaubonne K1	512 148 974	100.00%	FC	100.00%
GEC 10	529 783 649	100.00%	FC	100.00%
GEC 11	530 019 009	100.00%	FC	100.00%
GEC 7	423 101 674	100.00%	FC	100.00%
GEC 8	508 052 149	100.00%	FC	100.00%
GEC 9	508 052 008	100.00%	FC	100.00%
Gecimed	320 649 841	100.00%	FC	100.00%
Gecina Management	432 028 868	100.00%	FC	100.00%
Geciter	399 311 331	100.00%	FC	100.00%
Grande Halle de Gerland	538 796 772	100.00%	FC	100.00%
Haris	428 583 611	100.00%	FC	100.00%
Haris Investycje		100.00%	FC	100.00%
Hôpital Privé d'Annemasse	528 229 917	100.00%	FC	100.00%
Khapa	444 465 017	100.00%	FC	100.00%
Labuire Aménagement (2)	444 083 901	59.70%	EM	59.70%
L'Angle	444 454 227	100.00%	FC	100.00%
Le Pyramidion Courbevoie	479 765 874	100.00%	FC	100.00%
Locare	328 921 432	100.00%	FC	100.00%
Lyon K1	512 149 121	100.00%	FC	100.00%
Michelet-Levallois	419 355 854	100.00%	FC	100.00%
Nikad	433 877 669	100.00%	FC	100.00%
Sadia	572 085 736	100.00%	FC	100.00%
Saint Augustin Marsollier	382 515 211	100.00%	FC	100.00%
Saulnier Square	530 843 663	100.00%	FC	100.00%
SCIMAR	334 256 559	100.00%	FC	100.00%
Société des Immeubles de France (Spain)		100.00%	FC	100.00%
Société Hôtel d'Albe	542 091 806	100.00%	FC	100.00%
Société Immobilière et Commerciale de Banville	572 055 796	100.00%	FC	100.00%

Companies	SIREN	12/31/2013 % interest	Method of consolidation	12/31/2012 % interest
SPIPM	572 098 465	100.00%	FC	100.00%
Suresnes K1	512 148 560	100.00%	FC	100.00%
Tiers temps Aix les bains	418 018 172	100.00%	FC	100.00%
Tiers temps Lyon	398 292 185	100.00%	FC	100.00%
JOINED CONSOLIDATION 2013				
GEC 17	792 846 123	100.00%	FC	
GEC 18	799 089 982	100.00%	FC	
SCI Polyclinique Bayonne Adour	790 774 913	100.00%	FC	
SCI Rhône Orange	794 514 968	80.00%	FC	
JOINED CONSOLIDATION 2012				
GEC 12	751 139 163	100.00%	FC	100.00%
GEC 13	751 102 773	100.00%	FC	100.00%
SPL Exploitation	751 103 961	100.00%	FC	100.00%
GEC 15	444 407 837	100.00%	FC	100.00%
GEC 16	751 103 961	100.00%	FC	100.00%
LEFT CONSOLIDATION 2012				
A.I.C.	351 054 432		FC	Merged
Aralog	423 542 133		FC	Sold
Aralog Inversiones y desarollo			FC	Sold
Arnas	318 546 090		FC	Merged
Camargue Logistique	482 439 087		FC	Sold
Ernst	439 959 859		FC	Sold
Ernst Belgie			FC	Sold
GEC 4	490 526 829		FC	Sold
Montbrossol	380 249 326		FC	Merged
Monttessuy 357	423 852 185		FC	Merged
Parigest	642 030 571		FC	Merged
SPL	397 840 158		FC	Merged
Tour H15	309 362 044		FC	Merged
LEFT CONSOLIDATION 2013				
23-29, rue de Châteaudun	387 558 034	Merged	FC	100.00%
Denis	439 986 100	Merged	FC	100.00%
Denis Inversiones	B63256457	Merged	FC	100.00%
Geciotel	428 819 064	Merged	FC	100.00%
Investibail transactions	332 525 054	Merged	FC	100.00%

FC: full consolidation – EM: accounted for under the equity method
(1) Gecina owns 75% of SCI Beaugrenelle, with a sale option on the remaining 25% stake
(2) Although Gecina owns more than 50% of Labuire Aménagement, it does not, under the shareholder agreement, control the company. Labuire Aménagement is therefore accounted for under the equity method.

3.5.2.4. CONSOLIDATION ADJUSTMENTS AND ELIMINATIONS

3.5.2.4.1. Adjustments for consistency of Individual financial statements

The rules and methods applied by consolidated companies are subject to adjustments for the purpose of consistency with those of the Group.

All companies closed their accounts (or drafted an account statement) at December 31, 2013.

3.5.2.4.2. Intercompany transactions

Intercompany transactions and any profits on disposal resulting from transactions between consolidated companies are eliminated.

3.5.2.4.3. Business combinations (IFRS 3)

The acquisition cost corresponds to the fair value on the date of exchange of the contributed assets and liabilities and the equity instruments issued in exchange for the acquired entity. Positive goodwill is recognized as an asset in respect of the surplus of the acquisition cost over the buyer's share of the fair value of the assets and liabilities acquired after deferred tax that is recorded under deferred tax. Negative goodwill is posted to the income statement.

The company regards its acquisitions (from buying companies or assets) as a group of assets and liabilities without a commercial activity, as defined in IFRS 3. As these acquisitions do not constitute a business combination, this standard is not applied but rather IAS 40 (Investment properties). The difference between the acquisition price and the fair value of the assets and liabilities is deemed to refer to the property asset and is allocated to the line item "Change in value of properties" at the post-acquisition balance sheet date.

3.5.2.5. FOREIGN CURRENCY TRANSLATION

The Group's operating currency is the euro. Transactions conducted by subsidiaries situated outside the Eurozone are translated at the closing exchange rate for balance sheet items and at the average exchange rate over the period of the income statement. Exchange differentials recognized in the balance sheet at the beginning of the period and on earnings for the year are recorded on a separate line under shareholders' equity.

3.5.3. ACCOUNTING PRINCIPLES

3.5.3.1. PROPERTY HOLDINGS

3.5.3.1.1. Investment properties (IAS 40)

Properties held for the long term and intended to be leased under operating leases, and/or held for capital appreciation, are considered as investment properties.

On acquisition, investment properties are recorded on the balance sheet at cost, inclusive of duties and taxes.

The time spent by operational teams, directly attributable to disposals, rentals and development projects is monitored and priced, and then, as appropriate:
(i) reported under fixed assets for the portion spent on development projects, studies or marketing actions;
(ii) recognized under gains or losses on disposals if related to pre-sale activities.

Interest expenses related to construction operations and eviction compensation paid in connection with building reconstructions are capitalized.

Financial lease contracts are recognized as financial leases and recorded as assets on the balance sheet, and the corresponding borrowings are recorded as liabilities under financial debt. Accordingly, the fees are eliminated and the interest expense for financing and the fair value of the asset are recognized in accordance with the Group's accounting principles, as if the Group were the owner. In case of the acquisition of a financial lease contract, if the fair value of the debt related to the property asset represents a liability owing to more favorable market conditions on the day of the acquisition, it is recorded in the balance sheet as a financial liability. This financial liability is recognized in income over the term of the contract and fully cleared through gain or loss in disposal if the contract is sold.

Gecina has opted for the valuation of its investment properties at fair value as defined by IFRS 13 (see Note 3.5.3.15). The company has elected, by convention, to retain the block value of properties as the fair value of investment properties in the Consolidated financial statements. This block value excludes transfer duties and is determined by independent appraisers (as at December 31, 2013: BNPP Real Estate, Catella, CBRE Valuation, Foncier Expertise and Jones Lang LaSalle), which value the Group's portfolio on the assumption of a long-term holding at June 30 and December 31 each year and which take into account capitalized construction work. Valuations are conducted in accordance with industry practices using valuation methods to establish fair value for each asset, pursuant to the professional real estate valuation charter. All Gecina assets are now appraised by independent appraisers.

The change in fair value of investment properties is recorded on the income statement. These properties are not therefore subject to depreciation or impairment.
The change in fair value of each property over the year is determined as follows:
- current market value – (prior year market value + cost of construction work and expenditure capitalized in the current year).

Investment properties in the course of renovation are recognized at fair value.

Properties under construction or acquired with the intention of reconstruction or in the process of being reconstructed are recognized at fair value where that value can be reliably measured. In cases where fair value cannot be reliably determined, the property is recognized at its last known value plus any costs capitalized during the period. At each balance sheet date, an impairment test can show that the booked value does not exceed the building's recoverable value. If relevant, a provision is recognized.

The fair value is determined by appraisers based on an evaluation of the property's realizable value less all direct and indirect future development costs.

The Group considers that a property in the process of construction can be reliably appraised at fair value when construction begins and when its marketing is advanced. Whatever the case, the fair value appraisal will be performed when the asset is protected from the rain.

Nevertheless, when the asset is already leased and the signature of works contracts has sufficiently progressed to allow a reliable estimate of the construction cost, the asset under development may then be recognized at fair value.

Valuation procedure

Each investment property is measured separately by an independent appraiser. However, the appraisers use the same valuation methods as described below. When appraising a property, real estate appraisers exclude transfer duties, taxes and fees. Instead they follow the position of the French professional body of real estate appraisers, AFREXIM [1], and use the following rates:
- 1.8% of legal fees for properties in VAT;
- 6.2% of registration fees and expenses for other properties.

The property is assessed at fair value, which corresponds to the price at which it could be sold between informed consenting parties operating under normal market conditions without reference to the financing conditions as at the valuation date. The value used in the Consolidated financial statements is the value excluding transfer duties.

a) Office properties
The fair value of each asset is based on the results of the following three methods. The simple arithmetic mean is used for the comparison, income capitalization and discounted cash flow (DCF) methods. In the event that a difference between the results of the three methods is 10% or more, the appraiser has the option of determining the most relevant value.
- Direct comparison method: this method consists of comparing the asset that is the object of the appraisal and transactions made on assets equivalent in type and situation, on dates close to the date of appraisal.
- Capitalization of net income method: this method consists of capitalizing recorded or potential income on the basis of a rate of return expected by an investor for a similar type of asset. The income base is generally constituted either of net annual rent excluding taxes and rental charges, or the market rent value. For occupied premises, the appraiser conducts an analysis of the legal and financial conditions of each lease and of the rental market. For vacant premises, the market rent value is used as a reference, taking account of re-letting delays, renovation work and other miscellaneous expenditure.
- Discounted cash flow method (DCF): the value of the asset is equal to the discounted cash flow expected by the investor, including its assumed sale following a 10 year holding period. The sale price at the end of the period is determined on the basis of the net cash flow in year 11 capitalized at a rate of return. Discounted cash flow is determined on the basis of a risk-free interest rate (10 year government bond equivalent) plus an appropriate risk premium for the property determined in comparison with standard discounted rates on cash flow generated by similar assets.

b) Residential real estate
The block fair value of each asset is determined from the results of the following two methods: direct comparison and income capitalization. The simple arithmetic mean is used for the comparison and income capitalization methods. In the event that a difference between the results of the two methods is 10% or more, the appraiser has the option of determining the more relevant valuation.
- Direct comparison method: this is identical to the method used for office property.
- Income capitalization method: this is identical to the method used for office property applied to gross income pursuant to the recommendations of the French professional body of property appraisers, AFREXIM [1].

c) Unit-by-unit value for residential and mixed buildings
The unit-by-unit value is used for buildings on sale by apartments (see Note 3.5.3.1.2).

(1) Association française des sociétés d'expertise immobilière

The unit-by-unit value is based on the unit prices per sq.m on the market for vacant premises. The valuation includes discounts to reflect marketing periods, costs and the margin earned on the sale of all the units. These discounts are differentiated according to the size of the property and number of units included. The estimated values of office units and commercial premises situated on the ground floor of buildings are then added based on both methods: direct comparison and income capitalization.

For properties where the unit-by-unit sale process has been started, the valuation follows the same method, adjusting the allowances applied to the property's actual marketing situation.

d) Healthcare real estate

The block fair value of each asset is determined from the results of the following two methods: income capitalization and discounted cash flow (DCF). The simple arithmetic mean is used for the capitalization by income and discounted cash flow (DCF) methods. In the event that a difference between the results of the two methods is 10% or more, the appraiser has the option of determining the more relevant valuation.

3.5.3.1.2. Assets held for sale (IFRS 5)

IFRS 5, "Non-recurring assets held for sale and discontinued operations", states that a non-recurring asset should be classified as held for sale if its carrying amount will be recovered principally through a sales transaction rather than through continuing use. In such cases, the sale should be highly probable.

The sale of an asset is thus highly probable if the following three conditions are met:

- the appropriate level of management is committed to a plan to sell the asset;
- the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the sale is expected to be concluded within one year except under special circumstances.

When the sale pertains to an asset or group of assets only, the assets held for sale are reported separately in the balance sheet under "Properties for sale" and measured at the lower of their carrying amount and fair value less costs to sell.

Properties recorded in this category were valued as follows:

- properties sold in block: sale value recorded in the agreed sale or in the purchase offer, subject to the deduction of expenses and fees necessary for their sale;
- properties sold unit by unit: appraisal value in units (see Note 3.5.3.1.1). If more than 60% (in value) of the property is sold, the asset is recognized at the fair value of the last recorded transactions.

When the sale pertains to a full activity, the consolidated assets and liabilities, which are recognized, as appropriate, in subsidiaries held for sale, are presented separately in the balance sheet as assets (Assets classified as held for sale) and liabilities (Liabilities classified as held for sale). Corresponding net income is presented separately in the income statement under "Net income from discontinued operations".

3.5.3.1.3. Operating properties and other tangible fixed assets (IAS 16)

The head office property at 16, rue des Capucines, Paris is valued at cost. It has been depreciated according to the component method, each component being depreciated on a straight-line basis over its useful life (10 to 60 years).

Other tangible fixed assets are recorded at cost and depreciated under the straight-line method for periods of 3 to 10 years. They are primarily composed of computer equipment and furniture.

In the event of a sign of impairment, the book value of an asset is immediately written down to its recoverable value, which is determined by an independent valuation conducted under the methods described in 3.5.3.1.1.

3.5.3.1.4. Intangible assets (IAS 38)

Intangible fixed assets correspond primarily to software.

The costs to purchase software licenses are recorded as an asset based on the costs incurred in acquiring and commissioning the software concerned. These costs are amortized over the estimated useful life of the software (3 to 5 years).

3.5.3.2. EQUITY INTERESTS

3.5.3.2.1. Equity interests in companies accounted for under the equity method

Equity interests in companies in which the Group exercises joint control or significant influence are recorded on the balance sheet at the Group share of their net assets as at the balance sheet date adjusted to the Group's accounting principles. Adjustments are related to the harmonization of methods.
In the event where the Group's share in the negative equity of a company accounted for under the equity method were to exceed the book value of its investment, the Group considers its share to be nil and it ceases to recognize its share in upcoming losses, unless the Group is obliged or intends to financially support such investment.

3.5.3.2.2. Non-consolidated interests

Non-consolidated equity interests are stated at fair value in accordance with IAS 39. Changes in fair value are recorded under shareholders' equity until their disposal date. For long-term impairment, underlying capital losses recognized in shareholders' equity are recorded as expenses.

3.5.3.2.3. Other financial investments

Loans, receivables and other financial instruments are recognized based on the depreciated cost method at the effective interest rate. When there is non-recoverability or default risk, this is recognized in the profit and loss statement.

3.5.3.3. INVENTORIES

Buildings relating to real estate development operations or acquired under the tax system governing properties held for rapid resale by real-estate traders, legally designated as "marchands de biens", are booked under inventories at their acquisition cost. An impairment may be recorded when the independent appraisal of the building is lower than its book value.

3.5.3.4. OPERATING RECEIVABLES

Receivables are recorded for the initial amount of the invoice, after deduction for impairment valued on the basis of the risk of non-recoverability. The cost of non-recoverability risk is posted under property expenses.

Rent receivables are systematically written-down according to the due date of the receivables and situation of the tenants.

An impairment rate is applied to the amount excluding tax of the receivable minus the security deposit:
- tenant has left the property: 100%;
- tenant still in the property:
  – receivable between 3 and 6 months: 25%,
  – receivable between 6 and 9 months: 50%,
  – receivable between 9 and 12 months: 75%,
  – over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

Receivables relating to the deferral of commercial benefits according to IAS 17 (see Note 3.5.3.13), and recognized by the difference between the economic lease and the paid lease, give rise to a specific analysis to validate their justification at each reporting date.

3.5.3.5. CASH AND CASH EQUIVALENTS

Cash and money-market UCITS are recorded on the balance sheet at fair value.

3.5.3.6. TREASURY SHARES (IAS 32)

Treasury shares held by the Group are deducted from consolidated shareholders' equity at cost.

3.5.3.7. SHARE-BASED PAYMENT (IFRS 2)

Gecina has instituted an equity-based remuneration plan (stock options and performance shares). The impact of services rendered by employees in exchange for the award of options or the allocation of performance shares is expensed against shareholders' equity. The total amount expensed over the rights vesting period year is determined by reference to the fair value of equity instruments granted, the discounted value of future dividends paid over the vesting period and the staff turnover rate.

At each balance sheet date, the number of options that may be exercised is reviewed. Where applicable, the impact of revising estimates is posted to the income statement with a corresponding adjustment in shareholders' equity. Amounts received when options are exercised are credited to shareholders' equity, net of directly attributable transaction costs.

3.5.3.8. FINANCIAL INSTRUMENTS (IAS 39)

IAS 39 distinguishes between two types of interest rate hedge as follows:
- hedging of balance sheet items whose fair value fluctuates with interest rates ("fair value hedge");
- hedging of the risk of future cash flow changes ("cash flow hedge"), which consists of fixing future cash flows of a variable-rate financial instrument.

Some derivative instruments attached to specific financing are classified as cash flow hedges pursuant to accounting regulations. Only the change in fair value of the effective portion of these derivatives, measured by prospective and retrospective effectiveness tests, is taken to shareholders' equity. The change in fair value of the ineffective portion of the hedge is posted to the income statement if material.

To a large extent, Gecina's interest rate risk hedging is covered by a portfolio of derivatives that are not specifically assigned and do not meet hedge accounting eligibility criteria. Furthermore, some derivatives cannot be classified as hedging instruments for accounting purposes. These derivative instruments can therefore be recorded at fair value on the balance sheet with recognition of changes in fair value on the income statement. The change in the value of derivatives is recognized for the recurring portion and where applicable (amortization of options premiums or periodic premiums) within financial expenses in the same capacity as interests paid or received for these instruments, and the non-recurring portion (fair value excluding amortization of premium or periodic premiums) within value changes of financial instruments. Where applicable, terminations of derivative instruments are considered as non-recurring, such that the gain or loss on disposal or termination is re cognized in the income statement within changes in value of financial instruments.

Fair value is determined in accordance with IFRS 13 (see Note 3.5.3.15) by an external financial organization using valuation techniques based on the discounted forward cash flow method, as well as the Black & Scholes model for optional products integrating the counterparty risks mentioned by IFRS 13. Estimates of probability of default are obtained by using bond spreads on the secondary market. Valuations are also confirmed by banking counterparties and in-house valuations.

Marketable securities are recorded under this heading as assets at fair value and changes in value are posted to the income statement.

3.5.3.9. FINANCIAL LIABILITIES (IAS 32 AND 39)

Bank borrowings are mostly constituted of repayable borrowings and medium and long-term credit lines that can be used by variable term drawings. Successive drawings are recognized in the financial statements at face value, with the unused portion of the borrowing facility representing an off-balance sheet commitment.

Financial liabilities including EMTN issues are stated at their outstanding balance (net of transaction costs) based on the effective interest rate, except for Ornane-type convertible bond borrowings, which are recognized at fair value through a matching entry in the income statement based on the quoted market price.

Security deposits are considered as short-term liabilities and are not subject to discounting.

3.5.3.10. LONG TERM NON-FINANCIAL PROVISIONS AND LIABILITIES

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized when the Group has a present obligation (legal or constructive) to a third party as a result of past events, and when it is probable or certain that this obligation will give rise to an outflow of resources to that third party, without at least the equivalent expected in exchange from that third party.

3.5.3.11. EMPLOYEE BENEFIT COMMITMENTS

IAS 19 amended in June 2011 (IAS 19 revised) and applicable on or after January 1, 2013 specifies the accounting rules for employee benefits. This accounting occurs during the rights vesting period. It excludes from its scope share-based payments, which come under IFRS 2.

Short-term benefits

Short-term benefits (i.e. salaries, paid holiday, social security contributions, profit-sharing, etc.), which fall due within twelve months of the end of the year during which members of staff provided corresponding services, are recognized as "accrued expenses" under the heading "Current tax and social security payables" under balance sheet liabilities.

Long-term benefits

Long-term benefits correspond to benefits payable during the employee's working life (anniversary premiums). They are recognized as non-recurring provisions.

Post-employment benefits

Post-employment benefits, also recognized as non-recurring provisions, correspond to end-of-career payments and supplementary retirement commitments to some employees. The valuation of these commitments is based on the assumption of the employee's voluntary departure.

These commitments that are related to the defined-benefit plans for supplementary pensions are paid to external organizations.

No post-employment benefits are granted to officers.

The net commitment resulting from the difference between amounts paid and the probable value of the benefits granted, recognized under salaries and benefits, is calculated by an actuary according to the method known as "projected unit credit method", the cost of the provision being calculated on the basis of services rendered at the valuation date.

Actuarial differences are posted under shareholders' equity.

3.5.3.12. TAXES

3.5.3.12.1. Ordinary law treatment

For companies not eligible to the SIIC system, deferred taxes resulting from timing differences on taxation or deductions are calculated under the liability method on all timing differences existing in the individual accounts or deriving from consolidation adjustments or eliminations of internal profits and losses. This happens when the book value of an asset or liability is different from its tax value. A net deferred tax asset is only recognized on loss carry-forwards provided that it is likely that it can be charged against future taxable income. Deferred tax is determined using the principles and tax rates of the finance laws in effect at the balance sheet date that are likely to be applied when the various taxes involved crystallize. The same rule applies to assets held abroad.

3.5.3.12.2. SIIC system

Opting for the SIIC system means an exit tax immediately falls due at the reduced rate of 19% on unrealized capital gains related to properties and investments in entities not subject to income tax.

Profits subject to the SIIC system are tax-exempt subject to certain distribution conditions. However, for newly acquired companies, a deferred tax liability is calculated at a rate of 19% corresponding to the amount of exit tax that these companies have to pay when opting for the SIIC system, this option coming under the acquisition strategy.

The discounting of the exit tax liability due to opting for the SIIC system is only recognized when considered material.

3.5.3.13. RECOGNITION OF RENTAL INCOME (IAS 17)

Rent is recorded in the income statement when invoiced. However, pursuant to IAS 17, benefits granted to tenants in the commercial and the healthcare real estate sectors (mainly rent franchises and stepped rents) are amortized straight-line over the probable, firm period of the lease. Consequently, rents shown in the income statement differ from rents paid.

At the sale of an asset, the balance of the receivable arising from the straight-line recognition of benefits granted to tenants (mostly rent franchises and stepped rents) is fully reversed and posted in gain or loss on disposal.

Works carried out on behalf of tenants are capitalized and are not deferred over the probable term of the lease according to IAS 17.

3.5.3.14. ESTIMATES AND KEY ACCOUNTING JUDGMENTS

To establish the Consolidated financial statements, the Group uses estimates and formulates judgments which are regularly updated and are based on historic data and other factors, especially forecasts of future events considered reasonable in the circumstances.

The significant estimates made by the Group mainly concern:

- fair value measurement of investment properties;
- fair value measurement of financial instruments and the Ornane type convertible bond;
- measurement of equity interests;
- measurement of provisions;
- measurement of employee benefit commitments (pensions and share plans).

Due to the uncertainties inherent in any measurement process, the Group adjusts its estimates using regularly updated information. Estimates that carry a major risk of leading to a material adjustment in the net book value of assets and liabilities during the following period are analyzed below:

- The fair value of the property portfolio, whether it is held for the long term or for sale, is specifically determined based on the valuation of the portfolio by independent experts according to the methods described in paragraphs 3.5.3.1.1 and 3.5.3.1.2. However, given the estimated nature inherent in these valuations, it is possible that the actual sales value of some properties will differ significantly from the valuation, even in the event of disposal within a few months following the balance sheet date.

- The fair value of financial instruments that are not traded on an organized market (such as over the counter derivatives) is determined using valuation techniques. The Group uses methods and assumptions that it believes are the most appropriate, based on market conditions at the balance sheet date. The realizable value of these instruments may turn out to be significantly different from the fair value used for the accounting statement.

- The value in use and the fair value of equity investment securities are determined on the basis of estimates based on various information available to the Group as of the balance sheet date. New information obtained subsequent to the balance sheet date may have a material influence on this valuation.

The procedures for determining fair value according to IFRS 13 are detailed in paragraph 3.5.3.15.

In addition to the use of estimates, the Group's management formulates judgments to define the appropriate accounting treatment for certain activities and transactions where the IFRS in force do not specifically deal with the issues concerned. This is especially the case for the analysis of leases, whether operating leases or financial leases.

3.5.3.15. DETERMINING THE FAIR VALUE (IFRS 13)

Since January 1, 2013, the Group has applied IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard establishes a fair value hierarchy that categorizes into three levels the data used for measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date;
- Level 2: Valuation model using inputs that are directly or indirectly observable in an active market;
- Level 3: Valuation model using inputs that are unobservable in an active market.

The fair value hierarchy is therefore established by reference to the levels of inputs to valuation techniques. When using a valuation technique based on inputs of several levels, the fair value level is then constrained by the lowest level.

Investment property

The fair value measurement must consider the high and best use of the asset. Gecina has not identified any high and best use different from the current use. Accordingly, the implementation of IFRS 13 did not lead to a change in the assumptions adopted for the valuation of property holdings.

The fair value measurement of investment properties implies using different valuation methods based on unobservable or observable inputs that have been subject to certain adjustments. Accordingly, the group's property holdings are considered, in their entirety, as categorized in level 3 with respect to the fair value hierarchy established by IFRS 13, notwithstanding the recognition of certain level 2 observable inputs.

Financial instruments

IFRS 13 requires the recognition of counterparty credit risk (i.e. the risk that a counterparty may breach any of its obligations) in the measuring the fair value of financial assets and liabilities.

IFRS 13 retains the disclosure obligations on the 3-level fair value hierarchy of IFRS 7, which requires an entity to establish a difference between the fair values of financial assets and financial liabilities as a function of the observable nature of the inputs used to measure fair value.

In 2013, the first application of IFRS 13 by the Group does not challenge the fair value hierarchy of financial instruments, until then categorized as level 2 according to IFRS 7 (valuation model based on observable market inputs) to the extent where the adjustment for credit risk is considered as an observable input.

3.5.4. MANAGEMENT OF FINANCIAL AND OPERATIONAL RISKS

3.5.4.1. PROPERTY MARKET RISKS

Holding property assets for rent exposes the Group to the risk of fluctuation of the value of property assets and rents as well as to the risk of vacancy.

However, this exposure is limited given that:

- the assets are currently held with a long-term view and valued in the accounts at fair value, even though fair value is based on estimates described in paragraphs 3.5.3.1.1 to 3.5.3.1.3. above;
- the invoiced rents come from rental commitments, the term and spread of which contribute to moderating the impact of fluctuations on the rental market.

With respect to development projects, the search for tenants begins once the investment decision is taken and results in the signing of pre-construction leases (Baux en l'État Futur d'Achèvement – BEFA). These leases contain clauses on the definition of completion, the completion time and late penalties.

Certain aspects of this risk are quantified in Note 3.5.6.6.

3.5.4.2. FINANCIAL MARKET RISK

Holding financial instruments for the long term or for sale exposes the Group to the risk of fluctuation in the value of these assets. The analysis and quantification of the risk on hedging financial instruments are stated under Note 3.5.6.8.

In particular, the Group's exposure to equity risk in case of falling stock market indices gives rise to a problem of valuing hedging assets against pension liabilities. This risk is very limited with respect to the amounts of the hedging assets subject to equity risk.

Furthermore, Gecina may be subject to changes in share prices for its financial investments and for its treasury shares. Gecina has set up a share buyback program and therefore holds a certain number of its own shares. A fall in the price of the Gecina share has no impact on the Consolidated financial statements, only on the Individual financial statements. However, a 5% drop in Gecina's share price compared to the level of December 31, 2013 would require an additional provision of €0.9 million in Gecina's Corporate financial statements.

3.5.4.3. COUNTERPARTY RISK

Having a portfolio of clients of around 600 corporate tenants, from a great variety of sectors, and more than 9,000 individual tenants, the Group is not exposed to significant concentration risks. In the course of its development, the

Group aims to acquire assets for which the rental portfolio is closely based on tenant selection criteria and the security provided by them. When a property is rented out, a detailed application is submitted by the tenant and an analysis of the tenant's financial soundness is conducted. Tenant selection and rent collection procedures help to maintain a satisfactory rate of losses on receivables.

Financial transactions, especially hedging the interest rate risk, are carried out with a broad selection of leading financial institutions. Competitive tenders are conducted for all major financial transactions and the maintenance of a satisfactory diversification of sources of funds and counterparties is one of the selection criteria. Gecina has no material exposure to a single bank counterparty on its portfolio of derivatives. The counterparty risk is now an integral part of fair value as determined under IFRS 13 (see Note 3.5.3.15) and applied since January 1, 2013.

The Group's maximum exposure on all its loans (used and unused) to a single counterparty is 13%.

3.5.4.4. LIQUIDITY RISK

The liquidity risk is managed by constantly monitoring the maturity of financing facilities, maintaining available credit lines and diversifying finance sources. Liquidity is managed in the medium and long term as part of multi-annual financing plans and, in the short term, by using confirmed undrawn credit lines and asset disposal programs. Details of debt maturity dates are provided in Note 3.5.5.11.1 as well as a description of the various limits that might affect interest conditions or early repayment, as stipulated in the credit agreements.

3.5.4.5. INTEREST RATE RISK

Gecina's interest rate risk management policy, which includes the use of hedging instruments, is aimed at limiting the impact of a change in interest rates on the Group's earnings, where a significant portion of the Group's loans is at a floating rate. With respect to the foregoing, a management framework was presented and validated by the company's Audit Committee. This management framework defines in particular the management horizons, a percentage of coverage required on the time horizons, new hedging targets and the instruments enabling such management (mostly caps, floors and swaps). The interest rate risk is analyzed and quantified in Notes 3.5.5.11.2 and 3.5.6.8, together with an analysis of interest rate sensitivity. Gecina's interest rate hedging policy is primarily implemented on a comprehensive basis for all its loans (i.e. not specifically assigned to certain loans). As a result, it does not meet the accounting qualification of hedging instruments and the fair value change therefore appears in the income statement, according to the procedures described in Note 3.5.3.8.

3.5.4.6. FOREIGN EXCHANGE RISK

The Group conducts the majority of its business in the Eurozone and almost all its revenues, operating expenses, investments, assets and liabilities are denominated in euros. The Group is therefore only very marginally exposed to an exchange rate risk through its two subsidiaries in the logistics sector in Poland and Hungary.

3.5.4.7. OPERATING RISKS

Gecina is exposed to a wide range of operating risks, the details of which are specified in Note 1.6. of Chapter 1.

Until 2009 when Joaquín Rivero was a company officer of Gecina or one of its subsidiaries, Gecina carried out a number of transactions including the acquisition by SIF Espagne of a 49% equity investment in Bami Newco, and also undertook certain commitments, notably the grant of certain guarantees in relation to said transactions, as mentioned under Notes 3.5.5.12. and 3.5.9.3.

When said commitments and transactions were revealed, impairment and provisions were recorded against some of them pursuant to applicable regulations. Some of the guarantees were also granted outside Gecina's internal control framework despite the specific procedures implemented.

Gecina cannot totally rule out that non-compliance with internal control and risk management procedures, the worsening economic environment in Spain or fraud attempts will not result in further financial, legal, tax or regulatory risks which have not been identified to date. Occurrence of such risks may impact the Group's reputation, results or financial situation.

3.5.5. NOTES TO THE CONSOLIDATED BALANCE SHEET

3.5.5.1. PROPERTY HOLDINGS

3.5.5.1.1. Statement of changes in property holdings

Gross value

€'000	At 12/31/2012	Acquisitions	Disposals	Change in fair value	Change in scope	Trans-fers between items	At 12/31/2013
Investment properties	9,865,418	368,075	0	(72,563)	392	176,257	10,337,580
Properties under reconstruction	637,966	212,136	0	38,473	9,070	(742,502)	155,143
Operating properties	76,683	12	0	0	0	0	76,695
Intangible assets	11,030	2,067	(1,711)	0	0	0	11,386
Other tangible assets	10,563	1,883	(634)	0	0	0	11,812
Properties for sale	428,391	91	(776,606)	1,818	1	566,245	219,940
Properties in inventory	7,219	88	0	0	74	0	7,382
GROSS VALUE	**11,037,270**	**584,352**	**(778,951)**	**(32,272)**	**9,538**	**0**	**10,819,937**

The change in fair value of -€32 million does not reflect the additional earn out on Beaugrenelle (-€12 million), which raised the change in fair value for investment properties in the income statement to -€44 million.

Depreciations

€'000	At 12/31/2012	Allocations	Write backs	Change in fair value	Change in scope	Trans-fers between items	At 12/31/2013
Properties under reconstruction		3,348	0	0	0	0	3,348
Operating properties	11,230	1,437	0	0	0	0	12,667
Intangible assets	5,903	2,542	(467)	0	0	0	7,978
Other tangible assets	6,749	1,462	(615)	0	0	0	7,596
Depreciations	23,882	8,790	(1,082)	0	0	0	**31,589**
NET VALUE	**11,013,388**	**575,562**	**(777,869)**	**(32,272)**	**9,538**	**0**	**10,788,348**

In accordance with the accounting principles defined in Note 3.5.3.1.1, 11 assets under reconstruction are recorded at their historical cost for a combined total of €52 million.

The other changes concern marketing fees for €2 million and capitalized internal costs for €3.2 million.

3.5.5.1.2. Analysis of acquisitions (duties and costs included)

Acquisitions concerned the following:

€'000	12/31/2013
Rue Mirabeau	197,605
Rue Marbeuf	122,238
Clinic in Bayonne	23,970
Clinic in Orange	4,874
4 student residences	11,375
Property acquisitions	**360,062**
Reconstruction work	158,517
Renovation work	48,323
Works	**206,840**
Inventories	(133)
Head office	12
Capitalized financial expenses	13,621
TOTAL ACQUISITIONS	**580,402**
Other tangible fixed assets	1,883
Intangible fixed assets	2,067
TOTAL FIXED ASSETS	**584,352**

3.5.5.1.3. Details of income from sales

Sales are detailed in Note 3.5.6.5.

3.5.5.1.4. Maturity dates of investment properties held on financial lease

The Group has 9 financial leases. This concerns fixed or variable-rate contracts taken out for an average duration of 3.9 years (weighted average of outstandings) with leading organizations.

€'000	12/31/2013	12/31/2012
Less than 1 year	17,598	26,430
1 to 5 years	134,600	204,702
Over 5 years	35,953	59,420
TOTAL	**188,151**	**290,553**

3.5.5.2. FINANCIAL INVESTMENTS

€'000	12/31/2013	12/31/2012
Non-consolidated investments	109,421	109,422
Advances on fixed asset acquisitions	65,519	65,519
Deposits and guarantees	1,755	1,668
Other financial investments	5,251	5,382
Total	**181,946**	**181,991**
Impairment	(169,910)	(169,442)
NET TOTAL	**12,036**	**12,549**

The impairment of over €169 million concerns the 49% equity interest in the Spanish company Bami Newco which was fully written down (€109 million) and the advance on property acquisition granted to the Spanish company Bamolo written down by €60 million to reduce it to the latest appraisal value for the land, i.e. €5 million.

3.5.5.3. EQUITY INTERESTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

This item reflects the percentage held by the Group in companies in which the Group exercises significant influence.
As of December 31, 2013, this item only included the company's share in Labuire Aménagement (a Lyon-based business that sells plots of land). As of December 31, 2013, the equity interest in Labuire Aménagement amounted to €3.7 million with a share of net income to €0.3 million.

3.5.5.4. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets include loss carry-forwards and tax timing differences on assets and liabilities of companies subject to income tax.

Capitalization of loss carry-forwards applies to the portion that can be used in five years' time in view of the taxable income forecasts of Group companies after taking into account threshold rules applicable at the balance sheet date. Capitalized loss carry-forwards are adjusted as appropriate on each reporting date, to reflect the update of consumption outlook.

€'000	At 12/31/2012	Change result	Cash flows hedge reserves	Transfers between items	Changes in consolida-tion	At 12/31/2013
Effects of entry into the SIIC system	(3,069)	(2,470)				(5,539)
Fair value of investment properties						0
Other changes						0
TOTAL DEFERRED TAX LIABILITIES	**(3,069)**	**(2,470)**	**0**	**0**	**0**	**(5,539)**
Fair value of investment properties		58		304		362
Capitalization of tax losses						0
Other changes						0
TOTAL DEFERRED TAX ASSETS	**0**	**58**	**0**	**304**	**0**	**362**
TOTAL NET DEFERRED TAXES	**(3,069)**	**(2,412)**	**0**	**304**	**0**	**(5,177)**

Deferred tax assets and liabilities are offset within a single tax entity.

3.5.5.5. PROPERTIES FOR SALE

Movements on properties for sale are included in the overall statement of changes in property holdings (see Note 3.5.5.1.1.).

The amount of properties held for sale breaks down as follows:

€'000	12/31/2013	12/31/2012
Properties for sale (block basis)	9,228	94,521
Properties for sale (units basis)	210,712	333,870
TOTAL	**219,940**	**428,391**

In light of the confidentiality surrounding the disposal process of the Beaugrenelle shopping center and its significant weight, this asset does not appear on the balance sheet at December 31, 2013 as property on sale but remains recognized within investment properties.

However, on February 20, 2014, after the end of the Board of Directors drafting the 2013 financial statements, the SCI Beaugrenelle, the property investment company in which Gecina has a 75% stake alongside Foncière Euris, Rallye, Apsys and Paris Orléans, has signed a preliminary sales agreement for the Beaugrenelle shopping center with a consortium of private investors assembled around Apsys.

The total sales price including transfer taxes comes to 700 million euros, in line with the appraisal booked at December 31, 2013.

The details of this preliminary sales agreement are in Note 3.5.9.9. Post-balance sheet events.

3.5.5.6. TRADE RECEIVABLES

The breakdown of net receivables by sector is set out in Note 3.5.8. At December 31, 2013, the amount of overdue trade receivables with no impairment was not material.

€'000	12/31/2013	12/31/2012
Billed clients	24,535	26,372
Unbilled expenses payable	8,784	7,928
Balance of amortized rent – free periods and stepped rents (IAS 17)	66,533	44,086
TRADE RECEIVABLES (GROSS)	**99,852**	**78,386**
Impairment of receivables	(10,758)	(10,242)
TRADE RECEIVABLES (NET)	**89,094**	**68,144**

3.5.5.7. OTHER RECEIVABLES

€'000	12/31/2013	12/31/2012
Value added tax	36,310	26,987
Income tax	1,552	2,272
Bami Newco cash advances (fully depreciated)	7,473	7,473
Receivables on asset disposal	1,488	9,038
Other (1)	39,082	12,879
GROSS AMOUNTS	**85,905**	**58,649**
Impairment	(30,044)	(9,904)
NET AMOUNTS	**55,862**	**48,745**

(1) Of which:		
External agents and managers	418	2,017
Advances on equity investments	2,300	2,300
Deposit payments for orders	2,684	2,671
Bami Guarantee (Eurohypo)	20,140	

Cash advances to Bami Newco (which are fully written down) have increased by €20 million (see Note 3.5.5.12).

3.5.5.8. PREPAID EXPENSES

€'000	12/31/2013	12/31/2012
Loan application costs (1)	20,156	20,018
10 year warranty insurance	3,697	4,184
Other	3,114	2,823
NET VALUES	**26,967**	**27,025**

(1) Primarily including arrangement fees and mortgage costs.

3.5.5.9. CASH AND CASH EQUIVALENTS

€'000	12/31/2013	12/31/2012
Money-market UCITS	3,508	1,188
Bank current accounts	8,769	0
Cash and cash equivalents (gross)	**12,277**	**1,188**
Bank overdrafts	0	(2,787)
Cash and cash equivalents (net)	**12,277**	**(1,599)**
Discontinued activities (1)	0	851
Cash and cash equivalents (including discontinued activities)	**12,277**	**(748)**

(1) Please refer to Note 3.5.3.1.2 related to the application of IFRS 5 "Non-current assets held for sale and discontinued operations".

3.5.5.10. CONSOLIDATED SHAREHOLDERS' EQUITY

See the accounting statement preceding this note in Chapter 3, section 3 "Statement of changes in consolidated equity".

3.5.5.11. LOANS, DEBT AND FINANCIAL INSTRUMENTS

3.5.5.11.1. Borrowings and financial debt

■ Outstanding debt

€'000	Outstanding debt 12/31/2013	Repayments < 1 year	Outstanding debt 12/31/2014	Repayments 1 to 5 years	Outstanding debt 12/31/2018	Repayments more than 5 years
Fixed-rate debt	**2,410,174**	**(564,564)**	**1,845,610**	**(907,713)**	**937,897**	**(937,897)**
Ornane	320,000	0	320,000	(320,000)	0	0
Fair value impact of Ornane	63,510	0	63,510	(63,510)	0	0
Bonds	1,935,281	(500,000)	1,435,281	(500,000)	935,281	(935,281)
Bank borrowings	23,396	(1,640)	21,756	(21,756)	0	0
Finance leases	1,765	(188)	1,577	(864)	713	(713)
Accrued interest and other liabilities	66,223	(62,736)	3,486	(1,583)	1,903	(1,903)
Floating-rate debt	**1,847,905**	**(603,718)**	**1,244,188**	**(684,586)**	**559,602**	**(559,602)**
Treasury notes	530,000	(530,000)	0	0	0	0
Floating-rate and variable-rate borrowing	1,009,304	(26,629)	982,675	(540,721)	441,954	(441,954)
Credit lines	141,000	(32,100)	108,900	(18,600)	90,300	(90,300)
Finance leases	167,602	(14,989)	152,613	(125,265)	27,348	(27,348)
Bank overdrafts	0	0	0	0	0	0
GROSS DEBT	**4,258,079**	**(1,168,282)**	**3,089,797**	**(1,592,298)**	**1,497,499**	**(1,497,499)**
Cash (floating rate)						
Open-end investment funds, deposits and income receivable	3,508	(3,508)	0	0	0	0
Current bank accounts	8,769	(8,769)	0	0	0	0
TOTAL CASH AND EQUIVALENTS	**12,277**	**(12,277)**	**0**	**0**	**0**	**0**
Net debt						
Fixed rate	2,410,174	(564,564)	1,845,610	(907,713)	937,897	(937,897)
Floating rate	1,835,628	(591,440)	1,244,188	(684,586)	559,602	(559,602)
TOTAL NET DEBT	**4,245,802**	**(1,156,005)**	**3,089,797**	**(1,592,298)**	**1,497,499**	**(1,497,499)**
Available credit lines	2,195,000	(70,000)	2,125,000	(1,645,000)	480,000	(480,000)
Future cash flows on debt	0	(117,506)	0	(322,368)	0	(100,309)

The interest that will be paid until maturity of the entire debt estimated on the basis of the interest rate curve at December 31, 2013 come to €540 million.

The breakdown of the €1,169 million repayment of gross debt at less than one year is as follows:

	1st quarter 2014	2nd quarter 2014	3rd quarter 2014	4th quarter 2014	TOTAL
€'000	524,964	55,869	546,004	41,712	1,168,549

The fair value of the gross debt used to calculate NAV was €4,293 million at December 31, 2013 (i.e. €4,258 million of gross debt and €35 million corresponding to the fair value adjustment of fixed-rate debt).

This statement highlights the outstanding notional amount of the Ornane-type convertible bond as well as the impact of its fair value. Consequently, the convertible bond appears at its market value comprised of its par value (€320 million) and the impact of the fair value adjustment (+€64 million). Furthermore, the debt is detailed at its balance sheet value.

Type of bonds

	Ornane	EMTN	EMTN	EMTN	EMTN
Issue date	04/09/2010	09/17/2010	02/03/2011	04/11/2012	05/30/2013
Issue amount (€ million)	320	500	500	650	300
Issue/conversion price	€111.05	€49,803.50	€99,348	€99,499	€98,646
Redemption price	N/A	€50,000	€100,000	€100,000	€100,000
Conversion rate	1.06	N/A	N/A	N/A	N/A
Number of bonds issued	2,881,586	10,000	5,000	6,500	3,000
Nominal rate	2.125%	4.50%	4.25%	4.75%	2.875%
Maturity date	01/01/2016	09/19/2014	02/03/2016	04/11/2019	05/30/2023

Covenants

The Group's principal loans are subject to contractual provisions requiring compliance with certain financial ratios determining the interest terms and early repayment clauses, the most significant of which are summarized below.

	Benchmark standard	Balance at 12/31/2013	Balance at 12/31/2012
Net debt/Revalued block value of property holding	maximum 55%	38.7%	39.7%
EBITDA (excluding disposals)/Net financial expenses	minimum 2.00	3.0	2.8
Outstanding secured debt/Block value of property holding	maximum 25%	11.7%	15.0%
Revalued block value of property holding (€ million)	minimum €6,000/€8,000	10,819	11,048

Change of control clauses

Bond debt of €500 million due in September 2014: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment Grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

Bond debt of €500 million due in February 2016: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment Grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

Bond debt of €650 million due in April 2019: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment Grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

Bond debt of €300 million due in May 2023: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment Grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

€320 million Ornane bond: a change of control could lead to early reimbursement at the discretion of bondholders.

3.5.5.11.2. Financial instruments

The Group holds derivative instruments as part of its interest rate risk management strategy. The financial instruments are traded on the OTC market and valued on the basis of valuation models using observable inputs (level 2 instruments as defined by IFRS 7 and IFRS 13). Fair value is determined in accordance with IFRS 13 including in particular the counterparty risk (see Note 3.5.3.15 and 3.5.3.8).

As of December 31, 2013, the recognition of counterparty risk (Credit Valuation Adjustment / Debit Valuation Adjustment) has no material impact on the change in the value of financial instruments.

Portfolio of derivatives

€'000	Outstanding 12/31/2013	Maturity or effective date < 1 year	Outstanding 12/31/2014	Maturity or effective date 1 to 5 years	Outstanding 12/31/2018	Maturity or effective date More than 5 years
Portfolio of outstanding derivatives at December 31, 2013						
Fixed-rate receiver swaps	112,300		112,300	(112,300)		
Fixed-rate payer swaps	1,357,203	(150,203)	1,207,000	(517,000)	690,000	(690,000)
Selling of puts and calls on fixed rate payer swaps	0					
Purchasing of puts and calls on fixed rate receiver swaps	0					
Caps purchases	1,113,000	387,000	1,500,000	(1,500,000)		
Caps sales	50,000		50,000	(50,000)		
Floors sales	250,000	340,000	590,000	(590,000)		
TOTAL	**2,882,503**	**576,797**	**3,459,300**	**(2,769,300)**	**690,000**	**(690,000)**
Portfolio of derivatives with deferred effect [1]						
Fixed-rate receiver swaps	0	250,000	250,000	(250,000)		
Fixed-rate payer swaps	0					
Selling of puts and calls on fixed rate payer swaps	0			117,000	117,000	(117,000)
Purchasing of puts and calls on fixed rate receiver swaps	0	150,000	150,000	(150,000)		
Caps purchases	0			125,000	125,000	(125,000)
Caps sales	0					
Floors sales	0					
TOTAL	**0**	**400,000**	**400,000**	**(158,000)**	**242,000**	**(242,000)**
Total portfolio of derivatives						
Fixed-rate receiver swaps	112,300	250,000	362,300	(362,300)		
Fixed-rate payer swaps	1,357,203	(150,203)	1,207,000	(517,000)	690,000	(690,000)
Selling of puts and calls on fixed rate payer swaps	0			117,000	117,000	(117,000)
Purchasing of puts and calls on fixed rate receiver swaps	0	150,000	150,000	(150,000)		
Caps purchases	1,113,000	387,000	1,500,000	(1,375,000)	125,000	(125,000)
Caps sales	50,000		50,000	(50,000)		
Floors sales	250,000	340,000	590,000	(590,000)		
TOTAL	**2,882,503**	**976,797**	**3,859,300**	**(2,927,300)**	**932,000**	**(932,000)**
Future interest cash flows on derivatives	0	38,287		100,402		(248)

(1) Positive amounts in the "Maturity or effective date" columns correspond to contracted derivatives.

Gross debt hedging

€'000	12/31/2013
Fixed-rate gross debt	**2,410,174**
Fixed-rate debt converted to floating rate	(112,300)
Residual debt at fixed rate	**2,297,874**
Gross debt at floating rate	**1,847,905**
Fixed-rate debt converted to floating rate	112,300
Gross debt at floating rate after conversion of debt to floating rate	**1,960,205**
Fixed-rate payer swaps and activated caps/floors	(1,607,203)
Gross debt at floating rate not swapped	**353,002**
Caps purchases	(863,000)
Caps sales	50,000
Unhedged floating rate debt	**(459,998)**

The fair value, as recorded on the balance sheet, of hedging instruments breaks down as follows:

€'000	12/31/2012	Acquisitions	Disposals	Transfer between items	Change in value	12/31/2013
Non-current assets	5,086	(555)			6,286	10,817
Current assets						0
Non-current liabilities	(216,119)		15,608	22	49,932	(150,557)
Current liabilities	(32)			(22)	54	0
TOTAL	**(211,065)**	**(555)**	**15,608**	**0**	**56,272**	**(139,740)**

The €71 million decline in the value of hedging instruments recognized under liabilities can be explained by:
- The disposal of hedging instruments for a total of €17 million (net of acquisitions for the year);
- And the €54 million increase in value linked to the rates trend during the year (reduction of the recognized liability).

3.5.5.12. PROVISIONS

€'000	12/31/2012	Allocations	Write backs	Utilizations	Reclassi-fication	12/31/2013
Tax reassessments	975					975
Employee benefit commitments	10,487	967	(10)		1,031	12,475
Spain commitments	30,940			(20,000)		10,940
Other disputes	2,367	2,531	(374)			4,524
TOTAL	**44,769**	**3,498**	**(384)**	**(20,000)**	**1,031**	**28,915**

Some companies within the consolidation have been the subject of tax audits leading to notifications of tax reassessments, the majority of which are contested. The Group has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the Group and its advisers, there is no risk that is not covered by provisions and that would be likely to materially impact Gecina's earnings or financial situation.

At December 31, 2013, a total amount of €1 million was accrued as provision for the ongoing tax assessment notices, the same amount since December 31, 2012.

Furthermore, the company has several ongoing litigations with the French tax administration, which could result today, in the reimbursement of a maximum amount of nearly €30 million. This amount is related to the corporate income tax paid in 2003 at the time of the election of various Group companies for the SIIC system. These sums, which could be recovered at various dates in light of the various ongoing proceedings, were expensed at the time of payment and therefore no longer appear on the company's balance sheet.

Employee benefit commitments (€12.5 million) concern supplementary pensions, lump-sum retirement benefits, and anniversary premiums. They are measured by independent experts and have gone up primarily due to the actuarial variances for the year (€1.0 million) recognized directly in equity and essentially related to the cost of past services existing at the beginning of the year (€0.9 million), also recognized in equity by application of revised IAS 19.

Commitments made in Spain primarily concern:

(i) a joint bond of €5 million involving SIF Espagne, granted to FCC Construcción for the development by Bami Newco of a corporate office in Madrid. FCC Construcción filed a judicial motion in Spain for the payment of this bond. On January 22, 2013, the court sentenced Bami Newco and its guarantors, including SIF Espagne and Inmopark 92 Alicante, to pay the sum of €1 million to FCC Construcción. The appeal proceedings of this ruling are still ongoing.
As at December 31, 2013, Gecina had recognized a provision to fully cover this amount (€5 million) due to the financial situation of Bami Newco. Furthermore, in June 2013, Bami Newco requested the opening of bankruptcy proceedings in Spanish courts. These proceedings have been accepted by the Spanish court. The resulting contingent debt has been reported in the context of the bankruptcy proceedings of Bami Newco and Inmopark 92 Alicante.

(ii) guarantees granted by SIF Espagne then represented by Mr. Joaquin Rivero, on November 13, 2009, concerning Bami Newco's repayment of credit facilities granted to it until November 13, 2019 by Banco Popular for principal amounts of €3.3 million and €1.5 million respectively. These credit facilities may be used by Bami Newco at any time to pay sums owed to Banco Popular. As at December 31, 2013, Gecina had recognized provisions to fully cover the guarantees amounting to a total of €4.8 million. The resulting contingent debt has been reported in the context of Bami Newco's bankruptcy proceedings.

Lastly, considering SIF Espagne's decision in 2012 not to erect a building on one of its proprietary plots located in Madrid, a provision of €1.1 million was maintained for the fiscal year. This provision covers the possible implementation of a guarantee of an equivalent amount that SIF Espagne granted to the City of Madrid when it bought the land and promised to erect a building.

Furthermore, Gecina's €20 million guarantee (issued in 2010), counter-guaranteeing the SIF Espagne subsidiary's €20 million guarantee in connection with the restructuring of financing facilities for Bami Newco (with Eurohypo bank as the lead manager) was called and paid by Gecina in November 2013 as ordered by the courts. The company has requested repayment of the amount paid in this capacity from Bami Newco. The corresponding provision has been written back in Gecina's consolidated accounts and a debt has been recognized against Bami Newco on the assets side of the balance sheet, immediately impaired due to Bami Newco's financial position and its ongoing bankruptcy proceedings. The resulting debt has been reported in the context of Bami Newco's bankruptcy proceedings.

3.5.5.13. PENSIONS AND OTHER BENEFITS GRANTED TO EMPLOYEES

The amounts reported in the balance sheet as of December 31, 2013 are as follows:

€'000	12/31/2013	12/31/2012
Discounted value of the liability	17,145	16,698
Fair value of hedging assets	(4,670)	(5,305)
Discounted net value of the liability	**12,475**	**11,393**
Non-recognized profits (losses)	0	0
Non-recognized costs of past services	0	(906)
NET LIABILITY ON THE BALANCE SHEET	**12,475**	**10,487**

The change in 2012 of the schedule used to determine lump-sum retirement benefits for building staff increased the discounted net value of the Group's obligation vis-à-vis this category of employee by €0.9 million. This amount, corresponding to cost of past services, recorded at December 31, 2012 in off-balance sheet commitments, was directly recognized in equity at December 31, 2013 in accordance with revised IAS 19.

As a result, the net commitment recorded in on-recurring provisions amounted to €12.5 million after taking into account hedging assets estimated at €4.7 million at December 31, 2013.

The actuarial variances for the period amounted to €1.0 million (of which €0.9 million under cost of past services), recorded directly in equity.

€'000	12/31/2013	12/31/2012
Discounted net value of bond at beginning of period	11,393	7,659
Breakdown of expense		
Cost of services rendered during the year	676	532
Net interest	335	395
Actuarial losses and gains	11	(148)
Expense reorganized under payroll expense	1,022	779
Effects of any change or liquidation of the plan	3	973
Benefits paid (net)	(69)	(274)
Contributions paid	0	(218)
Actuarial losses and gains not written to income	127	2,474
DISCOUNTED NET VALUE OF BOND AT END OF PERIOD	**12,475**	**11,393**

Below are the main actuarial hypotheses used to calculate Group commitments:

	12/31/2013	12/31/2012
Expected yield rate of hedging assets	2.75%	3.00%
Wage increase rate (net of inflation)	0.50%	0.50%
Discount rate	2.50% – 2.75%	2.75% – 3.00%
Inflation rate	2.00%	2.00%

3.5.5.14. TRADE PAYABLES

Fixed asset trade payables make up the bulk of the balance and relate to debt from the company's projects under development. They also include earnout payables and debt calculated according to the procedures set up during the acquisition of equity interests in SCI Beaugrenelle (€16 million) and the debt relating to the sale option granted to SCI Pont de Grenelle on its shares (25% of the capital of SCI Beaugrenelle), i.e. €51 million. It is recalled that in application of IAS 32, the sale option for SCI Beaugrenelle shares held by a minority shareholder is considered as a debt as SCI Beaugrenelle is fully consolidated in the company's financial statements.

€'000	12/31/2013	12/31/2012
Trade payables	4,955	4,877
Trade payables (invoices not received)	19,389	19,675
Fixed asset trade payables	59,862	56,184
Fixed asset trade payables (invoices not received)	71,737	73,717
TRADE PAYABLES	**155,943**	**154,453**

3.5.5.15. TAX AND SOCIAL SECURITY PAYABLES

€'000	12/31/2013	12/31/2012
Social security liabilities (short term)	22,481	20,487
Exit tax	1,997	4,742
Other tax liabilities (representing VAT payable and local taxes)	21,449	31,123
TAX AND SOCIAL SECURITY PAYABLES	**45,927**	**56,352**
of which non-current liabilities	*0*	*2,745*
of which current liabilities	*45,927*	*53,607*

3.5.5.16. OTHER CURRENT PAYABLES

€'000	12/31/2013	12/31/2012
Client credit balances	20,738	22,344
Other payables [1]	17,471	14,083
Deferred income	5,652	3,864
Other payables	**43,861**	**40,291**
(1) Of which:		
External agents and managers	0	43
Receipt of claim	3,259	3,281
Tenant compensations (Beaugrenelle centre)	0	1,527

3.5.5.17. OFF BALANCE SHEET COMMITMENTS

€'000	12/31/2013	12/31/2012
Commitments given		
Off balance sheet commitments given linked to operating activities		
Deposits and guarantees (in favor of subsidiaries and equity investments)	45	780
Asset-backed liabilities [1]	1,091,473	1,398,573
Works amount to be invested (including sales of property for future completion)	174,217	272,220
Preliminary sale agreements for properties	27,112	141,172
Other [2]	11,296	16,906
TOTAL COMMITMENTS GIVEN	**1,304,144**	**1,829,651**
Commitments received		
Off balance sheet commitments received linked to financing		
Unused lines of credit	2,195,000	2,050,000
Off balance sheet commitments received linked to operating activities		
Preliminary sale agreements for properties	9,228	94,521
Mortgage-backed receivables	4,950	5,418
Financial guarantees for management and transactions activities	2,570	7,640
Other [3]	118,087	107,580
TOTAL COMMITMENTS RECEIVED	**2,329,835**	**2,265,159**

(1) List of main mortgaged properties: 4, cours de l'Île Seguin Boulogne-Billancourt; 148 and 152, rue de Lourmel, Paris XV; 4-16, avenue Léon Gaumont, 93 Montreuil; ZAC Charles de Gaulle, 92 Colombes; 418-432, rue Estienne d'Orves; 25-27 and 33, rue de Metz, 92 Colombes; 10-12, place Vendôme, Paris II; 9 to11bis avenue Matignon; 2 rue de Ponthieu; 12 to 14, rue Jean Mermoz; 15, avenue Matignon, Paris VIII; 16, rue des Capucines; 14-16, rue des Capucines; 5b-7, rue Volney, Paris II; 37, rue du Louvre; 25 rue d'Aboukir, Paris II; ZAC Danton, 34, avenue Léonard de Vinci, 92 Courbevoie; 101, avenue des Champs-Élysées, Paris VIII; 8, avenue Delcassé, Paris VIII; 505, rue Irène-Joliot-Curie, 76 Le Havre; Mortgages related to the six nursing homes in Paris and the Paris region.
(2) Of which, €12.5 million for liability guarantee granted in the GEC 4 subsidiary's equities disposal (logistics division).
(3) Of which, €88.9 million concerning the pledging of securities in SCI Pont de Grenelle.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years that do not appear in the table of commitments given because their cost is not yet known. Based on the assessments of the Group and its advisers, there are currently no commitments likely to be called and which would materially impact Gecina's earnings or financial position.

The outstanding amounts for future development costs (including sales of property for future completion) correspond to reciprocal guarantees with the developer who undertakes to complete the works.

In conjunction with the law on employees' entitlement to training (droit individuel à la formation – DIF), at December 31, 2013, the Group's employees had earned 49.356 aggregate hours (after deduction of hours used since the establishment of the DIF).

3.5.5.18. RECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

€'000	Assets/liabilities valued at fair value through the income statement	Assets/ liabilities held to maturity	Assets available for sale	Loans and receivables	Liabilities at amortized cost	Historic cost	Fair value through shareholders' equity	Total	Fair value
Financial fixed assets [1]		7,006		4,950		80		12,036	12,036
Equity-accounted investments						3,711		3,711	3,711
Cash and cash equivalents	12,277							12,277	12,277
Current and non-current derivatives [2]	10,817							10,817	10,817
Other assets [1]						144,956		144,956	144,956
TOTAL FINANCIAL ASSETS	**23,094**	**7,006**	**0**	**4,950**	**0**	**148,746**	**0**	**183,797**	**183,797**
Non-current financial debts	383,510	1,271,006			1,435,281			3,089,797	3,089,797
Current and non-current derivatives [2]	151,526						(969)	150,557	150,557
Current financial debts		668,282			500,000			1,168,282	1,168,282
Other liabilities [1]						305,183		305,183	305,183
TOTAL FINANCIAL LIABILITIES	**535,036**	**1,939,288**	**0**	**0**	**1,935,281**	**305,183**	**(969)**	**4,713,819**	**4,713,819**

(1) Due to the short term nature of these receivables and debts, the book value represents a good estimate of fair value, as the discount effect is immaterial.
(2) According to IFRS 7 and IFRS 13, the fair value of derivatives is level 2 which means that the valuation is based on published market data.

3.5.6. NOTES TO THE CONSOLIDATED INCOME STATEMENT

3.5.6.1. GROSS RENTAL INCOME

In its revenues, Gecina distinguishes rental income by type of lease while the analysis by sector (Note 3.5.8) is based on the Group's internal management.

Minimum future rents receivable until the next possible termination date under the operating leases of commercial and healthcare properties are as follows:

€'000	12/31/2013	12/31/2012
Less than 1 year	321,318	399,384
1 to 5 years	948,764	1,273,988
Over 5 years	290,386	494,677
TOTAL	**1,560,468**	**2,168,049**

3.5.6.2. DIRECT OPERATING EXPENSES

These are composed of:
- rental charges that are payable by the owner, charges related to construction work, cost of disputes and property management fees;
- the portion of rechargeable rental charges by nature, which remains at the Group's expense, mainly on vacant premises;
- rental risk comprising net impairments plus the amount of losses and profits on unrecoverable debts for the period.

The cost of rental risk, which has been included in property expenses, amounted to €0.7 million for the period ended December 31, 2013 versus €0.4 million in 2012.

Recharges to tenants consist of rental income from recharging tenants for costs payable by them.

€'000	12/31/2013	12/31/2012
Other external expenses	(80,536)	(76,495)
Taxes and other payables	(52,342)	(52,303)
Salaries and fringe benefits	(6,663)	(7,497)
Other expenses	(477)	(855)
Property expenses	**(140,018)**	**(137,150)**
Rental expenses to be regularized	8,968	8,915
Vacant premises' expenses	(6,289)	(7,318)
Miscellaneous recovery	27,468	27,816
Provisions on costs	59,343	54,667
Recharges to tenants	**89,490**	**84,080**
NET DIRECT OPERATING EXPENSES	**(50,528)**	**(53,070)**

3.5.6.3. SERVICES AND OTHER INCOME (NET)

These largely comprise the following items:

€'000	12/31/2013	12/31/2012
Income from service activities	5,654	6,134
Reversals of investment subsidies	179	378
Other	2,126	3,330
TOTAL GROSS	**7,959**	**9,842**
Expenses	(407)	(573)
TOTAL NET	**7,552**	**9,269**

3.5.6.4. OVERHEADS

Overheads breakdown as follows:

€'000	12/31/2013	12/31/2012
Salaries and fringe benefits	(48,170)	(44,729)
Internal costs	5,301	5,527
Share-based payments (IFRS 2)	(2,549)	(3,162)
Net management costs	(20,237)	(22,025)
TOTAL	**(65,655)**	**(64,389)**

Payroll costs relate to the company's administrative staff, since the salaries of building staff are included in rental margins. Depending on their nature, a portion of payroll costs has been reclassified to the income statement or balance sheet where appropriate for a total amount of 5.3 million at December 31, 2013. Payroll costs attributable to disposals are allocated to gains or losses on disposals. Those attributable to projects under development and marketing actions are recognized as fixed assets. Lastly, payroll costs attributable to ongoing studies are booked as prepaid expenses.

Share-based payments concern stock options for new or existing shares and performance shares (See Note 3.5.9.5) and are booked in accordance with IFRS 2 (See Note 3.5.3.7).

Management costs primarily include fees paid by the company and head office operating costs (computer maintenance, insurance, advertising, etc.).

3.5.6.5. GAINS OR LOSSES ON DISPOSALS

The proceeds represented:

€'000	12/31/2013	12/31/2012
Block sales	682,056	899,360
Units sales	164,240	188,350
Disposal of inventory	0	2,005
Proceeds from disposals	**846,296**	**1,089,715**
Block sales	(654,813)	(887,263)
Units sales	(123,057)	(139,170)
Disposal of inventory	0	(2,626)
Net book value	**(777,870)**	**(1,029,059)**
Block sales	(17,905)	(18,490)
Units sales	(4,364)	(5,987)
Disposal of inventory	0	(80)
Cost of sales	**(22,270)**	**(24,557)**
Block sales	9,338	(6,393)
Units sales	36,818	43,193
Disposal of inventory	0	(701)
CAPITAL GAINS ON DISPOSAL	**46,156**	**36,099**

Payroll costs directly attributable to disposals and to a lesser extent management costs recorded under "Gains or losses on disposal" for the year ending December 31, 2013 amounted to €3 million versus €3.2 million in 2012.

3.5.6.6. CHANGE IN VALUE OF PROPERTIES

Changes in the fair value of property holdings break down as follows:

€ million	12/31/2012	12/31/2013	Change	%
Offices	5,697	5,685	(12.5)	(0.2)
Residential	2,535	2,536	1.1	0.0
Healthcare	1,045	1,042	(3.5)	(0.3)
Investment properties	**9,278**	**9,263**	**(14.8)**	**(0.2)**
Change in value of projects delivered and acquisitions			14.0	
Change in value of projects in progress			(1.9)	
Change in value of assets held for sale			1.8	
Change in value			**(0.9)**	
Capitalized works on investments properties			(41.3)	
Capitalized salaries and fringe benefits on investments properties			(1.0)	
Acquisition costs, translation differentials and other			(1.0)	
Change in value recorded in income statement as at December 31, 2013			**(44.2)**	

Pursuant to IFRS 13 (see Note 3.5.3.15), the tables below break down, by activity sector, the ranges of the main unobservable inputs (level 3) used by property appraisers:

Offices	Yield rate	Discount Rate (DCF method)	Rental market value (in €/sq.m)
Paris CBD	3.80% - 6.25%	4.10% - 7.10%	€/sq.m 410 - 750
Paris excl. CBD	5.50% - 7.75%	4.95% - 8.50%	€/sq.m 270 - 530
Paris	**3.80% - 7.75%**	**4.10% - 8.50%**	**€/sq.m 270 - 750**
1st rim	5.00% - 7.00%	5.75% - 8.10%	€/sq.m 270 - 570
2nd rim	7.50% - 12.00%	8.25% - 13.75%	€/sq.m 100 - 210
Paris Region	**5.00% - 12.00%**	**5.75% - 13.75%**	**€/sq.m 100 - 570**
Rest of France	8.50% - 8.50%	7.50% - 7.50%	€/sq.m 140 - 140
Abroad	6.75% - 6.75%	7.00% - 7.00%	€/sq.m 190 - 190
OFFICES	**3.80% - 12.00%**	**4.10% - 13.75%**	**€/sq.m 100 - 750**

Residential	Units sales price (in €/sq.m)	Yield rate
Paris	€/sq.m 5,660 - 16,910	3.00% - 5.10%
1st rim	€/sq.m 3,730 - 7,370	4.00% - 5.60%
2nd rim	€/sq.m 5,370 - 5,370	3.85% - 3.85%
Rest of France	€/sq.m 4,360 - 4,360	5.20% - 5.20%
RESIDENTIAL	**€/sq.m 3,730 - 16,910**	**3.00% - 5.60%**

Healthcare	Yield rate	Discount Rate (DCF method)
Sanitary	6.20% - 10.50%	6.75% - 7.50%
Medical/social	5.90% - 7.75%	6.90% - 8.00%
HEALTHCARE	**5.90% - 10.50%**	**6.75% - 8.00%**

An unfavorable situation on the real estate market could have a negative impact on the valuation of Gecina's property holdings as well as its operating income. For instance, a downturn on the real estate market, resulting in an increase of 50 basis points (0.5%) in capitalization rates, could bring about a decrease of around 7.5% of the appraised value of the whole of Gecina's property holdings (on the assumption that such a downturn would affect all of the different segments of Gecina's real estate business), representing roughly €810 million based on the block valuation of appraised assets as of December 31, 2013, and would have a similar unfavorable impact on Gecina's consolidated earnings.

Sensitivity to changes in the capitalization rate

Sector	Change in capitalization rate	Valuation of assets (in M€)	Variation of assets (in %)	Impact on consolidated income (in M€)
All sectors	**0.50%**	**9,970**	**(7.5)**	**(810)**
Offices	0.50%	6,405	(7.3)	(502)
Residential	0.50%	2,557	(8.6)	(240)
Healthcare	0.50%	1,003	(6.3)	(68)
Other	0.50%	5	(2.2)	(0)

3.5.6.7. NET FINANCIAL EXPENSES

Net financial expenses specifically include (i) interest, coupons or dividends received or paid on financial assets and liabilities including hedge financial instruments; (ii) net gains and losses on assets held for trading (UCITS and other shares held for the short term) and (iii) straight line depreciation of premiums on option and periodic premiums on option; (iv) the straight line depreciation of the cost of arranging these loans and credit lines:

€'000	12/31/2013	12/31/2012
Interests and expenses on bank loans	(77,156)	(107,184)
Interests and expenses on bond borrowings	(90,404)	(77,751)
Interests on finance leases	(2,045)	(8,080)
Interest expenses on hedge instruments	(9,434)	(6,336)
Other financial costs	(338)	(892)
Losses from translation differentials	(42)	0
Capitalized interests on projects under development	13,621	23,196
Financial costs	**(165,799)**	**(177,047)**
Interest income on hedging instruments	579	572
Other financial income	2,520	1,227
Gains from translation differentials	38	0
Financial income	**3,138**	**1,799**
Net financial expenses	(162,661)	(175,248)

The average cost of debt amounted to 4.0% in 2013.

Based on the existing portfolio of hedges and taking account of the contractual conditions at December 31, 2013 and anticipated debt in 2014, a 0.5% increase in the interest rate would generate an additional expense in 2014 of €4.4 million. A 0.5% fall in interest rates would result in a reduction in interest expense in 2014 of €4.6 million.

3.5.6.8. CHANGE IN VALUE OF FINANCIAL INSTRUMENTS AND DEBTS

The Group holds all financial instruments to hedge its debt. None of them is held for speculative purposes.
The positive variation (+€28 million) in fair value of financial instruments as of December 31, 2013 includes:

- a €54 million positive variation in the fair value of non-asset backed derivative instruments;
- a €26 million negative variation in the fair value of Ornane bonds.

The €1 million positive variation in the fair value of asset-backed derivative instruments is recorded in equity.
On the basis of the portfolio as of December 31, 2013, the fair value of the derivatives portfolio following a 0.5% rise in interest rates would increase by +€34 million recorded in income. A 0.5% decrease would lead to a fair value decrease of -€34 million recorded in income.

3.5.6.9. TAXES

€'000	12/31/2013	12/31/2012
Corporate income tax	0	(144)
Additional contribution to corporate income tax	(2,369)	0
CVAE	(2,279)	(2,519)
Tax credits	420	434
Recurring taxes	**(4,228)**	**(2,229)**
Exit tax	(3,781)	(1,194)
Non-recurring taxes	1,485	182
Tax credits	244	0
Deferred taxes	(2,407)	4,513
TOTAL	**(8,687)**	**1,272**

The French 2010 Finance law voted on December 30, 2009 cancelled the French business tax as from 2010 and replaced it with a territorial economic levy (Contribution Économique Territoriale – CET) which comprises two new levies: the business real estate tax (Cotisation Foncière des Entreprises – CFE) based on the real estate rental value of the business tax and the tax on wealth generated by businesses (Cotisation sur la Valeur Ajoutée des Entreprises –CVAE), based on the wealth generated according to the annual financial statements. The Group recognizes CFE (mainly pertaining to head office) in operating charges. Concerning CVAE, the Group is considering it as income tax. Due to the CVAE's capping and sliding procedures, the deferred tax is not material as of the balance sheet date.

€'000	12/31/2013	12/31/2012
Consolidated net income	327,749	218,441
Tax (incl. CVAE)	8,687	(1,272)
CVAE	(2,279)	(2,471)
Consolidated net income, before tax excl. CVAE	**334,157**	**214,698**
Theoretical tax rate	**38.00%**	**34.43%**
Theoretical tax in value	**126,980**	**73,927**
Impact of tax rate differences between France and other countries	49	0
Impact of permanent and timing differences	(3,466)	(5,492)
Companies accounted for by the equity method	(100)	(566)
Impact of the SIIC regime	(115,044)	(71,612)
Tax disputes	(2,012)	0
CVAE	2,279	2,471
TOTAL	**(118,294)**	**(75,199)**
Effective tax charge per income statement	8,687	(1,272)
EFFECTIVE TAX RATE	2.60%	-0.59%

The theoretical tax rate of 38% corresponds to the ordinary law rate of 33.3% and to the corporate income tax social contribution of 3.3% and the exceptional contribution on corporate tax of 10.7% (rate for fiscal years 2013 and 2014).

3.5.6.10. EARNINGS PER SHARE

Earnings per share are calculated by dividing net income attributable to shareholders by the weighted average number of ordinary shares in circulation during the year. Diluted earnings per share are calculated by dividing net income for the year attributable to shareholders by the average weighted number of shares outstanding during the year, adjusted for the impact of equity instruments to be issued when the issue or conversion conditions (in the case of Ornane bonds) are met and the dilutive effect of the benefits granted to employees through the allocation of stock options and performance shares.

Since the Ornane conversion conditions had not been met at December 31, 2013, no dilutive effect was taken into account below. However, a conversion of Ornane bonds into Gecina shares at December 31, 2013 had an accretive effect on the diluted net earnings per share.

	12/31/2013	12/31/2012
Net income linked to owners of the parent (€'000)	314,041	225,511
Weighted average number of shares before dilution	60,991,382	60,739,297
Undiluted earnings per share, linked to owners of the parent (€)	**5.15**	**3.71**
Earnings per share, after effect of dilutive securities, linked to owners of the parent (€'000)	315,882	226,091
Weighted average number of shares after dilution	61,652,789	61,120,812
Diluted earnings per share, linked to owners of the parent (€)	**5.12**	**3.70**

	12/31/2013	12/31/2012
Net income linked to owners of the parent before dilution (€'000)	314,041	225,511
Impact of dilution on net income (securities allocations effect)	1,841	580
Net income linked to owners of the parent, after effect of dilutive securities (€'000)	**315,882**	**226,091**
Weighted average number of shares before dilution	60,991,382	60,739,297
Impact of dilution on weighted number of shares	661,407	381,515
Weighted average number of shares after dilution	**61,652,789**	**61,120,812**

3.5.7. NOTES TO THE STATEMENT OF CONSOLIDATED CASH FLOWS

3.5.7.1. ACQUISITIONS AND DISPOSALS OF CONSOLIDATED SUBSIDIARIES

The cash impact of acquisitions and sales of consolidated subsidiaries breaks down as follows:

€'000	12/31/2013	12/31/2012
Acquisition price of shares	0	65,714
Cash acquired	0	(589)
Acquisitions net of cash acquired	**0**	**65,125**
Sales price of shares	0	(2,513)
Cash transferred	0	(193,014)
Disposals net of transferred cash	**0**	**(195,527)**
Impact of changes in consolidation scope	**0**	**(130,403)**

3.5.7.2. PROCEEDS FROM THE DISPOSALS OF TANGIBLE AND INTANGIBLE FIXED ASSETS

€'000	12/31/2013	12/31/2012
Block sales	682,056	899,360
Units sales	164,240	188,350
Proceeds from disposals	**846,296**	**1,087,710**
Block sales	(17,905)	(18,490)
Units sales	(4,364)	(5,987)
Cost of sales	**(22,270)**	**(24,477)**
Impacts of the application of IFRS 5	0	(4,724)
Cash in linked to disposals	**824,026**	**1,058,509**

3.5.7.3. DISTRIBUTION TO SHAREHOLDERS OF THE PARENT COMPANY

For 2012, the Group distributed a dividend per share of €4.40 for a total amount of €267.7 million paid out on April 30, 2013 (for 2011, a dividend per share of €4.40 for a total amount of €267.5 million had been paid on April 24, 2012).

3.5.7.4. CASH AND CASH EQUIVALENTS AT END OF PERIOD

€'000	12/31/2013	12/31/2012
Money-market UCITS	3,508	1,188
Cash and cash equivalents	8,769	851
Bank overdrafts	0	(2,787)
Closing cash and cash equivalents	**12,277**	**(748)**

3.5.8. SEGMENT REPORTING

The Group only operates in France (except for minimal operations in other European countries). It is structured into two divisions and one ancillary segment:

- economic division composed of the commercial sector (offices and retail including Beaugrenelle shopping center) and the Hotels activity (sold on June 27, 2013). At December 31, 2013, the commercial sector contained the Group's last logistic asset, which had not been sold with the logistics division in 2012;
- demographic division composed of traditional residential property (housing assets), student residences and healthcare facilities;
- ancillary segment of real estate services (Locare and Gecina Management).

Income statement for business lines at December 31, 2013

	Economic division		Demographic division				
€'000	Offices	Hotels	Residential	Health-care	Students residences	Services	Segments total
Operating income							
Rental revenues on offices properties	357,489		10,710				368,199
Rental revenues on residential properties	6,320		120,803				127,123
Rental revenues on healthcare properties				73,992			73,992
Rental revenues on logistics properties	674						674
Rental revenues on hotel properties		9,614					9,614
Rental revenues on students residences					9,328		9,328
Turnover: gross rental income	**364,483**	**9,614**	**131,513**	**73,992**	**9,328**	**0**	**588,930**
Operating expenses	85,182	424	42,314	9,228	2,871		140,018
Recharges to tenants	(60,871)	(507)	(19,467)	(8,554)	(91)		(89,490)
Net rental income	**340,172**	**9,698**	**108,666**	**73,318**	**6,548**	**0**	**538,402**
Margin on rents	**93.33%**	**100.87%**	**82.63%**	**99.09%**	**70.20%**		**91.42%**
Services and other income (net)	896	25	501	499	384	5,247	7,552
Salaries and fringe benefits							(45,418)
Net management costs							(20,237)
EBITDA							**480,299**
Net gains on disposals of properties	7,320	1,421	39,087	(1,672)	0	0	46,156
Change in value of properties	(27,166)	0	(12,091)	(5,240)	300	0	(44,197)
Amortization							(5,443)
Net impairments							(5,508)
Operating income							**471,307**
Net financial expenses							(162,661)
Financial provisions and amortization							(608)
Change in value of derivatives							28,108
Net income from equity-accounted investments							290
Pre-tax income							**336,436**
Tax							(8,687)
Consolidated net income linked to non-controlling interests							(13,708)
Consolidated net income linked to owners of the parent							**314,041**
Assets and liabilities by segments as at December 31, 2013							
Property holdings (except headquarters)	6,852,523	0	2,631,718	1,070,887	164,916	0	10,720,044
- of which acquisitions	319,843	0	0	28,844	11,375	0	360,062
- of which properties for sale	9,228	0	210,712	0	0	0	219,940
Amounts due from tenants	83,078	3	14,533	1,572	312	355	99,853
Impairments of tenants' receivables	(3,243)	0	(7,402)	0	(113)	0	(10,758)
Security deposits received from tenants	49,599	0	12,611	1,956	941	0	65,107

■ Income statement for business lines at December 31, 2012

	Economic division		Demographic division						
€'000	Offices	Hotels	Residential	Health-care	Students residences	Services	Total continued operations	Discontinued operations	Segments total
Operating income									
Rental revenues on offices properties	323,548		13,506				337,054		337,054
Rental revenues on residential properties	8,501		136,870				145,371		145,371
Rental revenues on healthcare properties				72,321			72,321		72,321
Rental revenues on logistics properties							0	12,629	12,629
Rental revenues on hotel properties		19,754					19,754		19,754
Rental revenues on students residences					9,017		9,017		9,017
Turnover: gross rental income	**332,049**	**19,754**	**150,376**	**72,321**	**9,017**	**0**	**583,517**	**12,629**	**596,146**
Operating expenses	78,867	871	45,973	8,991	2,448		137,150	5,206	142,356
Recharges to tenants	(55,474)	(656)	(19,705)	(8,143)	(102)		(84,080)	(3,145)	(87,225)
Net rental income	**308,656**	**19,539**	**124,108**	**71,473**	**6,671**	**0**	**530,447**	**10,568**	**541,015**
Margin on rents	**92.95%**	**98.91%**	**82.53%**	**98.83%**	**73.98%**		**90.91%**	**83.68%**	**90.75%**
Services and other income (net)	1,044	0	1,038	1,305	321	5,561	9,269	366	9,635
Salaries and fringe benefits							(42,364)	0	(42,364)
Net management costs							(22,025)	(343)	(22,368)
EBITDA							**475,327**	**10,591**	**485,918**
Net gains on disposals of properties	(33,339)	18	71,109	(1,689)	0		36,099	(40,311)	(4,212)
Change in value of properties	35,273	(1,720)	33,091	3,926	(590)		69,980	(458)	69,522
Amortization							(5,157)	0	(5,157)
Net impairments							342	(27)	315
Operating income							**576,591**	**(30,205)**	**546,386**
Net financial expenses							(175,248)	198	(175,050)
Financial provisions and amortization							(168)	0	(168)
Change in value of derivatives							(155,617)	0	(155,617)
Net income from equity-accounted investments							1,645	0	1,645
Pre-tax income							**247,203**	**(30,007)**	**217,196**
Tax							1,272	(27)	1,245
Consolidated net income linked to non-controlling interests							7,070	0	7,070
Consolidated net income linked to owners of the parent							**255,545**	**(30,034)**	**225,511**
Assets and liabilities by segments as at December 31, 2012									
Property holdings (except headquarters)	6,595,170	270,962	2,831,279	1,107,627	133,958	0	10,938,996	5,000	10,943,996
- of which acquisitions	0	0	0	76,994	0	0	76,994	0	76,994
- of which properties for sale	32,059	0	333,871	62,461	0	0	428,391	0	428,391
Amounts due from tenants	61,028	9	15,004	1,665	209	471	78,386	627	79,013
Impairments of tenants' receivables	(2,552)	0	(7,488)	0	(84)	(118)	(10,242)	(364)	(10,606)
Security deposits received from tenants	42,963	0	14,231	691	890	0	58,775	112	58,887

3.5.9. OTHER INFORMATION

3.5.9.1. SHAREHOLDING STRUCTURE OF THE GROUP

At December 31, 2013, the shareholding structure of Gecina was as follows:

	Number of shares	%
Metrovacesa	16,809,610	26.74%
Rivero Group	10,151,334	16.15%
Soler Group	9,568,641	15.22%
Predica	5,347,824	8.51%
Non-resident shareholders	14,534,769	23.12%
Individual shareholders	2,790,329	4.44%
Other resident institutional shareholders	1,794,988	2.86%
Treasury shares	1,873,001	2.98%
TOTAL	**62,870,496**	**100.00%**

Since January 1, 2009, Metrovacesa, a company incorporated under Spanish law, has used the equity method to consolidate the financial statements of Gecina in which it holds 26.74% of the capital and 27.56% of the voting rights.

3.5.9.2. DIVIDENDS DISTRIBUTED DURING THE YEAR

For 2012, the Group distributed a dividend per share of €4.40 for a total amount of €267,695,000 paid out on April 30, 2013.

3.5.9.3. RELATED PARTIES

The attendance allowances paid to directors and disclosures about the Executive Committee appear in Note 3.5.9.7.

In June 2013 the Spanish company, Bami Newco in which Gecina holds 49% interests through its subsidiary SIF Espagne, filed a motion with the Spanish courts for the commencement of bankruptcy proceedings. These proceedings have been accepted by the Madrid Commercial Court. Gecina has forwarded its statement of debts to Bami Newco's court-appointed receiver. Bami Newco is neither consolidated nor booked under the equity method by Gecina since the Group has no control over that entity.

On December 14, 2007, Gecina advanced €9.9 million to Bami Newco, a Spanish company, for Gecina's acquisition of a plot of land in Madrid. This agreement was approved by the Shareholders' General Meeting of April 22, 2008. Following repayments made, the balance of this loan, which stood at €2.7 million, was subject to a ruling on September 10, 2012, instructing Bami Newco to repay SIF Espagne. Bami Newco has appealed this ruling. An order handed down by the Madrid Appeal Court on January 18, 2013, confirmed the September 10, 2012 ruling. The resulting debt has been reported in the context of Bami Newco's bankruptcy proceedings.

A contract pertaining to the rental and technical management of a building belonging to SIF Espagne was concluded on November 1, 2012 with the Spanish company Metrovacesa, shareholder and director of the company. Metrovacesa charged €36,000 for this.

A joint bond of €5 million involving SIF Espagne was granted to FCC Construcción for the development by Bami Newco of a corporate office in Madrid. In Spain, FCC Construcción went to court to demand the payment of this €5 million bond. On January 22, 2013, the court sentenced Bami Newco and its guarantors, including SIF Espagne and Inmopark 92 Alicante, to pay the sum of €1 million to FCC Construcción. The appeal proceedings for this sentence are still ongoing.
This amount of €5 million is fully provisioned (see Note 3.5.5.12).

In 2012, the company was informed about the existence of several guarantees granted by SIF Espagne, represented by Mr. Joaquín Rivero:
- on January 14, 2010, concerning Bami Newco's repayment of a loan taken out the same day in connection with a renewal with Caja Castilla La Mancha for a principal total of €9 million, alongside Inmopark 92 Alicante, also a shareholder in Bami Newco and controlled by Mr. Joaquín Rivero. Through a payment of €5.2 million to Caja Castilla la Mancha in June 2012, the company definitively paid the balance of the guarantee granted to Bami Newco. SIF Espagne demanded the repayment of the €5.2 million from Bami Newco; this debt has been reported in the context of Bami Newco's bankruptcy proceedings. It remains fully written down on Gecina's consolidated balance sheet;
- on November 13, 2009, concerning Bami Newco's repayment of credit facilities granted to it until November 13, 2019 by Banco Popular for principal of €3.3 million and €1.5 million respectively. These credit facilities may be used by Bami Newco at any time to pay sums owed to Banco Popular. The resulting debt has been reported in the context of Bami Newco's bankruptcy proceedings.

Furthermore, the company was informed on July 16, 2012 by Banco de Valencia of the alleged existence of four promissory notes for a total amount of €140 million reportedly drawn by Gecina in favor of a Spanish company known as Arlette Dome S.L. and which Arlette Dome S.L. supposedly gave these promissory notes to Banco de Valencia as a guarantee for loans granted by that bank. After verification, the company realized that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome S.L. which could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. No provision was recognized for this purpose at December 31, 2013. After being accepted as a party to the proceedings before Madrid's Court No. 17, the company was denied this capacity at the National Court, now prosecuting the case, in spite of its petition. Proceedings are still ongoing.

3.5.9.4. GROUP EMPLOYEES

Average headcount	12/31/2013	12/31/2012	12/31/2011
Managers	197	199	203
Employees	184	175	185
Building staff	109	139	172
TOTAL	**490**	**513**	**559**

3.5.9.5. STOCK OPTIONS AND PERFORMANCE SHARES

Stock options

Grant date	Start date of exercise of options	Number of options advanced	Subscription or purchase price	Total to exercise at 12/31/2012	Plan adjustments	Options granted in 2013	Options exercised in 2013	Options canceled, expired or transferred	Total to exercise at 12/31/2013	Residual life (in years)
10/12/2004	12/12/2006	316,763	€61.02	35,800			13,307		22,493	0.8
03/14/2006	03/14/2008	251,249	€96.48	236,749					236,749	2.2
12/12/2006	12/12/2008	272,608	€104.04	252,439					252,439	3.0
12/13/2007	12/13/2009	230,260	€104.72	198,691					198,691	4.0
12/18/2008	12/18/2010	331,875	€37.23	231,400			181,216		50,184	5.0
04/16/2010	04/16/2012	252,123	€78.98	250,344			2,094		248,250	6.3
12/27/2010	12/27/2012	210,650	€84.51	210,450					210,450	7.0

Performance shares

Grant date	Vesting date	Number of shares advanced	Stock price when granted	Balance at 12/31/2012	Shares vested in 2013	Shares cancelled in 2013	Balance at 12/31/2013
04/16/2010	04/16/2012	48,875	€83.17	1,600			1,600
12/27/2010	12/28/2012	60,850	€82.48	0			0
12/14/2011	12/15/2013	48,145	€55.88	48,145	47,965	180	0
12/14/2012	12/15/2014	52,820	€86.35	52,820		6,500	46,320
12/14/2012 bis	12/14/2015	11,750	€86.35	11,750		1,900	9,850
12/13/2013	12/14/2015	62,560	€93.65	0			62,560
12/13/2013 (2)	12/14/2015	9,700	€93.65	0			9,700

3.5.9.6. COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

The Gecina Board of Directors of December 18, 2008, acting in accordance with the recommendations of its Appointment and Compensation Committee, acknowledged the AFEP/MEDEF guidelines of October 6, 2008 (revised in June 2013) regarding compensation of executive corporate officers of listed companies. Gecina's Board of Directors considered that these guidelines are consistent with the Group's corporate governance procedures. As a result, the AFEP/MEDEF corporate governance code as amended has been used by Gecina as the reference for drafting the report stipulated by Article L. 225-37 of the French Commercial Code in application of the law of July 3, 2008 transposing the EU directive 2006/46/EC of June 14, 2006.

Mr. Bernard Michel has been Chairman of the Board of Directors since February 16, 2010. He combined these duties together with those of CEO from October 4, 2011 to June 3, 2013, when Mr. Philippe Depoux was appointed CEO, following the Board of Directors' decision to separate the two functions. Mr. Bernard Michel continues to be the Chairman of the Board of Directors.

	B. Michel*	B. Michel**	B. Michel**	P. Depoux***
Compensations paid (€ thousand)	2013	Jan.13/May 13	2012	2013
Fixed compensation	321	271	650	233
Variable compensation for 2011			192	
Variable compensation for 2012		748		
Attendance allowance		42	87	
Value of benefits in kind (company car)	4	2	8	4
TOTAL	**325**	**1,063**	**937**	**238**

* As Chairman of the Board of Directors.
** As Chairman and CEO.
*** Compensation from June 2013.

Mr. Bernard Michel, Chairman and CEO until June 3, 2013 and Chairman of the Board of Directors from June 3, 2013

1. Variable compensation for the position as Chairman and CEO

The Board Meeting of March 26, 2013, after seeking the opinion of the Governance, Appointment and Compensation Committee, set the performance criteria relating to the variable compensation for 2013 for Mr. Bernard Michel, Chairman and CEO. The target variable compensation is set at 100% of the fixed portion of the compensation with, however, the possibility of attaining 120% of the fixed portion of the compensation in the event of exceeding the target quantitative or qualitative performance criteria.

The quantitative criteria represent 65% of the target variable compensation and the qualitative criteria represent 35%.

Reaching quantitative performance criteria is established according to the grid below, on the understanding that where applicable, exceptional elements will be taken into account to recognize the achievement of the performance criteria:

Recurring income (actual/budget)	Variable compensation	EBITDA (actual/budget)	Variable compensation
> 102	%	> 102	%
> 98	Target 25%	> 98	Target 40%
> 96	15%	> 96	30%
> 94	10%	> 94	20%
< 94	0%	< 94	0%

Qualitative elements (35%) defined in an accurate way are not disclosed for confidentiality reasons.

It is further indicated that Mr. Bernard Michel did not receive any stock options or performance shares.

The Board of Directors of July 22, 2013, after having reviewed both the quantitative and qualitative performance criteria and seeking the opinion of the Governance, Appointment and Compensation Committee, set the variable compensation for the period of January 1 to June 3, 2013 at 120% of the fixed compensation received by Mr. Bernard Michel for the same period, i.e. €325,000.

2. Severance pay in the event of termination of the Chairman and CEO

At the Board Meeting of April 17, 2013, the duties of Chairman of the Board of Directors and CEO were separated with effect from June 3, 2013, with Mr. Bernard Michel maintaining his duties as Chairman of the Board of Directors. He was paid no compensation in this respect.

Since June 3, 2013, Mr. Bernard Michel is no longer entitled to the severance pay that was due to him in case of termination of his duties as Chairman and CEO. Since that same date, Mr. Bernard Michel does not receive any attendance allowance nor variable or deferred compensation for his duties as Chairman of the Board of Directors.

Mr. Philippe Depoux, CEO as from June 3, 2013

1. Variable compensation

The Board Meeting of July 22, 2013, after seeking the opinion of the Governance, Appointment and Compensation Committee, set the performance criteria relating to the variable compensation for 2013 for Mr. Philippe Depoux, Chief Executive Officer.
The target variable compensation is fixed at 100% of the fixed portion of the compensation. The quantitative criteria represent 65% of the target variable compensation and the qualitative criteria represent 35%.

Reaching quantitative performance criteria will be established according to the grid below, on the understanding that where applicable, exceptional elements will be taken into account to recognize the achievement of the performance criteria:

Recurring income (actual/budget)	Variable compensation	EBITDA (actual/budget)	Variable compensation
> 102	%	> 102	%
> 98	Target 25%	> 98	Target 40%
> 96	15%	> 96	30%
> 94	10%	> 94	20%
< 94	0%	< 94	0%

Qualitative elements (35%) defined in an accurate way are not disclosed for confidentiality reasons.

For 2013, Mr. Philippe Depoux benefits from a variable compensation for a guaranteed minimum amount of €200,000.
The Board Meeting of February 20, 2014, after having reviewed both the quantitative and qualitative performance criteria and seeking the opinion of the Governance, Appointment and Compensation Committee, set the variable compensation for Mr. Philippe Depoux for the period from June 3 to December 31 2013 at 100% of the fixed compensation received by Mr. Philippe Depoux for the same period, i.e. €233,000.

2. Severance pay in the event of termination of the CEO

The Gecina Board of Directors decided, at its meeting of April 17, 2013, to set the terms of the severance pay of Mr. Philippe Depoux in the event of termination of his duties as CEO under the conditions set out below.
Mr. Philippe Depoux, in his capacity as the CEO, will receive a severance pay if forced to resign and if his departure is linked to a change of control or change in the Company's strategy. The payment of this compensation will be contingent on the performance conditions described below.

The amount of the allowance will also depend on how long Mr. Philippe Depoux has been in office as the Company's CEO:
- In office for less than one year: severance pay of six months maximum of the total gross compensation for his functions as CEO (fixed and variable);
- In office between one and two years: severance pay of 100% maximum of the total gross compensation for his functions as CEO (fixed and variable) for the previous calendar year;
- In office for more than two years: severance pay of 200% maximum of the total gross compensation for his functions as CEO (fixed and variable) for the previous calendar year.

The payment of this allowance will be subject to performance conditions as described in the table below.

Performance conditions if in office for less than one year

100% of the benefit will be paid if the net recurring income for the year closed as at the last quarter (Q) preceding the departure exceeds the net recurring income provided for in the budget. The comparison of recurring income will take into account changes to property holdings during the period under review.

Performance criteria	Severance pay
Net recurring income quarter Q excluding fair value adjustments > budget for the year	100%
Net recurring income quarter Q excluding fair value adjustments < 4% budget for the year	80%
Net recurring income quarter Q excluding fair value adjustments < 8% budget for the year	50%
Net recurring income quarter Q excluding fair value adjustments < 12% budget for the year	No severance pay

Performance conditions if in office for more than one year

100% of the benefit is paid if the net recurring income of the last year (N) ended before the termination of the duties is above the average recurring income of the two previous years (N-1 and N-2) prior to the termination of his duties. The comparison of recurring incomes will be made by taking account of changes to the property holding structure during the years under review.

Performance criteria	Severance pay
Recurring income year N (excluding fair value adjustments) > average recurring income of years (N-1 + N-2)	100%
Recurring income year N (excluding fair value adjustments) < 4% of the average recurring income (N-1 + N-2)	80%
Recurring income year N (excluding fair value adjustments) < 8% of the average recurring income (N-1 + N-2)	50%
Recurring income year N (excluding fair value adjustments) < 12% of the average recurring income (N-1 + N-2)	No severance pay

It is the duty of the Board of Directors to check that these performance criteria are achieved, with the understanding that the Board of Directors may consider exceptional items that occurred during the year.

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, the granting of this severance pay will be subject to the regulated agreements procedure and will require approval by the shareholders' General Meeting.

Other factors

Mr. Bernard Michel and Mr. Philippe Depoux do not have an employment contract and are not covered by any supplementary pension plan in the Group.

The management team does not receive attendance allowance in their capacity as corporate officers in Group companies other than Gecina.

3.5.9.7. OTHER INFORMATION

The amount of directors' fees paid to Board of Directors members amounted to €1.360 million for 2013.

The total gross compensation paid during 2013 to members of the Executive Committee, excluding corporate officers, was €1,878,000. There is no specific pension for Executive Committee members. During 2013, a total of 18,100 performance shares were allocated to Executive Committee members. At December 31, 2013, Executive Committee members received 233,818 stock options for the purchase of new and existing shares, and 35,650 performance shares.

No significant transactions, loans or guarantees were granted or arranged for members of the administrative and governance bodies.

3.5.9.8. STATUTORY AUDITORS' FEES

The Statutory Auditors' fees recognized on the 2013 income statement for the certification and review of the individual and consolidated financial statements in addition to the various related engagements amount to:

	PricewaterhouseCoopers Audit				Mazars				Total			
	Amount (net of tax) *		%		Amount (net of tax) *		%		Amount (net of tax) *		%	
€'000	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Audit												
Statutory auditing, certification, review of individual and consolidated accounts…												
Issuer	524	568	69%	74%	484	623	68%	74%	1,008	1,191	69%	74%
Fully consolidated subsidiaries	137	180	18%	23%	158	154	22%	18%	295	334	20%	21%
Other procedures and services directly linked to the Statutory Auditor's engagement…												
Issuer	82	12	11%	2%	70	71	10%	8%	152	83	10%	5%
Consolidated subsidiaries	16	7	2%	1%					16	7	1%	
Subtotal	759	767	100%	100%	712	848	100%	100%	1,471	1,615	100%	100%
Other services rendered by the networks to fully consolidated subsidiaries												
Legal, fiscal, social												
Other if > 10% of audit fees												
Subtotal	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
TOTAL	**759**	**767**	**100%**	**100%**	**712**	**848**	**100%**	**100%**	**1,471**	**1,615**	**100%**	**100%**

* Including share of non-refundable VAT.

The other procedures and services directly linked to the engagement primarily include reviewing published social, environmental and societal information (€70,000), various technical consultations (€74,000) and certifications (€25,000).

3.5.9.9. POST-BALANCE SHEET EVENTS

On 6 February 2014, Gecina has been informed of a disclosure threshold declaration and statement of intent filed with the Autorité des Marchés Financiers (the French market regulator) by Eliseo Finance S.à.r.l, a vehicle managed by affiliates of Blackstone and indirectly held on a joint basis by Blackstone, through the real estate funds that it manages, and Ivanhoé Cambridge, acting in concert. According to this information, Eliseo Finance S.à.r.l holds, as at 31 January 2014, 14,448,037 shares representing 22.98% of the Company's capital and voting rights. Further details of the disclosure threshold declaration and statement of intent are provided in Section 6.3.5. of chapter 6.

Furthermore, in a letter received on 10 February 2014, the BPCE Group, through its subsidiary Natixis, declared that on 31 January 2014, it had exceeded the statutory ownership thresholds of 2% and 4% of the Company's capital and voting rights, respectively. Natixis holds, individually and directly, 3,134,830 shares representing 4.99% of the Company's capital and voting rights.

On February 20, 2014, after the end of the Board of Directors drafting the 2013 financial statements, the SCI Beaugrenelle, the property investment company in which Gecina has a 75% stake alongside Foncière Euris, Rallye, Apsys and Paris Orléans, has signed a preliminary sales agreement for the Beaugrenelle shopping center with a consortium of private investors assembled around Apsys.

Based on 32 million euros of normalized net rents, the total price of 700 million euros (including transfer taxes) gives a net yield of 4.6%.

Annual financial statements

4.1. Balance sheet as at December 31, 2013

Assets

€'000	12/31/2013 Gross	12/31/2013 Depreciations and impairments	12/31/2013 Net	12/31/2012 Net
Fixed assets				
Intangible fixed assets	**426,820**	**7,655**	**419,165**	**451,170**
Concessions, patents, licenses	11,139	7,655	3,484	5,059
Intangible assets	415,681		415,681	446,111
Tangible fixed assets	**4,322,054**	**515,118**	**3,806,936**	**4,018,845**
Land	2,367,951	111,329	2,256,622	2,383,731
Buildings	1,883,977	386,854	1,497,123	1,527,610
Buildings on third party land	30,436	13,010	17,426	17,783
Other	5,990	3,925	2,065	2,261
Construction in progress	33,700		33,700	87,460
Advances and instalments				
Financial investments	**3,774,700**	**329,240**	**3,445,460**	**3,106,222**
Equity investments and related receivables	3,402,860	268,518	3,134,342	2,791,907
Other equity investments	79,275		79,275	82,171
Loans	225,981		225,981	225,950
Other financial investments	1,065	153	912	776
Advances on property acquisitions	65,519	60,569	4,950	5,418
TOTAL I	**8,523,574**	**852,013**	**7,671,561**	**7,576,237**
Current assets				
Advances and instalments	784		784	1,066
Receivables				
Rent due	18,498	8,641	9,857	4,378
Other	245,596	26,947	218,649	50,449
Investment securities	57,450	884	56,566	66,248
Liquid assets	28,265		28,265	4,827
Asset accruals				
Prepaid expenses	28,915		28,915	27,736
TOTAL II	**379,508**	**36,472**	**343,036**	**154,704**
Bond redemption premiums	7,995		7,995	5,780
TOTAL III	**7,995**	**0**	**7,995**	**5,780**
GRAND TOTAL (I + II + III)	**8,911,077**	**888,485**	**8,022,592**	**7,736,721**

Liabilities

€'000	Before allocation of income 12/31/2013	12/31/2012
Equity		
Capital	471,529	470,829
Issue, merger and contribution premiums	1,885,667	1,880,163
Revaluation gain	480,769	535,149
Reserves:		
Legal reserve	45,857	45,787
Legal reserve from long-term capital gains	1,296	1,296
Regulatory reserves	24,220	24,220
Distributable reserves	683,563	474,796
Retained earnings	0	11,806
Net income for the year	317,775	410,673
Investment subsidies	768	526
TOTAL I	**3,911,444**	**3,855,245**
Provisions		
Provisions for contingencies	3,431	2,299
Provisions for liabilities	13,222	16,616
TOTAL II	**16,653**	**18,915**
Payables and debt		
Bonds	2,323,260	2,018,156
Loans and debt	1,634,291	1,686,461
Security deposits	28,206	29,447
Advances and instalments received	11,102	5,493
Trade payables	14,911	17,072
Tax and social security payables	31,226	42,647
Fixed asset payables	38,675	55,153
Other payables	11,339	6,591
Accruals		
Deferred income	1,485	1,541
TOTAL III	**4,094,495**	**3,862,561**
GRAND TOTAL (I + II + III)	**8,022,592**	**7,736,721**

4.2. Income statement as at December 31, 2013

€'000	12/31/2013	12/31/2012
Operating revenues		
Rental income	270,879	268,394
Write-backs on impairment and provisions	6,985	6,031
Recharges to tenants	49,165	44,282
Other transferred expenses	(4,448)	663
Other income	33,495	28,669
TOTAL	**356,076**	**348,039**
Operating expenses		
Purchases	13,130	12,878
Other external expenses	71,673	75,548
Taxes and duties	33,085	36,144
Salaries and fringe benefits	38,907	40,867
Depreciation	71,786	62,232
Impairment on current assets	21,858	1,501
Provisions	2,860	3,679
Other charges	2,511	3,539
TOTAL	**255,810**	**236,388**
Operating income	100,266	111,651
Financial income		
Interest and related income	179,373	56,577
Net gains on sale of marketable securities	5	150
Write-backs on impairment and provisions, transferred expenses	25,423	381,151
Income from investment securities and receivables	78,487	160,655
Income from equity investments	11,789	9,564
TOTAL	**295,077**	**608,097**
Financial costs		
Interest and related expenses	182,529	286,996
Impairment and provisions	4,290	4,376
TOTAL	**186,819**	**291,372**
Net financial items	108,258	316,725
Income before tax and exceptional items	208,524	428,376
Exceptional items		
Capital gains on mergers, disposals and exchange of securities		
Net gains on sale of properties	117,399	346,701
Net gains on sale of securities	(1,992)	(382,917)
Provisions for property impairments	1,366	13,863
Subsidies	131	376
Exceptional income and expenses	(3,835)	4,587
Exceptional items	113,069	(17,390)
Income before tax	321,593	410,986
Income tax	(3,818)	(313)
RESULT	**317,775**	**410,673**

4.3. Notes to the annual financial statements as at December 31, 2013

4.3.1. HIGHLIGHTS

FISCAL YEAR 2013

Gecina rented out the entire Newside building, located at La Garenne-Colombes (Boucle Nord sector) to Technip France SA. The tenant signed an irrevocable eight-year "green lease", which starts from July 15, 2013. Newside is a new building, delivered in the third quarter 2012; it represents an investment of €67.5 million for Gecina, with a headline net yield of 7.0% following this transaction. This asset, designed by the architectural firm Valode & Pistre, spreads over 17,955 sq.m of useable floor area of offices and represents the first building in France to receive a triple certification: HQE® Construction exceptional level (BBC label), BREEAM (Very Good) and LEED (Platinum).

In October 2013, Gecina pre-leased 6,726 sq.m in the Dock en Seine building, located at Saint-Ouen (northern First Rim), to the SVP group on the basis of a nine-year irrevocable lease starting from June 1, 2014. Dock en Seine is a new building delivered in December 2013. The building comprises 16,155 sq.m of useable floor space for offices and has obtained HQE (Exceptional level) and BBC certifications. The project represented an investment of €72 million for Gecina. On the basis of the transaction signed with SVP and the market rental value for the rest of the building, the headline net yield for the asset should amount to 7.8%.

In May 2013, Gecina successfully placed a €300 million 10-year bond issue, maturing on May 30, 2023. The bond was issued on a spread of 140 bp on the mid-swap rate, offering a 2.875% coupon, which is the lowest coupon for the longest maturity of a Gecina bond issue. The cost of this issue reflects the downturn on the fixed-income market, but more importantly, the improvement in Gecina's financial profile, which has led to an upgrade of its financial rating by Standard & Poor's and Moody's, to BBB and Baa2 respectively in the fourth quarter 2012. This transaction confirms Gecina's capacity to stabilize the average cost of its debt at a maximum of 4.0% in 2013 and contributes to extending the maturity of the Group's loans.

On December 17, 2013, Standard & Poor's raised Gecina's credit rating outlook from BBB / stable outlook to BBB / positive outlook. The credit rating agency stressed two major factors in its decision. Firstly, the continuous improvement of the Group's financial ratios, specifically the hedging of financial expenses by EBITDA. Secondly, the relevance of the comprehensive credit policy implemented by Gecina, which allows it to optimize (i) its debt maturity, primarily through long-term bond issuances, (ii) liquidity, which covers credit maturities for the next two years and (iii) the diversification of its resources, the bonds issued in the 1st half of 2013 and the recent repayment of mortgage loans illustrate the Group's access to all financing sources.

The Gecina Board of Directors' Meeting of April 17, 2013, chaired by Bernard Michel, decided to appoint Mr. Philippe Depoux as the CEO starting from June 3, 2013. In connection with the separation of the duties of Chairman from those of the CEO starting from that date, the Board of Directors decided to confirm Mr. Bernard Michel in his position as Chairman of the Board of Direc-tors, a position he had been holding since February 2010. Mr. Bernard Michel had also served as Gecina's Chief Executive Officer since October 2011.

Lastly, Nicolas Dutreuil has joined Gecina as Chief Financial Officer since September 2, 2013.

4.3.2. ACCOUNTING RULES AND PRINCIPLES

The annual financial statements are prepared in accordance with the French General Chart of Accounts and the French Commercial Code.

4.3.3. VALUATION METHODS

The method used for valuing items recorded in the financial statements is the historical cost method.

Note that the balance sheet was subject to a voluntary revaluation at January 1, 2003 after Gecina opted for the French listed real estate investment trust (SIIC) tax regime.

4.3.3.1. FIXED ASSETS

4.3.3.1.1. INTANGIBLE ASSETS

Intangible assets are measured at cost.

Merger technical losses are recognized under this item.

Intangible assets are amortized under the straight-line method according to the planned term of the asset.

Merger losses are written down if the fair value of the asset is lower than the value of the capitalized asset plus the technical loss.

4.3.3.1.2. GROSS VALUE OF TANGIBLE FIXED ASSETS AND DEPRECIATION

Pursuant to the French accounting regulation CRC 2002-10, Gecina instituted the component approach as at January 1, 2005.

The table below gives the straight-line depreciation periods for each of the components:

	Proportion of component		Depreciation period (in years)	
	Residential	Commercial	Residential	Commercial
Framework structure	60%	50%	80	60
Roofing and walls	20%	20%	40	30
Technical components	15%	25%	25	20
Fixtures and fittings	5%	5%	15	10

The new assets are stated at cost made up of the purchase price and all direct costs including transfer duties, fees and commissions linked to the acquisition, or at cost for constructions.

4.3.3.1.3. PROPERTY IMPAIRMENT AND VALUE ADJUSTMENTS

Any impairment charge following a reduction in value of properties is determined as follows:

Long-term property holdings

An impairment is recognized on a line-by-line basis if there is an indication of loss of value, especially if the block valuation of the property valued by one of the independent appraisers (at December 31, 2013: BNPP Real Estate, CBRE Valuation, Foncier Expertise, Jones Lang LaSalle, Catella), is more than 15% below the building's net book value. In this case the impairment amount recorded is then calculated in relation to the valuation amount. In the event of an unrealized capital loss of the total property holding, impairment is recognized for each property as an unrealized capital loss. This impairment is primarily assigned to non-depreciated assets and adjusted each year based on subsequent appraisals.

Property for sale or to be sold in the short term

Properties for sale or due to be sold in the short term are valued in relation to their independent block valuation or their realizable market value and an impairment is recognized if this value is lower than the book value.

Valuations are conducted in accordance with industry practices using valuation methods to establish market value for each asset, pursuant to the professional real estate valuation charter. These valuation methods are described in detail in the notes to the Consolidated financial statements.

The impairment allocation of a tangible asset is booked under extraordinary items, just as any impairment write-back due to appreciation in the asset's value.

4.3.3.2. FINANCIAL INVESTMENTS

Equity investments are stated on the balance sheet at subscription or acquisition cost, except for those held at January 1, 2003 that were revalued.

Since the application of French accounting regulation CRC 2004-06, the acquisition costs of investments previously recorded under deferred expenses have been recorded under expenses and not included in the acquisition cost of financial investments.

This heading notably includes Gecina's equity investment in companies with rental property holdings (including equity interests and non-capitalized advances).

Treasury shares held by the company are recorded in "Other financial investments," except for those specifically assigned to cover stock options or performance shares granted to employees and corporate officers, which are recorded under investment securities.

Where there is a sign of long-term impairment of securities, loans, receivables and other capitalized assets, impairment, which is determined on the basis of several criteria (net asset value, profitability, strategic value, especially) is recorded under income.

4.3.3.3. OPERATING RECEIVABLES

Receivables are recognized at par value. Rent receivables are always written down based on the receivables' aging and the situation of the tenants.

An impairment rate is applied to the amount excluding tax of the receivable minus the security deposit:
- tenant has left the property: 100%;
- tenant still in the property:

– receivable between 3 and 6 months: 25%,
– receivable between 6 and 9 months: 50%,
– receivable between 9 and 12 months: 75%,
– over 12 months: 100%.

Impairment thus determined is adjusted to take account of particular situations.

4.3.3.4. INVESTMENT SECURITIES

Investment securities are stated on the balance sheet at cost. An impairment charge is recorded when realizable value is lower than net book value.

Shares specifically assigned to cover stock options awarded to employees and corporate officers are included in this item. Where applicable, they are written down to the lower of the exercise price of the options or the average stock market price in the last month of the year.

4.3.3.5. ACCRUED ASSETS AND RELATED AMOUNTS

This item mainly includes the following prepaid expenses:
- renovation costs for properties up for sale (in addition to disposal costs). They are recognized in income when disposals have been carried out;
- the redemption or issue premiums of bonds as well as the issue costs of loans, which are amortized over the term of the loans under the straight line method.

4.3.3.6. BONDS

Bonds issued by the company are recorded at their redemption value. The redemption premium is recorded on the asset side of the balance sheet and amortized under the straight-line method over the term of the bonds.

4.3.3.7. HEDGING INSTRUMENTS

The company uses interest rate swaps, caps, swaptions and floors to hedge lines of credit and borrowings. The corresponding expenses and income are posted on an accruals basis to the income statement.

Premiums on derivatives are amortized over the term of the instruments, with the exception of swaptions, for which the premiums are amortized on a straight-line basis over the term of the option.

4.3.3.8. EMPLOYEE BENEFIT COMMITMENTS

Retirement benefits commitments

Retirement benefit commitments resulting from the application of national and company-level collective agreements are valued by independent experts under the actuarial method and taking account of mortality tables. They are covered by an insurance policy or are accrued for any portion not covered by the insurance fund in case the funds paid are insufficient.

Supplementary retirement commitments to certain employees

Supplementary retirement commitments to certain employees are valued under actuarial methods factoring in mortality tables. They are managed by external organizations and payments are made to these organizations. Additional provisions are constituted in the event that the insurance fund is underfunded for the liabilities. The valuation of these retirement commitments assumes the employee's voluntary departure.

Long-service awards

Commitments for long-service awards (anniversary premiums paid to personnel) are accrued on the basis of an independent estimate made at each year end.

4.3.4. NOTES ON THE BALANCE SHEET ITEMS

4.3.4.1. FIXED ASSETS

Gross value of assets

€'000	Gross brought forward	Mergers	Transfers between items	Acquisitions	Decreases	Gross carried forward
Intangible fixed assets	456,914	0	0	2,047	32,141	426,820
Concessions, licences	10,803			2,047	1,711	11,139
Intangible assets	446,111				30,430	415,681
Tangible fixed assets	4,499,135	0	0	103,178	280,259	4,322,054
Land	2,490,351		15,764	974	139,138	2,367,951
Buildings	1,884,968		25,013	101,501	127,504	1,883,978
Buildings on third party land	30,435					30,435
Other tangible fixed assets	5,921			703	634	5,990
Fixed assets in progress	87,460		(40,777)		12,983	33,700
Advances and instalments						0
Financial investments	3,456,742	(65,938)	0	754,899	371,003	3,774,700
Equity investments	1,816,882	(65,938)		91,929	1	1,842,872
Receivables related to equity investments	1,265,291			632,298	337,601	1,559,988
Other financial investments [1]	82,171			1,729	4,625	79,275
Loans	225,949			134	102	225,981
Other financial investments	929			28,809	28,674	1,064
Advances on property acquisitions	65,520					65,520
TOTAL	**8,412,791**	**(65,938)**	**0**	**860,124**	**683,403**	**8,523,574**

(1) Including treasury shares (see Note 4.3.4.4).

The amount of the intangible asset comprises unrealized capital gains on the property holdings contributed by SIF, its subsidiaries, Horizons, Parigest, Montbrossol, Geci 1 and Geci 2. Intangible assets are recognized for impairment when they exceed the sum of these unrealized capital gains.

Changes in equity investments mainly concern:
- the subscription to the capital increase of GEC 7 subsidiary for €80 million;
- the total transfer of property holdings from Geciotel subsidiary for €-50 million;
- the total transfer of property holdings from Investibail Transactions subsidiary (company without activity) for €-16 million;
- the increase of the shares purchase price of Beaugrenelle for €12 million.

Receivables related to equity investments mainly cover long-term financing set up by Gecina with its subsidiaries, in the form of long term shareholder loans.

The largest shareholder loans were made to Beaugrenelle for €456 million, Gecimed for €282 million, GEC 13 for €190 million, GEC 12 for 119 million, GEC 9 for €112 million, Michelet for €98 million and its subsidiary SIF Espagne for €43 million of receivables and €187 million of equity loans set up in 2010.

The changes in "Other financial investments" concern the cash advances to the financial intermediary as part of Gecina's share liquidity agreement.

Depreciation

€'000	Balance brought forward	Mergers	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	**5,744**	**0**	**2,378**	**468**	**7,654**
Concessions, licenses	5,744		2,378	468	7,654
Tangible fixed assets	**366,392**	**0**	**69,407**	**33,214**	**402,585**
Buildings	350,606		67,925	32,598	385,933
Buildings on third party land	12,126		600		12,726
Other tangible fixed assets	3,660		882	616	3,926
Total	**372,136**	**0**	**71,785**	**33,682**	**410,239**

Impairment

€'000	Balance brought forward	Mergers	Allocations	Write-backs	Balance carried forward
Intangible fixed assets	**0**	**0**	**0**	**0**	**0**
Intangible assets	0				0
Tangible fixed assets	**113,899**	**0**	**14,701**	**16,067**	**112,533**
Land	106,620		14,701	9,992	111,329
Buildings	7,279			6,075	1,204
Financial investments	**350,519**	**0**	**2,443**	**23,722**	**329,240**
Equity investments and related receivables	290,265		1,975	23,722	268,518
Other equity investments	0				0
Other financial investments	153				153
Advances on property acquisitions	60,101		468		60,569
Total	**464,418**	**0**	**17,144**	**39,789**	**441,773**

Tangible fixed asset impairments are related to the impairments of portfolio properties when there is a sign of impairment (see Note 4.3.3.1.3 on impairment method).

Impairments of investments and related receivables mainly concern SIF Espagne for €33 million and €196 million respectively.

In 2013, impairments of other equity investments solely concern treasury shares.

The impairment of advances on property acquisitions is related to the advance granted to the Spanish company Bamolo, written down for €60.6 million (in order to reduce it to the land's last appraisal value of €5 million).

4.3.4.2. OPERATING RECEIVABLES

€'000	12/31/2013	12/31/2012
Rent due	18,498	13,164
Impairment of rent due	(8,641)	(8,786)
Total rent due and related receivables	**9,857**	**4,378**
Receivables on fixed asset disposals	180	7,910
Group receivables	199,473	22,645
Group income due	13,894	5,142
Miscellaneous income due	10,232	1,059
French state – income tax receivables	4,445	7,722
French state – VAT	14,198	8,428
Management agencies, co-ownerships and external managers	1,462	2,253
Miscellaneous other receivables	1,712	2,097
Other receivables impairment	(26,947)	(6,807)
Total other receivables	**218,649**	**50,449**

Group receivables mainly comprise receivables derived from the centralized cash management and from Bami Newco, SIF Espagne's subsidiary, for an amount of €20 million which was fully written down.

This receivable of €20 million correspond to a €20 million guarantee (issued in 2010), counter-guaranteeing the SIF Espagne subsidiary's €20 million guarantee in connection with the restructuring of financing facilities for Bami Newco (with Eurohypo bank as the lead manager) which was called and paid by Gecina in November 2013 as ordered by the courts. The company has requested repayment of the amount paid in this capacity from Bami Newco.

Operating receivables have a maturity of less than one year.

4.3.4.3. INVESTMENT SECURITIES

€'000	12/31/2013	12/31/2012
Investment securities (money market UCITS)	810	0
Treasury shares reserved for employees	56,458	68,832
Treasury shares (liquidity contract)	0	0
Cash instruments	183	0
Total gross amounts	**57,451**	**68,832**
Impairment	(884)	(2,585)
Total investment securities	**56,567**	**66,247**

Treasury shares recorded as investment securities for €56,458,000 include the 760,556 Gecina shares held to cover the performance shares and stock options awarded to employees and company officers. The impairment method is described in Note 4.3.3.4.

4.3.4.4. CHANGES IN TREASURY SHARES

	Number of shares	€'000
Balance at 01/01/2013	1,154,146	82,171
Share disposal via a liquidity contract	(41,675)	(2,895)
Restatement of entitlements to treasury shares set aside for allocation to employees and company officers	(26)	(1)
Balance at 12/31/2013 (1)	**1,112,445**	**79,275**

(1) These shares are recorded in "Other equity investments".

4.3.4.5. BOND REDEMPTION PREMIUMS

At December 31, 2013, this line comprised premiums related to all non-convertible bonds, which are amortized on a straight line over the term of the debt (€1.8 million amortized in 2013).

4.3.4.6. CHANGE IN SHARE CAPITAL AND SHAREHOLDERS' EQUITY

At the end of 2013, share capital was composed of 62,870,496 shares with a par value of €7.50 each:

€'000	Capital	Issue, merger and conversion premiums	Reserves	Revaluation gain	Retained earnings	Net shareholders' equity excluding earnings for the year and subsidies
12/31/2011	469,878	1,870,443	460,970	620,991	6,522	3,428,804
Capital increase (employees)	950	9,720	(712)			9,958
Account transfers			85,842	(85,842)		0
2011 Income appropriation					5,284	5,284
12/31/2012	470,828	1,880,163	546,100	535,149	11,806	3,444,046
Capital increase (employees)	701	2,813	(326)			3,188
Account transfers			54,380	(54,380)		0
Merger premiums		2,690				2,690
2012 Income appropriation			154,783		(11,806)	142,977
12/31/2013	**471,529**	**1,885,666**	**754,937**	**480,769**	**0**	**3,592,901**

4.3.4.7. PROVISIONS

€'000	Values at 12/31/2012	Contribution/ Merger	Allocations	Write-backs	12/31/2013
Provisions for tax audits	976				976
Provision for employee benefits	9,354		1,431	10	10,775
Provision for share buyback plans	6,286			4,815	1,471
Other provisions	2,300		1,429	298	3,431
TOTAL	**18,916**	**0**	**2,860**	**5,123**	**16,653**

Gecina is the regular subject of tax audits that have resulted in tax reassessment notices, the bulk of which are being contested. Gecina has also, directly or indirectly, been the subject of liability actions and court proceedings instigated by third parties. Based on the assessments of the company and its advisers, there is no risk that is not accrued, which would be likely to significantly impact the Company's earnings or financial situation.

At December 31, 2013 a total amount of €1 million was accrued as provision for the ongoing tax assessment notices, the same amount since December 31, 2012.

The allowance for employee benefit commitments of €1.4 million concerns the increase in the company's commitments to employee benefits and includes for €0.9 million the change effect of the schedule used to determine of lump-sum retirement bene-fits for building staff.

The provision for share buyback plans corresponds to the expense to be incurred by Gecina in relation to stock option plans for existing shares and performance shares and spread over the vesting period. This provision decreased because many stock options were exercised in 2013.

4.3.4.8. BORROWINGS AND FINANCIAL DEBT

Remaining maturities

€'000	Less than 1 year	1 to 5 years	Over 5 years	Total 12/31/2013	Total 12/31/2012
Non-convertible bonds	553,260	500,000	950,000	2,003,260	1,698,156
Ornane bond		320,000		320,000	320,000
Loans and debt (excluding Group)	609,365	229,414	400,084	1,238,863	1,328,559
Group debt	395,427			395,427	357,902
TOTAL	**1,558,052**	**1,049,414**	**1,350,084**	**3,957,550**	**3,704,617**

During the fiscal year, the company issued a new bond debt of €300 million at 2.875% maturing in May 2023.

Bank covenants

The company's main credit facilities are accompanied by contractual clauses relating to compliance with certain financial ratios (calculated on consolidated figures), determining interest rates charged and early repayment clauses, the most restrictive of which are summarized below:

	Benchmark standard	Balance at 12/31/2013	Balance at 12/31/2012
Net debt/Revalued block value of property holding	Maximum 55%	38.7%	39.7%
EBITDA (excluding disposals)/Net financial expenses	Minimum 2.00	3.0%	2.8%
Outstanding secured debt/Block value of property holding	Maximum 25%	11.7%	15.0%
Revalued block value of property holding (€ million)	Minimum 6,000/8,000	10,819	11,048

Change of control clauses

- Bond debt of €500 million due in September 2014: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

- Bond debt of €500 million due in February 2016: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

- Bond debt of €650 million due in April 2019: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

- Bond debt of €300 million due in May 2023: a change of control leading to the downgrading of Gecina's credit rating to "Non-investment grade", not raised to "Investment Grade" within 120 days, can lead to early repayment of the loan.

- €320 million Ornane bond: a change of control could lead to early reimbursement at the discretion of bondholders.

4.3.4.9. EXPOSURE TO INTEREST RATE RISKS

€'000	Debt before hedging at 12/31/2013	Effect of hedging at 12/31/2013		Debt after hedging at 12/31/2013	Debt after hedging at 12/31/2012
Floating rate financial debt	679,625	(2,370,203)	112,300	(1,578,278)	(1,645,166)
Fixed rate financial debt	2,800,777	2,370,203	(112,300)	5,058,680	4,919,016
Interest-bearing financial debt [1]	**3,480,402**	**0**	**0**	**3,480,402**	**3,273,850**

(1) Gross debt excluding accrued interest, bank overdrafts and Group debt.

Derivative portfolio

€'000	12/31/2013	12/31/2012
Derivatives in effect at year-end		
Fixed rate swaps	1,307,203	1,336,016
Caps (purchases)	1,113,000	1,113,000
Floors	250,000	500,000
Caps (sales)	(50,000)	(50,000)
Swaps floating rates versus floating rates		
Floating rate swaps	112,300	
Subtotal	**2,732,503**	**2,899,016**
Derivatives with deferred impact [1]		
Floating rate swaps	250,000	112,300
Caps (purchases)	725,000	600,000
Floors	600,000	350,000
Swaptions	117,000	117,000
Subtotal	**1,692,000**	**1,179,300**
Total	**4,424,503**	**4,078,316**

(1) Including par value changes on derivatives in portfolio at year end.

The fair value of the derivatives portfolio as of December 31, 2013 shows an unrealized termination loss of €136 million.

One hedging instrument was restructured during the fiscal year leading to financial expenses for termination of €15 million.

4.3.4.10. ACCRUED EXPENSES AND INCOME, PREPAID CHARGES AND INCOME

These are included in the following balance sheet items:

€'000	12/31/2013	12/31/2012
Bonds	53,260	48,156
Financial debt	7,979	11,111
Trade payables	11,969	13,666
Tax and social security payables	15,505	14,494
Fixed asset payables	36,442	53,388
Miscellaneous	5,787	985
Total accrued expenses	**130,942**	**141,800**
Prepaid income	**1,485**	**1,541**
Total liabilities	**132,427**	**143,341**
Financial investments	6,303	6,303
Trade receivables	5,309	1,201
Other receivables	24,333	6,478
Total accrued income	**35,945**	**13,982**
Prepaid charges	**28,915**	**27,736**
Total assets	**64,860**	**41,718**

Prepaid charges mainly concern loan issuance costs for €25.1 million. Income receivables recognized under "Other receivables" correspond for €13.9 million to revenues from inter-company recharges.

4.3.4.11. DEPOSITS AND GUARANTEES RECEIVED

This item, for a total of €28.2 million, primarily represents deposits paid by lessees to guarantee their rent payments.

4.3.4.12. OTHER LIABILITIES

All other liabilities are due in less than one year.

4.3.4.13. OFF BALANCE SHEET COMMITMENTS

€'000	12/31/2013	12/31/2012
Commitments received		
Swaps	1,669,503	1,448,316
Caps	1,838,000	1,713,000
Unused lines of credit	2,195,000	2,050,000
Commitments to sale of properties	1,158	9,000
Mortgage-backed receivable	4,950	5,418
Other	98,087	86,480
Total	**5,806,698**	**5,312,214**
Commitments given		
Guarantees granted (1)	551,342	696,622
Guarantees given on differentials for subsidiaries' swap transaction (notional amounts)	0	0
Swaps	1,669,503	1,448,316
Floors	850,000	850,000
Caps	50,000	50,000
Swaptions	117,000	117,000
Payables secured by collateral	599,625	603,850
Commitments to sale of properties	19,042	55,561
Works amount to be invested (including sales of property for future completion)	0	56,811
Earnouts on share acquisitions	0	0
Other	11,296	16,906
Total	**3,867,808**	**3,895,067**

(1) Including guarantees granted at December 31,2013 by Gecina to Group companies for €551 million.

Gecina and SCI Pont de Grenelle have made a reciprocal commitment, by setting up purchase and sale options on the acquisition/sale of the 25% stake held by SCI Pont de Grenelle in the capital of SCI Beaugrenelle.

The outstanding amounts for future development costs (including sales of property for future completion) correspond to reciprocal guarantees with the developer who undertakes to complete the works.

During the course of its normal business operations, Gecina made certain commitments to be fulfilled within a maximum of ten years, and which do not appear in the table of commitments given because their cost is not yet known. As of the date of this document, the Company does not believe that these commitments will have to be fulfilled.

In conjunction with the law on employees' entitlement to training (droit individuel à la formation – DIF), at December 31, 2013, the company's employees had earned 40,178 aggregate hours (after deduction of hours used since the establishment of the DIF).

4.3.5. NOTES ON THE INCOME STATEMENT

4.3.5.1. OPERATING INCOME

€'000	12/31/2013	12/31/2012
Rental revenues on residential properties	123,880	137,362
Rental revenues on commercial properties	146,999	131,033
Total rental revenues	**270,879**	**268,394**

4.3.5.2. OPERATING EXPENSES

Operating expenses (excluding depreciation and provisions) mainly include property rental expenses to recharge to tenants for €55.3 million.

Payroll costs include the competitiveness and employment tax credit (CICE) for an amount of €69,000 in 2013. This tax credit has been used for various investments.

4.3.5.3. DEPRECIATION AND IMPAIRMENT ALLOCATIONS AND WRITE-BACKS

	12/31/2013		12/31/2012	
€'000	Allocations	Write-backs	Allocations	Write-backs
Fixed assets depreciation [1]	71,786		62,232	
Intangible fixed assets impairment [1]				
Tangible fixed assets impairment [1]	14,701	16,067	5,769	19,632
Impairment of financial investments and investment securities	2,443	25,423	2,878	381,074
Receivables impairment [2]	21,858	1,862	1,501	2,617
Provisions for risks and charges [3]	2,860	5,123	3,679	3,492
Amortization of bond redemption premiums [4]	1,847		1,498	
TOTAL	**115,495**	**48,475**	**77,557**	**406,815**
of which:				
• operating	96,504	6,985	67,412	6,031
• financial	4,290	25,423	4,376	381,152
• non-recurring and tax	14,701	16,067	5,769	19,632

(1) See Note 4.3.4.1.
(2) See Note 4.3.4.2.
(3) See Note 4.3.4.7.
(4) See Note 4.3.4.5.

Impairments of receivables correspond to Bami Newco, for €20 million. In 2012, the write-back of the impairment of financial investments for €381 million was essentially linked to the disposal of the securities of the subsidiary GEC 4.

4.3.5.4. NET FINANCIAL ITEMS

	12/31/2013		12/31/2012	
€'000	Expenses	Income	Expenses	Income
Interest and related expenses or income	182,529	179,372	286,996	56,577
Net gains on sale of marketable securities		5		150
Dividends of subsidiaries and income from equity investments [1]		90,277		170,219
Depreciation, impairment and provision charges and write-backs:				
• amortization of bond redemption premiums	1,847		1,498	
• impairment of investment in subsidiaries, related receivables or treasury shares	2,443	25,423	2,878	381,151
TOTAL	**186,819**	**295,077**	**291,372**	**608,097**

(1) Including in 2012 dividends received from Geciter for an amount of €109 million.

4.3.5.5. EXCEPTIONAL ITEMS

€'000	12/31/2013	12/31/2012
Net gains on sale of properties	117,399	346,701
Impairment of fixed assets	1,366	13,863
Capital gains or losses on disposals of securities or mergers	(1,992)	(382,917)
Loss on purchase of treasury shares	(4,817)	(3,913)
Other non-recurring income and expenses	1,113	8,876
Exceptional items	**113,069**	**(17,390)**

Block sales of 9 buildings in 2013 generated a gain of €45 million, the balance of €72 million having been generated by unit-by-unit sales.
Losses on the sale of investments correspond primarily to the payment of €2 million pursuant guarantees granted to the buyer of the GEC 4 securities in 2012.

4.3.5.6. OPERATIONS WITH AFFILIATED COMPANIES

€'000

Assets (gross values)		Liabilities		Net financial items	
Financial investments	3,589,982	Financial debts	384,877	Financial costs	14,490
Trade receivables	0	Trade payables	953		
Other receivables	213,366	Other payables	0	Financial income	175,617
Guarantees granted by Gecina on behalf of related companies			**551,342**		

At December 31, 2013, there were no significant transactions with the major shareholders.

Transactions with companies in which Gecina has a significant equity interest are limited to billing for services rendered and operating resources (€32.7 million in 2013) as well as loans governed by specific agreements.

4.3.6. OTHER INFORMATION

4.3.6.1. EXCEPTIONAL EVENTS AND DISPUTES

Gecina has undergone tax audits that have resulted in tax reassessment notices, the bulk of which are being contested. The company is also directly or indirectly the subject of liability actions and judicial processes instigated by third parties. Based on the assessments of the company and its advisers, there is no risk that is not accrued, which would be likely to significantly impact Gecina's earnings or financial situation.

Furthermore, on July 16, 2012, Banco de Valencia informed the company about the alleged existence of four promissory notes for a total amount of €140 million reportedly drawn by Gecina in favor of a Spanish company known as Arlette Dome S.L., which supposedly gave these promissory notes to Banco de Valencia as collateral for loans granted by that bank. After verification, the company observed that it had no information about these alleged promissory notes or about any business relationship with Arlette Dome S.L. which could have justified their issue. After also observing the existence of evidence pointing to the fraudulent nature of their issuance if the issue were to be confirmed, the company has filed a criminal complaint in this respect with the competent Spanish authorities. No provision was recognized for this purpose at December 31, 2013. After being accepted as a party to the proceedings before Madrid 's Court No. 17, the company was denied this capacity at the National Court, now prose-cuting the case, in spite of its petition. Proceedings are still ongoing.

4.3.6.2. WORKFORCE

Average headcount	12/31/2013	12/31/2012
Managers	162	163
Employees	143	132
Operatives and building staff	100	122
Total	**405**	**417**

4.3.6.3. COMPENSATION FOR ADMINISTRATIVE AND GOVERNANCE BODIES

Attendance allowances allocated to members of Gecina's Board of Directors for 2013 amounted to €1.360 million. No loans or guarantees were granted or arranged for members of the administrative and governance bodies.

4.3.6.4. CONSOLIDATING COMPANY

As at December 31, 2013, Metrovacesa, a Spanish registered company recognizes its 26.74% stake in Gecina's share capital and 27.56% of its voting rights through consolidation under the equity method.

4.3.6.5. STOCK OPTIONS AND PERFORMANCE SHARE PLANS

	Performance shares	Performance shares (1)	Performance shares (1)	Performance shares (1)	Performance shares (1)	Performance shares (1)	Performance shares (1)	Performance shares (1)
Date of General Meeting	06/19/2007	06/15/2009	06/15/2009	05/24/2011	05/24/2011	05/24/2011	04/18/2013	04/18/2013
Date of Board of Directors' meeting	12/18/2008	03/22/2010	12/09/2010	12/14/2011	12/14/2012	12/14/2012	12/13/2013	12/13/2013
Effective allocation date	12/18/2008	04/16/2010	12/27/2010	12/14/2011	12/14/2012	12/14/2012	12/13/2013	12/13/2013
Vesting date	12/18/2010	04/16/2012	12/28/2012	12/15/2013	12/15/2014	12/14/2015	12/14/2015	12/14/2015
Number of rights	109,000	48,875	60,850	48,145	52,820	11,750	62,560	9,700
Withdrawal of rights	0	400	150	180	6,500	1,900	0	0
Cancellation		9,695						
Share price on day of allocation (after adjustment)	€47.50	€83.17	€82.48	€55.88	€86.35	€86.35	€93.65	€93.65
Number of registered shares (after adjustment)	109,000	37,180	60,700	47,965	0	0	0	0
Number of shares to be exercised	0	1,600	0	0	46,320	9,850	62,560	9,700
Performance conditions	yes	yes	yes	yes	yes	yes	yes	yes
Internal	Change in rate of operating margin	no	no	Improvement Total Return	no	no	no	no
External	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index

(1) Shares to be issued.

Stock options and share plans

Meeting date	06/02/2004	06/02/2004	06/02/2004	06/19/2007	06/19/2007	06/15/2009 (1)	06/15/2009 (1)
Date of Board of Directors' Meeting	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010	12/09/2010
Effective allocation date	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	04/16/2010	12/27/2010
Start date for exercise of options	12/12/2006	03/14/2008	12/12/2008	12/13/2009	12/18/2010	04/16/2012	12/27/2012
Expiration date	10/11/2014	03/15/2016	12/13/2016	12/14/2017	12/19/2018	04/17/2020	12/28/2020
Number of rights	316,763	251,249	272,608	230,260	331,875	252,123	210,650
Withdrawal of rights		14,500	20,169	31,569	0	1,779	200
Subscription or purchase price (after adjustment)	€61.02	€96.48	€104.04	€104.72	€37.23	€78.98	€84.51
Number of shares bought or subscribed (after adjustment)	294,270	0	0	0	281,691	2,094	0
Number of shares to be exercised	22,493	236,749	252,439	198,691	50,184	248,250	210,450
Performance conditions	no	no	no	no	no	Yes	Yes
Internal						no	no
External						Gecina share performance/ Euronext IEIF SIIC France index	Gecina share performance/ Euronext IEIF SIIC France index

(1) Shares to be issued.

4.3.6.6. POST BALANCE SHEET EVENTS

On 6 February 2014, Gecina has been informed of a disclosure threshold declaration and statement of intent filed with the Autorité des Marchés Financiers (the French market regulator) by Eliseo Finance S.à.r.l, a vehicle managed by affiliates of Blackstone and indirectly held on a joint basis by Blackstone, through the real estate funds that it manages, and Ivanhoé Cambridge, acting in concert. According to this information, Eliseo Finance S.à.r.l holds, as at 31 January 2014, 14,448,037 shares representing 22.98% of the Company's capital and voting rights. Further details of the disclosure threshold declaration and statement of intent are provided in Section 6.3.5.of chapter 6.

Furthermore, in a letter received on 10 February 2014, the BPCE Group, through its subsidiary Natixis, declared that on 31 January 2014, it had exceeded the statutory ownership thresholds of 2% and 4% of the Company's capital and voting rights, respectively. Natixis holds, individually and directly, 3,134,830 shares representing 4.99% of the Company's capital and voting rights.

4.3.6.7. LIST OF SUBSIDIARIES AND EQUITY INVESTMENTS

Financial information (€'000)	Capital	Shareholders' equity other than share capital	% equity interest (%)	Book value of shares held	
				Gross	Net
Subsidiaries and equity interests					
A – Detailed information on subsidiaries and equity investments					
1- Subsidiaries					
SAS GECITER	17,476	906,201	100.00%	782,018	782,018
SA GECIMED	232,914	84,183	100.00%	314,407	314,407
SAS HOTEL D'ALBE	2,261	92,004	100.00%	216,096	216,096
SCI CAPUCINES	14,273	1,510	100.00%	26,188	26,188
SNC MICHELET LEVALLOIS	50,000	20,490	100.00%	70,965	70,490
SAS KHAPA	37	37,755	100.00%	36,659	36,659
SCI 55 RUE D'AMSTERDAM	18,015	2,539	100.00%	36,420	35,256
SAS GEC 7	81,032	38,072	100.00%	119,553	119,553
SIF Espagne	32,961	(228,572)	100.00%	33,161	
SARL COLVEL WINDSOR	32,000	2,445	100.00%	58,016	37,637
SAS SPIPM	1,226	24,958	100.00%	26,890	26,890
SAS SADIA	90	20,610	100.00%	24,928	24,928
SCI ST AUGUSTIN MARSOLLIER	10,515	1,079	100.00%	23,204	23,204
SAS LE PYRAMIDION COURBEVOIE	37	24,849	100.00%	22,363	22,363
SAS L'ANGLE	37	22,834	100.00%	21,434	21,434
SCI 5 BD MONTMARTRE	10,515	5,130	100.00%	18,697	18,697
SAS ANTHOS	30,037	(1,852)	100.00%	50,953	40,983
SCI BEAUGRENELLE	22		75.00%	30,571	30,571
SCI GEC 15	5	4,047	100.00%	32,193	32,193
SNC GECINA MANAGEMENT	3,558	5,329	100.00%	12,215	6,828
B - General information on other subsidiaries or equity investments with gross value not exceeding 1% of Gecina's share capital					
a. French subsidiaries (Total)				14,822	12,519
b. Foreign subsidiaries (Total)				–	–
c. Equity investments in French companies (Total)					
d. Equity investments in foreign companies (Total)				–	–

(1) Amount of technical losses on merger assigned to shares contributed by SIF and GECI 1 and GECI 2 (unrealized capital gains).
(2) Amount of provisions on loans and advances.

Outstanding loans and advances granted by the Company and not yet reimbursed	Guarantees and sureties given by the Company	Net revenues for most recent year ended	Earnings (profit or loss for most recent year ended)	Dividends recorded by the Company during the year	Comments
0	221,427	74,353	91,354	46,136	
298,935		45,411	12,681	2,329	
	217,440	20,556	13,910	4,321	69,873 [1]
33,699		4,373	1,510		4,702 [1]
99,258		13,506	4,260	8,250	
100,636		11,714	5,717	6,009	
16,472		5,280	2,539		4,255 [1]
14,972	1,475	5,789	(478)	622	
230,283		3,578	19,529		195,679 [2]
46,549		6,871	1,304		
0		2,303	1,095	1,777	4,075 [1]
11,113		2,612	1,456	1,213	5,870 [1]
12,123		2,681	1,079		4,537 [1]
	51,000	4,295	1,849	1,500	
0	60,000	6,515	3,573	652	
21,213		3,311	959	764	3,462 [1]
26,269		3,407	867		
473,371		10,340	(2,958)		
1,697		4,752	1,933		32,189 [1]
5		6,937	2,059		
323,055		35,384	(8,340)	1,906	
–	–	–	–	–	
4,247			(76)		
–	–	–	–	–	

Corporate governance

5.1. Chairman's Report on Corporate Governance and Internal Control

As required by Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors reports specifically in this document, on the structure of the Board of Directors, the application of the principle of gender equality on the board, the terms governing the preparation and organization of the Board of Directors' work, limitations to the powers of the Chief Executive Officer as well as the internal control and risk management procedures set up by the company. Information on the compensation and benefits of executive corporate officers and directors are presented in section 5.2 "Compensations and Benefits" of this Reference Document.

This report was prepared with the support of Internal Audit, the Board of Directors Secretariat and the Legal Department. Various meetings were organized with the heads of the different Group Departments to discuss this report.

This report was presented to the Governance, Appointment and Compensation Committee for matters concerning corporate governance, the structure of the Board and the terms governing the preparation and organization of its work, and to the Audit, Risk and Sustainable Development Committee for matters concerning internal audit procedures and risk management, prior to its approval by the Board of Directors at its meeting of February 20, 2014.

5.1.1. REFERENCE TO THE AFEP-MEDEF CODE

Gecina follows the AFEP-MEDEF corporate governance Code for listed companies (AFEP-MEDEF Code), pursuant to the decision by the Board Meeting of December 18, 2008.

This decision was announced in a statement released by Gecina on December 24, 2008. The Code, which was last amended in June 2013, can be viewed on the MEDEF website (www.medef.com).

Article L. 225-37 of the French Commercial Code stipulates that *"when a company chooses to refer to a corporate governance code drafted by corporate representative organizations, the report required in this article shall also specify the provisions that were discarded and the reasons for discarding them"*. Pursuant to this Article, the AFEP-MEDEF Code and Recommendation No. 2013-15 of the AMF regarding the implementation of the "apply or explain" rule, the table below identifies the AFEP-MEDEF Code provisions with which Gecina does not fully comply and explains the reasons for this situation.

Subjects	Recommendations of the AFEP-MEDEF Code	Gecina's situation	Justifications
Proportion of independent Directors on the Board of Directors	Half of independent directors in companies with dispersed capital and without controlling shareholders	Five out of the 13 Directors can be described as independent	As the Board of Directors comprises 13 members, the independent directors represent 38% of its members (compared to 50% according to the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the direct involvement of the main shareholders in the Board of Directors: indeed, three shareholders with nearly 60% of the share capital are represented by seven directors on the Board of Directors and out of the six other directors, five are independent, with the sixth member being the Chairman of the Board of Directors. Since the latter served as the Company's Chief Executive Officer from October 4, 2011 to June 3, 2013, he cannot be described as independent with respect to the criteria specified in the AFEP-MEDEF Code.
Proportion of independent Directors on the Audit, Risk and Sustainable Development Committee	At least two thirds of independent directors	Three out of the five Directors can be described as independent	As the Audit, Risk and Sustainable Development Committee comprises five members, independent directors represent 60% of its members (compared to the 66% minimum required by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. Furthermore, the Committee is chaired by an independent director, who has the casting vote in case of a tie.
Proportion of independent Directors on the Governance, Appointment and Compensation Committee	Majority of independent directors	Two out of the four Directors can be described as independent	As the Governance, Appointment and Compensation Committee comprises four members, independent directors represent 50% of its members (compared to the majority required by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. Furthermore, the Committee is chaired by an independent director, who has the casting vote in case of a tie.
Assessment of the work of the Board and its Committees	Measuring the actual contribution of each director to the Board's works on the basis of their competence and involvement in deliberations	No measurement of the actual contribution of each director during the annual assessment of the work of the Board and its Committees	Every year, the Board of Directors conducts an assessment, with the assistance of an external consultant, in order to review its composition, its organization and its functioning. In this context, the Board of Directors considered that measuring the actual contribution of each director would not be compatible with the collegial nature of the Board of Directors. Each director participates actively in the Board's work through numerous, regular interventions. The attendance rate of directors to Board and committee meetings is very high.

5.1.2. STRUCTURE OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT TEAM

5.1.2.1. DIRECTORS AND CHANGES IN THE STRUCTURE OF THE BOARD OF DIRECTORS

Under the bylaws, the Board of Directors must be made up of a minimum of three and maximum of 18 members. As at December 31, 2013, Gecina had thirteen members on its Board of Directors:

- Mr. Bernard Michel, Chairman of the Board of Directors;
- Mr. Philippe Donnet, independent director;
- Mr. Vicente Fons;
- Mr. Rafael Gonzalez de la Cueva, independent director;
- Mr. Sixto Jimenez;
- Metrovacesa, represented by Mr. Carlos Garcia;
- Mr. Jacques-Yves Nicol, independent director;
- Mr. Eduardo Paraja;
- Predica, represented by Mr. Jean-Jacques Duchamp, independent director;
- Ms. Inès Reinmann Toper, independent director;
- Ms. Helena Rivero;
- Ms. Victoria Soler;
- Mr. Antonio Trueba.

Directors are appointed for four years. Exceptionally, to allow the staggered renewal of the terms of office of directors, the Ordinary General Meeting may appoint one or more directors for a period of two or three years.

Mr. Bernard Michel was Chief Executive Officer until June 3, 2013, and from that date, those functions were performed by Mr. Philippe Depoux, Chief Executive Officer, following the Board of Director's decision on April 17, 2013 to separate the two functions with effect from June 3, 2013. Additional information is provided in paragraph 5.1.3.

During 2013 and until the publication date of this document, the following movements occurred in the structure of the Board of Directors:

Director's name	Renewal	Appoint-ment	Depar-ture	Comments
Mr. Rafael Gonzalez de la Cueva, independent director	X			Renewal by the Shareholders' General Meeting of April 18, 2013 for a four year term, i.e., after the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2016.
Mr. Antonio Trueba	X			Renewal by the Shareholders' General Meeting of April 18, 2013 for a four year term, i.e., after the end of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2016.
Mr. Nicolas Diaz			X	Resignation duly noted by the Board of Directors' Meeting of April 18, 2013 held at the end of the Shareholders' General Meeting of the same day.
Mr. Eduardo Paraja		X		Cooptation by the Board of Directors' Meeting of April 18, 2013 to replace Mr. Nicolas Diaz, who had resigned, for Mr. Diaz's remaining period in office, i.e. after the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2013. Cooptation subject to the ratification of the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2013.
Mr. Philippe Donnet, independent director			X	Resignation duly noted by the Board of Directors' Meeting of February 20, 2014.
Ms. Sylvia Fonseca, independent director		X		Cooptation by the Board of Directors' Meeting of February 20, 2014 to replace Mr. Philippe Donnet, who had resigned, for Mr. Donnet's remaining period in office, i.e. after the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2015. Cooptation subject to the Shareholders' General Meeting convened to approve the financial statements for the year ending December 31, 2013. The cooptation of Ms. Sylvia Fonseca raises the percentage of women on the Board of Directors to 30%.

Furthermore, the Board of Directors, at its April 18, 2013 session held after the Shareholders' General Meeting of the same day, duly noted the replacement of Mr. Eduardo Paraja by Mr. Carlos Garcia as permanent representative of Metrovacesa.

It should be further noted that since the total workforce of the company and its subsidiaries is lower than the thresholds fixed by Article L. 225-27-1 of the Commercial Code, there is no employee representative on the Board of Directors. However, in accordance with Article L. 2323-62 of the French Labor Code, members of the Workers' Council may attend Board of Directors' Meetings in an advisory capacity.

GENDER REPRESENTATION EQUALITY ON THE BOARD OF DIRECTORS

The appointment of Ms. Sylvia Fonseca to replace Mr. Philippe Donnet, who had resigned, reflects the company's efforts to achieve its goal of gender representation equality on the Board of Directors. After this appointment, the proportion of women on the Board of Directors reached 30%. The company will continue striving towards this goal in upcoming years to strengthen this proportion further and comply with the provisions of the AFEP-MEDEF Code and the law.

INDEPENDENT DIRECTORS

The Board of Directors reviews every year, at the proposal of the Governance, Appointment and Compensation Committee, the situation of each of its members regarding the independence criteria stated in the AFEP-MEDEF code, namely:

(i) not be employees or executive corporate officers of the company, employees or directors of its parent company or any company consolidated by the latter, or have ever been so at any time in the last five years;

(ii) not be executive corporate officers of a company in which the company directly or indirectly holds a directorship, or in which an employee who has been appointed as a corporate officer of the company (currently or at any time in the last five years) has a directorship;

(iii) not be clients, suppliers, investment bankers or commercial bankers:
- of significance to the company or its Group,
- or for which the company or its Group represents a significant amount of business;

(iv) not have any close family ties or others with a corporate officer;

(v) not have served as an auditor for the company at any time in the last five years;

(vi) not have served as a director for the company for more than 12 years;

(vii) in the case of directors representing major shareholders of the company, they are considered to be independent provided they are not involved in the control of the company. If directors hold more than 10% of the share capital or voting rights, the Board, acting on the basis of a report issued by the Governance, Appointment and Compensation Committee, must systematically investigate compliance with the independence criteria, taking account of the shareholder structure and the existence of any potential conflicts of interest.

Pursuant to the foregoing criteria, the Board of Directors concluded its review that five out of its thirteen members can be described as independent. Given the breakdown of the company's capital and the direct involvement of the main shareholders on the Board of Directors, three shareholders with nearly 60% of the share capital are represented by seven directors on the Board of Directors and among the six other directors, five are independent, with the sixth director being the Chairman of the Board of Directors. Since the latter served as the company's Chief Executive Officer from October 4, 2011 to June 3, 2013, he cannot be described as independent with respect to the criteria specified above.

As at December 31, 2013, the independent directors were: Messrs. Jacques-Yves Nicol, Philippe Donnet, Rafael Gonzalez de la Cueva, Ms. Inès Reinmann Toper and the firm Predica, represented by Mr. Jean-Jacques Duchamp.

It is specified that none of the company's directors is a significant client, supplier, investment banker or commercial banker of the company. In this respect, the Governance, Appointment and Compensation Committee reviewed the potential business relations that may exist between the company or its Group and its directors. The Board of Directors, after reviewing a report from the Governance, Appointment and Compensation Committee concluded that no significant business relationship existed between the company and its directors.

The main criterion taken into consideration for this assessment is the non material portion of the revenues derived from the existing business relations compared to the respective revenues of the company and the directors concerned.

SHARES HELD BY DIRECTORS

As stated in the internal regulations for the Board of Directors, each director must own at least 40 shares for the duration of his or her term in office.

Directors must inform, under their responsibility, the French Financial Markets Authority (AMF) with a copy addressed to Gecina within five stock market trading days, of transactions involving company shares or any other security issued by the company, carried out directly or through a third party on their own behalf or for any other third party under a mandate not applying to third party management services. Transactions carried out by people with close links to the directors described by the applicable regulation are also concerned.

Transactions in company shares conducted by officers, senior managers or persons to whom they are closely connected are listed in paragraph 6.3.4.

5.1.2.2. LIST OF OFFICES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER AS AT DECEMBER 31, 2013

The table below describes the offices of members of the Board of Directors and its Chairman as well as those of the company's Chief Executive Officer as at December 31, 2013.

Chairman of the Board of Directors

Mr. Bernard Michel

65 years, French nationality

First appointment: GM of 05/10/2010

Office expiry date: GM 2014

Chairman of the Strategic Committee

Number of shares held: 40

Domiciled at: 14-16, rue des Capucines – 75002 Paris

Observer for SOPRA Group (1)
Chairman of the Gecina Corporate Foundation
Member of the Supervisory Board of UNOFI SAS
Chairman of the Supervisory Board of FINOGEST S.A.
Chairman of BM Conseil SAS

Chief Executive Officer

Mr. Philippe Depoux

52 years, French nationality

First appointment: Board of 04/17/2013

with effect from 06/03/2013

Unlimited term

Number of shares held: 0

Domiciled at: 14-16, rue des Capucines – 75002 Paris

Chairman of the Club de l'Immobilier

Director of:

- IEIF
- Architecture et Maîtrise d'Ouvrage (AMO)
- Première Urgence – Aide Médicale Internationale NGO

Corporate officer in most Gecina subsidiaries

Directors

Mr. Philippe Donnet

53 years, French nationality

First appointment: GM of 05/10/2010

Office expiry date: GM 2016

Independent director

Number of shares held: 40

Domiciled at: La Garonnière – 45240 La Ferté-Saint-Aubin

Managing Director of Generali Italia

Chairman of:

- Alleanza Assicurazioni
- Genertel Life
- Genagricola

Member of the Supervisory Board of Vivendi (1)

Mr. Vicente Fons

59 years, Spanish nationality

First appointment: GM of 04/22/2008

Office expiry date: GM 2015

Member of the Governance, Appointment and Compensation Committee

Number of shares held: 400

Domiciled at: Calle Colon, 23 – 3ª – 46004 Valencia (Spain)

Chairman of the Board of:

- Peñiscola Resort, SL
- Nuespri, SL

Director of:

- Planea Gestión de suelo, SL
- Bami Newco SA
- Abdos SL
- Gritti Internacional

(1) Listed company.

Directors

Mr. Rafael Gonzalez de la Cueva
48 years, Spanish nationality
First appointment: GM of 05/24/2011
Office expiry date: GM 2017

Independent director
Member of the Governance, Appointment and Compensation Committee
Number of shares held: 40
Domiciled at: Calle Ana de Austria, 34, Portal 0-2C – 28050 Madrid (Spain)

Founder-Chairman of Nuevos Espacios de Arquitectura y Urbanismo, SL

Mr. Sixto Jimenez
63 years, Spanish nationality
First appointment: GM of 06/15/2009
Office expiry date: GM 2015

Member of the Strategic Committee and of the Audit, Risk and Sustainable Development Committee
Number of shares held: 60
Domiciled at: P.E. Metrovacesa, Via Norte – Quintanavides 13 – 28050 Madrid (Spain)

Director of:
- Argenol SA
- Interesa SA
- Olivos Naturales SA
- Fundación para el estudio del Derecho Histórico de Vasconia (FHEDAV)

Chairman of the Board of Directors of:
- Tuttipasta SA
- Riberebro SA

Metrovacesa, represented by Mr. Carlos García
57 years, Spanish nationality
First appointment: GM of 05/23/2006
Office expiry date: GM 2016

Member of the Strategic Committee
Number of shares held: 16,809,610
Domiciled at: P.E. Metrovacesa, Via Norte – Quintanavides 13 – 28050 Madrid (Spain)

Chief Executive Officer, Managing Director of Metrovacesa

Mr. Jacques-Yves Nicol
63 years, French nationality
First appointment: GM of 05/10/2010
Office expiry date: GM 2014

Independent director
Chairman of the Audit, Risk and Sustainable Development Committee
Number of shares held: 40
Domiciled: 7 rue Brunel – 75017 Paris

(1) Listed company.

Directors

Mr. Eduardo Paraja

52 years, Spanish nationality

First appointment: Board of 04/18/2013

Office expiry date: GM 2014

Number of shares held: 100

Domiciled at: Avenida Papa Negro 119-A, 3°F – 28043 Madrid (Spain)

Director of:

- Prosegur (1)
- ACR
- Evoltium
- Unica Real Estate

Predica, represented by Mr. Jean-Jacques Duchamp

59 years, French nationality

First appointment: GM of 12/20/2002

Office expiry date: GM 2015

Independent director

Member of the Strategic Committee and of the Audit, Risk and Sustainable Development Committee

Number of shares held: 5,347,824

Domiciled at: 16-18 Bd de Vaugirard – 75015 Paris

Deputy CEO of Crédit Agricole Assurances (Executive Committee member)

Director of:

- SANEF (Autoroutes du Nord et de l'Est de la France)
- Société Foncière Lyonnaise (1)
- Korian (1)
- CA-IMMO
- CPR-AM
- Dolcea Vie
- SPIRICA
- Lifeside Patrimoine
- CA Vita
- PACIFICA

Member of the Office of the Economic and Financial commission of FFSA

Ms. Inès Reinmann Toper

56 years, French nationality

First appointment: GM of 04/17/2012

Office expiry date: GM 2016

Independent director

Chairman of the Governance, Appointment and Compensation Committee

Member of the Audit, Risk and Sustainable Development Committee

Number of shares held: 40

Domiciled at: 57, Bd du Commandant Charcot – 92200 Neuilly-sur-Seine

Chairman of Acxior Immo

Partner at Acxior Corporate Finance

Director of:

- Cofinimmo (1)
- Acxior Corporate Finance

Observer for OPCI Lapillus

Member of:

- Club de l'Immobilier Ile-de-France
- Cercle des Femmes de l'Immobilier

Co-pilot of the Innovative Financing group – Plan Bâtiment Grenelle 2

Fellow of The Royal Institution of Chartered Surveyors

(1) Listed company.

Directors

Ms. Helena Rivero

43 years, Spanish nationality

First appointment: GM of 05/10/2010

Office expiry date: GM 2014

Member of the Strategic Committee and of the Audit, Risk and Sustainable Development Committee

Number of shares held: 40

Domiciled at: Calle Orquidea 34 Casa 4 – 28109 Madrid (Spain)

Chairman of Bodegas Tradición

Director of:

- Bami Newco SA
- Marina Puerto de Santa Maria, Puerto Sherry

Ms. Victoria Soler

54 years, Spanish nationality

First appointment: GM of 05/23/2006

Office expiry date: GM 2016

Member of the Strategic Committee

Number of shares held: 400

Domiciled at: Plaza Ayuntamiento 27, 6ª – 46002 Valencia (Spain)

Director of:

- Mag Import SL
- Bami Newco SA
- Gritti internacional SL

Mr. Antonio Trueba

71 years, Spanish nationality

First appointment: GM of 05/10/2010

Office expiry date: GM 2017

Member of the Governance, Appointment and Compensation Committee

Number of shares held: 1,560

Domiciled at: Calle Moscatelar 1-N Edificio Edisa – 28043 Madrid (Spain)

Chairman of:

- Solaris 2006
- World Trade Center Madrid
- World Trade Center Seville
- Fundación Más Familia
- EFYASA

Vice-Chairman of the International Committee of the World Trade Centers Association and Vice-Chairman of the WTCA Executive Committee

Chairman of the International Applied Medicine Center of the University of Navarra

Director of SAREB

(1) Listed company.

5.1.2.3. SUMMARY OF OFFICES HELD IN ALL COMPANIES OVER THE LAST FIVE FISCAL YEARS

The table below summarizes all companies in which the members of the Board of Directors, its Chairman and the company's Chief Executive Officer have been members of an executive, governance or supervisory body or a general partner at any time during the last five years:

Name and surname	Other offices and functions exercised in any company during the past five years and terminated (other than within the Group)
Mr. Bernard Michel	CEO of Gecina CEO of Crédit Agricole Assurances CEO of Predica Chairman of: GIE informatique Silca, OPCI Pasteur, AEPRIM SAS Chairman of the Board of Directors of: Crédit Agricole Immobilier, Unimo Chairman of the Supervisory Board of France Capital SAD Chairman of CA Grands Crus SAS Vice-Chairman of Pacifica Vice-Chairman of the Supervisory Board of CP Or Devise Vice-Chairman of Emporiki Life Insurance Director of: Amundi Immobilier SA, Cholet Dupond SA, Crédit Agricole Reinsurance SA (Luxembourg), Crédit Agricole Risk Insurance SA (Luxembourg), Crédit Agricole Leasing SA, Litho Promotion, OPCI Pasteur Patrimoine, Attica GIE, Sopra Group(1) Permanent representative of Crédit Agricole SA(1), member of the Supervisory Board of Systèmes Technologiques d'Échange et de Traitement (STET) Member of the Supervisory Board of Fonds de Garantie des Dépôts Member of the Executive Committee of Crédit Agricole SA(1), member of MEDEF Director of: Predica, Pacifica, CAAGIS SAS Chairman of the Supervisory Board of SAS Systèmes technologiques d'échange et de traitement (STET), permanent representative of Crédit Agricole Assurances, director of Crédit Agricole Creditor Insurance Permanent representative of Predica: member of the Supervisory Board of CAPE SA, director of Médicale de France SA, observer of Siparex(1) Member of the bureau of Fédération Française des Sociétés d'Assurances (FFSA) Vice-Chairman of: Fédération Française des Sociétés d'Assurance Mutuelle (FFSAM), Groupement Français de Bancassureurs Chairman of the Provisional Management Commission of the Caisse Régionale de la Corse Director of the holding company La Sécurité Nouvelle S.A. Corporate officer in most Gecina subsidiaries
Mr. Philippe Depoux	Chairman of: Generali France Immobilier SA Immocio (Immobilière Commerciale des Indes Orientales) Locaparis Generali Résidentiel SAS 100 CE Chairman-CEO, Deputy CEO, Director of Segprim CEO of GEII Rivoli Holding SAS Deputy CEO of Société Foncière Lyonnaise Permanent representative of Generali France Assurances: On the Supervisory Board of Foncière des Murs On the Board of Directors of Expert Finance On the Board of Directors of Association pour la location du Moncey – Beeo Top Permanent representative of Generali Vie: On the Supervisory Board of Foncière Développement Logements On the Supervisory Board of Foncière des Régions On the Supervisory Board of Eurosic On the Supervisory Board of SCPI Generali Habitat Permanent representative of Generali IARD on the Board of Directors of Silic Director of: ULI (Urban Land Institute) Generali Bureaux OFI GR1 OFI GB1 Manager of: SCI Malesherbes SCI Daumesnil SCI 15 Scribe SCI Saint-Ouen C1 Head of the France and overseas operations of Generali Real Estate SPA (GRESPA) – branch in France

(1) Listed company.

Mr. Philippe Donnet	Director of: Winvest Conseil International Wendel Japan KK Pastel et Associés KBC (1) Member of the Supervisory Board of La Financière Miro
Mr. Jean-Jacques Duchamp, permanent representative of Predica	Director of Foncière des Régions (1) Director of BES VIDA
Mr. Vicente Fons	Chairman of Conseil de Promofei SL Vice-Chairman of Kalité Desarrollo S.A. Director of: Emvi S.A Exhibidores Unidos S.L. Casavera S.L.
Mr. Rafael Gonzalez de la Cueva	Director of: Martinsa Fadesa RTM Desarrollos Urbanisticos y Sociales, S.A. Urbanizaciones y Promociones EDIMAR, S.L. Urbanizadora Fuente de San Luis, S.L. Residencial Golf Mar, S.L. Iberinvest, Sp.zo.o. (Polish) Desarrollo de Proyectos Martinsa-Grupo Norte Empresarios Integrados, S.A. Rundex, S.A. Comercio de Amarres, S.L. Eólica Martinsa Grupo Norte
Mr. Sixto Jimenez	Director of: Metrovacesa SA Nestoria Spain S.L. Innoliva S.A. Advanced Search S.L. Chairman of NGO Properú Member of the Modernization Committee of Navarre Vice-Chairman of Société des Études Basques in Navarre
Mr. Carlos Garcia, permanent representative of Metrovacesa	Chairman of the Board of Directors of Medea (1) Permanent representative of FCC Construcción, Director of Cleon SA, Permanent representative of Participaciones Teide, Director of Teide Gestion del Sur SL, Permanent representative of Participaciones Teide, Director of Ablocade SL, Managing Director of Baross Tér Ingatlanprojekt-feijleszto Korlatolt Felelosségu Tarsasag (Hungarian) Managing Director of Omszki To Part Kft (Hungarian) Director Dignatario and member of the "Junta Directiva" of MDM Teide SA
Mr. Jacques-Yves Nicol	Managing Director of Aberdeen Property Investors France CEO of the Association des Diplômés du Groupe ESSEC Member of the Supervisory Board of ESSEC
Mr. Eduardo Paraja	CEO of Metrovacesa Permanent representative of Metrovacesa, Director of Gecina
Ms. Inès Reinmann Toper	Managing Director of Continental Europe de Segro Plc Director of Segro Plc
Ms. Helena Rivero	N/A
Ms. Victoria Soler	Chairman of Bami Newco SA Chairman of Kalité Desarrollo Director of Mercado de Construcciones S.A., Inmobiliaria Lasho S.A., Promofein S.L., Peñiscola Resort S.L., Metrovacesa, Ensanche Urbano SA, EMVI and Exhibidores Unidos
Mr. Antonio Trueba	Director of Grupo San José Member of the NGO CODESPA Director of TINSA

(1) Listed company.

5.1.2.4. MANAGEMENT EXPERTISE AND EXPERIENCE OF THE MEMBERS OF THE BOARD OF DIRECTORS, ITS CHAIRMAN AND THE CEO

Bernard Michel

A graduate of the École nationale des impôts and General Inspector of Finances, he began his career at the Direction générale des impôts (1970-1983) then joined the Inspection générale des finances to carry out audit and control engagements (1983-1987). He joined the GAN group in 1987 as Director. Then he was appointed Director of Life Assurance Management (1990-1993), Chairman of Socapi (GAN and CIC life assurance company) (1992-1996), Deputy-CEO and Executive Vice-President of Assurances France (1993-1996). He was Chairman of the Banque Régionale de l'Ouest (CIC) from 1994 to 1996 and in parallel Chairman of the retirement fund of the CIC group. Mr. Michel joined the CNCA (now Crédit Agricole S.A.) in 1996 as Company Secretary and member of the Crédit Agricole S.A. Executive Committee. He was appointed Vice-President in 1998, a function that he held until 2003. He was specifically in charge of the Technologies, Logistics and Banking Services center, and was appointed Chairman of Crédit Agricole Immobilier. Since 2003, Bernard Michel has been Deputy Director of Operations and Logistics, Director of Operations and Logistics of Crédit Agricole S.A., Director of the Real Estate, Purchasing and Logistics Department, and Vice-Chairman of Predica before being appointed CEO of Predica in 2009, Director of the Crédit Agricole Assurances Department. He served as Gecina's Chief Executive Officer from October 4, 2011 to June 3, 2013.

Philippe Depoux

Philippe Depoux graduated from the École Supérieure de Commerce de Rouen and holds a degree in business administration and finance (DESCAF). He worked as the Head of sales and acquisitions within the property division of GAN from 1990 to 1999. He then served as the Director of sales, acquisitions and valuations for Immobilière Groupama (after the acquisition of GAN by Groupama) until 2001. He then joined AXA Real Estate as Director of sales and acquisitions in France and was appointed in 2004 as the Global Head of Investments for the Group. He moved on to serve as the Deputy CEO, then Managing Director of Société Foncière Lyonnaise from 2005 to 2008. Lastly, he was Chairman of Generali France Immobilier since 2008, then CEO of Generali Real Estate French Branch since 2012.

Philippe Donnet

Philippe Donnet is a graduate of the École polytechnique and a member of the Institut des actuaires français. In 1985, Philippe Donnet joined Axa in France. From 1997 to 1999, he was Deputy Managing Director of Axa Conseil (France), before becoming Managing Director of Axa Assicurazioni in Italy in 1999, then member of the Axa Executive Committee as CEO for the Mediterranean region, Latin America and Canada in 2001. In March 2002, he was also appointed Chairman and CEO of Axa Re and Chairman of Axa Corporate Solutions. In March 2003, Philippe Donnet was appointed CEO of Axa Japan. In October 2006, he was appointed Chairman of Axa Japan and CEO of the Asia-Pacific region. He was CEO of Wendel for the Asia-Pacific region from 2007 to 2009.

Vicente Fons

A graduate in General Management from IESE, he sits on the boards of real estate, urban planning and tourism companies.

Rafael Gonzalez de la Cueva

A graduate of ETSA Madrid, Rafael Gonzalez de la Cueva began his career as architect for Ara Arquitectos. He was then appointed Promotions Manager for Ferrovial Inmobiliaria before joining Vallehermoso, where he had several jobs including Director of Special Projects. Thereafter he worked for Nozar as Promotions Director. In 2005, he joined Martinsa as Director of Investment, and then from 2007 to 2010, Martinsa Fadesa as Director of Strategy, Assets and Valuations. He is currently Chairman-founder of Urbanea.

Sixto Jimenez

A graduate of the University of Deusto (Economics and an MBA), Sixto Jimenez began his career with Embutidos Mina in 1973, then joined Bildu Lan S. Coop in 1978 as Chief Executive Officer. He was later CEO of the Viscofan Group from 1983 to 1986, then Deputy Director of the same Group from 1986 to 2000. Between 1987 and 2000, he was also Deputy Director of the food group Ian (subsidiary of Viscofan). He was a member of the Board of Directors of Caja Navarra from 2004 to 2007. Since 2007, he has been Chairman of the Board of Directors of Tuttipasta, S.A. He was a member of the Board of Directors of Metrovacesa SA (independent director) from 2009 to July 2013. He is the author of the book "Cuestión de confianza".

Carlos Garcia

Permanent representative of Metrovacesa

A graduate of the Polytechnic University of Madrid, Carlos García started his career at Huarte y Cia in 1982. He later joined Fercaber SA where he was appointed Director of Construction in 1992. In 1996, he joined Bouygues Construcción España S.A.U. as the CEO, an office he held until 2000, before becoming Director of the Bouygues Group in Spain. In 2001, he joined the FCC Construcción group where he remained until 2013 in different positions including that of Director of Development and Management. Since April 2013, he has been CEO - Managing Director of Metrovacesa.

Jacques-Yves Nicol

Jacques-Yves Nicol graduated from ESSEC Business School and completed postgraduate studies in Economics. He was Managing Director of the ESSEC Group Alumni Association, after being the Managing Director (France) of Aberdeen Property Investors and Tishman Speyer Properties.

He has also held posts at Bank of America in France and internationally, at Bouygues (CFO and Deputy General Manager for Spain), then with the AXA Group as Managing Director of AXA Immobilier, then responsible successively for overseeing life-insurance activities in Asia-Pacific and the South Europe/Middle East area of AXA. He is a member of the Club des Présidents de comité d'audit of the Institut Français des Administrateurs.

Eduardo Paraja

A law graduate from the University of Oviedo, with an MBA from the Madrid Business School (Houston University), Eduardo Paraja began his career in 1991 in the Cobra group (energy sector) as Vice-President, then as CEO of the subsidiary Intercop Ibérica. In 1995, he joined the Prosegur group as CEO of the subsidiary Protecsa, then became CEO of the subsidiary Umano ETT, Unica and finally of Prosegur. He was CEO of Metrovacesa from 2009 to 2013.

Jean-Jacques Duchamp

Permanent representative of Predica

Graduate of AGRO-INAPG and ENGREF. After a career abroad (India, Morocco, Colombia) in public works and hydraulics, and later infrastructure financing with the World Bank, Jean-Jacques Duchamp joined the Crédit Agricole Group, where he has held a variety of posts in the general inspectorate of finances and auditing at regional mutuals of Crédit Agricole, and later internationally on capital markets, before joining the Board of Finances of Crédit Agricole Group. In 2001, he was part of the personal insurance division of Predica where he assumed the management of "Financing and Corporate" on the Executive Committee. In 2011, he became Deputy Managing Director of Crédit Agricole Assurances.

Inès Reinmann Toper

With a master's degree in business law from the University of Paris II and a postgraduate diploma in real estate law from University of Paris I, Inès Reinmann Toper spent a large part of her career, from 1989 to 2000 with Coprim (Société Générale group), first as Director of Development, then as Operational Director and lastly as Commercial Real Estate Sales & Marketing Director. From 2000 to 2004, she worked as the CEO of Tertial, then between 2004 and 2007 was Director of the Icade commercial property market, President of EMGP, President of Tertial and a Board member of Icade Foncière des Pimonts. Between 2007 and 2010, she occupied the position of Managing Director Continental Europe at Segro Plc. She was also a director of that company. Since late June 2010, she has been a Partner in charge of the real-estate subfund of Acxior Corporate Finance. She is also a Fellow of the Royal Institution of Chartered Surveyors. Inès Reinmann Toper is also a member of the Club de l'immobilier Île-de-France, of the Cercle des femmes de l'immobilier and Co-manager of the Mission Plan Bâtiment Grenelle 2 Innovation and Sustainable Development.

Helena Rivero

Helena Rivero, lawyer, graduated from Complutense University, Madrid, specialized in Anglo-Saxon law at Columbia University (New York), and is currently Chairman of Bodegas Tradición SL.

Victoria Soler

Victoria Soler holds a law degree from the University of Valencia and is a member of the Valencia Bar Association.
She began her professional activities in the housing unit marketing and construction sector. She later extended her activities to other sectors, such as the building and operation of cinemas, and the building of offices and hotels. She has held the position of legal consultant with various big Spanish groups, including Sociedad Anónima Hispánica de Cine, Radio y Televisión S.A., Filmofono S.A. and Inmobiliaria Cruz Cubierta S.A.

Antonio Trueba

With a PhD in physics from Complutense University in Madrid and having been a research fellow at the École supérieure de chimie in Paris, Antonio Trueba was a Lecturer at Complutense University in Madrid and Associate Professor at the Autonomous University of Madrid before continuing his career in the real estate sector as CEO of Inmobiliaria Granadaban and Real Estate Director of Union Explosivos Rio Tinto, and later as Chairman (from 1994 to 2006) of Inmobiliaria Urbis. He has been Chairman of the World Trade Centers Association and is currently its Vice-Chairman and the Vice-Chairman of its Executive Committee.

5.1.3 EXECUTIVE MANAGEMENT PROCEDURES

At its April 17, 2013 session and upon the recommendation of the Governance, Appointment and Compensation Committee, the Board of Directors decided, with effect from June 3, 2013, to separate the duties of Chairman of the Board of Directors from those of CEO. It therefore decided to appoint Mr. Philippe Depoux to the office of CEO for an indefinite period and confirm Mr. Bernard Michel in his position as Chairman of the Board of Directors for a term that may not exceed that of his directorship, namely until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ended on December 31, 2013.

This change in Executive Management procedures is in line with the Board of Directors' wish to return to the separation of the duties of Chairman of the Board of Directors from those of Chief Executive Officer, which had been set up by the Board Meeting of May 5, 2009 and had remained the company's governance procedure until October 4, 2011. On that date, the Board of Directors, after terminating the duties of the then CEO, Mr. Christophe Clamageran, combined the duties of Chairman of the Board of Directors and those of Chief Executive

Officer and appointed Mr. Bernard Michel, then Chairman of the Board of Directors to the position of Chief Executive Officer. As Mr. Christophe Clamageran's office was terminated with immediate effective, appointing Mr. Bernard Michel as Chief Executive Officer enabled to ensure the continuity and stability of the company's management.

The separation of duties as adopted by the Board of Directors appears to be the most suitable form of governance for the company's activity, as it helps to strengthen the strategic and control functions at the same time as operational functions. Moreover, it should also strengthen governance and allow a better balancing of powers between the Board of Directors on the one hand, and the CEO on the other hand.

In connection with the return to the separation of functions, the Board of Directors has decided, as an internal order policy and in accordance with the provisions of Article 4.1.2. of its internal regulations, to set limits to the powers of the CEO comparable to the limits that existed previously (cf. below).

Furthermore, in addition to the remits generally provided for by law, the Board of Directors has decided to award the Chairman of the Board of Directors with specific functions in order to enhance the smooth operation of the Board of Directors and ensure the continuity of Executive Management. In this respect, the Chairman of the Board of Directors:

- is the chairman and moderator of the Strategic Committee;
- attends internal meetings regarding issues of strategy, external and financial communication or compliance, internal audit and risks;
- ensures compliance with the principles of corporate and environmental responsibility;
- participates in relations with shareholders and investors;
- participates in the representation of the company in its high-level relations, especially with major clients and public authorities, on the national and international level as well as in external and internal communication.

It is specified that these duties shall be carried out in close coordination with the actions conducted in these field by the Executive Management and do not allow the Chairman of the Board of Directors to exercise the executive responsibilities of the CEO. Furthermore, the Board of Directors' internal regulations were updated to include these functions.

Limitations to the powers of the Chief Executive Officer

The Chief Executive Officer or the Chairman and CEO, as applicable, is vested with the most extensive powers to act in all circumstances in the company's name, without any limit to these powers other than those stipulated by law and by Article 4.1.2 of the internal regulations of the Board of Directors.

The Board of Directors' Meeting of March 22, 2010, following the guidelines of the AFEP-MEDEF Code and the AMF annual report on corporate governance, introduced limitations to the powers of the Chief Executive Officer or the Chairman and Chief Executive Officer, as applicable. With the goal of continuity in mind, the Board of Directors decided, at its April 17, 2013 session during which it decided to separate the functions of Chairman of the Board of Directors from those of CEO, to renew these limitations of powers and lower the threshold beyond which certain investment transactions that fall outside the scope of the annual budget and of the approved strategic business plan would require the approval of the Board of Directors. These limitations of powers are repeated in Article 4.1.2. of the Board of Directors' internal regulations.

Pursuant to this article, the Chief Executive Officer or the Chairman & CEO, as applicable, may not grant any endorsement, deposit or guarantee to third parties without the express prior authorization of the Board of Directors. He is specifically required to obtain the authorization of the Board of Directors for any significant decision above certain thresholds that fall outside the scope of the annual budget and the strategic business plan or are related to their change or are likely to involve a conflict of interest between a member of the Board of Directors and the company or leading to a change of corporate governance or share capital.

Authorizations for guarantees, endorsements and deposits – Article L. 225-35 of the French Commercial Code

The Board of Directors' Meeting of February 21, 2013 renewed the authorization given to the Chairman and CEO, with an option to subdelegate such powers, to issue on behalf of Gecina, deposits, endorsements and guarantees, for the duration of the commitments guaranteed (i) for up to €1.65 billion on behalf of its subsidiaries including Gecimed, (ii) €50 million on behalf of third parties, and (iii) without limit for guarantees made to tax and customs authorities, and to continue with any deposits, endorsements and guarantees granted previously.

On April 17, 2013, together with the decision to separate the duties of Chairman of the Board of Directors from those of CEO, the Board of Directors confirmed that as from June 3, 2013, date of the taking of office of the new CEO, all the powers and competences previously awarded by the Board of Directors to the Chairman & CEO, especially the aforesaid authorization given on February 21, 2013, to grant, on behalf of the company, deposits, endorsements and guarantees, would remain in force for the newly-appointed CEO, and reiterated this authorization, as required.

Commitments made by Gecina in previous fiscal years, which were still in effect as at December 31, 2013, represented a total of €577 million.

5.1.4. CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE BOARD OF DIRECTORS' WORK

Internal Regulations for the Board of Directors

The procedures for the Board of Directors' organization and operation are governed by the company's bylaws and by the internal regulations of the Board of Directors. These internal regulations were adopted by the Board of Directors on June 5, 2002. The latest updates were made in particular, to clarify the role of the Chairman of the Board of Directors and to take account of the new provisions resulting from the June 2013 revision of the AFEP-MEDEF code, in particular regarding the introduction of an advisory vote on the remunerations of executive corporate officers and the rules regarding the number of offices that can be held by executive corporate officers and directors.

These regulations contain the following appendices: the director's charter, the charter of the Workers' Council representative on the Board of Directors and the internal regulations of the Governance, Appointment and Compensation Committee, of the Audit, Risk and Sustainable Development Committee, as well as the Strategic Committee. The regulations of these Committees as well as the director's charter have also been updated by the Board of Directors in order to take account of the new provisions resulting from the June 2013 revision of the AFEP-MEDEF code.

Some sections of the Board of Directors' internal regulations are reproduced in this report.

Role of the Board of Directors

In accordance with Article 3 of its internal regulations, the Board of Directors' role is to set the guidelines for the company's business and ensure their implementation, in particular through the management accounting department. It addresses any issues that relate to the smooth operation of the company and through its deliberations resolves any business concerning it. It performs the controls and verifications it deems necessary. It is regularly informed about changes in the Group's activities and property holdings, as well as its financial position and cash flow. It is also informed about any significant commitments made by the Group.

In the context of authorizations given by the General Meeting of shareholders, the Board of Directors decides on any transaction leading to a change in the company's share capital or issue of new shares and more generally, deliberates on issues under its legal or regulatory authority. In addition, any significant transaction that does not fall within the company's announced strategy, including major investments for organic growth or company restructuring, is subject to the prior approval of the Board of Directors.

As an internal measure, the Board of Directors reviews and approves in advance the implementation of deeds, transactions and commitments that fall under the restrictions to the powers of the Chief Executive Officer, defined and set out in Article 4.1.2 of its internal regulations (see section on Limitations to the powers).

The Board of Directors reviews the company's financial communication policy as well as the quality of information supplied to shareholders and to financial markets in the form of financial statements or on the occasion of major transactions.

The Board of Directors presents the compensation of executive corporate officers to the annual Ordinary Shareholders' General Meeting. This presentation includes information on the compensation due to or awarded for the fiscal year ended to each executive corporate officer. This presentation is followed by an advisory vote of the shareholders. Where the Ordinary Shareholders' Meeting issues a negative opinion, the Board of Directors, on the advice of the Governance, Appointment and Compensation Committee deliberates on the subject at the next meeting and immediately publishes on the company's website a statement mentioning the action that the Board of Directors plans to take with respect to the expectations expressed by shareholders during the Meeting.

Pursuant to Article L. 225-37-1 of the French Commercial Code introduced by law No. 2011-103 of January 27, 2011, the Board of Directors holds an annual deliberation on the company's policy with respect to professional and wage equality.

The Directors are entitled to meet the main executive officers of the company, in the presence or absence of the CEO and of the Chairman of the Board of Directors, after submitting a prior request to the Chairman of the Board of Directors and informing the CEO thereof.

Directors can organize work meetings on specific subjects in order to prepare, if necessary, Board of Directors' Meetings, including without the presence of the CEO or the Chairman. In this case, the Chairman or the CEO shall be previously informed thereof.

Organization and frequency of the Board of Directors' Meetings

The Board of Directors meets whenever necessary but at least four times a year, these meetings being normally convened by its Chairman. Directors representing at least one third of the total number of Board members may also convene the Board at any time, indicating the agenda for the meeting. The CEO, in the event of a separation between the duties of Chairman of the Board of Directors and CEO, may also ask the Chairman to convene the Board of Directors on a specific agenda. Decisions are taken by a majority vote of the members present or represented. In the event of a tie, the Chairman of the meeting does not have a casting vote.

Article 14 of the bylaws and Article 6 of the Board internal regulations allow directors to meet and take part in the Board's deliberations using video-conferencing or telecommunications facilities, or any other means provided for under French law.

They are deemed present using such facilities for calculating the quorum and majority votes, except for the adoption of decisions described in Articles L. 232-1 and L. 233-16 of the French Commercial Code, namely approval of annual financial statements and the management report and approval of Consolidated financial statements and the Group management report. However, at least one quarter of the directors must be physically present in the same location.
The above-mentioned restrictions do not, however, prevent any directors excluded from quorum and majority calculations from taking part in meetings and giving their opinion on an advisory basis.

During fiscal year 2013, the Board of Directors met 12 times and the different Committees held 28 meetings in total, which demonstrates the importance of the work accomplished and the subjects treated. The average attendance rate of directors at the meetings is given in the table below.

Attendance table

Type of meetings	Number of meetings	Average attendance rate
Board of Directors	12	98.08%
Strategic Committee	9	98.15%
Audit, Risk and Sustainable Development Committee	8	100.00%
Governance, Appointment and Compensation Committee	11	95.45%

Activities of the Board of Directors during the fiscal year

The Board of Directors met 12 times in 2013, with an attendance rate of 98.08%.

It is regularly informed about changes in the Group's activities and property holdings, as well as its financial position and cash flow. To this end, the Executive Management presents an overview of the Group's business (landing forecast, rental management, disposals and investments, financing, overheads) at each Board of Directors' Meeting.

During 2013, the Board of Directors drafted the Group's 2012 annual and Consolidated financial statements, the Consolidated financial statements for the period ended June 30, 2013, the financial reporting at March 31 and September 30, 2013, the management forecasts, the press releases as well as the annual and half-year financial reports and the reference document. It also monitored the implementation of the 2013 budget and drafted the budget for fiscal year 2014. It also gave its opinion on the various investment or disposal transactions and particularly the disposal process of the Beaugrenelle shopping center.

In 2013, the Board of Directors met at a strategic seminar organized outside the corporate head office, during which the directors debated in the presence of members of the Executive Committee, about the company's strategic guidelines and changes to its internal organization.

With respect to governance, the Board of Directors has, after reviewing the changes to the company's governance, decided to return to the separation of the duties of Chairman of the Board of Directors from those of CEO. In this framework, and on the advice of the Governance, Appointment and Compensation Committee, it appointed Mr. Philippe Depoux as the CEO on June 3, 2013 and confirmed Mr. Bernard Michel in his position as Chairman of the Board of Directors. The Board of Directors also requested the Governance, Appointment and Compensation Committee to launch the process of hiring a female director to replace Mr. Philippe Donnet, as the latter had expressed his wish to resign from his directorship. The Board of Directors confirmed on this occasion its goal of diversifying its membership in terms of achieving a balanced gender representation as well as reinforcing the international experience of its members. Furthermore, it decided to amend its internal regulations, those of the Committees and the director's charter, in order to take account of the new provisions resulting from the June 2013 revision of the AFEP-MEDEF Code.

With respect to compensation issues, the Board gave its opinion on the various compensation elements of Mr. Bernard Michel, Chairman & CEO then Chairman of the Board of Directors, and Mr. Philippe Depoux, CEO. It also approved the 2013 performance share award plans.

In the same manner as in previous fiscal years, the Board of Directors reviewed the 2012 report on the comparative situation as presented to it by the Human Resources Director and duly noted the company's policy with respect to professional and wage equality.

Furthermore, it created an ad hoc Committee in charge of monitoring developments in the judicial cases/proceedings, reporting to it on a regular basis and if necessary, formulating guidelines for it. Thus, with the assistance of the ad hoc Committee, the Board of Directors continued to monitor and analyze the progress of the judicial proceedings in Spain. In particular, it continued to study developments in the Spanish judicial proceedings following the opening by the Madrid commercial court of bankruptcy proceedings at the request of Alteco Gestión y Promoción de Marcas S.L. and Mag Import S.L., which respectively hold 15.6% and 15.3% of the company's capital. It was also informed of the bankruptcy proceedings of Bami Newco, a company in which the Gecina Group holds 49% of the capital through SIF Espagne, its Spanish subsidiary. Accordingly, it specifically asked Executive Management to appoint a law firm that has no potential conflict of interests with the Bami Newco banks to defend the company's rights in the context of these proceedings.

Furthermore, the Board of Directors examined the situation linked to the Metrovacesa group's announcement about its decision to launch a strategic review of its 26.76% equity interest (at the end of August 2013) in the company, which could potentially result in a disposal of this interest. The Board of Directors therefore decided to create an ad hoc Committee in charge of monitoring this review, and if necessary, drafting guidelines for it.

Lastly, the Board of Directors noted the capital increase resulting from subscriptions by members of the Group's savings plan and performance share plans and stock options. It also renewed the authorization given to the Chairman & CEO and then to the newly-appointed CEO to grant deposits, endorsements and guarantees on behalf of the company within the limits recalled above.

Board of Directors' Committees

To ensure the quality of work of Gecina's Board of Directors and help it in the exercise of its responsibilities, three specialized Committees comprising representatives of the principal shareholders and independent directors were established by the Board of Directors:
- the Strategic Committee,
- the Audit, Risk and Sustainable Development Committee, and
- the Governance, Appointment and Compensation Committee.

The internal regulations of each of these Committees specify their operating principles and roles.
Furthermore, in 2013, the Board of Directors created two ad hoc Committees tasked with providing guidance on certain subjects and efficiently contributing to the preparation of its decisions:
- the ad hoc Committee in charge of monitoring the progress of ongoing judicial cases/proceedings, and
- the ad hoc Committee in charge of monitoring the Metrovacesa's strategic review of its equity interest in Gecina.

The Committees systematically submit an executive summary of their findings to the Board of Directors.

Strategic Committee

Structure

The members of the Strategic Committee are appointed by the Board of Directors which sets their term of office and may dismiss one or more members at any time.

As at December 31, 2013, the Strategic Committee was made up of six directors: Mr. Bernard Michel, Ms. Victoria Soler, Ms. Helena Rivero, Mr. Sixto Jimenez, Predica, represented by Mr. Jean-Jacques Duchamp and Metrovacesa, represented by Mr. Carlos Garcia. It is chaired by Mr. Bernard Michel, Chairman of the Board of Directors.

It must be noted that the Board Meeting of January 30, 2013 decided to replace Mr. Nicolas Diaz by Mr. Sixto Jimenez as member of this Committee.

Role

The Strategic Committee gives its opinions and recommendations to the Board of Directors on the definition of the company's strategy as proposed by the Executive Management, on the implementation of this strategy, on major projects, on investments and on their impact on the financial statements. It oversees the maintenance of key financial balances.

Its specific tasks include:
- reviewing the strategic projects presented by the Executive Management with their economic and financial consequences (budget, financing structure, cash flow forecasts in particular);
- providing guidance to the Board through its analyses of the strategic plans submitted by the Executive Management, on developments and the progress of ongoing significant transactions;
- examining information on market trends, reviewing the competition and the resulting medium- and long-term outlook;
- examining the company's long-term development projects specifically with respect to external growth, especially concerning acquisitions or divestments of subsidiaries, equity interests, real estate assets or other important assets, in investment or divestment as well as financial transactions likely to have a material impact on the balance sheet structure.

More generally, it gives an opinion on any subject that falls within the scope of matters referred to its attention or likely to be referred to its attention.

The Committee may ask any expert of its choosing for assistance in its tasks, at the expense of the company. Should that happen, the Committee ensures the objectivity of the said expert.

Work accomplished in 2013

The Strategic Committee met nine times in 2013, with an attendance rate of 98.15%.

During these meetings, the Committee particularly focused on the execution of the 2013 budget and proceeded to the review of the 2014 budget. It expressed its opinion on the asset acquisitions and disposals projects presented by Executive Management, after a thorough review of their economic, financial and strategic consequences. Furthermore, it continued to study the financing and hedging policy, the dividend distribution policy as well as the stock market price trend. It was also asked to examine the company's shareholding situation, particularly following the announcement by Metrovacesa of its decision to launch a strategic review of its 26.76% equity interest (at the end of August 2013) in Gecina.

In connection with its works, the Committee received presentations of studies by external experts on the property market trends and the economic environment.

Audit, Risk and Sustainable Development Committee

The Committee operates and performs its tasks in accordance with Articles L. 823-19 and L. 823-20 of the French Commercial Code (transposing the European Community Directive of May 17, 2006), with the AFEP-MEDEF Code, with the works of the IFA and the IFACI, and specifically follows the works of the EPRA.

Structure

The members of the Audit, Risk and Sustainable Development Committee are appointed by the Board which sets their term of office duly noted that a member may not sit for more than six consecutive years on that Committee, unless there is a break of at least two consecutive years.

As at December 31, 2013, the Committee comprised five directors, of whom three independent directors: Mr. Jacques-Yves Nicol, Ms. Inès Reinmann Toper, Ms. Helena Rivero, Mr. Sixto Jimenez and Predica, represented by Mr. Jean-Jacques Duchamp. It is chaired by Mr. Jacques-Yves Nicol, independent director, who has the casting vote in case of a tie. There is no executive corporate officer on this Committee.

As the Committee comprises five members, independent directors represent 60% of its members (compared to 66% according to the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. It is also justified by the casting vote in case of a tie granted to the chairman of the Committee, who is an independent director.

Most of the members of the Audit, Risk and Sustainable Development Committee have specific qualifications in financial or accounting issues, as detailed in paragraph 5.1.2.4. Mr. Jacques-Yves Nicol, Chairman of the Committee, is a member of the Club des Présidents de comité d'audit of the Institut Français des Administrateurs (a club for Presidents of audit committees).

Role

The Committee gives the Board of Directors its opinions and recommendations on:

- the financial reporting preparation process;
- the review of Individual and Consolidated financial statements and financial reporting;
- the review of the budget and business plans;
- the process for appointing statutory auditors, reviewing their fees, monitoring their independence and the performance of their legal audit engagement with respect to the annual and Consolidated financial statements;
- the process for appointing appraisal experts and the performance of their engagement;
- the financial policy and financing plans;
- the risk control and internal control summaries and their effectiveness;
- the operation and assignments of Internal audit;
- the quality management and CSR strategy.

The Committee may ask any expert of its choosing for assistance in its tasks, at the expense of the company, paid out of the budget. Should this happen, the Committee ensures the objectiveness, competence and independence of the said expert.

Work accomplished in 2013

The Audit, Risk and Sustainable Development Committee met eight times in 2013, with an attendance rate of 100%.

At these meetings, the Committee mainly examined the results of the property holdings appraisals of December 31, 2012 and June 30, 2013, the annual and Consolidated financial statements for fiscal year 2012 and the Consolidated financial statements of June 30, 2013, financial reporting of March 31 and September 30, 2013 and the situation of financing and hedging plans. On these occasions, it examined the clarity and reliability of the information communicated to shareholders and to the market by reviewing the draft press releases. It studied the annual report, the Chairman's report on governance and internal control as well as CSR report.

It also reviewed rental, legislative, and financial risks in addition to risks linked to sustainable development. Furthermore, it continued reviewing the assets, the insurance program and litigations/disputes and related provisions. It examined the work plan and internal audit reports and the financing, hedging and banking relations plan. It also examined the company's situation in light of the commitments and guarantees taken in Spain. Internal audit also submitted a presentation on its review of off-balance-sheet commitments and on risk mapping at these meetings.

Furthermore, the Committee met with the Finance Department and the Statutory Auditors and reviewed the budget for the Statutory Auditors. The Statutory Auditors systematically participate in the Committee's works especially regarding the various presentations of financial statements. The Committee has a minimum deadline of two days before the Board of Directors reviews the financial statements.

It must be noted that the Committee's meetings were preceded by preparatory works, especially on issues related to financial risks, provisions and litigations, legislative risks and sustainable development. The Audit, Risk and Sustainable Development Committee systematically submits an executive summary of its findings to the Board of Directors.

Governance, Appointment and Compensation Committee

Structure

The members of the Governance, Appointment and Compensation Committee are appointed by the Board of Directors which sets their term of office and may dismiss one or more members at any time.

As at December 31, 2013, the Committee comprised four directors, of whom two independent directors: Ms. Inès Reinmann Toper, Mr. Vicente Fons, Mr. Rafael Gonzalez de la Cueva and Mr. Antonio Trueba. It is chaired by Ms. Inès Reinmann Toper, independent director, who has the casting vote in case of a tie.

It must be noted that the Board of Directors' Meeting of March 26, 2013 decided to replace Ms. Victoria Soler by Mr. Vicente Fons and that the Board of Directors' Meeting of October 22, 2013 decided to replace Mr. Philippe Donnet by Ms. Inès Reinmann Toper as member and Chairman of the Committee.

Half of the Committee members are independent directors (contrary to the majority required by the AFEP-MEDEF Code). This structure is justified by the company's shareholding organization and the expertise of the Committee's members. It is also justified by the casting vote in case of a tie granted to the chairman of the Committee, who is an independent director.

Role

The role of this Committee is to inform, train and advise:
- it reviews the operation of the Board of Directors and the Board's Committees and makes proposals to improve corporate governance. It leads discussions on the Committees in charge of preparing the Board of Directors' work. It supervises the Board of Directors' assessment procedure;
- it examines the structure of the company's executive bodies. It prepares a succession plan for corporate officers and directors;
- it makes proposals to the Board of Directors on all aspects of officers' compensation.

The Committee may invite managers and executives of the company and its subsidiaries, statutory auditors and more generally, any person who may be of assistance in achieving its goals, to its meetings.

The Committee may ask any expert of its choosing for assistance in its tasks, at the expense of the company. Should that happen, the Committee ensures the objectivity of the said expert.

Work accomplished in 2013

The Governance, Appointment and Compensation Committee met 11 times in 2013, with an attendance rate of 95.45%.

At these meetings, the Committee addressed various issues related to governance, appointment and compensation.

With respect to governance and appointments, as requested by the Board of Directors, the Committee has continued to implement the Executive Management succession plan. Accordingly, it studied the applications of potential candidates and recommended to the Board of Directors, the appointment of Mr. Philippe Depoux as the Chief Executive Officer. The Committee also studied applications to the position of director in replacement of Mr. Philippe Donnet who had announced his intention of terminating his Gecina directorship. On this occasion, the Committee paid special attention to diversifying the composition of the Board of Directors in terms of a balanced gender representation and international experience.

On compensation issues, the Committee specifically examined the compensation for Mr. Bernard Michel, Chairman and CEO, then Chairman of the Board of Directors, and for Mr. Philippe Depoux, CEO, and the application of the performance conditions, as well as the set-up of the 2013 performance share award plans. It also reviewed the draft statements on the compensation elements of executive corporate officers which must, in accordance with the AFEP-MEDEF code, be disclosed publicly immediately after the Board of Directors' Meeting that decided on said compensations.

It also supervised the work to assess the Board of Directors and gave its opinion on the directors who could be considered as independent. Furthermore, it familiarized itself with the company's human resource policy and monitored its policy with respect to professional gender equality.

In 2013, Mr. Bernard Michel, Chairman & CEO until June 3, 2013 and Chairman of the Board as from this date, was invited to certain Committee meetings when the agenda specifically concerned the company's succession plan and the appointment of directors.

Ad hoc Committee in charge of monitoring developments in ongoing judicial cases/proceedings

Creation date and structure

The Committee was created by the Board of Directors at its meeting of March 26, 2013 and comprises four directors, two of whom are independent: Mr. Sixto Jimenez, Mr. Bernard Michel, Mr. Jacques-Yves Nicol and Predica, represented by Mr. Jean-Jacques Duchamp; it is chaired by Mr. Bernard Michel, Chairman of the Board of Directors.

Role

The Committee is tasked with monitoring the progress of the judicial cases/proceedings that may present a conflict of interests with certain shareholders, reporting regularly to the Board of Directors about its findings and making recommendations to the Board of Directors.

As part of its duties, the Committee met six times in 2013. It specifically conducted analysis of the different court decisions linked to the judicial proceedings in Spain as described in this reference document and made recommendations on the positions adopted by the company.

Ad hoc Committee in charge of monitoring the strategic thinking of Metrovacesa concerning its equity interest in Gecina

Creation date and structure

The Committee was created by the Board of Directors at its meeting of September 30, 2013 and comprises the Chairman of the Board of Directors and independent directors who have not potential conflict of interests: Mr. Bernard Michel, Ms. Inès Reinmann Toper, Mr. Philippe Donnet, Mr. Rafael Gonzalez de la Cueva and Mr. Jacques-Yves Nicol. It is chaired by Mr. Bernard Michel, Chairman of the Board of Directors.

Role

The Committee is tasked with monitoring the strategic thinking of Metrovacesa regarding its equity interests in Gecina, reporting regularly to the Board of Directors about its findings and making recommendations to the Board of Directors.

As part of its duties, the Committee met twice in 2013. In particular, it analyzed developments in Metrovacesa's strategic review of its equity interests in Gecina.

Evaluation of the Board of Directors' work

The rules for evaluating the Board of Directors' work are defined in its internal regulations (Art. 7):
- annual discussion of its operating principles and those of its Committees;
- potential discussion once a year, excluding corporate officers and chaired by the Chairman of the Governance, Appointment and Compensation Committee, relative to the quality of the company's management, its relations with the Board of Directors and the recommendations that it would like to make to management;
- every three years, evaluation of its members, organization and operating principles. This evaluation is primarily aimed at checking that important issues are suitably prepared and discussed by the Board of Directors.

At the Board of Directors' Meeting of April 17, 2013, the annual evaluation of the Board of Directors for 2012, conducted with the assistance of the Spencer Stuart firm, revealed that the majority of directors considered that governance quality had improved and transparency had been enhanced. The points of satisfaction stressed included the relevance of agendas, presentations made by the Chairman of the Board of Directors and the conduct of meetings by the latter as well as the quality of information regarding strategy, financial performance, internal operation, risks and financial communication. The Directors also praised the efficiency of the Committees and of the Board Secretariat.

Some directors also expressed a wish to see improvements in the following areas: continued efforts to raise the proportion of independent directors and the number of female directors, the adoption of an annual frequency for the Board of Directors strategic seminar, earlier receipt of the documentation for Board and Committee meetings, stronger compliance with the confidentiality of Board debates as well as a more thorough treatment by the Board of the Group's major disputes and litigations.

It must be noted that following the improvement wishes expressed by the evaluation for 2011, some actions were undertaken, such as the inclusion of an executive summary on the key subjects of each document distributed to Board and Committee members, obtaining detailed minutes of Committee meetings, interaction and coordination between the Committee Presidents and the annual organization of a Board of Directors strategic seminar.

The Board Meeting of December 13, 2013 launched the annual procedure for assessing the Board of Directors' work for fiscal year 2013.

It is specified that in this context, the Board of Directors considered that measuring the actual contribution of each director as recommended by the AFEP-MEDEF Code would not be compatible with the collegial nature of the Board of Directors. Each director participates actively in the Board's work through numerous, regular interventions. The attendance rate of directors to Board and Committee meetings is very high.

5.1.5. CONFLICTS OF INTEREST AMONG THE ADMINISTRATIVE, MANAGEMENT AND EXECUTIVE OFFICERS

In October 2012, Mag Import, SL (controlled by Ms. Victoria Soler, member of the Gecina Board of Directors, and in which she holds corporate office) requested the opening of bankruptcy proceedings from the Madrid commercial court. These proceedings were accepted by the Spanish court.

In performance of an order from the Presiding judge of the Paris Commercial Court on April 23, 2013, Gecina paid to the Caisse des Dépôts et Consignations the dividends attached to the Gecina shares held by Mag Import. By a decision handed down on June 14, 2013, the Presiding judge of the Paris commercial court ordered that the dividends attached to the Gecina shares held by Mag Import should be maintained at the Caisse des Dépôts et Consignations until an enforceable decision is taken in France. In July 2013, the company Mag Import and its Court-appointed receiver submitted a petition for summary judgment to the Paris Commercial Court seeking an order for the immediate transfer of the dividends blocked with the Caisse des Dépôts et Consignations, to an account opened with the Madrid Commercial Court. The Paris Commercial Court declared itself incompetent and stepped down for the Paris Appeal Court, which was in fact processing counter appeals against the aforesaid sentence of June 14, 2013 in particular.

Furthermore, Bami Newco, a company in which the Gecina Group holds through its subsidiary SIF Espagne 49% of the capital, and of which Ms. Victoria Soler and Ms. Helena Rivero as well as Alteco Gestión y Promoción de Marcas (company belonging to Mr. Joaquin Rivero's Group) and Mr. Vicente Fons are directors, requested in June 2013 the opening of bankruptcy proceedings in front of the Spanish courts. These proceedings were accepted by the Spanish court.

In the context of the monitoring of the ongoing judicial proceedings, the Board of Directors has decided to create an ad hoc Committee to the Board of Directors comprised of Mr. Bernard Michel, Chairman, Messrs. Sixto Jimenez and Jacques-Yves Nicol, and Predica, represented by Mr. Jean-Jacques Duchamp.

To Gecina's knowledge, subject, where appropriate, to the disclosures mentioned in the previous paragraphs:

- no member of the Board of Directors has been convicted of fraud in the last five years;
- none of its members has been party to bankruptcy or placed in receivership or liquidation in a managerial position in the last five years and no one has been under arraignment and/or been the object of official public sanction levied by a statutory or regulatory authority;
- none of these members has been prohibited by a court from serving as a member of an administrative, executive, or supervisory body of an issuer or from being involved in the management of an issuer during the last five years.

To Gecina's knowledge (i) there exists no arrangement or agreement concluded with the principal shareholders, customers, suppliers, or others based on which one of the directors has been chosen, (ii) there exists no restriction, other than those, if any, mentioned in paragraph 6.2.1, accepted by the corporate officers concerning the transfer after a certain lapse of time of their equity shares, (iii) there exist no service contracts linking members of executive bodies to Gecina or any of its subsidiaries providing for benefits after the expiry of such a contract.

To the company's knowledge there is no other family link among (i) members of the Board of Directors, (ii) corporate officers and the company (iii) between the persons referred to under (i) and (ii) with the exception of the relationships below: Ms. Victoria Soler is the wife of Mr. Vicente Fons and Ms. Helena Rivero is the daughter of Mr. Joaquín Rivero, involved in various judicial proceedings to which Gecina is a party.

5.1.6. REGULATED AGREEMENTS

Agreements and commitments authorized during the year

The Board of Directors of April 17, 2013 defined the conditions for severance pay in the event of the termination of the duties of CEO of Mr. Philippe Depoux. These conditions can be summarized as follows:

- In case of termination of the functions of CEO, following a forced departure due to a change in control or strategy, Mr. Philippe Depoux would receive a severance pay with a maximum amount calculated as indicated hereinafter:
  - **In office for less than one year**: severance pay of six months maximum of the total gross compensation for his functions as CEO (fixed and variable);
  - **In office between one and two years**: severance pay of 100% maximum of the total gross compensation for his functions as CEO (fixed and variable) for the previous calendar year;
  - **In office for more than two years:** severance pay of 200% maximum of the total gross compensation for his functions as CEO (fixed and variable) for the previous calendar year.

Performance criteria

Performance criteria if in office for less than one year

100% of the severance pay will be paid if the net recurring income for the year closed as at the last quarter (Q) preceding the departure exceeds the net recurring income provided for in the budget. The comparison of recurring income will take into account changes to property holdings during the period under review.

Performance criteria	Severance pay
Net recurring income quarter Q excluding fair value adjustments > budget for the year	100%
Net recurring income quarter Q excluding fair value adjustments < 4% budget for the year	80%
Net recurring income quarter Q excluding fair value adjustments < 8% budget for the year	50%
Net recurring income quarter Q excluding fair value adjustments < 12% budget for the year	No severance pay

Performance criteria if in office for more than one year

100% of the severance pay will be paid if the net recurring income of the last year (N) ended before the termination of duties exceeds the average recurring income of the two previous years (N-1 and N-2) prior to the termination of his duties. The comparison of recurring incomes will be made by taking account of changes to the property-holding structure during the years under review.

Performance criteria	Severance pay
Recurring income year N (excluding fair value adjustments) > average recurring income of years (N-1 + N-2)	100%
Recurring income year N (excluding fair value adjustments) < 4% of the average recurring income (N-1 + N-2)	80%
Recurring income year N (excluding fair value adjustments) < 8% of the average recurring income (N-1 + N-2)	50%
Recurring income year N (excluding fair value adjustments) < 12% of the average recurring income (N-1 + N-2)	No severance pay

It is the duty of the Board of Directors to check that these performance criteria are achieved, with the understanding that the Board of Directors may consider exceptional items that occurred during the year. Should the position of Mr. Philippe Depoux as CEO be terminated before the completion of two fiscal years, it would be impossible to assess the performance conditions over two fiscal years at least as recommended by the AFEP-MEDEF code amended in June 2013. Whatever the case may be, as indicated above, the maximum amount of the severance pay will depend on the number of years in office as CEO.

Agreements and commitments approved in prior years, which remained in force during the fiscal year

The Board of Directors of March 22, 2010 authorized the company to issue a first call guarantee in favor of the Euro Hypo bank for €20.14 million, which represents a counter-guarantee to the guarantee granted by SIF Espagne on June 24, 2009 (in connection with the restructuring of the funding for its 49% equity interest in Bami Newco SA) and which replaces the comfort letter signed on April 29, 2009 by Gecina to cover its subsidiary's liabilities. The decision to maintain this guarantee was confirmed on January 4, 2012 in connection with the renegotiation by Bami Newco SA of certain parts of its debt financing and hedging. In 2013, the guarantees of SIF Espagne and Gecina were called up and Gecina proceeded to the payment of €20.14 million on November 14, 2013 thereby terminating the first call guarantee and fully discharging SIF Espagne of its obligations.

The Board of Directors of October 4, 2011 authorized the signature of a transaction with Mr. Christophe Clamageran, following the termination of his duties as CEO of the company.

This transaction remained effective in 2013 on the point below:

- the right of Mr. Christophe Clamageran to retain the benefit of the stock-options awarded to him at the Board Meetings of March 22, 2010 and December 9, 2010, as the Board of Directors has waived for Mr. Christophe Clamageran the presence condition specified in the plan regulations governing these awards, while the other settlement procedures of the said plans remain unchanged.

The Board of Directors of September 28, 2011 authorized the contribution in kind by Gecina to GEC 8 of a plot of land, valued at €1,369,500, located at 3-9 rue de Villafranca, in Paris, 15th arrondissement.

The Board of Directors of September 30, 2013 decided that this contribution in kind would not be carried out and that the plot would be the object of a disposal to GEC 8 concluded in an arm's-length transaction and therefore does not fall within the scope of texts on regulated agreements. Consequently, the initially-planned contribution agreement will not be signed.

The Board of Directors of December 14, 2011 defined the severance pay in the event of the termination of the duties of Chairman and CEO of Mr. Bernard Michel. The details of these conditions are presented in 5.2.1. ("Compensations and benefits granted to executive corporate officers") of this report.
This agreement ended on June 3, 2013 when Mr. Bernard Michel was replaced in his position of CEO by Mr. Philippe Depoux. Having been confirmed in his duties as Chairman of the Board of Directors, Mr. Bernard Michel did not receive any compensation as a result of the termination of his duties as CEO.

No other agreements were concluded or continued in 2013.

5.1.7. SPECIAL CONDITIONS GOVERNING THE ATTENDANCE OF SHAREHOLDERS AT GENERAL MEETINGS

The conditions governing shareholders' attendance at General Meetings are specified in Article 20 of the bylaws and are restated in section 9.3 of the reference document, in the Chapter on Legal Information.

5.1.8. INFORMATION ABOUT THE CAPITAL STRUCTURE AND FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID FOR THE COMPANY

They are described in the Chapter "Comments on the year" in section 2.2. "Financial resources" and in the paragraph 6.3.3.

5.1.9. INTERNAL CONTROL AND RISK MANAGEMENT

For this description and for the implementation of its systems, Gecina draws on the general principles proposed in the "Risk management and internal control systems framework", updated in July 2010 by the AMF workgroup. It is however recalled that these systems, like all internal control or risk management systems, cannot provide an absolute guarantee of meeting the company's targets.

5.1.9.1. RISK MANAGEMENT SYSTEM

Gecina's current risk management system is described in paragraph 6 of Chapter 1 "Risks". It aims to:
- create and protect the company's value, assets and reputation;
- secure decision-making and the company's procedures to ensure that it meets its targets;
- ensure that the company's actions are in line with its values;
- galvanize employees around a shared vision of the main risks.

Risk identification, analysis and management systems are implemented by the "Building Risks" department with respect to risks linked to the safety and environment of properties, and by Internal audit with respect to general risks. The treatment of risks falls under the responsibility of the various Group Departments, depending on the nature of the risks. Risk management was strengthened in 2013 with the creation of a "Risks & Compliance" function within the Internal Audit Department. The main tasks of this new function entails implementing and monitoring the risk management and risk mapping policy, in addition to permanent control and compliance oversight in the company.

Risk management works are monitored by the Audit, Risk and Sustainable Development Committee.

Paragraph 6 of Chapter 1 "Risks" features a summary table of the main general risk factors (operational) and the corresponding control mechanisms.

5.1.9.2. INTERNAL CONTROL SYSTEM

Gecina's current internal control system comprises a set of resources, behaviors, procedures and activities aimed at ensuring that:
- management decisions or operations are carried out within the framework defined for the company's activities by corporate bodies, in accordance with applicable laws and regulations and subject to the company's internal rules;
- assets are protected, and more generally, any risks resulting from the company's activities are prevented and effectively managed;
- accounting, financial and management information faithfully reflects the company's activities and position.

It is thus recalled that the scope of internal control is not limited to procedures or to accounting and financial processes alone.

Company management and organization

Company management

At its meeting of April 17, 2013 and upon the recommendation of the Governance, Appointment and Compensation Committee, the Board of Directors decided, with effect from June 3, 2013, to split the duties of Chairman of the Board of Directors from those of CEO. It therefore decided to appoint Mr. Philippe Depoux to the office of CEO for an indefinite period and confirm Mr. Bernard Michel in his position as Chairman of the Board of Directors for a term that may not exceed that of his directorship, namely until the end of the Shareholders' General Meeting convened to approve the financial statements for the year ended on December 31, 2013.

The separation of duties as adopted by the Board of Directors appeared to be the most suitable form of governance for the company's activity, as it helps to strengthen the strategic and control functions at the same time as its operational functions. In fact, it should also strengthen governance and allow a better balancing of powers between the Board of Directors on one hand, and the CEO on the other hand.

In the context of the return to the separation of functions, the Board of Directors has decided, as an internal order policy and in accordance with the provisions of Article 4.1.2. of its internal regulation, to set limits to the powers of the CEO comparable to the limits that existed previously. These limitations are described in paragraph 5.1.3.

Company organization

In 2013, Gecina's organization, which reflects the changes in strategy, remained hinged around the principles below:

- organization by operational business divisions: a demographic division comprising within the same Department, residential, student's residential and healthcare businesses, and an economic division comprising within the Commercial Real Estate Department, the commercial real estate and hotels (sold at the end of the first half-year of 2013) businesses. These Operational Departments are autonomous and encompass the trading, development, rental management and marketing functions; it should also be noted that a coordination mission was conducted in 2013 under the authority of the CEO in order to strengthen the asset-management functions;
- a cross-functional principle applied to certain key functions integrated into the Operational Departments: the Architecture and Construction and Marketing functions also play a cross-functional role by working for all business lines;
- a Corporate Social Responsibility Department, reporting to the General Secretariat, dedicated to the preparation and implementation of the action plan relating to Gecina's CSR policy in coordination with the Operational Departments (implemented, specifically, the PRIME project, an acronym for Property Responsible Innovation Management Environment).

Gecina's operational structure for residential and commercial real estate activities is also based on setting up property management entities combining properties per region which are organized into profit centers and cover all required property management functions (i.e. customer relations as well as administrative, technical and accounting management). This integrated property-based organization makes it possible to define responsibilities more closely and increase responsiveness to events.

For the commercial real estate business, the office rental and technical management business is attached to Gecina Management, a specialized structure.

Corporate functions were also be strengthened in 2013, with the functions of Corporate Communication and Corporate Legal reporting to the Executive Management.

The General Secretariat includes the aforementioned "Corporate Social Responsibility" function, the Human Resources, Legal, Information Systems and Internal Communications functions, as well as the Gecina Foundation.

The Finance Department has a traditional organization specific to finance. A central Strategic Research function, created in 2013 within the Finance Department, seeks to better centralize and harmonize the analysis of markets and macroeconomic data, prepare diagnostics or benchmarks on the different markets of the property sector or conduct studies on specific subjects for the Executive Management and Operational Departments.

Lastly, the "Financial Communication" department, which reports to the Finance Department, manages the Group's financial and extra-financial communication in accordance with the obligations of the French financial markets authority (AMF).

In 2014, the Group will shift from an organization based on asset types to an organization based on business lines, in order to enhance the value of property holdings and promote cross-functionality and versatility. The target organization will be organized as follows:

- an organization based on business lines structured around three departments: an "Investments and Transactions" department, responsible for guiding disposal and investment processes; a "Property Holdings" department in charge of the property management of property holdings including the technical management as well as the Architecture and Construction function, and an "Asset Management" department that will be responsible for preparing business plans for each building, guiding the turnover of property holdings and managing major accounts;
- cross-functional departments: "Finance", "General Secretariat," "Corporate Social Responsibility," as well as a "Marketing and Communication" department newly created in 2014;
- "Corporate Functions" (Board Secretariat, Corporate Legal, Internal audit and Risks and Compliance).

Executive Committee Structure

The Gecina group's executive structure comprises:

- an Executive Committee, which brings together around the CEO, the heads of the principal Departments. The Executive Committee sets goals, guidelines for strategic projects, decides on priorities and the necessary resources and ensures the implementation of decisions taken. This Committee meets once a week;
- a Management Committee that comprises all the members of the Executive Committee, including representatives of key functions in the company. The Management Committee implements all the Group's projects, guides business operations and monitors the key performance indicators. It meets once a month.

The Group Executive and Management Committees are supported by special Committees tasked with gathering information, expressing opinions and monitoring operations in their specific areas of concern. The special Committees include the Investments and Transactions Committee, which meets to review ongoing acquisition or disposal projects presented by the Operational Departments. The role of the CSR steering committee, which meets once a month, is to anticipate the pillars on which Gecina must build its approach, define the objectives and related action plans, ensure compliance with the CSR strategy and organize theme-specific committees. In 2014, the CSR steering will evolve in connection with the new organization (see Chapter 7.1.4.1.).

Lastly, communication between the Executive Management and the entire Group is handled by a specific Committee for managers, which meets regularly and represents a venue for information and sharing.

Group organization

The Group consists of the parent company and the subsidiaries included in the consolidation. Group management is organized centrally with common teams and departments applying the same methods and procedures for all companies.

Definition of responsibilities and powers

The responsibilities assigned to employees are formalized in job descriptions and delegations of authority in line with the Group's management procedures. In addition, detailed organization charts are freely available through various internal communications systems. Organization charts and delegations of powers are updated to reflect changes in the Group's organization.

Human Resources management

The Group's employees are recruited in accordance with specific rules and guidelines, including approval of the profile for the job, various tests and interviews, and, if relevant, checking of candidates' references. The decisions taken are subject to review by various parties. Vacancies are posted online on the company's website and on other job websites. Depending on job profiles, the Group may, if necessary, call on leading external recruitment firms.

All members of staff are subject to annual performance reviews conducted by the Human Resources Department and used as a basis for career management and internal job transfers. Training courses, requested at these reviews, may be taken into account, either as part of the employees' entitlement to training (DIF) or in addition to annual training plans.

This year, in the continuity of the commitments taken by this Group, signatory of the Diversity Charter, the Executive Management signed with Agefiph an agreement to promote the employment of people with disabilities. The Human Resources Department materializes its commitments by organizing several courses aimed at providing management with the legal, regulatory or managerial knowledge required in human relations and in managing the company's human resources. The main courses included: "Cursus management and managerial attitudes", "Acting for diversity and preventing discriminations", "Raising awareness of disability". Furthermore, all new Group employees attend an induction seminar.

In its efforts to improve the prevention and management of psychosocial risks, the CHSCT (a Safety and Working Conditions Committee) commissioned an external audit on this topic. An ad hoc Committee composed of members of the CHSCT, of the management, and operational employees was created to examine and ensure that the recommendations from the audit are properly implemented and followed. The first measures were taken during the last quarter.

Furthermore, as part of the Human Resources Department's process management, special attention is paid to the implementation and monitoring of "Contrats de Génération" agreements for older employees, "Prospective management of jobs and skills," "Gender equality" agreements, in addition to compliance with the diversity charter signed by the company.

Information systems

The Group's information system comprises a property management applications base interfaced between them and towards accounting, financial, HR and decision-making systems. It further includes different digital communication means: messaging, internet telephony, intranet, corporate social network. Business applications are developed on the basis of user requirements and tailored to suit each business line. In addition to the specific documentation for these tools and their architecture, they are also covered by corrective and scalable maintenance resources.

The various systems are protected by a series of tools and procedures, notably including access right management rules, logical security applications and formalized procedures for regularly backing up data.

Two back-ups are performed and kept with a specialized service provider.

IT facilities are centralized in a protected room with secure access.

Their operating performance is specifically guaranteed through the virtualization of nearly 80% of servers.

Business recovery is guaranteed through a formalized back plan tested annually with the participation of users. In addition, a back-up contract with an external service provider guarantees the company's business continuity should its information systems become unavailable following a major disaster.

Management procedures

The management procedures of the Group comprise best practices that promote higher operating security by positioning the required controls. They are accessible through internal IT communication systems. The coordination and support required for changes to standard procedures are provided by Internal audit.

Ethical charter

The internal regulations and procedures were completed in 2012 through the circulation of the Group's ethical charter

(ratified by the Board of Directors on December 14, 2011). It focuses on eight issues:
- compliance with regulations;
- the Group's commitments;
- responsibility towards the environment;
- work conduct;
- ethical management of businesses;
- confidentiality;
- stock exchange compliance;
- whistle-blowing rights.

Each employee is asked to follow and ensure that others follow the charter at all times and will show flawless conduct in all circumstances.

A practical guide was distributed to all employees. In 2012, 75% of employees attended four information sessions led by the Executive Management. Similarly, since 2013, any new Gecina employee receives the ethical charter during the induction seminar.

The charter was published on the Group's website and made accessible to the public.

In the event of a query in relation to an operation or doubt about a specific situation, employees may report directly, using a special email address, to the Manager in charge of the Compliance, who shall decide on the appropriate follow-up to the reported problem. The entire whistle-blowing system set up by the Group guarantees confidentiality for the employee.

Anti-money laundering and terrorism financing

This year, the Group strengthened its anti-money laundering and terrorism financing system by implementing a new risks identification and management procedure and tools for Operational Departments. The deployment of this new procedure will continue in 2014 through training and awareness-raising initiatives.

CSR and Quality indicators

Gecina implements an ambitious CSR policy. To measure performance, Gecina has developed tools for measuring CSR performance and quality based on a scorecard of indicators structured according to the different priorities of the CSR policy. These scorecards are scalable and were largely based on existing international reporting standards *(Global Reporting Initiative G4, Carbon Disclosure Project, European Platform of Regulatory Authorities…)*, and regulatory texts (article 225 of the so-called "Grenelle 2" No. 2010-758 of July 12, 2010…) and industry recommendations (France GBC CSR reporting guide). They rely on the Group's CSR strategy and goals, and result from a review process with all Departments. The indicators allow the long-term guidance of projects and the Group's CSR performance. They help to improve control over operational and environmental risks and are regularly presented by the functions in charge to the members of the Audit, Risk and Sustainable Development Committee.

Conditions for the internal distribution of relevant information

The internal procedures for communicating relevant, reliable and timely information to relevant stakeholders are based primarily on the "business" and "finance" production applications.

These provide their users with the tracking reports and consultation modules required to perform their functions.

On a second level, decision-support IT based on the Group's data warehouse and analysis systems makes it possible to prepare the various reports and records required to control budgets and to oversee activities.

Furthermore, collaborative tools such as the intranet, email and the internet ensure rapid access and sharing of information. In 2013, the tools were enhanced to include a system of blogs and a corporate social network.

Specifically, the intranet system makes it possible to share organization charts, Group procedures, documentation, archives, and relevant information on properties.

Shared network spaces and intranet communities also facilitate the distribution of control reports or templates between the Departments.

A secure access from remote devices (roaming), to the network or to web-based applications, has been set up for the functions that need them.

Risk management

Gecina's internal control system relies on the risk management system to identify the major risks requiring the introduction of controls. Gecina's current risk management system is described in paragraph 5.1.9.1. and described in paragraph 6 of Chapter 1, "Risks."

Control activities

Internal control procedures, intended to manage the risks associated with the company's operations, are described here via four major procedures: valuation of property holdings, rental management, production and processing of accounting and financial information, and shared functions.

Valuation of property holdings

Main risks covered in this process: risks associated with the authorization and monitoring of investments, divestments and construction work, as well as risks involved in building maintenance and security.

Investments

Controlling the risks associated with the authorization of investments (asset portfolios and development projects) requires an acquisition procedure based on a technical, legal and financial analysis of risk. This procedure is performed by the Operational Departments involved in each business line while drawing on various support functions, especially the Legal and Finance Departments. It also incorporates support from external advisors (e.g. lawyers, notaries, tax experts, auditors, etc.) and real estate appraisers.

All the investment projects proposed by the Operational Departments are approved by the Investments and Transactions Committee, specifically comprising the CEO, Operational Directors and a number of Directors of support functions. This Committee meets whenever necessary and always during each significant stage of any investment process. In addition, the investment cases presented to the Committee are formulated in accordance with specific and formalized rules and criteria. Lastly, in view of the restrictions on the CEO's powers established by Gecina's Board of Directors, the investment projects are also reviewed by the Board, on the advice of the Strategic Committee, especially when the amounts involved:

- exceed €300 million, or concern speculative real estate development projects exceeding €30 million (property development projects not initially marketed), for investments included in the annual budget and the Group's approved strategic business plan;
- exceed €50 million, or concern speculative real estate projects (no limit on the amount), for investments that are neither included in the annual budget nor in the Group's approved strategic business plan.

In the context of the group's investment strategy, specifically for the healthcare sector, risk reduction is optimized through a diversification policy for lessees, business sectors, products and geographical situations.

Lastly, deeds relating to acquisitions are also secured by involving in-house legal experts, notaries and/or legal advisers.

Divestments

Each Operational Department draws up a divestment plan which is approved annually by Gecina's Board of Directors, on the opinion of the Strategic Committee. This plan, prepared by the Operational Departments involved in each business line, covers hypothetical block or unit-by-unit disposals. The transaction budgets defined in this way are validated by the Management control. The disposal plan, and any disposal project not included in the plan, is subject to the approval of the Investments and Transactions Committee. In the same manner as for investments and considering the restrictions on the CEO's powers defined by Gecina's Board of Directors, disposal projects are also reviewed by Gecina's Board of Directors, on the opinion of the Strategic Committee especially when the amounts involved:

- exceed €50 million for disposals included in the approved annual disposal plan;
- or concern (no limit on the amount) a disposal not included in the approved annual disposal plan.

The implementation of asset disposal transactions is overseen by the Operational Departments, which use support functions and third parties (e.g. sales agents, lawyers, tax specialists, notaries, quantity surveyors, experts, etc.).

The finalization of transactions is then secured through specific procedures required for the preparation of notarial deeds or deeds of conveyance validated by law firms, as appropriate.

Unit-by-unit sales

Unit-by-unit sales of residential properties are handled by a specific department reporting to the Residential Property Department. Within this Department, under the authority of the Director of Sales, asset managers in charge of programs coordinate the internal and external parties (notaries, quantity surveyors, property managers, sales agents, etc.).

Unit-by-unit sales pertaining to any given property are subject to a specific procedure involving the creation of a detailed file covering both legal and technical issues. The units are marketed by teams at Locare, a Gecina subsidiary, or, if necessary, external sales agents. Such sales are carried out strictly in accordance with current regulations, which specifically require tenants to be provided with complete documentation, including information on the preferential conditions and security available to them, as well as the state of the building. In addition to these regulatory requirements, Gecina also endeavors to develop suitable solutions for each individual tenant, mainly through proposals for alternative housing.

Architecture & Construction

The Architecture & Construction department is part of the Commercial Real Estate Department. It provides assistance to all the company's business lines. The Architecture & Construction department monitors development operations by relying on external experts (engineering firms, auditing firms, etc.) and as applicable on project owners' assistance services, while providing advisory services upstream of investment operations. In this context, it ensures the improved management of the different risks linked to construction operations such as obtaining administrative authorizations, compliance with regulatory standards and performance of works.

Security, maintenance and improvement of property holdings

Gecina's Operational Departments are actively engaged in ensuring the security of all properties in its portfolio, as well as the management of any relevant physical property risks. They are explicitly involved in the assessments performed under the supervision of the Building Risk department, and they manage or supervise through their Technical Departments the implementation of preventive or corrective actions chosen in response to the assessments.

In both the commercial and residential real estate sectors, control over spending on work has been strengthened thanks to the existence of work programs drawn up for each property by the Technical Departments concerned. Budgetary monitoring of commitments and actual achievements is subsequently carried out. The cost effectiveness of investment works that result in higher profitability in capital and/or rental income is analyzed for significant commitments or exceeding predefined thresholds.

Risks associated with the authorization of work are also covered by the following procedures:

- rules for approving and listing suppliers;
- suppliers are selected based on a review of estimates submitted for projects valued at under €45,000 excluding VAT and a tender procedure with strictly defined rules for projects over €45,000 excluding VAT;
- work orders and invoices are approved on the basis of authorization limits determined in accordance with the level of responsibility of the employees involved and recorded in the information system;
- specifically relating to residential assets, itemized price lists define standard services for each category of building, and suppliers are required to comply with them. Calls for tenders and certain requests for proposals are also validated by a Commitments Committee.

For the logistics property holdings, building security and work are managed by leading service providers, authorized and supervised by the relevant Operational Department using a range of reporting systems and regular monthly follow-up meetings for this purpose. It is recalled that the entire logistics portfolio was disposed of in the second half of 2012 with the exception of an asset located abroad.

Lastly, operators of healthcare and hotel property holdings continue to be responsible for the management of building security and work, and they provide the Operational Healthcare Department with regular updates. The department concerned then ensures compliance of any work being considered and, if relevant, any project owner assistance contracts. As a reminder, the hotel portfolio was fully disposed of in the first half of 2013.
Certain Capex works in the commercial real estate, healthcare and hotel sectors can be paid by the lessor in return for the renegotiation of rental conditions (lease term, financial conditions).

Rental management

Main risks covered in this process: risks related to the setting of rents, vacancy and the solvency of tenants.

Setting of rents

The risks associated with poorly adapted rent levels are minimized by ongoing efforts to monitor the market and resorting to a second level of control:

- for residential property holdings, rents for new leases are based on a comparison of market rent levels with the regulation on rent control and in-house data (unit features, work undertaken, etc.). The rents set in this way are based on a series of specific criteria and are regularly reviewed throughout the marketing process in joint weekly meetings with Locare teams;
- for commercial real estate assets, rents for premises to be marketed are also set in relation to market data (published prices, statistics, etc.) and, for larger properties, on the basis of a specific market analysis carried out in collaboration with sales teams. The rents and lease conditions set in this way are systematically subject to a hierarchical control process, and are regularly reviewed throughout the marketing process in meetings with the sales teams;
- for all properties in use, leases for renewal are systematically monitored and any proposed new rental conditions are evaluated according to a specific procedure. In cases involving certain large-scale retail outlets, specific-use properties or atypical office units, renewal terms are determined after consulting with a recognized external expert. The renewal of commercial leases is also monitored by a committee on a regular basis. Annual rent reviews are subject to explicit procedures including several levels of prior controls.

Marketing (re-letting)

For commercial real estate, marketing is undertaken by in-house teams specialized in this activity. These teams work with leading external sales agents and/or independent consultants, identified on the basis of their presence and level of performance in the geographic sectors concerned. The marketing of residential properties is systematically entrusted to teams at Locare and, depending on the type of unit, sub-delegated to external agents if necessary.

Students' residential properties are marketed by Campuséa using dedicated internet tools. Seasonal price grids are set by the person in charge of students' residences. A second-level control is provided by the Operational Director.

Marketing campaigns are monitored in joint meetings of management and marketing teams from the Operational Departments. Finally, an individual property reporting system enables regular monitoring of new rentals, re-letting periods and vacant properties.

Vacancy monitoring

A register of properties that are vacant or expected to become vacant as a result of tenants having given their notice or expressed their intention to leave is updated regularly. This register makes it possible to monitor vacancy trends and measure the occupancy rate for each building and for all properties in use.

To minimize the financial costs associated with property vacancies, the planning of refurbishing or renovation work as well as the sales and marketing actions required to secure new tenants begins as soon as possible after notice has been given. Such plans are explicitly based on preliminary inventories that are drawn up within the timeframes set for each business line.

All of this information relating to the management of the property portfolio is automatically transferred to the information system used to support commercial activity.

Tenant selection

New tenants for residential properties are chosen by a daily Committee composed of lessor and marketing representatives. The Committee undertakes a comprehensive analysis of the bad debt risk for each proposed tenant, while ensuring compliance with the regulations regarding non-discrimination.

The Campuséa teams select the new tenants of the students' residential property based on strictly financial criteria. Note that priority is given to students from schools that have signed an allotment contract with Campuséa.

New tenants for commercial real estate properties are selected after a solvency check performed with the assistance of a financial adviser and subject to a hierarchical control process.

Collection

For the entire property portfolio, delays in payment are regularly monitored and systematic payment reminders issued, in accordance with the rules of internal procedures. Depending on each case, the situation of certain commercial real estate tenants can be thoroughly researched with the assistance of a partner specialized in solvency reporting. For healthcare real estate, the operating accounts of tenants are constantly monitored in order to anticipate and avoid any counterparty risk.

Outstanding payments are dealt with in collaboration with the legal department, which has employees specialized in this field.

Customer relations

The Operational Departments rely on the Marketing Department in charge of quality and customer satisfaction.

The Marketing Department launched a Group-wide barometric study, "Customer relations management".

This barometer must define the group customer relations performance indicators and quality key factors (satisfaction surveys, reports) to prepare operational action plans. This involves building an iterative and participative approach that fits into a comprehensive progress policy.

The Marketing Department continuously conducts incoming and outgoing customer satisfaction surveys in residential and student properties. The data obtained is extended through specific studies and action plans communicated to customers and regularly monitored and updated.

For commercial and healthcare real estate, the Marketing Department conducts occasional surveys to better understand market changes from the viewpoint of demand.

Furthermore, through the Gecina Lab, a think tank for CSR-related issues, under the direction of the Social Responsibility Department, Gecina sought to strengthen its relations with its commercial and healthcare real estate customers. The aim of Gecina Lab is to establish a close relationship with customer-tenants by promoting knowledge, exchange and sharing of good practices, comparing expert and user viewpoints, and transposing ideas into concrete actions for long-term action in the very heart of properties to improve building performances for the tenant/user.

Gecina is part of an industry task force that monitors commercial real estate. The task force updates the CIBE quotation grid for commercial real estate.

Production and processing of accounting and financial information

The process for producing financial statements is mostly based on:
- the existence of formalized procedures related to closing and consolidation of financial statements based on a specific account closing schedule;
- the regular update of the Group's accounting principles and methods to reflect regulatory changes and the activity of Group companies;
- anticipation, validation and documentation of accounting and financial incidences of any significant transaction that occurs during the fiscal year;
- analytical reviews to validate changes in the main balance sheet items and the income statement linked to changes in Group structure;
- in addition, the Financial Department submits every year to the Audit, Risk and Sustainable Development Committee, a presentation of various year-end sensitive issues, prior to the Committee's annual accounts review meeting.

The Group's Accounts Department performs and checks all the accounting works of the Group companies through a single information system. This centralization enables better control over accounting and consolidation practices, in accordance with the principles and standards defined at Group level.

The procedure and schedule of year-end closure is distributed to all parties involved and include the tasks of centralization, reconciliation and analysis that are required for the accuracy of the financial and accounting information. This process includes a hierarchical review of the closing procedures of all Group companies at each reporting date. Specific documentation has been issued to cover these procedures. In general, the reliability of accounting information is guaranteed by an organizational structure ensuring a separation of duties and control measures undertaken by the Group's various entities. Invoicing and collection of rent and other charges are tasks performed by the Operational Departments in accordance with specific procedures and subject to a series of detailed controls. Major transactions are automatically recorded in the accounting information system.

Furthermore, the budgetary monitoring system based on the Group's chart of accounts and the comparative analyses developed by Management control provide additional control.

The reliability of the consolidation process is specifically checked by means of a detailed reconciliation of accounting balances from company financial statements with the balances adopted for Consolidated statements, along with documented explanations of the consolidation adjustments.

Off-balance sheet commitments are monitored for each consolidated entity, centralized then subjected to a specific semi-annual review by Internal audit.

Gecina also relies on external advice, essentially on tax issues with, in particular, the review of the Group's main tax forms.

Lastly, concerning more particularly the reliability of the property holdings valuation in connection with the preparation of the accounting and financial information, such valuation is based on the biannual process of property appraisals: the Valuations and Appraisals function is responsible for coordinating and overseeing the performance of property appraisals, performed twice a year at least by independent appraisers, in connection with the semi-annual reporting. In this way, this function is centralized and separated from the responsibility for property transactions (which is handled by the Operational Departments) in order to guarantee the reliability and objectivity of property appraisal data.

In accordance with the recommendations of the French financial markets authority (AMF), these appraisals are conducted on the basis of recognized methods that remain consistent from one year to the next and from one appraiser to the next.

Furthermore, the internal valuations are carried out by each operational department concerned on the basis of the updated rental statements of the latest rentals carried out and the application of a yield rate per asset which reflects developments on the markets concerned. This information is cross-checked using metric values and previous period appraisals. The company provides the appraiser with an updated rental statement. The comparison of these documents ensures that the appraiser has effectively used the data on the updated rental statement and makes it possible to send the most recent information if necessary.

The semi-annual property appraisal process is governed by a specific procedure that explicitly defines the principles for selecting and changing appraisers, and indicates how appraisal campaigns should be conducted. Under this procedure, the Audit, Risk and Sustainable Development Committee is provided with regular progress reports on the property appraisal process. Subsequent to each campaign, this Committee holds a meeting devoted exclusively to reviewing property appraisals and, if necessary, obtaining additional appraisals on certain buildings. Note that the panel of experts is supposed to be renewed on the basis of 10% of the property holdings in use every year, or over several years in aggregate value (in number of buildings).

Group functions

In discussing the functions in question, this section will primarily focus on the risks of failure in IT data processing, the risks of unreliable financial and accounting information, as well as legal, tax and financial risks.

IT

The development of business applications is overseen by the IT Department while complying with best practices of project management, which include formalizing various stages, testing, obtaining user validation, and developing operational methods along with training resources.
Application maintenance is supported by a process based on regular meetings with representatives from each "user" Department. Furthermore, a dedicated application enables the formulation of an inventory and the shared monitoring of user requests.
Effective IT system operations are monitored by a dedicated team in accordance with specific procedures and schedules. Within this framework, a full analysis of system operations is permanently carried out.

An IT Committee meets every quarter in order to monitor the various activities and projects associated with this function, as well as their compliance with user expectations and needs.
The IT department is closely monitored every month using indicators. In 2013, all of the company's cross-functional processes were handled electronically (Management of overheads, rental management of certain marketing leases, etc.) through a web portal.

Legal

Property sales or acquisitions are carried out by resorting to notaries that have been carefully selected in light of their reliability and expertise. In addition, they are systematically supervised by in-house legal experts with or without the support of specialized lawyers.

Rental management transactions involving such items as leases for new tenants and marketing mandates are all formulated on the basis of standards defined by the Legal Department in conjunction with the various management services.

Annual legal requirements for professional real-estate agent cards (Hoguet Act) are monitored by in-house lawyers.

The Legal Department handles the monitoring and management of the Group's operational disputes and the monitoring of subsidiaries with the assistance of specialized lawyers.

The Board Secretariat handles the legal monitoring of the parent company, with the participation of specialized lawyers.

The Legal Department monitors the observance of applicable regulations, especially in checking the wording and validity of various contracts concluded within the Group as well as through its interventions concerning specific issues confronting the Group.

Generally, other legal risks are monitored in-house with recourse, when necessary, to leading law firms.

Tax

Compliance with tax regulations and more specifically the obligations resulting from the French Listed Real-Estate Investment Company (SIIC) system is supervised by the Finance Department, which conducts regular reviews, calling in external advisors whenever necessary. In addition, the Finance Department systematically provides support for the management of any tax risks resulting from the acquisition or disposal of assets.

Financial management

Financial risks (liquidity, rates, solvency, etc.) are managed by the Financing, Cash Management and Business Plan Department, which regularly monitors market trends, the Group's financial ratios, cash flow forecasts and forecast financing plan, all updated on a monthly basis.

The management of interest rate risk is performed by resorting to hedging instruments under a policy designed to protect the company against market changes while optimizing the cost of debt.
The Financing, Cash Management and Business Plan Department receives assistance from external advisers in this area. The Group's hedging policy is managed under a formalized framework that specifically defines hedge limits, decision-making channels, authorized instruments and reporting procedures. The management goals are presented and validated each year by the Audit, Risk and Sustainable Development Committee. Furthermore, a report on hedging transactions is presented and validated every quarter to the Audit, Risk and Sustainable Development Committee.

Liquidity risk is managed by constantly monitoring the maturity of loans, maintaining available credit lines, diversifying resources and counterparties, in addition to monthly cash forecasts.

Payments are secured by the procedure of organizing bank signatures, set up the Executive Management and the Legal Department, which entrusts the authorities required for administering bank accounts to a limited number of people, in accordance with the separation of responsibilities and the corresponding precisely defined limits.

Supervision of practices

Gecina has three organizations supervising its internal control and risk management activities: the Building Risk function, the Management control and the Internal audit Departments. These organizations report to the Architecture and Construction Department for matters related to "Building Risks," to the Finance Department for Management control issues and to the Executive Management for Internal audit matters. They present reports of their activities to the Executive Management, to the specialized Board Committees and in particular to the Audit, Risk and Sustainable Development Committee.

The Building Risk function

Supporting the Operational and Functional Departments, the Building Risk function, made up of three employees, is responsible for identifying and addressing risks associated with the security of assets and people, the effective management of responsibilities and respect for the environment. It constitutes an expert function responsible for steering, coordinating and supervising the management of random risks.
This function, which is responsible for providing guidance and support in its area of expertise for the various Group Departments, may also carry out inspections and issue recommendations. More specifically, it is tasked with conducting risk assessments on properties, assisting operational managers in their acquisition/disposal or managerial activities, and undertaking actions to improve training and increase awareness.

It must be noted the organization six times a year of a "Building Risks" meeting attended by the Technical Directors, members of the Executive Committee and the Management Committee. Building risks and their developments are analyzed at these meetings.

A round-the-clock surveillance and crisis management system designed to be triggered in response to a major incident is also in place. It consists in particular of a crisis unit, an outsourced platform made available to tenants and a set of rules governing on-call duties.

The Management control

Through its budgetary activities and analyses, the Group Management control department significantly contributes to the effective management and supervision of risks, notably with regard to property valuation, rental management and the production of financial and accounting information.

To monitor operations more effectively, Gecina's Management control is carried out at two levels: on an operational level in each of the Departments and a centralized level by the Group Management control function. This function therefore relies on a network of controllers who liaise directly and continuously with the Operational Departments.

The Group Management control function is currently comprised of 10 people and is integrated into the Finance Department. Specifically, it is responsible for drawing up and monitoring budgets, tracking key business indicators, analyzing the profitability of properties and conducting property appraisals. It produces detailed monthly reports on each business line and performs any budgetary analysis specifically requested by the Executive Management.

Budget preparation and control

A forecast budget is drawn up for each building, covering rent, work and other property-related expenses. Assumptions are made for each building with regard to vacancy rate, turnover rate, new letting trends and re-letting periods.

Budget monitoring of properties is performed on a monthly basis for rent and construction work, and quarterly for other property-related expenses. Any differences between forecasts and actual figures are identified, analyzed and justified in conjunction with the relevant operational departments.

With respect to overheads, payroll expenses are checked every month, and other expenses are checked quarterly.

Monitoring of management indicators

There are activity indicators for measuring the performance of the rental activity in each sector. These indicators primarily concern notices received, exits, re-letting and new leases. The Management control Department, liaising with the various Operational Departments concerned, regularly analyzes the vacancy rate, prices and re-letting periods, as well as turnover rates.

Property profitability analysis

The profitability of properties is assessed on the basis of market indicators and the last known appraisals. Properties are classified for each category (by asset type and region). Buildings with an abnormally low level of profitability are specifically monitored in order to improve their profitability in order to help optimize their earnings or decide on their future status within the property holdings.

Internal Audit, Risks and Compliance

The Internal Audit Department, comprised of five people, includes the following functions divided into separate teams:
- the "Internal Audit" function in charge of implementing the annual audit program and one-off audit assignments requested by the Executive Management or the Audit, Risk and Sustainable Development Committee;
- the "Risks and Compliance" function set up in 2013 to strengthen risk management and the monitoring of compliance;

The main tasks of the "Risks and Compliance" function include:
- risk management by setting up and monitoring a risk management policy and mapping operational risks;
- permanent control through the continuous verification of the application of the main activities of the internal control mechanism;
- compliance through monitoring the ethical charter and the whistle-blowing system, monitoring the "anti-money laundering and terrorism financing" system and oversight of the regulatory intelligence mechanisms.

Its main tasks, and the responsibilities of the various Operational and Functional Departments in terms of internal control, are defined in the Group audit charter.

The annual work plan of Internal Audit is prepared by the Audit Department and validated by the Executive Management. This program covers audits on specific areas, and the ongoing cycle for monitoring control activities. Audit reports are submitted to the Chairman, to the CEO and to members of the Departments concerned. The annual Audit plan and assignment reports are also submitted to the Audit, Risk and Sustainable Development Committee. Audit reports are included in recommendations with the answers of departments, as well as action plans and the related deadlines. Lastly, Internal Audit regularly monitors implementation of its recommendations.

Guarantee commitments granted in Spain

Guarantee commitments, presented in Notes 3.5.5.12. and 3.5.9.3. to the Consolidated financial statements, were taken on in Spain at the end of 2009 and the beginning of 2010. Despite the specific arrangements put in place by the company within its internal control framework, the existence of these guarantee commitments was only brought to the company's attention at the beginning of 2012. Gecina has already implemented and will continue to move forward with the procedures required to protect its interests.

5.2. Compensations and benefits

5.2.1. COMPENSATIONS AND BENEFITS GRANTED TO EXECUTIVE CORPORATE OFFICERS

This section describes the elements of compensations and benefits granted to executive corporate officers by the Board of Directors after taking into account the opinion of the Governance, Appointment and Compensation Committee. To determine these elements, the Board of Directors sought to take into account the principles of exhaustiveness, balance, benchmark, coherence, intelligibility and metrics recommended by the AFEP-MEDEF Code. The information presented below, drafted with the assistance of the Governance, Appointment and Compensation Committee reflects, in view of its presentation, the AFEP-MEDEF Code and the guide for preparing annual reports updated by the AMF, on December 17, 2013.

Table summarizing the compensations and stock options and shares granted to each executive corporate officer (table No. 1, AMF guideline – AFEP-MEDEF Code)

€ thousand	12/31/2012	12/31/2013
Bernard Michel – Chairman of the Board of Directors		
Compensations due for the period (details in table 2)		325
Valuation of the multi-annual variable compensations allocated during the period		
Valuation of stock options allocated during the period		N/A
Valuation of performance-related shares allocated during the period		N/A
TOTAL		**325**
Bernard Michel – Chairman and CEO (1)		
Compensations due for the period (details in table 2)	1,525	640
Valuation of the multi-annual variable compensations allocated during the period		
Valuation of stock options allocated during the period		N/A
Valuation of performance-related shares allocated during the period		N/A
TOTAL	**1,525**	**640**
Philippe Depoux - CEO (2)		
Compensations due for the period (details in table 2)		470
Valuation of the multi-annual variable compensations allocated during the period		
Valuation of stock options allocated during the period (details in table 4)		N/A
Valuation of performance-related shares allocated during the period (details in table 6)		486
TOTAL		**956**

(1) Mr. Bernard Michel served as CEO from October 4, 2011 to June 3, 2013.
(2) Mr. Philippe Depoux was appointed as CEO on June 3, 2013.

Summary of the compensations of each executive corporate officer (table No. 2 AMF guideline – AFEP-MEDEF Code)

€ thousand	12/31/2012		12/31/2013	
Bernard Michel – Chairman of the Board of Directors	**Amounts due**	**Amounts paid**	**Amounts due**	**Amounts paid**
Fixed compensation	None	None	321	321
Annual variable compensation				
Multi-annual variable compensation				
Exceptional compensation				
Attendance allowance				
Benefits in kind (new technologies)				
Benefits in kind (company car)			4	4
Bernard Michel – Chairman and CEO (1)				
Fixed compensation	650	650	271	271
Annual variable compensation (*)	780	192	325	748
Multi-annual variable compensation				
Exceptional compensation				
Attendance allowance	87	87	42	42
Benefits in kind (new technologies)				
Benefits in kind (company car)	8	8	2	2
TOTAL	**1,525**	**937**	**965**	**1,388**

(1) Mr. Bernard Michel served as CEO from October 4, 2011 to June 3,2013.
(*) The variable compensation due for the year N-1 is paid in year N.

€ thousand		12/31/2012		12/31/2013
Philippe Depoux - CEO (2)	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed compensation			233	233
Annual variable compensation (*)			233	
Multi-annual variable compensation				
Exceptional compensation				
Attendance allowance				
Benefits in kind (new technologies)				
Benefits in kind (company car)			4	4
TOTAL			**470**	**238**

(2) Mr. Philippe Depoux was appointed as CEO on June 3, 2013.
(*) The variable compensation due for the year N-1 is paid in year N.

The detailed compensations of corporate officers are presented in note 3.5.9.6. to the Consolidated financial statements. They are defined by the Board of Directors, on the proposal of the Governance, Appointment and Compensation Committee.

The company recognized a provision of €325,000 corresponding to the variable portion of Mr. Bernard Michel's compensation for his services as Chairman & CEO from January 1 to June 3, 2013, i.e., 120% of his fixed compensation received during the same period.

The company recognized a provision of €200,000 for variable compensation, set at 100% of the fixed compensation to be paid to Mr. Philippe Depoux for his services as CEO from June 3 to December 31, 2013.

The Board Meeting of February 20, 2014 set the variable compensation for Mr. Philippe Depoux at 100% of his 2013 fixed compensation, i.e., €233,000.

■ Stock options for existing or new shares allocated during the year to each executive corporate officer by the issuer and by any Group company (table No. 4 AMF guideline – AFEP-MEDEF Code)

No stock option for new or existing shares was granted to executive corporate officers in 2013.

■ Stock options for existing or new shares exercised by each executive corporate officer (table No. 5 AMF guideline – AFEP-MEDEF Code)

No corporate officer exercised stock options for new or existing shares in 2013.

■ Performance shares allocated to each corporate officer (table No. 6 AMF guideline – AFEP-MEDEF Code)

Performance shares allocated to each corporate officer

Performance shares allocated by the shareholders' General Meeting during the year to each corporate officer by the issuer and by any group company	Plan date	Number of shares awarded during the year	Valuation of shares according to the method adopted for the consolidated accounts (*)	Vesting date	Availability date	Performance criteria
Philippe Depoux	12/13/2013	10,000	€48.58	12/14/2015	12/14/2017	Gecina share performance compared to the Euronext SIIC France index

(*) Estimate of the fair value of performance shares under IFRS2 - AON Hewitt Report.

Like the other beneficiaries of the 2013 performance share plan, the entirety of the shares allocated to the CEO is subject to an external performance condition, based on the Company's stock market performance rate compared to the current Euronext IEIF "SIIC France" index from December 1, 2013 to December 1, 2015.

At the end of a two-year vesting period and subject to the presence condition and the achievement of the aforesaid performance condition, the shares transferred to the CEO will be placed on a registered account and will continue to be held in registered form until the end of the two-year holding period. In addition, the CEO is required to hold at least 25% of the performance shares which will be definitively vested for him, until the end of his term of office. This obligation applies until the total amount of shares held reaches, at the final vesting of the shares, a threshold equal to 200% of the last gross annual fixed compensation, calculated on that same date.

The (IFRS2) value of the performance shares allocated to Mr. Philippe Depoux represents 36.1% of his theoretical gross annual compensation (fixed portion + maximum of the variable portion recalculated over 12 months + performance share value).

The number of performance shares allocated to Mr. Philippe Depoux represents 16% of all the shares allocated to group employees and officer in 2013.

Pursuant to the performance share plan regulations, the group of beneficiaries cannot use any hedging instrument.

This award represents less than 0.02% of the capital as at December 31, 2013.

Mr. Bernard Michel is not entitled to any performance shares.

■ Performance shares that became available for each corporate officer (table No. 7 AMF guideline – AFEP-MEDEF Code)

No performance share became available for corporate officers in 2013.

■ Other information (table No. 11 AMF guideline – AFEP-MEDEF Code)

		Employment contract		Supplementary pension plan		Compensation [(1)] or benefits due or likely to be due after the corporate officer leaves the position or changes functions		Compensation arising from a non-competition clause	
Corporate officer		Yes	No	Yes	No	Yes	No	Yes	No
Bernard Michel – Chairman and CEO			x		x	x			x
Date of appointment	October- 04-11								
Date of expiry of term [(2)]	June-03-13								
Bernard Michel – Chairman			x		x		x		x
Date of appointment	February- 16-10								
Date of expiry of term [(3)]	GM 2014								
Philippe Depoux - CEO			x		x	x			x
Date of appointment	June-03-13								

(1) The benefits in the event of termination of duties of the CEO are presented in Notes 5.1.6.
(2) Mr. Bernard Michel terminated his duties as CEO on June 3, 2013, while retaining his position as Chairman of the Board of Directors.
(3) The Shareholders' General Meeting of May 24, 2011 reappointed Mr. Bernard Michel as Director for a period of three years which will end after the Shareholders' General Meeting convened to approve the financial statements for fiscal 2013.

Elements of compensation due or awarded in 2013

Pursuant to the guidelines of the AFEP-MEDEF Code amended in June 2013 (Article 24.3), a code to which the Company refers in application of Article L.225-37 of the French Commercial Code, elements of the compensation due or awarded for the year ended to each Company executive corporate officer must be submitted to shareholders for advisory opinion.

Therefore, the Shareholders' Meeting of April 23, 2014 will be asked to issue an advisory opinion on the elements of the compensation due or awarded in 2013 to each executive corporate officer.

Elements of compensation due or awarded in 2013 to Mr. Bernard Michel, Board Chairman

It must be noted that Mr. Bernard Michel was Chairman and CEO until June 3, 2013 and Chairman of the Board of Directors from that date.

Elements of compensation	Amounts or book valuation (in € thousand)	Overview
Fixed compensation	321 271 (*)	
Annual variable compensation	325 (*)	The target variable compensation is set at 100% of the fixed portion of the compensation with however the possibility of attaining 120% of the fixed portion of the compensation in the event of exceeding the target quantitative or qualitative performance criteria. The quantitative criteria represent 65% of the target variable compensation and the qualitative criteria represent 35%. Qualitative elements (35%) defined in an accurate way are not disclosed for confidentiality reasons. The achievement of quantitative performance criteria is established according to the grid described in Chapter 3.5.9.6. All these criteria were fulfilled in 2013. This variable compensation was paid to Mr. Bernard Michel for his duties as Chairman and CEO until June 3, 2013. No variable compensation was paid to Mr. Bernard Michel in his capacity as Chairman of the Board of Directors.
Deferred variable compensation	N/A	Mr. Bernard Michel is not entitled to any deferred variable compensation.
Multi-annual variable compensation	N/A	Mr. Bernard Michel is not entitled to any multi-annual variable compensation.
Exceptional compensation	N/A	Mr. Bernard Michel is not entitled to any exceptional compensation.
Award of stock options	N/A	No stock options were awarded in 2013.
Award of performance shares	N/A	Mr. Bernard Michel is not entitled to any performance shares.
Attendance allowance	42 (*)	The variable portion represents €32,000, the fixed portion €10,479. As Chairman of the Board of Directors, Mr. Bernard Michel receives no attendance allowance.
Fringe benefits	4 2 (*)	Company car Company car
Severance pay	none	At the Board Meeting of April 17, 2013, the duties of Chairman & CEO were separated with effect from June 3, 2013, while Mr. Bernard Michel retained the chairmanship of the Board of Directors. He had no compensation in this respect. As Chairman of the Board of Directors, Mr. Bernard Michel receives no severance pay.
Non-competition pay	N/A	Mr. Bernard Michel is not entitled to any non-competition pay.
Supplementary pension plan	N/A	Mr. Bernard Michel does not have a supplementary pension plan with the Group.

(*) Amounts received while serving as Chairman & CEO.

Elements of compensation due or awarded in 2013 to Mr. Philippe Depoux, Chief Executive Officer

It must be noted that Mr. Philippe Depoux was appointed CEO from June 3, 2013.

Elements of compensation	Amounts or book valuation (in € thousand)	Overview
Fixed compensation	233	
Annual variable compensation	233	The target variable compensation is fixed at 100% of the fixed portion of the compensation. The quantitative criteria represent 65% of the target variable compensation and the qualitative criteria represent 35%. Qualitative elements (35%) defined in an accurate way are not disclosed for confidentiality reasons. For 2013, Mr. Philippe Depoux is entitled to variable compensation for a guaranteed minimum amount of €200,000. The achievement of quantitative performance criteria is established according to the grid described in Chapter 3.5.9.6. All these criteria were fulfilled in 2013.
Deferred variable compensation	N/A	Mr. Philippe Depoux is not entitled to any deferred variable compensation.
Multi-annual variable compensation	N/A	Mr. Philippe Depoux is not entitled to any multi-annual variable compensation.
Exceptional compensation	N/A	Mr. Philippe Depoux is not entitled to any exceptional compensation.
Award of stock options	N/A	No stock options were awarded in 2013.
Award of performance shares	486	10,000 performance shares were granted to Mr. Philippe Depoux under the 2013 share performance plan set up by the Board Meeting of December 13, 2013 in accordance with the resolutions passed by the combined Shareholders' Meeting of April 18, 2013 in its 18th resolution. This award represents less than 0.02% of the capital at December 31, 2013. Performance condition: the entirety of the shares allocated to the CEO is subject to an external performance condition, based on the Company's stock market performance rate compared to the current Euronext IEIF "SIIC France" index from December 1, 2013 to December 1, 2015.
Attendance allowance	N/A	The management team does not receive attendance allowance in their capacity as corporate officers in Group companies other than Gecina.
Fringe benefits	4	Company car
Severance pay	none	Mr. Philippe Depoux, in his capacity as the CEO, will receive a severance pay if forced to resign and if his departure is linked to a change of control or change in the Company's strategy. The amount of this pay and its payment (contingent on compliance with the performance conditions) are described in Chapter 3.5.9.6. Pursuant to the provisions of Article L.225-42-1 of the French Commercial Code, the granting of this severance pay is subject to the regulated agreements procedure and will require approval by the shareholders' general meeting.
Non-competition pay	N/A	Mr. Philippe Depoux is not entitled to non-competition pay.
Supplementary pension plan	N/A	Mr. Philippe Depoux does not have a supplementary pension plan with the Group.

5.2.2. INFORMATION ON STOCK OPTIONS

■ History of the allocation of stock options for new or existing shares – Information on stock options for new or existing shares (table No. 8 AMF guideline – AFEP-MEDEF Code)
None.

■ History of performance share awards (table no. 10 recommendation – AFEP/MEDEF Code)
Mr. Philippe Depoux was awarded performance shares for the first time in December 2013.
This award is described on table no. 6.

Mr. Bernard Michel has never been awarded performance shares.

■ Stock options granted to the top 10 non-corporate officer employee beneficiaries and options exercised by these beneficiaries (table No. 9 AMF guideline – AFEP-MEDEF Code)

Stock options for new or existing shares granted to the top ten non-corporate officer employees and options exercised by the latter	Total number of options granted/ shares subscribed or bought	Weighted average price	Stock options for existing shares October 2004	Stock options for existing shares December 2008	Stock options for new shares April 2010
Options granted during the year by the issuer and by any company in the options allocation scope, to the top ten employees of the issuer and any company included in this scope, where the number of options granted under the plans is the highest (comprehensive data).	none	€0.00			
Options held on the issuer and in the companies described above, exercised during the year, by the ten employees of the issuer and these companies, where the number of options bought or subscribed under the plan is the highest (comprehensive data).	49,887	€41.44	5,158	42,635	2,094

5.2.3. DIRECTORS' COMPENSATION

In 2013, the Board of Directors continued to apply the rules for allocating and paying the attendance allowance within the scope of the total annual amount authorized by the General Meeting.

Pursuant to these rules, attendance allowances are allocated and paid as follows:
- fixed annual compensation of €25,000 per director;
- variable compensation of €5,000 for attending a Board of Directors' Meeting (€2,500 in case of participation through videoconferencing or telecommunication facilities);
- fixed annual compensation of €25,000 for each of the Chairs of the Board of Directors Committees, with the exception of the Chairman of the Board of Directors who chairs the Strategic Committee, who receives no compensation;
- variable compensation of €4,000 for attending a Committee meeting (€2,000 in case of participation through videoconferencing or telecommunication facilities);
- if an extraordinary Committee meeting takes places (i) during an interruption of a Board of Directors session, (ii) or immediately before, (iii) or immediately after, only the Board of Directors will be awarded compensation;
- should several Board of Directors' Meetings be held on the same day, especially on the day of the Annual General Meeting, attendance of these meetings by a director shall be considered as only one attendance;
- as appropriate, capping amounts and any rebates at the end of the year in order not to exceed the annual total amount authorized by the General Meeting and ensure a balance between the number of meetings and each of the Committees.

The Combined General Meeting of April 17, 2012 authorized €1,360,000, on or after the period starting on January 1, 2012, as the annual total amount of attendance allowance allocated to directors.

The allocation rules as well as the amount of the total annual budget for attendance allowances were applied in 2013.

As a result of the application of these rules, the variable portion linked to the regular attendance of Board Meetings and Committee meetings outweighs the fixed portion.

It is further specified that:
- the Board of Directors' Meeting of April 17, 2013, in connection with setting the compensation of Mr. Bernard Michel for his services as Chairman of the Board of Directors following the separation of the duties of Chairman from those of CEO with

effect from June 3, 2013, decided that Mr. Bernard Michel would stop collecting, as from that date, attendance allowances for his services as Chairman of the Board of Directors;
- the Board of Directors' Meeting of December 13, 2013 decided to allocate to Mr. Jacques-Yves Nicol, Chairman of the Audit, Risk and Sustainable Development Committee, an additional allowance of €25,000 (corresponding to twice the annual fixed compensation of €25,000 planned for each of the Chairs of the Board Committees), all within the scope of the annual total amount. Indeed, the Board of Directors took into consideration the attendance rate and the major involvement of Mr. Jacques-Yves Nicol in preparing and conducting the work of the Audit, Risk and Sustainable Development Committee in 2013 as well as their minutes to the Board of Directors, especially when the position of Chief Financial Officer was vacant;
- the members of the two ad hoc Committees created by the Board of Directors in 2013 receive no compensation for sitting on these Committees;
- some extraordinary Committee meetings held immediately before Board of Directors' Meetings, and Board of Directors' Meetings held during the adjournment of the Annual General Meeting of April 18, 2013 and at the end of such session, did not lead to any compensation;
- considering the number of Board of Directors and Committee meetings, a cap was applied at the end of 2013 consisting in proportionally reducing the attendance allowances due to each director, to ensure that the total amount of attendance allowance paid in 2013 does not exceed €1,360,000.

On these bases, the amounts of attendance allowances paid in 2012 and 2013 were as follows:

Table summarizing the attendance allowances and other compensations received by non-executive corporate officers (table No. 3 AMF guideline – AFEP-MEDEF Code)

Non-executive corporate officers	Amounts paid in 2012 In €	Amounts paid in 2013 In €
Mr. Nicolas Diaz (*)		
Attendance allowance	91,046	31,329
Other compensation		
Mr. Philippe Donnet		
Attendance allowance	123,898	102,435
Other compensation		
Mr. Vicente Fons		
Attendance allowance	53,971	81,939
Other compensation		
Mr. Rafael Gonzalez de la Cueva		
Attendance allowance	100,433	102,771
Other compensation		
Mr. Sixto Jimenez		
Attendance allowance	96,678	126,844
Other compensation		
Metrovacesa, represented by Mr. Carlos Garcia		
Attendance allowance	72,274	96,290
Other compensation		
Mr. Jacques-Yves Nicol		
Attendance allowance	113,136	147,215
Other compensation		
Mr. Eduardo Paraja (*)		
Attendance allowance	-	44,137
Other compensation		

(*) Directors whose terms began or ended in 2013.

Non-executive corporate officers	Amounts paid in 2012 In €	Amounts paid in 2013 In €
Predica, represented by Mr. Jean-Jacques Duchamp		
Attendance allowance	124,837	130,547
Other compensation		
Ms. Inès Reinmann Toper		
Attendance allowance	54,131	110,977
Other compensation		
Ms. Helena Rivero		
Attendance allowance	90,108	130,547
Other compensation		
Ms. Victoria Soler		
Attendance allowance	110,288	109,715
Other compensation		
Mr. Antonio Trueba		
Attendance allowance	90,108	102,771
Other compensation		
TOTAL	**1,120,908**	**1,317,517**

(*) Directors whose terms began or ended in 2013.

The company recorded no provision for Directors' compensation and benefits.

Distribution, share capital and shares

6.1. Distribution

6.1.1. DISTRIBUTION AND APPROPRIATION OF INCOME

Pursuant to the provisions concerning the regime of French listed real estate investment trusts (SIIC), the system selected by Gecina, a proposal has been made for the payment in 2014, regarding fiscal year 2013, of a dividend of €4.60 per share.

Pursuant to Article 158 of the French General Tax Code and Article L. 221-3 of the French Monetary and Financial Code, the dividends distributed by listed real estate investment trusts (SIIC) to individual investors resident in France do not qualify for the 40% rebate. In addition, the 20% withholding tax introduced by Article 208C-II ter of the French General Tax Code is described in section 6.1.2 below.

Consequently, a proposal will be put to the General Meeting of Shareholders to appropriate 2013 earnings for the year as follows, and to decide, after taking into account:

- profit for the year of €317,775,285.29;
- representing distributable earnings of €317,775,285.29;
- to distribute a dividend per share of €4.60 under the SIIC system, representing maximum overall amount of €289,204.281.60.

When the dividend is paid out, the treasury shares owned by the company, which are not legally entitled to a dividend distribution, will be taken into account and the total dividend payout will be adjusted accordingly.

The dividend per share of €4.60 will be paid on April 30, 2014.

As required by law, details of dividends distributed in the previous three fiscal years are set out below:

Dividends distributed in the previous three years

Year	2010	2011	2012
Total distribution	€275,507,619	€275,661,971	€276,219,394
Dividend per share	€ 4.40	€4.40	€4.40

Dividend no longer qualifying for the 40% tax allowance for resident individual investors as from January 1, 2011.

The General Meeting will also be asked to decide on the transfer to a specific reserve account of the revaluation gain/loss on assets sold during the year and the additional impairment resulting from the revaluation amounting to €27,418,585.50.

6.1.2. COMPOSITION OF PROFITS (ARTICLE 23 OF THE BYLAWS)

As required by law, the appropriation of the profit for the year is decided by the General Meeting of Shareholders.

Distributable earnings are composed of the year's profit, minus losses from previous years and the sums required by law to be taken to reserves, plus retained earnings.

After approval of the financial statements and recognition of the distributable earnings, the General Meeting of Shareholders determines the portion to be distributed to Shareholders in the form of a dividend.

The General Meeting of Shareholders ruling on the financial statements for the year may grant each Shareholder an option between payment of the dividend or interim dividends either in cash or in shares of the company, for some or all of the dividend or interim dividends payable, pursuant to the legal and regulatory provisions in force.

All Shareholders, other than individual investors:

- owning, directly or indirectly, at the time of payment of any Distribution of dividends, reserves, premiums or income deemed distributed as defined in the French General Tax Code (a "Distribution"), at least 10% of the rights to the company's dividends; and
- whose own situation or that of their associates owning, directly or indirectly, at the time of payment of any Distribution, 10% or more of the dividend entitlement, renders the company liable to a 20% withholding tax specified in Article 208-C-II ter of the French General Tax Code (the "Withholding Tax") (such Shareholder being hereinafter called a "Deduction Shareholder"), will be a debtor with regard to the company at the time payment is made of any Distribution, the amount of which will be determined so as to fully offset the cost of the Withholding Tax payable by the company for the Distribution.

In the event that the company holds, directly or indirectly, 10% or more of one or more SIICs specified in Article 208-C of the French General Tax Code (a "Daughter SIIC Trust"), the Deduction Shareholder will be a further debtor of the company, on the date payment is made of any distribution by the company, for an amount (the "Daughter SIIC Trust Withholding Tax") equal, depending on the case:

- either to the amount for which the company has become liable to the Daughter SIIC Trust, since the previous Distribution by the company, in respect of the Withholding Tax that the Daughter SIIC Trust has to pay due to the company's equity interest;
- or in the absence of any payment to the Daughter SIIC Trust by the company, to the Withholding Tax for which the Daughter SIIC Trust has become liable, since the previous Distribution by the company, at the rate of a Distribution to the company multiplied by the percentage of the company's dividend rights in the Daughter SIIC Trust, such that the other Shareholders do not have to bear any part whatsoever of the Withholding Tax paid by any of the SIICs in the chain of equity investments as a result of the Deduction Shareholder.

If there are several Deduction Shareholders, each Deduction Shareholder will be liable to the company for the portion of the Deduction and the Daughter SIIC Trust Deduction resulting from his direct or indirect interest. The status of Deduction Shareholder is recognized on the date of payment of the Distribution.

Unless information to the contrary is provided, as required by Article 9 of the bylaws, any Shareholder other than an individual investor holding or coming to hold directly or indirectly at least 10% of the rights to the company dividend will be presumed to be a Deduction Shareholder.

The amount of any debt owned by a Deduction Shareholder will be calculated in such a way that the company is placed, after payment of the debt and taking account of any tax that may apply to it, in the same situation as if the Withholding Tax had not been required.

Payment of any Distribution to a Deduction Shareholder will be made by registration in an individual (non-interest-bearing) current account for that Shareholder, the repayment of the current account being made within five business days of the registration after payment with the sums payable by the Deduction Shareholder to the company, pursuant to the above provisions. If the Distribution is made in a form other than cash, the amount must be paid by the Deduction Shareholder before the payment of the Distribution.

In the event that:

- it turns out, after a Distribution by the company or a Daughter SIIC Trust, that a Shareholder was a Deduction Shareholder on the date of payment of the Distribution; and if
- the company or the Daughter SIIC Trust had to make the payment of the Withholding Tax for the Distribution thus paid to that Shareholder, without said amounts having been paid as specified above, that Deduction Shareholder will be required to repay the company not only the sum that he owed the company under the provisions of this article but also an amount equal to any late payment penalties and interest that may be owed by the company or a Daughter SIIC Trust as a result of the late payment of the Withholding Tax.

If necessary, the company will be entitled to offset the full amount between its receivable in this respect and any sums that may be subsequently payable to the Deduction Shareholder.
The General Meeting of Shareholders shall decide on the allocation of the balance, which may either be carried forward as retained earnings or transferred to one or more reserve accounts.

The time, method and place of dividend payments are set by the Annual General Meeting of Shareholders, and failing this, by the Board of Directors.

6.1.3. DIVIDENDS IN THE LAST FIVE YEARS

The dividend is paid on the dates and at the places determined by the General Meeting of Shareholders, or failing this, by the Board of Directors, in a maximum of nine months after the close of the year. If payment of the dividend in shares is offered to Shareholders, the option must be selected within a maximum period of three months after the date of the General Meeting of Shareholders.

Dividends not claimed at the end of a period of five years are time-barred and paid to the French tax authorities.

Dividends in the last five years

	2009	2010	2011	2012	2013
Distribution	€275,361,856	€275,507,619	€275,661,971	€276,219,394	€289,204,282
Number of shares	62,582,240	62,615,368	62,650,448	62,777,135	62,870,496
Dividend under the SIIC system	€4.40	€4.40	€4.40	€4.40	€4.60 (1)

(1) Proposal submitted for approval by the General Meeting called to approve the financial statements for 2013.

6.1.4. RESOLUTIONS SUBMITTED TO THE GENERAL MEETING

The General Meeting of Gecina Shareholders is called to approve the resolutions that were sent to Shareholders within the legally specified time before the General Meeting and are also available on the company's website in the section "Finances/Publications".

6.2. Information on share capital

Share capital, composed of 62,870,496 shares at a par value of €7.50, totaled €471,528,720 at the end of fiscal year 2013.

6.2.1. BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

No shares carry a double voting right. However, the number of voting rights is adjusted to take account of treasury shares that do not carry voting rights. Accordingly, at December 31, 2013, the breakdown of share capital and voting rights, to the company's knowledge, is as follows:

Breakdown of share capital and voting rights

Shareholders	Number of shares	% of share capital	% of voting rights
Metrovacesa	16,809,610	26.74%	27.56%
Rivero Group	10,151,334	16.14%	16.64%
Soler Group	9,568,641	15.22%	15.69%
Predica	5,347,824	8.51%	8.77%
Individual shareholders	2,790,329	4.44%	4.57%
Other resident institutional shareholders	1,794,988	2.85%	2.94%
Non-resident shareholders	14,534,769	23.12%	23.83%
Treasury shares	1,873,001	2.98%	
TOTAL	**62,870,496**	**100.00%**	**100.00%**

To the company's knowledge, no other shareholder owns more than 5% of the share capital or voting rights at December 31, 2013.

At December 31, 2013, the percentages of share capital and voting rights held by the members of the administrative and governance bodies are respectively 35.25% and 36.33%

As at December 31, 2013, Group employees held 489,465 Gecina shares directly and 110,482 Gecina shares indirectly via the Gecina employee share ownership plan ("FCPE Gecina actionnariat"), representing a total of 0.95% of share capital.

To the company's knowledge, 8,839 shares held in pure registered form by Mr. Rivero, 9,778,531 shares held by Alteco Gestión y Promoción de Marcas S.L. and 150,000 shares held by Inmopark 92 Alicante S.L. (companies controlled by Mr. Rivero), and 9,561,699 shares held by Mag Import S.L. (a company controlled by Ms. Victoria Soler), were the object of an attachment order in February 2010 at the request of Mr. Van Ruymbeke in connection with the legal investigation mentioned in paragraph 1.6.2.

The shares held by Alteco Gestión y Promoción de Marcas S.L., Immopark 92 Alicante S.L. and by Mag Import S.L. are pledged in favor of various financial institutions. To the company's knowledge, there is an ongoing dispute between the arrangers of the pledge and the financial institutions about the implementation of this pledge. To the company's knowledge, the financial institutions have notified the holders of the pledged accounts on which the Gecina shares held by the aforesaid pledge arrangers are registered, of the existence of a default case and have requested the blocking of all transactions on these accounts.

In October 2012, the companies Mag Import S.L. and Alteco Gestión y Promoción de Marcas S.L. requested the opening of bankruptcy proceedings at the Madrid Commercial Court.

On November 6, 2012, Blackstone Real Estate Partners Europe III and Ivanhoé Cambridge (subsidiary of the Caisse de Dépôt et Placement du Quebec) confirmed that they had acquired nearly 40% of the debts of the companies Alteco Gestión y Promoción de Marcas S.L. and Mag Import S.L. On March 11, 2013, the entities announced possession of 64.7% of the guaranteed debt of Alteco and Mag Import (see paragraph 6.3.3.).

On 6 February, Gecina has been informed of a disclosure threshold declaration and statement of intent filed with the Autorité des Marchés Financiers (the French market regulator) by Eliseo Finance S.à.r.l, a vehicle controlled by Blackstone and indirectly held on a joint basis by Blackstone, through the real estate funds that it manages, and Ivanhoé Cambridge, acting in concert. According to this information, Eliseo Finance S.à.r.l holds, as at 31 January, 14,448,037 shares representing 22.98% of the Company's capital and voting rights. Further details of the disclosure threshold declaration and statement of intent are provided in Section 6.3.5.

Furthermore, in a letter received on 10 February, the BPCE Group, through its subsidiary Natixis, declared that on 31 January, it had exceeded the statutory ownership thresholds of 2% and 4% of the Company's capital and voting rights, respectively. Natixis holds, individually and directly, 3,134,830 shares representing 4.99% of the Company's capital and voting rights.

16,809,610 shares held by Metrovacesa are pledged in favor of various financial institutions.

The company has no pledges on its treasury shares.

6.2.2. SECURITIES GIVING ACCESS TO SHARE CAPITAL

- Convertible bonds: on March 31, 2010, Gecina launched an issue of bonds redeemable in cash and/or new and/or existing shares (ORNANE), maturing on January 1, 2016, for an amount of €320 million.

At December 31, 2013, the number of bonds redeemable in cash and/or new and/or existing shares (ORNANE), amounting to €320 million, maturing on January 1, 2016 and not yet redeemed amounted to 2,881,586. The complete conversion of ORNANE bonds would imply a theoretical issuance of 3,573,166 new shares (excluding the allocation of existing shares), representing 5.7% of the share capital.

- as at December 31, 2013, the potential number of shares to be created by the exercise of stock options and performance shares amounted to 588,730, or 0.94% of the share capital.

Information on the stock options and performance shares granted and/or exercised in 2013 can be found in the special report of the Board of Directors.

The potential dilution from securities giving access to share capital was calculated when such instruments were in the money. Accordingly, no "ORNANE" bond was recognized on December 31, 2013. Stock options and performance share plans (in the money) represent 588,730 potential shares.

For information, and assuming the exercise of all outstanding stock options, the definitive award of all performance shares, the exercise of the option of redeeming all ORNANE bonds in shares (excluding the allocation of existing shares), the company would issue 4,161,896 new shares representing a maximum dilution potential of 6.6%.

- The company has not issued any founder shares or voting right certificates.

- There are no other securities giving access to the company's share capital.

6.2.3. CHANGE IN THE BREAKDOWN OF SHARE CAPITAL OVER THE LAST THREE YEARS

	12/31/2013		12/31/2012		12/31/2011	
	% of share capital	% of voting rights	% of share capital	% of voting rights	% of share capital	% of voting rights
Metrovacesa	**26.74%**	**27.56%**	26.78%	27.71%	26.83%	27.54%
Rivero Group	**16.14%**	**16.64%**	16.11%	16.67%	16.11%	16.54%
Soler Group	**15.22%**	**15.69%**	15.24%	15.77%	15.27%	15.68%
Predica	**8.51%**	**8.77%**	8.23%	8.52%	8.21%	8.43%
Individual shareholders	**4.44%**	**4.57%**	4.64%	4.80%	4.81%	4.94%
Other resident institutional shareholders	**2.85%**	**2.94%**	3.28%	3.39%	3.75%	3.85%
Non-resident shareholders	**23.12%**	**23.83%**	22.36%	23,13%	22.42%	23.02%
Treasury shares	**2.98%**		3.36%		2.59%	
TOTAL	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.0%**	**100.00%**

6.2.4. CHANGE IN SHARE CAPITAL AND RESULTS OVER THE LAST FIVE YEARS

Year	Transactions	Number of shares	Capital *(in euro)*	Share issue or merger premium *(in euro)*
2009	Balance on January 1, 2009	62,444,652	468,334,890.00	
	Exercise of stock options	9,470	71,025.00	286,372
	Subscription under the Company's savings plan	128,118	960,885.00	1,896,146
	Balance on December 31, 2009	62,582,240	469,366,800.00	
2010	Balance on January 1, 2010	62,582,240	469,366,800.00	
	Exercise of stock options	2,708	20,310.00	77,340
	Subscription under the Company's savings plan	30,420	228,150.00	1,694,698
	Balance on December 31, 2010	62,615,368	469,615,260.00	
2011	Balance on January 1, 2011	62,615,368	469,615,260.00	
	Subscription under the Company's savings plan	35,080	263,100.00	2,337,030
	Balance on December 31, 2011	62,650,448	469,878,360.00	
2012	Balance on January 1, 2012	62,650,448	469,878,360.00	
	Shares issued under the performance share award plan - April 2010	37,180	278,850.00	
	Subscription under the Company's savings plan	28,807	216,052.50	1,497,964
	Shares issued under the performance share award plan - December 2010	60,700	455,250.00	
	Balance on December 31, 2012	62,777,135	470,828,512.50	
2013	Balance on January 1, 2013	62,777,135	470,828,512.50	
	Exercise of stock options	2,094	15,705.00	148,109
	Subscription under the Company's savings plan	43,302	324,765.00	2,665,238
	Shares issued under the performance share award plan - December 2011	47,965	359,737.50	
	Balance on December 31, 2013	62,870,496	471,528,720.00	

During fiscal year 2013, 93,361 new company shares entitled to dividend on January 1, 2013 were created as a result of:
- the subscription of 43,302 shares under the Company's Savings Plan;
- the creation of 2,094 shares from the exercise of stock options.
- the definitive acquisition of 47,965 shares from the performance share plan of December 14, 2011.

The company's results over the last five fiscal years

	2009	2010	2011	2012	2013
I – Closing share capital					
Share capital (€'000)	469,367	469,615	469,878	470,829	471,529
Number of ordinary shares outstanding	62,582,240	62,615,368	62,650,448	62,777,135	62,870,496
Maximum number of future shares to be issued by converting bonds and exercising stock options	2,589	572,188	618,464	510,539	588,730
II – Operations and earnings for the year (€'000)					
Net revenues	323,217	294,411	302,248	268,394	270,879
Income before tax, depreciation, impairment and provisions	243,032	407,970	529,936	81,730	388,612
Income tax	(153)	(24,656)	42,495	(314)	(3,818)
Earnings after tax, depreciation, impairment and provisions	(160,072)	275,037	272,801	410,673	317,775
Distributed profits (1)	275,362	275,508	275,662	276,219	276,630
III – Earnings per share (€)					
Earnings after tax but before depreciation, impairment and provisions	3.88	6.12	9.14	1.30	6.12
Earnings after tax, depreciation, impairments and provisions	(2.56)	4.39	4.35	6.54	5.05
Total net dividend per share (1)	4.40	4.40	4.40	4.40	4.60
IV – Workforce					
Average headcount during the year	563	519	499	417	405
Annual payroll (€'000)	35,870	36,311	33,827	27,848	28,574
Annual employee benefits including social security and other social charges (€'000)	15,825	18,394	16,854	13,019	10,333

(1) Subject to approval by the Shareholders' General Meeting of a dividend of €4.60/share.

6.2.5. CONDITIONS FOR CHANGES TO SHARE CAPITAL AND THE RESPECTIVE RIGHTS OF VARIOUS CLASSES OF SHARES

The Extraordinary General Meeting of Shareholders is able to delegate to the Board of Directors the powers or authority necessary to change the company's share capital and number of shares, especially in the event of a capital increase or reduction.

6.2.6. AMOUNT OF AUTHORIZED SHARE CAPITAL NOT ISSUED

1. The Combined General Meeting of April 18, 2013 delegated its power to the Board of Directors to issue, in one or more installments, in the proportions and at the times of its choosing, in France and/or abroad, either in euros or another currency, company shares and any other marketable securities of any kind, giving access immediately and/or in the future, at any time or on a fixed date, to company shares. The marketable securities thus issued could consist of bonds or be related to the issue of bonds, or could enable their issue as intermediary securities. The total amount of share capital increases, that could be conducted immediately and/or in the future by virtue of the above delegation, may not be greater than €250 million in par value, to which amount can be added the par value of additional shares that may be issued to preserve the rights (in accordance with the law) of holders of marketable securities that give entitlement to shares.

These issues may be conducted with or without a pre-emptive subscription right.

These authorizations, valid for twenty-six months from the General Meeting of Shareholders of April 18, 2013 have not yet been used.

2. The same Meeting delegated power to the Board of Directors to conduct a capital increase:

- to pay for contributions in kind, up to a limit of 10% of share capital;
- by capitalization of premiums, reserves or profits, up to a limit of €500 million;
- by the issue of shares, at a freely set price, up to a limit of 10% of share capital per annum;
- for the benefit of employees, up to a limit of €5 million.

These authorizations, valid for twenty-six months from the General Meeting of Shareholders of April 18, 2013 have not yet been used.

3. The Meeting of April 18, 2013 gave the Board of Directors authorization to grant to members of staff and officers of the company and companies in the Group stock options for the purchase of new and/or existing shares, up to a limit of 1.5% of share capital.

This authorization, valid for twenty-six months from the General Meeting of Shareholders of April 18, 2013, has not yet been used.

4. The General Meeting of Shareholders held on April 18, 2013, delegated to the Board of Directors its power to award performance shares of existing or new shares to Group employees or officers, up to a limit of 1.5% of share capital.

The Board of Directors meetings of December 13, 2013 used this authorization to award 72,260 shares. These awards to Group employees and officers account for less than 0.12% of Gecina's capital.

6.2.7. SUMMARY OF FINANCIAL AUTHORIZATIONS

Securities concerned **Date of General Meeting** *(Term of authorization and expiry date)*	**Restrictions**	**Use of authorizations**
1. Issue with pre-emptive subscription right		
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or the issue of transferable securities (A) GM of April 18, 2013 – 9th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** €100 million (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €250 million	Issuance of 47,965 shares from the performance share plan of December 2011 and of 2,094 shares from the stock options plan of April 2010
Capital increase by capitalization of reserves, profits or premiums (B) GM of April 18, 2013 – 14th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** €500 million	None

Securities concerned Date of General Meeting *(Term of authorization and expiry date)*	Restrictions	Use of authorizations
2 Issue without pre-emptive subscription right		
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or issue of transferable securities in connection with a public buyout offer (C) GM of April 18, 2013 – 10th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** €50 million (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €250 million	None
Capital increase by issue of shares and/or transferable securities giving access to share capital and/or issue of transferable securities in connection with a private placement offer (D) GM of April 18, 2013 – 11th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** €50 million (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €250 million	None
Capital increase as remuneration for contributions in kind (E) GM of April 18, 2013 – 13th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** 10% of adjusted share capital per year (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €250 million	None
Issue of shares at a freely-set price (F) GM of April 18, 2013 – 15th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** 10% of adjusted share capital per year (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	None
Capital increase through issues reserved for members of the Company Savings Plans (G) GM of April 18, 2013 – 16th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** €5 million (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €250 million	43,302 shares issued in 2013
Stock options (H) **Stock options for new shares (H1)** GM of April 18, 2013 – 17th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of shares that could result from the exercise of options** 1.5% of the share capital on the day of the decision by the Board of Directors (H1) + (H2) limited to 1.5% of share capital on the day of the decision by the Board of Directors	None
Stock options for existing shares (H2) GM of April 18, 2013 – 17th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of shares that could result from the exercise of options** 1.5% of share capital on the day of the decision by the Board of Directors (H1) + (H2) limited to 1.5% of share capital on the day of the decision by the Board of Directors **Maximum amount of capital increase** (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €250 million	None

Securities concerned **Date of General Meeting** *(Term of authorization and expiry date)*	**Restrictions**	**Use of authorizations**
Performance shares (I) GM of April 18, 2013 – 18th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum number of existing or yet-to-be-issued performance shares** 1.5% of the share capital on the day of the decision by the Board of Directors **Maximum amount of capital increase** (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	Grant of 9,700 and 62,560 shares to be issued on December 14, 2015
3. Issue with or without pre-emptive subscription rights		
Increase of the number of shares to issue in case of capital increase (J) GM of April 18, 2013 – 12th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum amount of capital increase** 15% of initial issue (A) + (C) + (D) + (E) + (F) + (G) + (H) + (I) + (J) limited to €400 million	None
4. Share buyback		
Share buyback transactions GM of April 18, 2013 – 8th resolution (up to 18 months, expiry on October 19, 2014)	**Maximum number of shares that can be purchased** 10% of adjusted share capital or 5% in the event of share buybacks for external growth acquisitions **Maximum number of shares that can be held by the company** 10% of share capital Maximum price of share buybacks: €150 per share **Maximum overall amount of the share buyback program** €941,657,025	In 2013, 130,937 shares acquired at the average price of €89.96 and 172,612 shares sold at the average price of €90.70 in connection with the liquidity contract.
Reduction of share capital by cancellation of treasury shares GM of April 18, 2013 – 19th resolution (up to 26 months, expiry on June 19, 2015)	**Maximum number of shares that can be canceled in 24 months** 10% of shares comprising the adjusted share capital	None

6.3. Share capital transactions

6.3.1. COMPANY TRANSACTIONS ON TREASURY SHARES

The General Meeting of Shareholders of April 18, 2013 renewed the authorization given to the company to purchase treasury shares on the stock market for a period of 18 months. The maximum purchase price was set at €150. The number of shares purchased by the company during the duration of the buyback program cannot exceed, at any time whatsoever, 10% of the shares comprising the company's share capital, and 5% in the event of share buybacks aimed at external growth projects at the time of the transaction. The maximum number of shares that can be held, at any time whatsoever, is set at 10% of shares comprising the share capital. Given that the General Meeting of Shareholders of April 18, 2013 granted authorization for a period of eighteen months, a motion was submitted for its renewal, which will be submitted to the approval of the General Meeting convened to approve the financial statements for 2013.

In 2013, Gecina did not use the authorization given to the Board of Directors by the General Meeting of Shareholders of April 17, 2012, then by the General Meeting of Shareholders of April 18, 2013, to purchase treasury shares.

LIQUIDITY CONTRACT

On December 27, 2013, the liquidity contract granted by Gecina to Exane was terminated. On that date, the liquidity account had a total of €5,880,142.60 and 18,325 Gecina shares.

From January 1 to December 27, 2013, Gecina purchased 130,937 shares for an amount of €11,779,970.58 and sold 172,612 shares for an amount of €15,656,776.52 under the liquidity contract managed by Exane.

As at December 31, 2013, 1,873,001 treasury shares were held, i.e. 2.98% of share capital. The treasury shares represent a total investment of €135 million, at an average price per share of €72.47.

Company transactions on treasury shares

Aggregate information 2013		% of share capital
Number of shares comprising the issuer's share capital at December 31, 2013	62,870,496	
Number of treasury shares at December 31, 2012	2,109,225	3.36%
Options exercised in the year	(194,523)	
Shares transferred to allocation plans	0	
Cancellation of withdrawal of rights	(26)	
Share buyback	0	
Average price of share buybacks including transaction fees		
Liquidity contract		
Number of shares purchased	130,937	
Number of shares sold	172,612	
Average purchase price including transaction fees	€89.96	
Average sale price including transaction fees	€90.70	
Number of treasury shares at December 31, 2013	1,873,001	2.98%

The conditions for implementing the share buyback program submitted for authorization are provided in a description of the program and are notably subject to the provisions of Articles L.225-209 et seq. of the French Commercial Code, amended by Ordinance 2009-105 of January 30, 2009, European Regulation No. 2273/2003 of December 22, 2003 pursuant to Council Directive 2003/6/EC of January 28, 2003, known as the "Market Abuse Directive", which came into effect on October 13, 2004, Article L. 451-3 of the French Monetary and Financial Code and articles 241–1 to 241-6 of the General Regulation of the AMF (amended by the decrees of April 2 and July 10, 2009), by the AMF Instruction AMF 2005-06 of February 22, 2005 (latest amendment on July 20, 2009) and by two AMF decisions dated March 22, 2005 and October 1, 2008.

6.3.2. AGREEMENT BETWEEN SHAREHOLDERS

The company has been informed of the main dispositions of a shareholders' agreement between Blackstone and Ivanhoé Cambridge, which is summarized in paragraph 6.3.3.

6.3.3. FACTORS THAT COULD HAVE AN INFLUENCE IN THE EVENT OF A TAKEOVER BID FOR THE COMPANY

Under Article L. 225-100-3 of the French Commercial Code, the company is required to identify factors that could have an influence in the event of a takeover bid. Among these factors are agreements made by the company that would be amended or terminated in the event of a change in control of the company. In this respect, the company has disclosed the clauses of change of control contained in the financing contracts (see the "Financial Resources" section in Chapter 2).

Furthermore, by letter received on March 11, 2013, completed in particular by a letter received on March 15, 2013, the financial markets authority (AMF) was informed by Blackstone[1] and Ivanhoé Cambridge II Inc, a firm incorporated under the law of Ontario (Canada), ("Ivanhoé Cambridge")[2] of the conclusion, on March 11, 2013, of a limited partnership contract by Ivanhoé Cambridge (as the limited partner) and Blackstone Real Estate Associates (Offshore) VII L.P. (as the general partner) regarding the limited partnership incorporated under the laws of Alberta (Canada) Blackstone Real Estate Principal Transaction Partners (Gold) L.P. (hereafter the "partnership").

Purpose of the partnership: The partnership seeks to create a formal framework for the terms and conditions of the joint investment made by Blackstone and Ivanhoé Cambridge regarding (i) the debt of Alteco Gestión y Promoción de Marcas, S.L.U. ("Alteco") and Mag Import, S.L. ("Mag Import")[3], and any other portion of this liquidity, guaranteed by the pledges of the security accounts on which Gecina's shares are registered (hereafter the "guaranteed debt")[4] and (ii) the Gecina shares.

Acquisition of the guaranteed debt or Gecina shares: Under the partnership, any acquisition of the guaranteed debt or Gecina shares (other than any acquisition already made on the date on which the partnership is signed) will be financed according to the agreement of the parties. The partnership also provides that with respect to the guaranteed debt other than the guaranteed debt of Alteco and Mag Import, that only the share of this debt acquired by the joint structure[5] on the date of signature of the partnership shall be subject to the terms and conditions of the partnership.

Exclusive commitment: The partnership provides that (unless agreed otherwise by the parties) neither Blackstone nor Ivanhoé Cambridge (and their affiliates) may:

- acquire the guaranteed debt other than through a joint structure [6];
- acquire Gecina shares other than (i) at the result of any arrangement of pledges relating to the guaranteed debt and/or (ii) than, after consultation between the parties, through joint or individual acquisitions made within the joint structure[7].

Consultation clause: The partnership provides that the general partner must obtain the opinion of the Blackstone Real Estate Principal Transaction Partners (Gold) Holdings L.P. ("Holdco") advisory committee, comprised equally of Blackstone and Ivanhoé Cambridge representatives on any major decision that could have an impact on investment.

Right of first offer: The partnership provides that, in the event that the Holdco plans to sell or transfer all or part of this guaranteed debt or Gecina shares, Ivanhoé Cambridge will have the right of first offer to this guaranteed debt or these Gecina shares. It is specified that the general partner has full powers on the decision to sell (or transfer) the guaranteed debt and/or Gecina shares.

Exit right: The partnership provides that in the event where (i) the partnership would (directly or indirectly) hold Gecina shares listed on the first of the following two dates: (a) on October 23, 2016 or (b) exactly three years after the date of the first acquisition or obtaining the shares following any realization of pledges on the guaranteed debt, or (ii) in case Blackstone would wish to or would be legally bound to initiate (at any time) a public offering relating to Gecina, Ivanhoé Cambridge will have the right to acquire and/or request the distribution in kind of its share in the investment. After exercising its exit right, Ivanhoé Cambridge may also request the dissolution of the partnership and of the Holdco.

Duration: Barring dissolution, liquidation or early termination, the partnership will continue until the day when the full investment is assigned or transferred and when all the income and revenues linked to the said investment will have been distributed in accordance with the terms of the partnership. Furthermore, if the exit right cannot be exercised by October 23, 2016 at the latest, Ivanhoé Cambridge and the general partner will negotiate, in good faith, in order to agree on the terms and conditions under which Ivanhoé Cambridge may receive its share of the investment.

(1) "Blackstone" refers to Blackstone Group L.P. and its affiliates, including in particular Blackstone Real Estate Associates (Offshore) VII L.P. (general partner of the partnership) and the other funds controlled by Blackstone Group L.P. which have direct or indirect stakes or interests, in the joint structure and/or Gecina shares or the guaranteed debt.
(2) Controlled at the highest level by the Caisse de dépôt et placement du Québec.
(3) Blackstone and Ivanhoé Cambridge announced possession of 64.7% of the guaranteed debt of Alteco and Mag Import (cf. press release dated March 11, 2013).
(4) 19,516,706 Gecina shares are registered on pledged securities accounts to guarantee all the guaranteed debt of Alteco and Mag Import.
(5) "Joint structure" refers to (i) the partnership, (ii) Blackstone Real Estate Principal Transaction Partners (Gold) Holdings L.P. ("Holdco"), a limited partnership incorporated under the laws of Alberta (Canada) held by the partnership and funds controlled by Blackstone, and (iii) all the direct and indirect subsidiaries of Holdco who hold the investment.
(6) With the exception of a so-called "de minimis" fraction of the guaranteed debt (limited to 0.5% of the total amount of the guaranteed debt and Gecina shares held by the joint structure) which Blackstone may acquire and hold outside the common structure.
(7) With the exception of a so-called "de minimis" fraction of Gecina shares (limited (i) for Blackstone, at 0.5% of the total amount of the guaranteed debt and the Gecina shares held by the joint structure and (ii) for Ivanhoé Cambridge, at 0.05% of Gecina's capital) which Blackstone and Ivanhoé Cambridge may each acquire and hold outside the joint structure. It is specified that the Blackstone's de minimis fraction is subject to the right of first offer of Ivanhoé Cambridge.

6.3.4. TRANSACTIONS IN COMPANY SHARES CONDUCTED BY OFFICERS, SENIOR MANAGERS OR PERSONS TO WHOM THEY ARE CLOSELY CONNECTED

In 2013, the declarations made by officers and by the persons covered by Article L. 621-18-2 of the French Monetary and Finance Code to the AMF pursuant to the provisions of articles 223–24 et seq. of the AMF's General Regulations are as follows:

Summary of transactions performed

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Francis Vasseur, Director, valuations and appraisals	Shares	Exercise of stock options	Jan-09-13	Jan-09-13	OTC	€37.23	€37,230.00
Florence Flageul, member of the Management Committee	Shares	Exercise of stock options	Jan-15-13	Jan-15-13	OTC	€37.23	€79,970.04
Francis Vasseur, Director, valuations and appraisals	Shares	Exercise of stock options	Jan-16-13	Jan-16-13	OTC	€37.23	€40,617.93
Olivier Haye, member of the Management Committee	Shares	Exercise of stock options	Jan-18-13	Jan-18-13	OTC	€37.23	€77,885.16
David Soly, member of the Management Committee	Shares	Exercise of stock options	Jan-18-13	Jan-18-13	OTC	€37.23	€77,885.16
David Soly, member of the Management Committee	Shares	Disposal	Jan-18-13	Jan-18-13	Euronext Paris	€87.78	€133,959.45
David Soly, member of the Management Committee	Shares	Disposal	Jan-18-13	Jan-18-13	Euronext Paris	€88.14	€184,393.48
Florence Flageul, member of the Management Committee	Shares	Exercise of stock options	Jan-15-13	Jan-15-13	OTC	€61.02	€24,408.00
Florence Flageul, member of the Management Committee	Shares	Exercise of stock options	Jan-15-13	Jan-15-13	OTC	€37.23	€36,820.47
Predica, member of the Board of Directors	Shares	Acquisition	Feb-26-13	March-05-13	(1)	€83.95	€1,009,582.70
Predica, member of the Board of Directors	Shares	Acquisition	Feb-27-13	March-05-13	(2)	€84.65	€496,980.15
Predica, member of the Board of Directors	Shares	Acquisition	March-04-13	March-05-13	(3)	€86.72	€1,113,347.27
Franck Bernard, member of the Management Committee	Shares	Exercise of stock options	March-07-13	March-08-13	OTC	€37.23	€15,562.14
Predica, member of the Board of Directors	Shares	Acquisition	March-05-13	March-11-13	Euronext Paris	€87.00	€2,262.00
Vincent Moulard, member of the Management Committee	Shares	Exercise of stock options	March-08-13	March-11-13	OTC	€37.23	€45,346.14
Predica, member of the Board of Directors	Shares	Acquisition	March-12-13	March-18-13	Euronext Paris	€86.60	€768,327.62
Predica, member of the Board of Directors	Shares	Acquisition	March-13-13	March-18-13	Euronext Paris	€86.48	€519,992.82
Philippe Valade, member of the Executive Committee	Shares	Exercise of stock options	March-19-13	March-20-13	OTC	€37.23	€119,694.45
Éric Saint-Martin, member of the Management Committee	Shares	Exercise of stock options	March-25-13	March-26-13	OTC	€37.23	€94,675.89

(1) Euronext Paris (quantity: 7,347), Turquoise (quantity: 222), Chi-X (quantity: 1,326), Cross finder (quantity: 1,131)
(2) Euronext Paris (quantity: 5,101), Bats (quantity: 165), Chi-X (quantity: 605)
(3) Euronext Paris (quantity: 7,251), Bats (quantity: 5), Chi-X (quantity: 4,033), Turquoise (quantity: 1,458), Equiduct (quantity: 72), Blink (quantity: 19)

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
Vincent Moulard, member of the Management Committee	Shares	Disposal	March-25-13	March-26-13	Euronext Paris	€90.00	€15,840.00
Crédit Agricole Assurances S.A., legal entity related to Predica, member of the Board of Directors	Shares	Acquisition	March-22-13	March-28-13	(4)	€88.75	€10,471.91
Crédit Agricole Assurances S.A., legal entity related to Predica, member of the Board of Directors	Shares	Acquisition	March-26-13	March-28-13	(5)	€88.94	€11,473.26
Crédit Agricole Assurances S.A., legal entity related to Predica, member of the Board of Directors	Shares	Acquisition	March-27-13	March-28-13	(6)	€88.59	€184,170.50
Predica, member of the Board of Directors	Shares	Acquisition	March-22-13	March-28-13	(7)	€88.74	€154,139.81
Predica, member of the Board of Directors	Shares	Acquisition	March-26-13	March-28-13	(8)	€88.96	€37,630.58
Predica, member of the Board of Directors	Shares	Acquisition	March-27-13	March-28-13	(9)	€88.59	€1,058,346.60
Vincent Moulard, member of the Management Committee	Shares	Disposal	March-28-13	March-28-13	Euronext Paris	€90.05	€270,152.70
Crédit Agricole Assurances S.A., legal entity related to Predica, member of the Board of Directors	Shares	Acquisition	March-28-13	April-03-13	(10)	€88.94	€186,942.42
Vincent Moulard, member of the Executive Committee	Shares	Exercise of stock options	April-03-13	April-03-13	OTC	€37.23	€55,845.00
Predica, member of the Board of Directors	Shares	Acquisition	March-28-13	April-04-13	(11)	€89.38	€693,074.12
Predica, member of the Board of Directors	Shares	Acquisition	April-04-13	April-09-13	(12)	€89.63	€1,611,009.62
Crédit Agricole Assurances S.A., legal entity related to Predica, member of the Board of Directors	Shares	Acquisition	March-04-13	April-09-13	(13)	€89.63	€512,325.08
Veronica Bassalo Rossignol, member of the Management Committee	Shares	Exercise of stock options	April-24-13	April-29-13	OTC	€37.23	€7,446.00
Loïc Hervé, member of the Executive Committee	Shares	Disposal	May-06-13	May-06-13	Euronext Paris	€94.06	€188,127.00
Loïc Hervé, member of the Executive Committee	Shares	Exercise of stock options	May-16-13	May-23-13	OTC	€37.23	€583,952.55
Loïc Hervé, member of the Executive Committee	Shares	Disposal	May-16-13	May-23-13	Euronext Paris	€96.93	€1,520,422.34

(4) Euronext Paris (quantity: 51), Turquoise (quantity: 44), Chi-X (quantity: 16), XOTC (quantity: 6), Smartpool (quantity: 1)
(5) Euronext Paris (quantity: 53), Turquoise (quantity: 40), Chi-X (quantity: 33), Bats (quantity: 3)
(6) Euronext Paris (quantity: 1,596), Turquoise (quantity: 273), Chi-X (quantity: 210)
(7) Euronext Paris (quantity: 749), Bats (quantity: 30), Chi-X (quantity: 222), Turquoise (quantity: 646), XOTC (quantity: 80), Other (quantity: 10)
(8) Euronext Paris (quantity: 192), Bats (quantity: 5), Chi-X (quantity: 76), Turquoise (quantity: 150)
(9) Euronext Paris (quantity: 9,228), Bats (quantity: 19), Chi-X (quantity: 1,122), Turquoise (quantity: 1,559), JPM-X (19)
(10) Euronext Paris (quantity: 547), Posit (quantity: 883), Turquoise (quantity: 357), Chi-X (quantity: 252), Trajectory X (quantity: 21), MS Pool (quantity: 42)
(11) Euronext Paris (quantity: 1,947), Posit (quantity: 2,774), Chi-X (quantity: 1,137), Turquoise (quantity: 1,767), Trajectory (quantity: 43), MS Pool (quantity: 86)
(12) Euronext Paris (quantity: 10,605), CHI-X (quantity: 2,696), Turquoise (quantity: 2,876), UBS PIN (quantity: 1,078), UBS MTF (quantity: 359), BlockMatch (quantity: 180), BATS (quantity: 180)
(13) Euronext Paris (quantity: 3,373), CHI-X (quantity: 800), Turquoise (quantity: 858), UBS PIN (quantity: 343), UBS MTF (quantity: 114), Turquoise Dark (quantity 57), BATS (quantity: 57), BlockMatch (quantity: 57), CHI-X Darq (quantity: 57)

Declarer	Financial instruments	Type of transaction	Date of transaction	Date of receipt of declaration	Place of transaction	Unit price	Amount of transaction
André Lajou, member of the Executive Committee	Shares	Disposal	May-22-13	May-24-13	Euronext Paris	€98.10	€506,999.40
Eduardo Paraja Quiros, member of the Board of Directors	Shares	Acquisition	May-17-13	May-27-13	Euronext Paris	€97.41	€9,741.40
Yves Dieulesaint, member of the Management Committee	Shares	Exercise of stock options	June-21-13	June-21-13	OTC	€61.02	€259,335.00
Yves Dieulesaint, member of the Management Committee	Shares	Exercise of stock options	June-21-13	June-21-13	OTC	€37.23	€107,408.55
Pascale Neyret, member of the Management Committee	Shares	Exercise of stock options	June-21-13	June-21-13	OTC	€78.98	€35,067.12
Pascale Neyret, member of the Management Committee	Shares	Exercise of stock options	June-21-13	June-21-13	OTC	€37.23	€77,847.93
Veronica Bassalo Rossignol, member of the Management Committee	Shares	Disposal	May-17-13	June-24-13	Euronext Paris	€93.34	€38,536.16
Francis Vasseur, Director, valuations and appraisals	Shares	Exercise of stock options	July-29-13	July-30-13	OTC	€78.98	€40,674.70
André Lajou, member of the Executive Committee	Shares	Disposal	July-31-13	Aug-01-13	Euronext Paris	€92.52	€88,823.90
André Lajou, member of the Executive Committee	Shares	Disposal	Aug-01-13	Aug-02-13	Euronext Paris	€92.75	€663,362.30
Francis Vasseur, Director, valuations and appraisals	Shares	Exercise of stock options	Aug-05-13	Aug-06-13	OTC	€78.98	€65,869.32
Vincent Moulard, member of the Executive Committee	Shares	Exercise of stock options	Aug-06-13	Aug-07-13	OTC	€37.23	€85,629.00
Predica, member of the Board of Directors	Shares	Acquisition	Sept-06-13	Sept-12-13	Euronext Paris	€86.51	€2,328,670.42
Predica, member of the Board of Directors	Shares	Acquisition	Sept-09-13	Sept-13-13	(14)	€86.87	€1,610,135.45
Predica, member of the Board of Directors	Shares	Acquisition	Sept-10-13	Sept-13-13	(15)	€88.02	€607,134.37
Predica, member of the Board of Directors	Shares	Acquisition	Sept-11-13	Sept-13-13	(16)	€88.65	€2,002,422.24
Predica, member of the Board of Directors	Shares	Acquisition	Sept-12-13	Sept-13-13	(17)	€89.85	€445,476.30
Predica, member of the Board of Directors	Shares	Acquisition	Sept-13-13	Sept-17-13	(18)	€89.88	€284,290.44
Predica, member of the Board of Directors	Shares	Acquisition	Sept-18-13	Oct-02-13	(19)	€89.76	€358,857.28
Yves Dieulesaint, member of the Management Committee	Shares	Disposal	Dec-30-13	Dec-30-13	Euronext Paris	€95.50	€76,401.36

To the company's knowledge, the summary of the transactions completed by the company's officers show all the financial transactions and instruments (disposals, purchases, exercise of stock options, etc.) reported by the officers on Gecina shares.

(14)The acquisitions are made on Euronext Paris (mostly) and on Turquoise, Bats and Chi-X
(15) The acquisitions are made on Turquoise (mostly), on Euronext Paris, Chi-X, Posit and XOTC
(16) The acquisitions are made on Euronext Paris (mostly), Turquoise, XOTC, Chi-X and Posit.
(17) The acquisitions are made on Euronext Paris (mostly), Turquoise, Chi-X and XOTC.
(18)The acquisitions are made on Euronext Paris (mostly), Turquoise and Chi-X
(19) The acquisitions are made on Euronext Paris (mostly) and on Turquoise, Chi-X, BATS and XOTC

6.3.5. DECLARATION ON THRESHOLDS EXCEEDING AND DECLARATION OF INTENT

In 2013, the company was not informed of any party exceeding the threshold set by the law and the bylaws.

At the beginning of 2014, Gecina has been informed of a disclosure threshold declaration and statement of intent filed with the Autorité des Marchés Financiers (the French market regulator) under n° 214C0205, dated February 6, 2014 and describe below.

In a letter received on 4 February, with further details provided in a letter received on 6 February, Eliseo Finance S.à.r.l.[(1)], a limited liability company operating under Luxembourg law (registered office at 2-4 rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg) declared that it had exceeded the ownership thresholds of 5%, 10%, 15% and 20% of the capital and voting rights of Gecina on 31 January, and that it held 14,448,037 shares of Gecina, representing the same number of voting rights, i.e. 22.98% of the capital and voting rights of that company[(2)].

This crossing of ownership thresholds resulted from the pledging of Gecina shares.

In the same letters, the following statement of intent was made: "Pursuant to Article L.233-7 VII of the Commercial Code, and article 223–17. I of the General Regulations of the Autorité des Marchés Financiers, after the ownership thresholds of 5%, 10%, 15% and 20% of the capital and voting rights of Gecina were exceeded by Eliseo Finance S.à.r.l., an entity managed by the affiliates of The Blackstone Group L.P. (Blackstone) and indirectly held on a joint basis by real estate funds (managed by Blackstone) and Ivanhoé Cambridge II Inc. (Ivanhoé Cambridge), Blackstone, in the name and on behalf of the group acting in concert formed by Blackstone, Ivanhoé Cambridge and their affiliates, including Eliseo Finance S.à.r.l. (the group acting in concert) hereby declares the following with regard to the intentions of the group acting in concert for the next six months:
The members of the group acting in concert became the owners of 14,448,037 shares of Gecina, representing 22.98% of Gecina's capital and voting rights, by virtue of a ruling by a Luxembourg court relating to a pledge guaranteeing loans granted by a group of institutions to the Spanish companies Alteco Gestión y Promoción de Marcas, S.L. and Mag Import S.L., in which Eliseo Finance S.à.r.l. held an interest. The purchase of this interest, as a result of which Eliseo Finance S.à.r.l. became the owner of 14,448,037 shares of Gecina, was fully financed with shareholders' equity.
Blackstone and Ivanhoé Cambridge (and their affiliates, including Eliseo Finance S.à.r.l.), which are acting in concert (see resolution and notification no. 213C0350 of 15 March), are not acting in concert with any other person, whether a natural person or a legal entity.
The group acting in concert plans to purchase further shares of Gecina or interests in loans (guaranteed with Gecina shares). However, the group acting in concert does not plan to increase its equity interest in Gecina beyond the threshold of the mandatory public tender offer, nor does it plan to take control of Gecina. As an exception, if Metrovacesa were to consider selling its equity interest in Gecina, the group acting in concert would consider the possibility of acquiring all or part of this interest.
The crossing of the ownership thresholds mentioned above is a result of the appropriation of the shares pledged, not of an intention on the part of the group acting in concert to influence Gecina's strategy. The group acting in concert supports the strategy implemented by Gecina and its Executive Management.
The group acting in concert does not plan to implement the measures set out in article 223–17 I.(6) of the General Regulations of the Autorité des Marchés Financiers.
The group acting in concert also intends to propose the appointment of directors at Gecina in proportion to its holding in Gecina's capital (at least three).
None of the members of the group acting in concert is party to (i) the agreements or instruments set out in (4) and (4)-bis of Article L.233-9.I of the Commercial Code or (ii) temporary transfer agreements relating to Gecina shares or voting rights."

Furthermore, in a letter received on 10 February 2014, the BPCE Group, through its subsidiary Natixis, declared that on 31 January 2014, it had exceeded the statutory ownership thresholds of 2% and 4% of the Company's capital and voting rights, respectively. Natixis holds, individually and directly, 3,134,830 shares representing 4.99% of the Company's capital and voting rights.

6.4. Options and performance shares

6.4.1. STOCK OPTIONS

The company has set up various stock option plans for the purchase of new and existing shares, the allocation of which are reserved for officers or employees of the company and of companies associated with it as defined in Article L. 225-180 of the French Commercial Code. The company did not implement a stock option plan in 2013.

The report below shows the number and main terms of the stock options awarded between 2004 and 2010 by Gecina to its staff:

(1) A company held by the affiliates of The Blackstone Group L.P. (Blackstone) and Ivanhoé Cambridge II Inc. (controlled at the highest level by the Caisse de Dépôt et Placement du Québec), it being specified that Blackstone is acting in its capacity as general managing partner of the partnership formed with Ivanhoé Cambridge II Inc., and that Blackstone and Ivanhoé Cambridge II Inc. (and their affiliates, including Eliseo Finance S.à.r.l.) are acting in concert (see D&I no. 213C0350 of 15 March 2013).
(2) On the basis of capital comprising 62,870,496 shares representing the same number of voting rights, implementing article 223–11, paragraph 2 of the General Regulations.

Date of shareholder meeting	06/02/2004	06/02/2004	06/02/2004	06/19/2007	06/19/2007	06/15/2009	06/15/2009
Date of Board Meeting	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	03/22/2010 [(1)]	12/09/2010 [(1)]
Date of option allocation	10/12/2004	03/14/2006	12/12/2006	12/13/2007	12/18/2008	04/16/2010	12/27/2010
Expiry Date	10/11/2014	03/15/2016	12/13/2016	12/14/2017	12/19/2018	04/17/2020	12/28/2020
Number of options awarded	**316,763**	**236,749**	**254,008**	**200,260**	**331,875**	**251,913**	**210,650**
of which number of options awarded to corporate officers	66,466	57,450	60,648	31,370	73,198	31,368	30,000
of which number of options awarded to top ten employee beneficiaries	143,665	130,336	123,393	110,320	157,376	144,293	117,000
Subscription or purchase price (€)	61.02	96.48	104.04	104.72	37.23	78.98	84.51
Number of shares subscribed or purchased to date	**294,270**	**0**	**0**	**0**	**281,691**	**2,094**	**0**
of which number of options awarded to corporate officers	66,466	0	0	0	73,198	0	0
of which number of options awarded to top ten employee beneficiaries	128,952	0	0	0	125,365	444	0
Number of shares that can be exercised	**22,493**	**236,749**	**252,439**	**198,691**	**50,184**	**248,250**	**210,450**
of which number of options awarded to corporate officers	0	57,450	60,648	31,370	0	31,368	30,000
of which number of options awarded to top ten employee beneficiaries	14,713	130,336	123,393	110,320	32,011	143,849	117,000

(1) Stock option plan.

SPECIAL REPORT ON STOCK OPTIONS GRANTED TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to the provisions of Article L. 225-184 of the French Commercial Code, the purpose of this report is to inform you of the award of stock options during 2013 for the purchase or subscription of new or existing shares to members of staff of the company or affiliated companies or groups as specified in Articles L. 225-177 to L. 225-186 of the French Commercial Code.

STOCK OPTIONS GRANTED IN 2013

None.

STOCK OPTIONS GRANTED TO CORPORATE OFFICERS OF GECINA

None.

STOCK OPTIONS GRANTED TO THE TEN EMPLOYEES (NOT CORPORATE OFFICERS) OF GECINA WHO RECEIVED THE GREATEST NUMBER OF OPTIONS IN 2013

None.

STOCK OPTIONS EXERCISED BY CORPORATE OFFICERS AND EMPLOYEES OF GECINA IN 2013

The Gecina stock options exercised by all Group employees in 2013 were as follows:

Plans	Exercise price of options	Number of options exercised in 2013
Stock options October 2004	€61.02	13,307
Stock options December 2008	€37.23	181,216
Stock options April 16, 2010	€78.98	2,094
TOTAL		**196,617**

INFORMATION CONCERNING OPTIONS EXERCISED BY THE TEN EMPLOYEE STOCK OPTION HOLDERS WHO EXERCISED THE HIGHEST NUMBER OF OPTIONS DURING 2013

Plans	Exercise price of options	Number of options exercised in 2013
Stock options October 2004	€61.02	5,158
Stock options December 2008	€37.23	42,635
Stock options April 16, 2010	€78.98	2,094
TOTAL		**49,887**

No option was exercised by corporate officers and employee directors of Gecina during 2013.

6.4.2. AWARD OF PERFORMANCE SHARES

By virtue of the authorization conferred by the eighteenth resolution of Gecina's Combined Shareholders' General Meeting held on April 18, 2013, Gecina's Board of Directors adopted two performance share plan regulations on December 13, 2013. These plans provide for the award of Gecina performance shares to beneficiaries designated from among the corporate officers and employees most directly connected with the development of the Gecina group, for up to 1.5% of share capital.

PERFORMANCE SHARE AWARD PLAN OF DECEMBER 13, 2013 (AP13)

The plan regulations have set the term of the performance shares vesting period at two years from the Gecina Board of Directors' meeting that agreed on the award of said shares, contingent on the beneficiary's presence in the company and performance under the terms described below:

- Gecina stock market performance rate compared with the SIIC France index over the same period.

- if the average performance of the Gecina share exceeded, in the 24 months preceding the Vesting Date (December 1, 2015 closing price versus December 1, 2013 closing price) the average performance of the Euronext IEIF "SIIC France" index during the same period, a performance rate of 100% will be applied to the target number of shares;
- if the average performance ranges between 90% and 100% of the index, a penalty equal to double the underperformance will be directly applied to the target number of shares;
- if the average performance ranges between 85% and 90% of the index, a penalty equal to three times the underperformance will be directly applied to the target number of shares;
- if during the same period, the performance is 85% below that of the SIIC France index, no performance share will be awarded.

At the end of a period of two years from the date of the Gecina Board of Directors meeting deciding on the award of said shares, and provided above conditions are met, the beneficiaries will become owners of the shares awarded to them and enjoy all the rights of a shareholder. However, they may not sell their shares for two years from their vesting date.

PERFORMANCE SHARE AWARD PLAN OF DECEMBER 13, 2013 (AP13-2)

The plan regulations have set the term of the performance shares vesting period at two years from the Gecina Board of Directors' meeting that agreed on the award of said shares, contingent on the beneficiary's presence in the company and performance under the terms described below:

- Gecina stock market performance rate compared with the SIIC France index over the same period.

- if the average performance of the Gecina share exceeded, in the 24 months preceding the Vesting Date (December 1, 2015 closing price versus December 1, 2013 closing price) the average performance of the Euronext IEIF "SIIC France" index during the same period, a performance rate of 100% will be applied to the target number of shares;
- if the average performance ranges between 90% and 100% of the index, a penalty equal to double the underperformance will be directly applied to the target number of shares;
- if the average performance ranges between 85% and 90% of the index, a penalty equal to three times the underperformance will be directly applied to the target number of shares;
- if during the same period, the performance is 85% below that of the SIIC France index, no performance share will be awarded.

At the end of a period of two years from the date of the Gecina Board of Directors meeting deciding on the award of said shares, and provided above conditions are met, the beneficiaries will become owners of the shares awarded to them and enjoy all the rights of a shareholder. However, they may not sell their shares for two years from their vesting date.

The beneficiaries of these plans are subject to the applicable regulation on insider training at the time of selling shares as reflected in the company's specific rules incorporating stock exchange ethical principles and the applicable laws and regulation.

Furthermore, whatever the case, pursuant to article L. 225-197-1-I, the shares cannot be sold:

1. within the period of ten Stock Exchange sessions preceding

and three days following the date on which the Consolidated financial statements, or failing which, the annual financial statements, are publicly reported;

2. within the period ranging between the date on which the company's executive bodies learn about information which, if publicly disclosed, may have a significant impact on the company's share price, and the date following the ten Stock Exchange sessions on which said information is publicly disclosed.

The following table shows the number and main terms of the performance shares awarded on the basis of the above authorizations:

Performance shares award plan	AP13	AP13-2
Date of Board Meeting	12/13/2013	12/13/2013
Start date of vesting period	12/13/2013	12/13/2013
Vesting date	12/14/2015	12/14/2015
Number of shares awarded	62,560	9,700
of which number of shares awarded to corporate officers	10,000	NA
of which number of shares awarded to top ten employee beneficiaries	23,500	NA
Number of shares subscribed, purchased or canceled		
of which number of shares subscribed, purchased or canceled by corporate officers		
of which number of shares subscribed, purchased or canceled by top ten employee beneficiaries		
Number of shares that may be awarded		
of which number of shares that may be awarded to corporate officers	10,000	NA
of which number of shares that may be awarded to top ten employee beneficiaries	23,500	NA

They are also described in the following report:

SPECIAL REPORT ON PERFORMANCE OPTIONS GRANTED TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to the provisions of Article L. 225-197-4 of the French Commercial Code, the purpose of this report is to inform you of the award of performance shares in 2013 to be issued to members of staff of the company or affiliated companies or groups as specified in Article L. 225-197-2 of the French Commercial Code and corporate officers defined in Article L. 225-197-1-II of the French Commercial Code.

PERFORMANCE SHARE PLANS AWARDED TO THE BOARD OF DIRECTORS ON DECEMBER 13, 2013

Pursuant to the authorization granted by the eighteenth resolution of the Combined General Meeting of April 18, 2013 and at the recommendation of the Remunerations Committee, the Board of Directors meeting proceeded on December 13, 2013 to the award of two performance share plans of 62,560 shares and of 9,700 shares of the company with a value of €93.65[1].

The first plan (AP13) corresponds to 62,560 performance shares to be issued to beneficiaries designated from among the employees and corporate officers most directly connected with the development of the Group.
The second plan (AP13-2) allows the award of 20 performance shares to be issued to each of the employees linked to the Gecina Group by a valid employment contract on the Award Date and having worked for at least three months within the Gecina Group.

Pursuant to Article L.225-197-1 of the French Commercial Code and the conditions specified in the Gecina performance share plan of December 13, 2013, the above-described shares awarded by the Board of Directors will be completely vested at the end of a two-year period from their award date (the "Vesting Date") and subject to the achievement of the presence condition and performance conditions.

From the vesting date and subject to the satisfaction of the above-mentioned conditions, the beneficiaries will become owners of the shares awarded to them free of charge and enjoy all the rights of a shareholder. However, they may not sell the performance shares that have been definitively awarded to them for two years from the vesting date.

(1) Share price on the award day

Performance shares granted to Gecina corporate officers

Date of Board of Directors' Meeting	Grant date	Number of shares	Beneficiary
12/13/2013	12/13/2013	10,000	Philippe Depoux, Chief Executive Officer

PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES (NOT CORPORATE OFFICERS) OF GECINA WHO RECEIVED THE HIGHEST NUMBER OF SHARES IN 2013

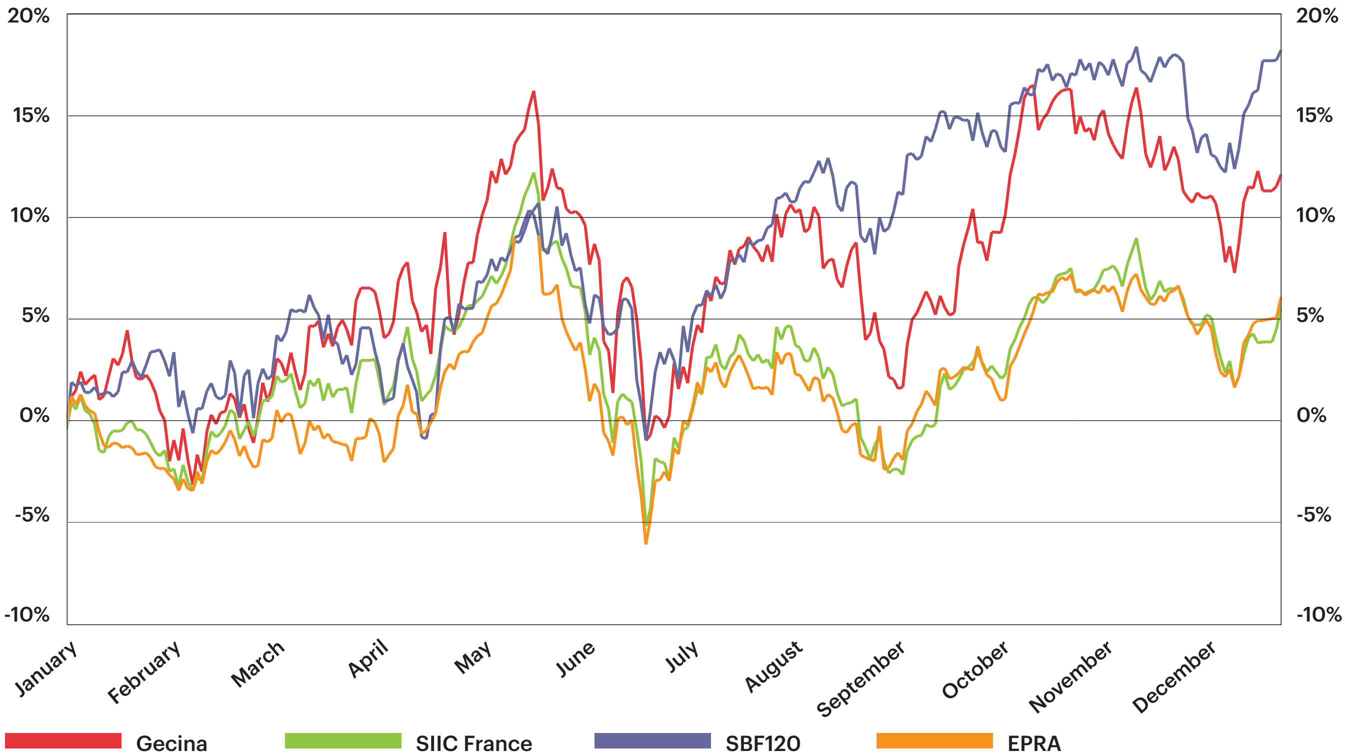
23,500 performance shares were awarded under the first plan (AP13)

6.5. Gecina shares

6.5.1. THE SHARE PRICE IN 2013

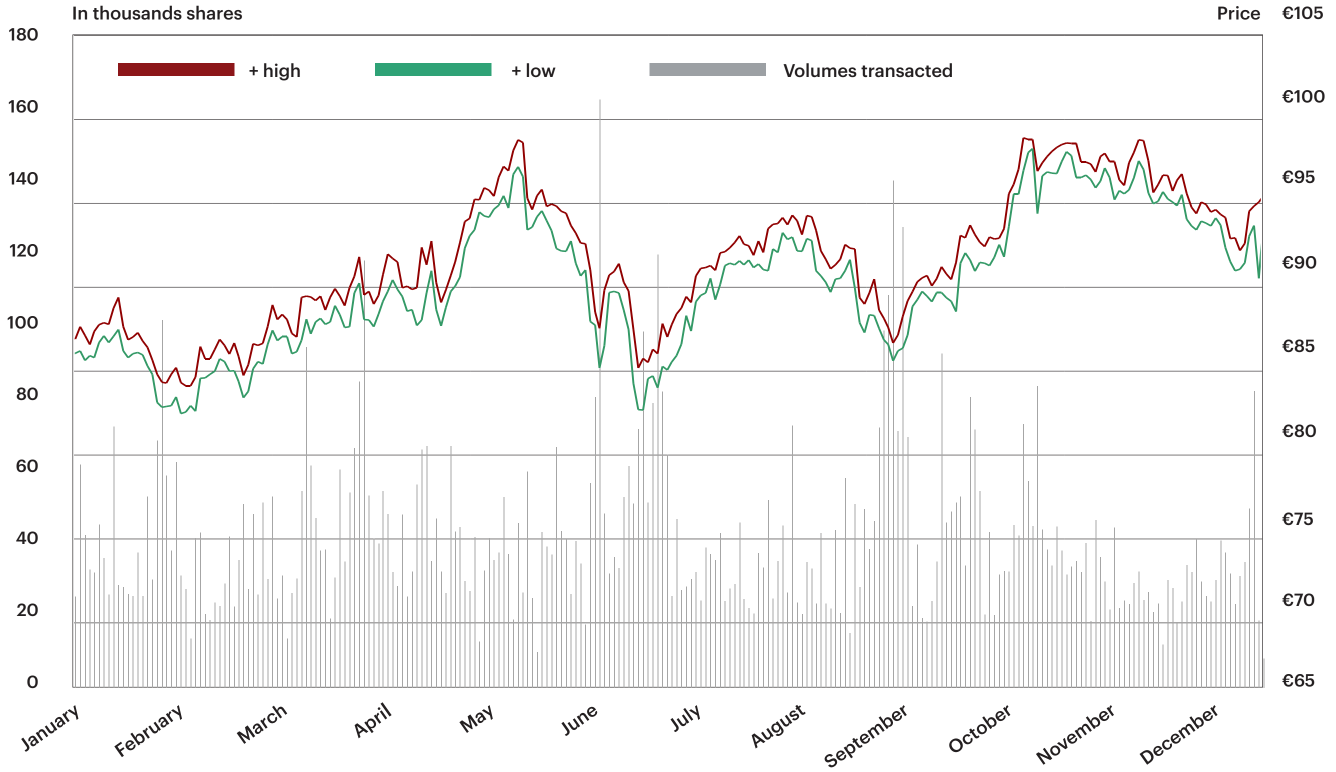
The Gecina share price was up by 13.11% in 2013, climbing from €84.90 on December 31, 2012 to €96.03 on December 31, 2013.

This price ranged between a low of €82.50 on February 7,2013 and a high of €100.10 on October 15,2013.



The table presented in paragraph 6.5.3 below gives a summary of the statistics regarding the share's stock market performance in 2013. A total of 11,008,793 shares were traded on Euronext in 2013 for a total capital amount of €1,001 million.
At year-end 2013, the company's market capitalization amounted to €6,037 million.

Gecina 2013 – Share price extremes in euros



6.5.2. EQUITY MARKET

STOCK EXCHANGE LISTING

Gecina's shares are listed on Euronext Paris, Compartment A (Blue Chips) under ISIN Code FR0010040865. The shares are eligible for the deferred settlement system ("SRD") and are included in the SBF 120 and CAC Mid 60 indexes.

ICB (Industry Classification Benchmark): 8671 Industrial & Office Real Estate Investment Trusts.

Other issues and stock exchange listings

Stock exchange listing	Euronext Paris	Euronext Paris	Euronext Paris	Euronext Paris	Euronext Paris
Name and type of issue	Gecina 4.75% 04/11/2019 Euro Medium Term Notes	Gecina 4.25% 02/03/2016 Euro Medium Term Notes	Gecina 2.125% 01/01/2016 Bonds redeemed in cash and/or in new and/or existing shares (Ornane)	Gecina 4.50% 09/19/2014 Euro Medium Term Notes	Gecina 2.875% 05/30/2023 Euro Medium Term Notes
Issue date	04/11/2012	02/03/2011	04/09/2010	09/20/2010	05/30/2013
Issue amount	€650 million	€500 million	€320 million	€500 million	€300 million
Issue price	99.499% in respect of €650 million	99.348% in respect of €500 million	€111.05	99.607% in respect of €500 million	98.646% in respect of €300 million
Maturity date	04/11/2019	02/03/2016	01/01/2016	09/19/2014	05/30/2023
Annual interest	4.75%	4.25%	2.125%	4.50%	2.875%
ISIN Code	FR0011233337	FR0011001361	FR0010881573	FR0010943316	FR0011502814

6.5.3. TRADING VOLUMES IN NUMBER OF SHARES AND VALUES

Shares (ISIN Code FR0010040865).

Trading volume and price trends

Month	Number of shares traded monthly	Value traded per month (*€ million*)	Price extremes High (*in €*)	Price extremes Low (*in €*)
July 2012	1,192,591	86.28	76.77	68.59
August 2012	562,040	43.06	78.49	74.00
September 2012	1,277,462	101.91	82.93	75.62
October 2012	1,000,597	80.57	86.22	75.87
November 2012	2,765,130	231.87	89.25	82.54
December 2012	790,599	67.96	88.81	83.83
January 2013	861,508	74.78	89.90	83.20
February 2013	787,159	66.67	87.22	82.50
March 2013	860,549	76.20	90.53	85.66
April 2013	1,109,493	100.28	93.50	88.04
May 2013	836,854	80.04	99.96	90.61
June 2013	1,197,751	105.77	95.41	82.71
July 2013	894,996	80.41	93.83	84.15
August 2013	813,510	75.30	95.15	87.65
September 2013	1,348,438	120.36	94.53	85.87
October 2013	1,019,485	98.86	100.10	91.57
November 2013	606,006	59.17	99.95	95.75
December 2013	673,044	63.72	96.63	91.12

Trading volumes and price trends over five years

Year	Number of shares traded	Number of trading days	Price extremes high	Price extremes low	Latest prices
2009	30,367,941	256	85.88	25.85	76.14
2010	18,830,390	258	91.80	61.06	82.31
2011	22,801,404	257	105.00	52.51	65.00
2012	16,783,264	256	89.25	58.10	84.90
2013	11,008,793	255	100.10	82.50	96.03

Source: NYSE Euronext.

CSR responsibility and performances

Foreword: Sustainable real estate in 2050

Foreword

CORPORATE SOCIAL RESPONSIBILITY (CSR), AT THE HEART OF THE REGULATORY AND ECONOMIC CONTEXT FOR THE REAL ESTATE INDUSTRY

Collaborative progress has been made since the Grenelle Environment project. The "green value", which evaluates the sustainable dimension of an asset, has contributed to this learning process, in the same way as comprehensive cost control and non-financial reporting. This is more than simply best practice or residual benevolence. Through significant intellectual, technical and operational investment, today recognized in numerous industry reviews, Gecina has incorporated this societal change into its programs, thereby giving its investors and partners a competitive advantage. The company's CSR expertise is also a contributing factor in its resilience in a tough and uncertain economic and environmental context.

As a powerful economic sector in France, the real estate sector is at the heart of the environmental issue. With 70 million tons of oil equivalent, the building sector consumes 43% of final energy (and nearly 60% if we include grey energy and induced transport) and contributes nearly 25% to national greenhouse gas emissions (120 million tons of CO_2 or 32.7 million tons of carbon)[1]. Overall activity generates around 360 million tons of waste per year (41% of waste) consumes large amounts of water (18% of consumption).

Seen as rather inert and structurally slow to develop, taking into account the low annual replacement rate (300,000 housing units and 14 million sq.m of commercial buildings) and the long-term nature of real estate (almost 30 million housing units and over 814 million sq.m of commercial buildings), the sector has positioned itself as a key player for tackling the environmental challenges we must face. Whether we use the concept of the third industrial revolution described by Jeremy Rifkin[2], whereby buildings make an active contribution to four of the five pillars (renewable energy, micro-generation plants, storage, intelligent networks, etc.), or the innovation clusters of the next energy transition described by Vaclav Smil[3], the construction/real estate sector clearly emerges as a major driver of the energy paradigm shift.

As a primary source of energy savings, available now and hailed as one of the most profitable investments, **this could well be the only sector which offers strong enough growth possibilities to meet our national commitments to reduce greenhouse gas emissions.**

(1) Primary source: ADEME, *Contexte et enjeux – secteur construction*.
(2) Jeremy Rifkin *La troisième révolution industrielle*. LLL les liens qui libèrent, décembre 2012.
(3) Vaclav Smil, *Energy Transitions: History, Requirements, Prospects*. Praeger 2010.

THE CHALLENGE FOR GECINA: TO BE A REAL ESTATE OPERATOR WITH HIGH SOCIETAL SKILLS

Designing, investing in, managing and renovating a property portfolio is an increasingly influential activity in today's urban societies, from the densely populated capitals of the developed world to the rapidly expanding cities of emerging countries. Supply-side performance derives as much from the transparency of production mechanisms as from the integration of collective issues, not to mention value for money. In this context, real estate is more than ever a "societally" dependent activity.

This stand-out performance factor is a major issue for Gecina. It means achieving a balance between value creation for the private investor (measured through the operation and value of assets), and value creation for society (which the local community measures based on direct and indirect external factors, both positive and negative). This collaborative method will characterize the essence of tomorrow's market. There is a host of possible solutions and no definitive models have yet been found. The public sector must reinvent itself in its ability to think, decide, and manage projects over the long term, while the private sector must demonstrate its capacity for innovation, approaching products with the requisite "sustainable and responsible" manner.

Gecina has chosen to be a real estate operator with high societal skills, to be a player in this new urban reality, which is particularly advanced in France. Three challenges are accelerating this market transformation:

- **energy and climate change,** consisting of the fundamental design, investment and innovation, but also the effective use and operation of buildings;
- **urban integration in the widest possible sense,** requiring skills beyond the traditional expertise of the engineers and architects of individual projects, encompassing three distinct strands:
  - **economic integration,** in the fair distribution of the value created,
  - **environmental integration,** taking resolute action to repair the excessive damage done to nature's two main regulatory systems, the atmosphere and biodiversity,
  - **social integration,** upstream and downstream of projects, boosting the attraction for newcomers to the sector;
- **working with customers** to manage their needs, behavior, and development over time and in spatial terms in order to optimize a building's use throughout its entire life cycle.

This sustainable dimension of the new real estate business model changes the parameters of the performance and know-how of the profession. It assigns corporate social responsibility (CSR) a new place in skills within the value chain. It forces the company to anticipate constraints, to turn them into development opportunities, and to gauge their utility rather than being purely focused on costs. Objectives: to save time and resources and garner consensus, mechanisms that will ensure the optimum societal integration of a real estate investment. By reducing unnecessary complexities and costs, this streamlines processes and creates opportunities for economic and social growth. Finally, CSR compares the theoretical objectives against the legitimate aspirations of stakeholders, who play a decisive role in the life of an asset and influence its overall profitability.

GECINA'S ANSWERS TO THESE NEW CHALLENGES

Based on this diagnosis, and mindful of the vital role of the real estate sector in this necessary paradigm shift, since 2007 Gecina has built sustainable development into its strategy and operations. It is resolutely committed to a policy of continuous improvement, factoring all these constraints into its analysis of the materiality matrix (see Chapter 7.1.2.1 "Gecina Materiality Matrix") and making sustainable development an integral part of its organization, of its very DNA. It is an integral part of project management, the mode of management, in the operation of all departments and in the day-to-day practices of its 501 employees.

Gecina is keen to respond to the primary expectations of the building user, namely to live or work in comfortable, safe, economical and environmentally friendly premises. Thus the overwhelming tendency of the real estate industry is, without renouncing the classical intrinsic features that determine the quality of a building (location, architecture and interior decoration, performance of technical facilities, headroom, etc.), shifting from the exclusive focus on means to guaranteed results. To do this, new tools such as metrics and audit plans are required to guarantee energy performance during use. At the same time, customer relations have been revised to create new forums for exchange between owners and tenants, promoted by the environmental appendices or think tanks such as Gecina Lab, in order to share information, make action plans, and optimize the use of rented spaces.

In its second four-year plan (2013-2016), the roadmap for each of the four pillars of its CSR strategy (Portfolio, the Planet, Employees, Corporate) commits Gecina to specific targets which it must achieve by 2016, with 17 key performance indicators such as energy efficiency, building certification, the optimization of finite natural resources, responsible purchasing and talent management.

Green performance, the Group's exemplary head office project, also embodies this decisive issue for the future (see Chapter 7.1.5 "Continuous improvements to an exemplary head office").
Gecina considers this transformation as a real opportunity for development and leadership. In 2013, its proactive approach led to significant progress in the implementation of its second four-year CSR action plan and goals (2013-2016):

- **the first workshop on dialogue and exchange with its stakeholders,** a useful forum for discussion with the Executive Committee (see Chapter 7.1.1.2 The Gecina Stakeholder Committee);
- **the launch of the PRIME project,** focused on a decisive shift towards a responsible portfolio, in which the quest for best-in-class environmental standards, innovative operations management, the galvanizing of relations with tenant customers through the use of environmental appendices and the introduction of new contractual commitments that guarantee results and collective performance; the widespread emergence of building automation; the launch of asset mapping covering the 12 themes of the responsible building (see Chapter 7.1.3.2 The responsible building) and consistent with this strategy, the signature of **the French Charter for the Energy Efficiency of Public and Private Commercial Buildings derived from the French Green Building Plan**;
- the renewal of the "move forward" of energy efficiency in the commercial portfolio with a gain of 5.4% in 2013 and 23% since 2008;
- the continuous increase in the number of assets certified in operations, with **44%** (see Chapter 7.3.2 "Labeling, certification and environmental performance") to the 2016 target of 80%;
- the commissioning of an in-depth study on psycho-social risks (by Technologia, a specialist firm) (see Chapter 7.5.3.2 "Employee health and safety");
- the expressed desire and implementation of progress **in retaining talent;**
- **the launch of its policy for people** with disabilities and training for all staff on these issues (see Chapter 7.5.4.4 "Employing people with disabilities");
- the continuation of **proactive experimentation/innovation** (HQE Performance tests, air quality measurement, biodiversity, CIBI BiodiverCity™ label from the International Biodiversity and Real Estate Council, biodiversity audit agreement with the Bird Protection League, signing of the Nature Parif convention) (see Chapter 7.4.3 "Biodiversity");
- the creation of **a new composite "productive efficiency" index** (for measuring immaterial value);
- the drafting and signature by its major partners of the **Responsible Purchasing Charter** (see Chapter 7.6.4 "Responsible purchasing");
- handling **all aspects of CSR** where progress or obstacles are assessed through detailed and increasingly in-depth reporting, notably with a precise roadmap setting out specific objectives for numerous action plans, the most important of which which published in the 2013 Registration Document (see Chapter 7.1.3.1 "Commitments, goals, action plans and key indicators").

(4) Responsible Portfolio, Innovation and Environmental Management.

Even though a shift in the uptake of the environmental appendix (see Chapter 7.3.2.3. "Green leases / environmental appendices"), proved to be somewhat disappointing in 2013the constant drive for innovation in terms of CSR has led to new, widely recognized achievements which today contribute towards the Group's growth and longevity, giving us renewed confidence in our ability to meet the challenges ahead and to achieve the objectives set out in the action plans.

7.1. A CSR policy in response to the expectations of stakeholders

7.1.1. STAKEHOLDERS' STRATEGY

7.1.1.1. MAPPING GECINA'S STAKEHOLDERS

Engagement with stakeholders is at the core of the corporate responsibility policy. The new regulatory environment embodied in Article 225 of the Grenelle II law, together with the non-financial standards such as the Global Reporting Initiative (GRI), are stimulating Gecina toward identifying the various stakeholder groups and initiating exchanges with them. By taking into consideration the opinions of its stakeholders, Gecina is paving the way for the assimilation of useful information and for undertaking a process of continuous improvement, openness and transparency that will ultimately bolster its competitiveness. Against this backdrop, Gecina started a dialogue process with representatives of its stakeholders in 2013 focusing on acknowledging sustainable development issues of the real estate sector. A meeting of experts was held on October 1, 2013 in Gecina corporate offices. This was the opportunity for the members of the Executive Committee to listen to the viewpoints of the experts and to bring them into Gecina's strategic and operational decision-making processes. This initiative could lead Gecina to implement new elements into its strategic vision of sector issues, its policy, its action plans and its CSR communication actions. To ensure a focus on transparency, a summary of this initial meeting appears in the 2013 Reference Document and on the Gecina web site (see Chapter 7.1.1.2. The Gecina Stakeholder Committee). Gecina hoped to capitalize on this initial dialogue experience to form a stakeholder committee in 2014 that will be consulted regularly by CSR management and the Executive Committee.

Gecina has identified several groups of stakeholders. These appear in a summary table that will be added to in upcoming years so as to build a more accurate view of the impact of each stakeholder on Gecina's business.

Identified Stakeholders	Dialogue subjects	Examples of responses and types of dialogue engaged in
Shareholders, investors and property management companies	• Establish a trust-based relationship anchored in respect for fairness in communications and fighting corruption • Make the voting procedure less complicated	• Presentations for analysts and investors, road shows • Provide information on the voting process (see Chapter 7.6.3) • Develop means of prevention and control of practices, such as the Ethics Charter
National and local urban administration and elected officials in charge of urban programs	• Develop a transparent relationship with elected officials	• Compliance with tax and duty procedures and regulations • Transparency regarding zoning
Non-financial rating agencies and analysts	• Develop a proactive dialogue process based on performance and transparency	• Respond to questionnaires • Participation in the main non-financial rankings (see Chapter 7.2.3.1) • Debriefing dialogue with agencies
Housing, urban living, environmental associations and NGOs and neighborhood associations	• Listen to what is being said in society and initiate partnerships focusing on subjects linked to Gecina's business • Prevent and manage the ill effects produced by the construction and renovation of buildings through information and dialogue	• Internal skills-based patronage • Foundation activities • Development of a Clean Work Site Charter with suppliers
Tenants and tenant associations	• Formalize a mechanism for listening to and following up with customers • Share the "Responsible Buildings" strategy	• Customer relations indicator • Gecina Lab • Green leases and collaborative rental councils (Conseils de concertation locative)

Identified Stakeholders	Dialogue subjects	Examples of responses and types of dialogue engaged in
Employees and their representatives	• Increase understanding of the area of sustainable development • Increase skill levels and employability and retain talent • Fight all forms of discrimination • Promote well-being on the job, prevent accidents and limit absenteeism • Reinforce social dialogue	• Survey of psycho-social risks and well-being among employees • Evaluation interviews • Disability policy and a convention with AGEFIPH [French government agency promoting the employment of disabled people] • Inter-generations contract and Parenthood Charter • Professional gender equality policy • Sustainable development and Disability Week events • Signature of the Mandatory Annual Negotiation (NAO – Négociation Annuelle Obligatoire) agreement and the incentive scheme
Suppliers	• Integrate a responsible purchasing initiative into the process • Share consistent CSR practices with major suppliers	• Responsible purchasing strategy and action plans (see Chapter 7.6.4) • Presentation sessions of the process to major suppliers • CSR Awareness actions directed at suppliers • Responsible Purchasing Charter
Peers, competitors, professional associations, urban planners, researchers and independent experts	• Bolster local impact of actions • Develop a mentality based on concerted action, openness and innovation	• Participate in working groups and think tanks of players in the business line, especially those involved with CSR (see Chapter 7.6.2.5)

7.1.1.2. THE GECINA STAKEHOLDER COMMITTEE

In 2013, Gecina launched a consultations program with its stakeholders.

This resulted in the establishment of dialogue with independent experts to exchange ideas with the Group's Executive Committee on Gecina's corporate responsibility strategy as part of an overall analysis of its issues and of the preparation process concerning the CSR chapter of the 2013 Gecina Reference Document.

FINAL SUMMARY OF THE STAKEHOLDER EXPERT MEETING SET UP BY GECINA ON OCTOBER 1, 2013

Seven French experts in the areas of real estate and sustainable urban planning participated in the October 1, 2013 inaugural dialogue meeting held between Gecina and its stakeholders. The primary closing message addressed to the property company was to go beyond the status of full and satisfactory reporting that is well entrenched in the monitoring process of sustainable performance of each building with a view to developing a more all-encompassing approach. This would entail an innovation-spurred search on the supply side and collaboration with the other parties concerned to locate an economic model that accounts for more than leased square meters and develops a concept of services rendered, i.e. services related to the proper use of shared surface area.

Re-qualifying Gecina's business

Against a backdrop of rapid change, where "one risks moving slower than structural movement", the issue of "re-qualifying Gecina's business" was mooted from multiple perspectives, all reflecting the expertise present at the meeting. The majority of participants stressed the structural issues affecting sustainable urban planning. Various subjects were debated, especially multi-use and multi-participant functions of surface areas and managing density, as well as accessibility in terms of transportation, overall costs and biodiversity, which affect commercial and residential units. The major recommendation made was to move forward in these areas primarily through experimentation. As the future of a property company should go hand in hand with the concept of sustainable cities, Gecina's involvement in local planning both up and downstream of the inception of the projects appears to be a priority. This implies the need to rethink its property management strategy so as to make its buildings even more adaptable to changing requirements and to provide them with a productive logic, not one that is passive or purely cost-based. Objective for Gecina: Make its buildings links in a living ecosystem that is wider and better controlled for the benefit of and by their users, favoring service over rents.

The experts specifically emphasized the intrinsic link that exists for any building between construction - renovation, operations and use. Consequently, a certain degree of will on the part of Gecina is necessary upstream, with the property company itself necessarily a stakeholder in all meanings of the term, to assemble a range of internal skills beginning with the drawing up of specifications to optimize the diversity of future uses of buildings. Gecina will also be expected to report on its capacity to anticipate changes in demand by the experts by means of exchanges with urban players and territorial leaders. In this way, by integrating its governance processes to closely shadow those of government administrators, and by extending the scope of satisfaction being sought beyond direct users, the property company can reduce its impacts, improve its environmental footprint and develop the social utility of a building.

The basic characteristic of the sustainable dimension of buildings is adaptability
In this context, adaptability was highlighted as being a basic feature of the sustainable dimension of buildings. Several ideas for optimizing the evolution of the property portfolio to serve the collective interest include pooling surface areas (such as parking spaces, meeting rooms, technical areas, restaurant facilities, etc.), adding nearby buildings to a building's utilities base and taking into account work methods and building use to improve occupancy. This perspective of social, environmental and societal optimization leads to considering real estate as something other than a cost center. This is a genuine reversal of a paradigm, with energy as the clearest example. In this logic of adapting to urban life, square meters become relatively independent of a single functionality, be it office space, residential, etc. This new integrated building model is a true innovative concept that Gecina can use to embody its sustainable development ambition, through experimentation and by developing the concept with its stakeholders.

Betting on the potential of properties of the future
The experts, who are in contact with upcoming trends, emphasized that the future of real estate will be characterized by movement, mutation and assumption of new forms that will appear in the near future, not at some undetermined period ahead. The experts exhorted Gecina to dare to bet on the potential of real estate of the future by undertaking initiatives and opening up an analysis of value creation. Gecina's acknowledged maturity in terms of sustainable development, supported by the 2012 Gecina CSR report, justifies seeking this type of positioning now. Consequently, the experts were unanimous in recommending that Gecina renew the consultation process with stakeholders around a specific flagship project focused on changes in Gecina's sustainable offer, through the link between the company's existing "responsible buildings" and construction underway of what will quickly become the "sustainable city" requested and utilized.

These reflections and conclusions were presented at the close of the meeting to Gecina's Executive Committee, who listened to each of the experts outline their perspective and expectations. The CEO agreed to review the final presentation and recommended launching a specific effort in the form of an experimental action to compare these trends with customer and other stakeholder comments concerning a site slated for renovation.

This meeting was conducted using a guided stakeholders' dialogue methodology and monitored by a third party expert, the Institut RSE Management, who oversaw the selection of experts, preparations for discussion, the open meeting and final presentation of comments in accordance with independence requirements of participants and the building of an authentic dialogue, with no topics excluded and the will to promote a sustainable collective interest perspective.

7.1.2. KEY ISSUES AND MATERIALITY MATRIX

7.1.2.1. GECINA MATERIALITY MATRIX

At the end of 2012, Gecina decided to update its mapping of objectives based on the latest benchmark methodological developments, including SASB (the Sustainability Accounting Standard Board) standards, GRI (the International Global Reporting) guidelines, Insurance Standard AA1000 and the IIRC (International Integrated Reporting Council) prototype.

Through this materiality test, Gecina was able to clarify the impact of major CSR issues on its business model and to estimate criticality. A systematic assessment was carried out of the relevance of each CSR issue with regard to Gecina's business and of the expectations of its stakeholders. Gecina can now focus on the most important issues affecting its business and its stakeholders. This materiality matrix has provided a personalized demonstration for Gecina of the major CSR impacts on its business model. Thus Gecina key performance indicators respond directly to the most material, or significant, issues (see Chapter 7.1.2.3 Analysis of key issues).

In addition to proposing a snapshot of the CSR context applied to Gecina activities in 2012, this analysis serves as a decision-making tool for adapting action priorities to short, medium and long-term developments. In this way, Gecina's action plans for its CSR policy were developed around the architecture of the Materiality Matrix (see Chapter 7.1.3 CSR policy – commitments, goals, action plans and key indicators). Following the work undertaken with the stakeholders, this will be updated in 2014 (see Chapter 7.1.2.2 Methodology and priorities of CSR issues).

The degree to which Gecina has controlled each challenge also appears in the materiality matrix. The dynamic method employed provides an accurate evaluation of the way the CSR policy reduces risks and creates opportunities for each issue, in a continuous improvement approach for Gecina.

In 2013, several issues were defined in order to better reflect Gecina's activities. These include "Relations with stakeholders", "Labeling, certification and environmental performance" and "Security and control of risks". The detailed definition of each issue is illustrated by specific examples and put into perspective (see Chapter 7.1.2.3 Analysis of key issues).

7.1.2.2. METHODOLOGY AND PRIORITIES OF CSR ISSUES

The methodology used to establish the materiality matrix was drawn up based on the environment, the business line, the structure and the restrictions relevant to Gecina. The process was accomplished in seven stages, between December 2012 and January 2013, as shown below:

- structuring of the method and work schedule and inventory of internal and external documentation sources (the World Green Building Council, assessments by rating agencies, etc.);
- segmentation and accurate definition of the impact of CSR issues on Gecina's economic model;
- impact scoring of CSR issues on Gecina's business model and evaluation of the stakeholders' expectations with respect to these issues by CSR management and Institut RSE Management, a consulting firm specialized in non-financial reporting;
- opinion of internal stakeholders through individual interviews with six members of the Executive Committee on the segmentation of issues and their criticality for performance;
- correlating the importance of each issue with how well the issue is controlled by Gecina;
- analysis and summary of results, especially an analysis of the differences in achievements (through standard deviation, etc.) and formalization of the materiality matrix;
- validation of the materiality matrix and publication.

Methodology	Evaluation (Score from 1 to 10)
Business impact scoring of CSR issues (impacts on costs and/or income, probability and significance of the impact, regulatory pressure, risks, etc.)	
Estimate of stakeholders' expectations with respect to the CSR issue	
Evaluation of the degree of control over the CSR issue exerted by Gecina	

The involvement of the Executive Committee was a key factor in achieving this materiality matrix. The consultation process constituted an element of appropriation of the method for each of the members of the Executive Committee, which subsequently validated the materiality matrix. Defining the issues was preceded by an objective inventory of the challenges of the sector, an analysis of risks and opportunities, and a comparison with the major sustainable development standards and CSR standards. This method allowed Gecina the required perspective on its CSR strategy to test the criticality of key issues, prioritize them and draw up action plans to address them in the best way possible.

In order to take the process further, Gecina wishes to update its materiality matrix in 2014. In order to re-evaluate the issues, Gecina will refer to a stakeholder committee, a forum for constructive dialogue, for both policy and achievements matters.

7.1.2.3. ANALYSIS OF KEY ISSUES

The following issues are those that appear to be the most material, the most relevant to Gecina in its materiality matrix.

7.1.2.3.1 ENERGY EFFICIENCY AND RENEWABLE ENERGY

This area includes all energy considerations related to the construction and operation of buildings (insulation, heating, cooling, lighting, etc.). In as much as real estate accounts for 43% of primary energy consumption in France, the sector is subject to restrictive regulations arising from the Grenelle II law. In construction, the introduction of the RT 2012 thermal regulations as from January 1, 2013 halves energy consumption requirements of buildings 2 to 2.5 compared with the RT 2005 legislation, while energy consumption in all existing commercial buildings must reduced by 38% by 2020 (at the date of this document, the implementing decree for the measure has not yet been published). Beyond RT 2012, the longer term regulatory risks for high energy buildings are numerous, as shown by the example of the United Kingdom, which intends to prohibit the rental of residential or commercial buildings with energy ratings higher than Class E in april 2018.

Energy performance requirements bind all real estate players to make a technological breakthrough by adopting eco-construction and eco-operation methods. Gecina is now working to anticipate the future RT 2020, in which energy-plus buildings (BEPOS) will be the standard. The financial impact of renovation costs is heavy, but it will create significant operating savings, making this area one of high criticality for Gecina. Gecina has yet to fully control this issue, in as much as the objective can only be achieved in the long term, by 2050, scaled to renewal times for office buildings.

With regard to renewable energy, for the moment there are no specific regulatory requirements for the real estate sector, although the national goal is to move to cleaner energy sources and to optimize the energy mix. Gecina wants to develop connecting its buildings to virtuous urban heating and cooling networks and continuing experimentation in the areas of solar and photovoltaic energy and in geothermal energy (see Chapter 7.3.1.5 Development of renewable energy).

7.1.2.3.2 LABELING, CERTIFICATION AND ENVIRONMENTAL PERFORMANCE

Labeling and certification respond to a clear market demand, particularly for the construction of office buildings. The Green Value concept is a market opportunity (see higher rents for tenants of HQE® [High Quality Environmental Standard] buildings, for example). Labels relate both to construction / renovation (HPE, THPE, HQE®, BEPOS, etc.) and to operations (HQE® Operation, BREEAM® in Use, etc.). These latter labels have appeared only recently and are progressing rapidly. In 2013, Gecina set up a CSR mapping system of its properties that use an average assets scoring index. This system will be progressively integrated into all of the company's buildings. Gecina has a high percentage of labeled buildings in the construction stage. Certification of buildings in operation is increasing in a progressive and significant manner (see Chapter 7.3.2.2 Operations). Gecina also hopes to increase the integration of the CSR perspective in buildings in its investment criteria. The sustainable investment scoring grids under development will progressively be made consistent with the CSR scoring index of assets in the CSR mapping system (see Chapter 7.6.4 Responsible purchasing).

Furthermore, environmental performance also relates to the issue of use, and consequently to green leases and environmental appendices. Since the 2012 Grenelle II law, contracts with tenants for commercial space of over 2,000 sq.m must include an environmental appendix, in which each of the parties commits to accounting for elements linked to CSR. Contracting with tenants on this type of medium / long-term basis with regard to these subjects is a means of contributing to the responsible building strategy. The Collaborative Rental Councils (Conseils de Concertation Locative) are useful for this purpose. In 2013, Gecina entered into negotiations with all of its tenants concerned by this mechanism. The timeline for tenants to assimilate these issues have proven to be longer than initially expected, and as a result the percent of green leases was 50.6% of the surface area of over 2,000 square meters at December 31, 2013, due to some clients reluctance to get involved (see Chapter 7.3.2.3 Green leases / environmental appendices).

7.1.2.3.3 INTEGRATION WITHIN SURROUNDING AREAS

This involves Gecina's capacity to design and operate properties that meet local social requirements such as buildings connected to transportation services and energy sources, reducing visual pollution, economic stimulation of areas, and other requirements. The positive and negative external effects cover and measure local, economic and social impact of projects and of Gecina's business. This issue also includes Gecina's involvement in collaborative approaches between public and private sustainable city participants, whose objective is to conceive and achieve innovative collective solutions. The expectations of local authorities, as well as stakeholders in the wider sense, are extremely high in this CSR area. In this context, Gecina will be able to better measure the local social impacts of its new developments and to contribute to controlling the price of its products.

7.1.2.3.4 RELATIONS WITH STAKEHOLDERS

This issue states Gecina's capacity for putting into place a formalized procedure for listening to, responding to and monitoring stakeholders' expectations in the area of CSR policy and of its operations in general. The detailed mapping of Gecina's stakeholders appears in the summary table in Chapter 7.1.1.1 Mapping Gecina's stakeholders. On October 1, 2013 the first expert meeting was held, formalizing a dialogue process with Gecina's stakeholders (see Summary, Chapter 7.1.1.2 The Gecina Stakeholder Committee). In 2014, the stakeholders committee will be institutionalized with the objective of assembling opinions of the various stakeholders and to further the Group's CSR strategy. This area also includes collaborative innovation approaches with to customers and suppliers. Gecina is firmly committed to developing collaborative approaches with its various stakeholders, as Gecina Lab shows for an exemple (see Chapter 7.6.2 Relations with stakeholders).

7.1.2.3.5 CLIMATE CHANGE AND GHG EMISSIONS

The building sector alone accounts for over 20% of greenhouse gas emissions (GHG). It is subject to heavy regulatory pressure and is generating strong expectations on the part of its stakeholders. Gecina has established an overall policy of reducing greenhouse gas emissions and adapting to climate change throughout the company's life cycle (taking into account gray energy) and internal activities (employee travel, purchasing, etc.). In counting up its GHG emissions, Gecina has opted to complete an additional, fully voluntary special activity, a climate correction process. This activity is essential to set aside the changes in consumption linked to meteorological conditions for the year and to measure the true impact of company actions on consumption of HVAC systems. Gecina's interest in the effort is to be ultimately able to control its greenhouse gas emissions at a constant climate. As with the "Energy performance and renewable energies" challenge, this issue will be dominated progressively, in line with the increase in percentage of existing properties that are effectively converted. Action plans have been implemented to better manage its greenhouse gas emissions, accompanied by stated objectives (see Chapter 7.4.1 Climate change and GHG emissions). In accordance with the company's headquarters model initiative, the carbon footprint for the company's headquarters building is now being done yearly.

7.1.2.3.6 BUSINESS ETHICS

Just as other industries, the real estate industry is concerned about numerous ethical issues. Preventing any form of corruption is a challenge in the real estate industry, where calls for tenders are strictly regulated. Accordingly, compliance with purchasing procedures, good commercial conduct and reasonable diligence, are major ethical issues for the industry. In this framework, the application of turnover procedures for real estate appraisers ensures the independence of property appraisals. In strict compliance with the laws, decrees and regulations, the sector's compliance also applies to the prevention of insider trading on the Stock Exchange, frauds, financial embezzlements, unfair competition and collusion. In compliance with its legal obligations, the information given, especially to tenants, is true and complete, especially regarding the transparency on prices and charges billed to tenants. The transparency of lobbying elected officials and public authorities is also a powerful compliance issue for the industry, especially regarding the coherence of the positions defended with the CSR strategy of the real estate company concerned. Lastly, in terms of internal organization, the compliance of practices with the AFEP-MEDEF and AMF recommendations is essential.

Gecina goes further than these recommendations by proposing its own Ethics Charter. All employees at the headquarters were slotted for training in this charter in 2012 and all new employees attended a presentation on the subject in 2013 (see Chapter 7.6.3 Business ethics and governance). Gecina has also put into effect whistle-blowing rights. A key indicator for dedicated performance, the number of fines for non-compliance with laws and regulations related to making products available (Group), is included in the Gecina scorecard, which proves the importance of this issue and the company's desire for transparency in this area (see Chapter 7.2.2 Key performance indicators table).

The following issues have been identified as important to Gecina in its materiality matrix.

7.1.2.3.7 IMMATERIAL VALUE, WELL-BEING AND PRODUCTIVITY

The concept of immaterial value remains essential for Gecina. This concept will acquire increasing importance in the property sector because it constitutes an innovation and differentiation factor, and thus a potential business factor. All concepts related to accessibility are present (people with disabilities, alternative means of transportation, car sharing, electric vehicle charging stations, etc.), as well as thermal comfort, air quality (related to fans, materials used, etc.) and sound and light pollution. The expectations of stakeholders, especially building occupants and more particularly office occupants, are extremely high in this area for the company. Gecina is aware of this issue and after initial experiments in 2012, the company hoped to develop a method for systematically evaluating the Immaterial value of its property holding in 2013. A composite immaterial value of its assets indicator has been developed in 2013 for this purpose, which is applicable to the company's office assets (see Chapter 7.3.3 immaterial value – well-being and productivity).

7.1.2.3.8 INTEGRATE CSR INTO GECINA'S BUSINESS LINES

Gecina's objective is to provide all of its employees with a capacity to think sustainably and to optimize the impact of their actions and performance in terms of CSR. This involves integrating CSR into the company's process, training employees in these issues and their development, interesting them in achieving CSR objectives and mobilizing them by involving them in the Group's CSR policy. As shown by the example of CSR scoring grids that were presented to the Investments Committee, this issue is also linked to the building of tools to help account for CSR impacts in decision making. This lever is essential to achieving the Group's CSE results. The stakeholders' expectations are primarily internal. In 2013, regular awareness actions directed at employees were carried out and CSR modules were integrated into some training programs. Employees in some functions were requested to participate in determining CSR road map actions that were integrated into budget planning for 2014. The project for determining CSR criteria integrated into the variable compensation system of a portion of senior management will be implemented in 2014 following its 2013 implementation for the members of the Executive Committee. All of these measures, which are currently in progress, demonstrate Gecina's ability to better manage this issue.

7.1.2.3.9 NATURAL RESOURCES AND WASTE PRODUCTS

This category addresses the issue of natural resources other than energy and water, which are dealt with in other areas of the materiality matrix. In other words, this involves non-renewable raw materials such as minerals and metals. With buildings, this is reflected in eco-construction and eco-operation processes. Gecina is implementing responsible purchasing practices and uses life cycle analyses to account for the impacts of construction materials. As with the overall profession, these life cycle analyses are carried out as experiments and the objective is to progress in their use (see Chapter 7.4.2.1 Life cycle analysis). With regard to waste, the issue for Gecina as an operator is to implement the right systems with suitable suppliers and to provide the space required to tenants for sorting waste. Gecina has allotted special emphasis to this issue and has implemented dedicated indicators to monitor it (see Chapter 7.4.2.2 Waste management).

7.1.2.3.10 TALENTS AND SKILL SETS

Gecina's objective is to maintain a permanent base of involved and effective employees and to attract and retain talent by offering advancement suited to individual profiles. In the real estate sector, positions require high levels of qualification, as transfers are frequent in professional careers and competition is fierce, especially for qualified personnel. In addition, the real estate business is changing dramatically, resulting in significant training activity. Gecina has demonstrated its ability to retain its employees through its low turnover rate (see Chapter 7.5.2 Talents and skill sets). However, it could improve monitoring of its human resources policy. Forward planning of jobs and skill sets must be strengthened, especially with regard to the mapping process of jobs and skill sets. In addition, the network of young talent must still be formalized.

7.1.2.3.11 WORKING CONDITIONS

This area encompasses health, safety and remuneration of employees. Apart from psycho-social risks, the health / safety issue resides primarily with the caretaker population, who engages more in the physical work carried out in properties. In 2013, Gecina widened its efforts in terms of follow-up and transparency in the areas of accidents and absenteeism. Gecina has maintained its elevated remuneration levels for management staff in accordance with sector standards, a key element in attracting and retaining talent.

7.1.2.3.12 RESPONSIBLE PURCHASING

This increasingly important issue consists of integrating CSR performance into the selection and supervision processes in place with suppliers, in particular those in the construction, renovation and building maintenance sectors. This value chain contributes to the Group's CSR objectives in the environmental, social and societal areas. Gecina has no dedicated Purchasing function but has implemented action plans and a responsible purchasing strategy, that extends gradually, coordinated by CSR management (see Chapter 7.6.4 Responsible purchasing).

The CSR issues described below were identified by Gecina in its materiality matrix as moderately important.

7.1.2.3.13 WATER

The primary issue concerning water is the company's consumption in its office and residential buildings. Local actions to reduce consumption have been implemented, such as the installation of aerators in water taps and rain water recovery systems. Regarding water consumption, a major issue is the choice of natural resources in construction. As an example, concrete and cement-based construction uses much more water than wood construction. As an operator, Gecina anticipates and deals with water leaks inside its properties. In this way, it represents a less critical issue for the Group.

7.1.2.3.14 DIVERSITY AND EQUAL TREATMENT

What is at stake here is guaranteeing equal opportunities and treatment to employees through adherence to all criteria determined by law. This is a moderate issue for Gecina given its knowledge of the subject. Nonetheless, major actions have been undertaken to guarantee gender equality (see Chapter 7.5.4.4 Gender equality) and a policy was implemented in 2013 to promote employment of people with disabilities (see Chapter 7.5.4.2 Employing people with disabilities).

7.1.2.3.15 BIODIVERSITY

The real estate sector has engendered a significant loss of biodiversity through alterations of land for building. Leverage for preserving and enhancing biodiversity includes a respect for nature in cities through the implementation of green and blue belts and controlling the impact of construction materials by developing a life-cycle mentality. To accomplish this, various action plans can be implemented by sector players, such as setting aside Natura 2000 and / or ZNIEFF (Natural Zones of Ecological, Faunistic and Floristic Interest) areas, using phytosanitary products that cause no harm to biodiversity, placing raptor stickers against glass windows to reduce mortality among birds from crashing into glass, preserving wetland and natural areas, placing vegetation on facades and rooftops or integrating native plant species into terraces and gardens. The biodiversity issue is gaining importance because assimilating pro-nature criteria into projects is now a factor in obtaining construction permits. This issue is deemed a moderate one in the materiality matrix.

The Group nonetheless seeks to be a benchmark player in the area and is implementing innovative action plans and indicators such as the biotope area factor (BAF) (see Chapter. 7.4.3.1 Gecina's involvement in promoting biodiversity) or the establishment of the Biodivercity label with other major real estate companies (Bouygues, Caisse des dépôts, Bolloré Logistics, Les Jardins de Gally, etc.). Gecina's involvement in the Ligue pour la Protection des Oiseaux (LPO, or Bird Protection Society) and its monitoring of the peregrine falcon in urban environments are other examples of the Group's determination to promote respect for biodiversity. Other indicators used to measure urban sprawl whose impact is potentially critical for biodiversity are currently being reviewed by Gecina.

7.1.2.3.16 SECURITY AND CONTROL OF RISKS

This matter is primarily regulatory in nature. Controlling risks is in fact monitored by Gecina (see Chapter 1.6 Risks). There exist a variety of risks in the real estate sector, such as asbestos, lead and air cooling towers. These risks are subject to numerous regulations due to their possible impact on health. Gecina has established a rating system managed by an internal risk platform, Provexy, in which each asset is assessed according to different criteria. As Gecina has achieved a good level of control over this area (see Chapter 7.2.2 Non-financial indicators table), the stakeholders' expectations and the impact on business impact are moderate.

7.1.2.3.17 SPONSORSHIP AND PARTNERSHIP

This issue reflects the ability to develop long-term agreements with non-profit associations and organizations in order to extend the social benefits arising from Gecina's business. The more sponsoring and philanthropy actions are based on Gecina's knowledge and extend the CSR policy through a non-profit approach, the more they will gain credibility and consistency with stakeholders from the CSR perspective. This represents three development avenues for Gecina: monitoring allocations and achievements of actions guided by the Foundation, formalization of a collaboration framework with social partners and establishing long-term partnerships to address a well-defined "cause" that is consistent with Gecina's CSR policy. Group employees are instructed how to carry out skill-based volunteer and sponsoring actions. This issue is also important for its exemplification of the "other kind of real estate business" concept with regard to public authorities, yet it is inadequate as such in exerting a major CSR impact on Gecina's business.

7.1.2.4. RISKS AND OPPORTUNITIES FOR CSR ON LONG-TERM FINANCIAL PERSPECTIVES AND PERFORMANCE

7.1.2.4.1 MAJOR RISK FACTORS

Determination, analysis and management of risks are described in Chapter 1.6 of this document, entitled "Risks". Risk management for the Gecina Group includes:

- operational risks: acquisition risk, obsolescence risk, subcontracting risk, etc.;
- industrial and environmental risks: use of hazardous materials, health risks and natural and technological risks.

7.1.2.4.2 OTHER RISKS AND OPPORTUNITIES

No reserve or guarantee was booked in 2013 by Gecina to cover environmental risks.

So far, Gecina has not recorded any complaints based on violations of privacy and loss of data on customers.

At the Group level, no significant fine was identified for non-compliance with the laws and regulations regarding the provision and use of its products.

7.1.3. CSR POLICY

7.1.3.1. COMMITMENTS, GOALS, ACTION PLANS AND KEY INDICATORS

There are commitments and action plans for each of the 17 key issues that make up Gecina's four structural pillars of its CSR policy for Assets, Planet, Employees and Society (see Chapter 7.1.2 Key issues and materiality matrix). In the wake of the first four-year plan covering 2008-2012, new action plans for the period 2012-2016 were prepared by CSR and PRIME teams in cooperation with various entities concerned, listed below:

- Operational, Technical, as well as Commercial, Health and Residential Real Estate Management departments;
- Management Control;
- Human Resources;
- Operational Marketing and Communications;
- Audit and Risks;
- IT Services;
- General Services.

These action plans have been validated by the Executive Committee as part of the budget analysis and have been analyzed by the teams concerned during meetings throughout the year (see Chapter 7.1.4 Steering and coordination of the CSR strategy).

As with the first 2008-2012 plan, indicators were determined in order to monitor progress and the results of the actions undertaken. Targets were set for all indicators in 2016. These indicators, together with detailed results appear in the table of non-financial indicators in Chapter 7.2.2. A limited number of key performance indicators (KPI) was determined for each issue on the basis of environmental, societal and social impacts by Gecina (see Chapter 7.1.2.1 Gecina's Materiality Matrix) to:

- steer the Group's performance in the area of CSR;
- meet the regulatory requirements applicable to Gecina under Article 225 of the Grenelle II law;
- conform to the external reporting and transparency expectations with respect to CSR.

The actions undertaken by Gecina for each of the 17 issues and commitments are detailed in the tables below, in accordance with the four CSR pillars.

A qualitative estimate of the progress of each action plan is also given for information. Since progress is not linear, the estimate does not necessarily reflect how complex this subject is. In addition, the improved results for the different indicators compared with the 2016 target are outlined in the table of non-financial indicators (see Chapter 7.2.2 "Key performance indicators table").

The elements of action plans apply to all Gecina's activities, including residential real estate, commercial real estate, student residences and healthcare real estate.

However, due to the still inadequate control exercised over healthcare assets, the implementation of action plans was tailored to suit the situation. Exchanges of good practices and data needed for producing status reports and implementing actions can be more sensitive with these tenants, who are often overburdened by the body of regulations affecting their businesses.

However, the healthcare sector is becoming progressively more aware of sustainable development issues and in 2013, Gecina obtained new qualitative data on energy consumption for a significant portion (over 30%; cf. Chapter 7.3.1.4 Energy consumption of healthcare facilities) of its assets. These data were obtained from sustainable development reports prepared by healthcare structures as a result of Article 225 of the Grenelle II law (e.g., Medica).

Regarding its healthcare property portfolio, Gecina is developing its activities by:

- supporting innovative pilot projects;
- assuming the role of advisor and purveyor of good practices, especially via the holding of information exchange meetings for healthcare issues in its Gecina Lab think tank (see Chapter 7.6.2.2 Gecina Lab, the CSR think tank for the company's stakeholders);
- providing financing only to projects that apply environmental standards.

Assets			
ISSUES ***Commitments***	**Action plan**	**Qualitative estimate of level of advancement of action plan**	**Key Performance Indicators (KPI)**
ENERGY PERFORMANCE AND RENEWABLE ENERGY *Reduce energy consumption of assets (- 40% in 2016)*	– Implementation of an "Energy Management" function – Labeling of construction and renovation work according to the best energy performance standard available upon signature of the construction contract with evaluation of the possibilty of achieving energy-plus buildings – Reduction in consumption of primary and final energy according to level of control over buildings and awarding of high performance EPC labels: – Optimize performance of buildings in operation through consultations with tenants for assisting them in their use of the premises by means of efficient supervision of maintenance and operations staff, renovation of energy equipment with a focus on energy efficiency and renewable energies, opportunities to make improvements on the structure (such as insulation of the shell or optimization of solar contributions). – Implementation of a guarantee of intrinsic energy performance through the use of handover standards, and incorporating this guarantee into lease terms – Implementation of supervision of consumption in buildings to identify instantaneous and long-term actions		Average and gains in consumption of primary energy - kWhep/sq.m (constant climate)
LABELING, CERTIFICATION AND ENVIRONMENTAL PERFORMANCE *Develop certified buildings*	– Carry out CSR mapping of properties to evaluate the performance of the portfolio and integrate CSR into asset review (with regard to investment, decision-making and real estate business planning) – Selection of investments depending on performance through spread of CSR scores Include amounts in CAPEX budgets for improving CSR of portfolio properties – Construction and restructuring: obtain one of the two highest certification levels sought – Drawing up of performance enhanced programs determining standards and innovation levers for new and heavy restructuring projects adapted to responsible operation of assets – Increase operations certification for properties by obtaining acknowledgement of intrinsic and/or operational quality – Incorporate CSR criteria and requirements into maintenance and operations specifications of buildings, to include private and common areas – Implement action plans by building to be shared with tenants as an extension of the signature of environmental appendices, to include erasure solutions, green energy, improved practices, increasing sorting procedures, water saving meters, implement travel plans, etc. – Develop an exemplary head office that demonstrates the CSR policy of the Gecina portfolio. Address the various responsible building themes to include energy consumption, optimization of water resources, valuation of waste, and monitoring of the overall carbon footprint – Steering of operations and construction through the General Management System (GMS) and increasing recognition of GMS by certifying organizations		% of surface areas delivered certified with a high level of certification % of office space with HQE® Operation certification
IMMATERIAL VALUE - WELL-BEING AND PRODUCTIVITY *Meet occupants' usage performance expectations*	– Location of properties near public transportation and contributing to the development of alternative travel methods such as shared vehicles, parking for non-motorized two wheel vehicles, charging stations for electric vehicles, parking exclusively for car sharing vehicles, etc. – Determine and implement a methodology for measuring tenant satisfaction in occupied premises using the example of a post-occupancy evaluation – Improvement of accessibility to properties of people with disabilities according to completed assesments – Implementation of solutions to improve performances in interior air quality in portfolio buildings through the development of air quality measurement systems and selection of materials and equipment depending on impact		% of properties with high immaterial value
SAFETY AND CONTROL OF RISKS *Map and evaluate level of risk in buildings*	– Monitoring of operational action plans on risks related to lead, air cooling towers, asbestos and telephone relay towers, in accordance with required criteria of Gecina's risk management platform (criteria that most often exceeds regulations)		% of properties with a "Very Efficient" or "Efficient" rating

Action plan not initiated
Action plan initiated / some actions have been launched
Action plan implemented / all actions have been launched and are being carried out
Action plan well advanced / some actions have been completed
Action plan completed

Planet			
ISSUES ***Commitments***	**Action plan**	**Qualitative estimate of level of advancement of action plan**	**Key Performance Indicators (KPI)**
GHG EMISSIONS AND CLIMATE CHANGE *Attenuate GHG emissions and adapt to climate change*	– Reduce emissions by decreasing consumption of energy and changing the energy mix – Favor low-impact refrigerant fluids when replacing higher impact GWP (Global Warming Potential) fluids – Adapt to the consequences of climate change, particularly through flood prevention and modification of air conditioning equipment taking into account the risk of heatwaves		Greenhouse gas emissions - kgeqCO_2 / sq.m (constant climate)
NATURAL RESOURCES AND WASTE *Optimize the use of resources and contribute to waste recycling*	– Eco-design of investments to limit the overall impact on natural resources, especially gray energy by increasing the use of LCA – Limit the use of non-renewable resources in building operations by increasing the use of renewable resources, selecting products and materials with low impact, and reusing items – Waste site recovery and recycling – Increase of selective sorting of waste industry and equipment of the assets to developt recovering and recycling waste		% of buildings delivered subjected to LCA (Properties) % of waste sorted for recycling (in volume - tons)
BIODIVERSITY *Ensure protection and restoration of biodiversity*	– Perform audits to increase knowledge of biodiversity present in the asset base – Increase eco-garden type labeling of green areas – Increase urban biodiversity through new or renovation projects		Biotope area factor per surface area (properties)
WATER *Preserve water resources*	– Reduce water consumption in buildings where Gecina can control this factor – Implement recovery and recycling solutions for non potable water in order to save potable water for needed uses – Limit the impermeabilization factor of projects by reducing the area of surface coverings – Perform water analyses in buildings to ensure adequate water quality for users		Average consumption of water in m^3/sq.m/year

Action plan not initiated
Action plan initiated / some actions have been launched
Action plan implemented / all actions have been launched and are being carried out
Action plan well advanced / some actions have been completed
Action plan completed

Employees			
ISSUES ***Commitments***	**Action plan**	**Qualitative estimate of level of advancement of action plan**	**Key Performance Indicators (KPI)**
INTEGRATE CSR INTO GECINA BUSINESS LINES *Develop business lines and motivate employees to support CSR*	– Employee participation in recommending specific actions to be integrated into their practices, such as participative workshops, interviews, etc. – Include CSR in budgetary and management control/reporting processes – Consideration of Gecina values and dissemination to and assimilation by employees – Train employees in CSR to acquire a shared knowledge base concerning CSR, better understanding of themes such as responsible purchasing (by technical managers) and biodiversity (by account managers) – Integrate CSR in occupation training as appropriate – Integrate CSR into job descriptions – Integrate CSR into criteria for determining variable remuneration for certain categories of employees – Set up and host events on one or several sustainable development themes during sustainable development week, disabled persons week, conferences, etc. – Regular dissemination of practical information to employees through intranet, leaflets and other means		% of hours of training dedicated to CSR
TALENTS AND SKILL *Develop skill sets of employees and retain talent*	– Set up standard skill sets for the various occupations – Evaluation of skills with relation to the standard and identification of "talents" – Set up a training plan suited to skill sets identified in the standard – Acknowledge and enhance the value of skill sets to promote employability of staff, for example using the "personal skills development project" for the employees concerned – Bolster the skills acquisition evaluation system through initial and follow-up evaluations – Development of "talents" course for management and non-management staff		% of positions filled through in-house mobility (Group)
DIVERSITY AND EQUAL TREATMENT *Make progress on gender equality and fight all forms of discrimination*	– Recruiting of employees with disabilities for indefinite-term contracts (CDI), definite-term contracts (CDD), internships and apprenticeships – Awareness training of employees with regard to the situation of people with disabilities – Evaluate knowledge of employees in terms of diversity, non discrimination and gender equality through appraisals, self-diagnostic exercises, quizzes, etc. – Reduce the wage gap between men and women by category		Number of professional classification levels for which the wage gap between men and women is greater than 3% (administrative population excluding Executive Committee members - Group)
WORKING CONDITIONS *Promote workplace attractiveness and employee well-being at work*	– Risk characterization of occupational illnesses and job stress or duress, and identify risk areas in jobs – Continue to dispense training on gestures and posture – Analysis of ergonomics of workstations and performing diagnostics – Develop a system for assessing employee satisfaction – Increase of internal knowledge and publication of qualitative and quantitative data related to employee-management relations		% of employees with at least one work stoppage for medical reasons less than or equal to 3 days (Group)

Action plan not initiated
Action plan initiated / some actions have been launched
Action plan implemented / all actions have been launched and are being carried out
Action plan well advanced / some actions have been completed
Action plan completed

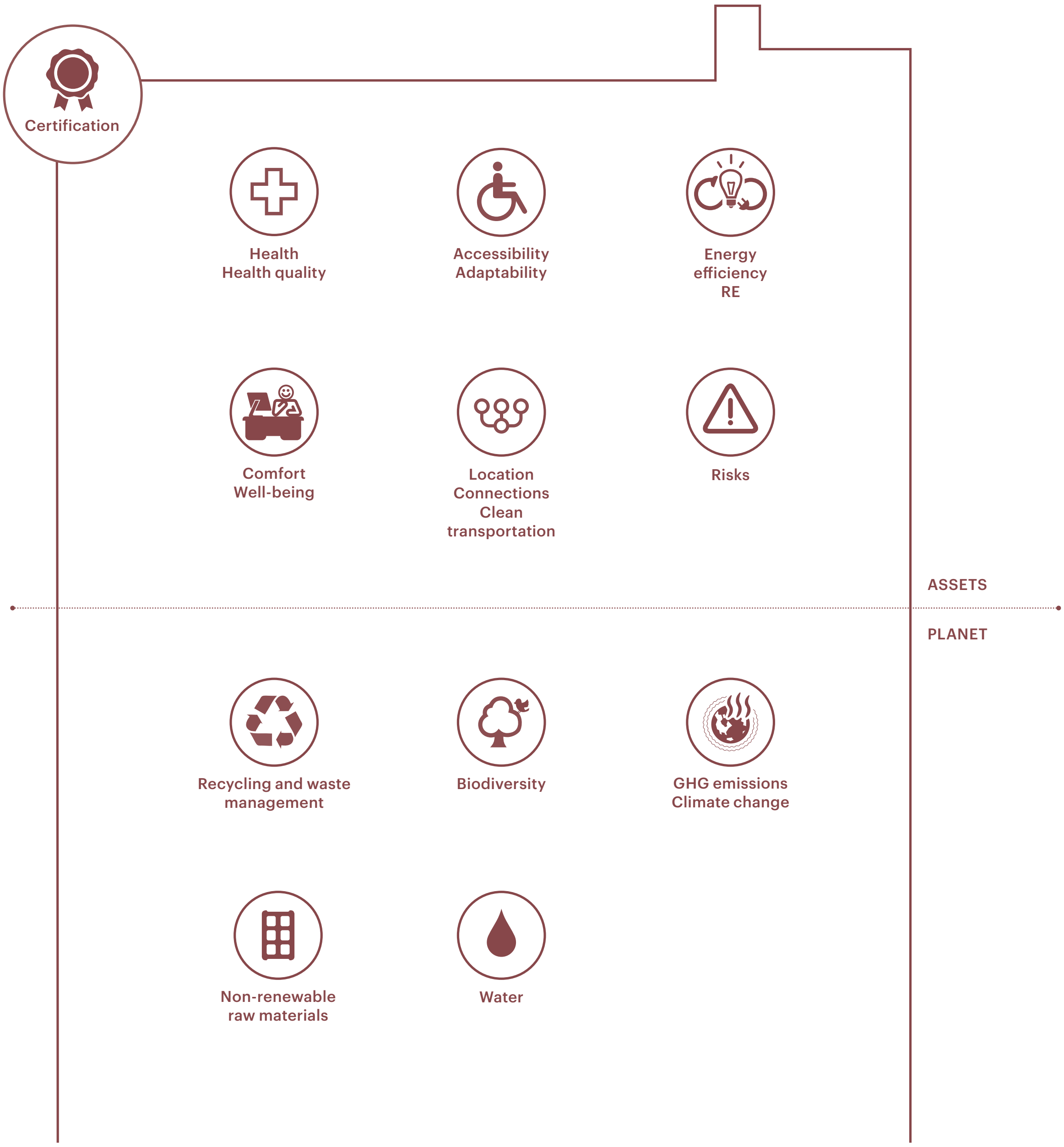
Society			
ISSUES ***Commitments***	**Action plan**	**Qualitative estimate of level of advancement of action plan**	**Key Performance Indicators (KPI)**
INTEGRATION WITHIN SURROUNDING AREAS *Contribute to the sustainable city concept*	– Incorporate public preoccupations expressed during work projects, local Urban Planning and Collaborative Rental Councils for residential projects into the responsible building strategy – Contribution to the implementation and revitalization of urban wastelands, implementation of eco-quarters in the core of sustainable and high performance transportation systems – Participation in the "Measuring the local economic footprint" working group of the French Supreme Council of Chartered Accountants (Conseil Supérieur de l'Ordre des Experts Comptables) – Assess Gecina's local economic footprint against the backdrop of its overall and specific economic contribution for assets representative of its businesses	■■□□	(Study in progress on a composite index)
RELATIONS WITH STAKEHOLDERS *Establish a trust-based and balanced relationship with stakeholders*	– Establish a permanent stakeholder committee – Develop stakeholder dialogue with Gecina Lab – Incorporate CSR in Gecina's digital strategy – Carry out a regular customer satisfaction survey of residential and commercial customers using the "customer relations barometer" – Set up an overall action plan suited to the results of the "customer relations barometer" – Draft and disseminate a Customer Commitments Charter based on the principles of transparency and consistency – Offer exchanges, individualization and enhancement of value of residential apartments of tenants involved in a sales process unit by unit and attribution of purchasing benefits – Participation in working groups and in think tanks with other companies in the trade – Take into account non-financial assessments in modifying CSR policy	■■■□	Satisfaction rate of outgoing customers (residential excluding student residences)
BUSINESS ETHICS *Guarantee integrity in individual and collective practices*	– Implement a procedure for the fight against money laundering – Update the charter by integrating new and useful issues and themes and implementing a suitable training mechanism such as e-learning or other method – Present and provide a copy of the Ethics Charter with its practical use guide to new hires during the integration day – Include the elements of the Ethics Charter in the collective training program	■■■□	Number of convictions for non-compliance with laws and regulations (excluding fines) (Group)
RESPONSIBLE PURCHASING *Implement a responsible purchasing policy with partners and suppliers*	– Share commitments with regular suppliers through signature of the Responsible Purchasing Charter – Evaluation of CSR maturity and performance of regular suppliers to co-build an improvement process – Carry out on-site societal audits of suppliers – Bolster the procedure for fighting against undeclared work – Support suppliers by providing CSR awareness sessions targeting VSEs / SMEs – Increase use of ESAT / EA disability insertion programs in appropriate business lines – Train technical, asset management and investment teams in responsible purchasing and green buildings – Identify social and environmental criteria to integrate into general and technical requirements (CCAG, specifications and technical requirements etc.), for acquisitions, construction and maintenance work, in relation to the PRIME project – Incorporate energy consumption in the re-evaluation of the rotation of PC equipment – Make the review of virtualization of servers widespread for all new applications – Determine and establish an internal printing policy for all publications – Establish a standard for organizing responsible events	■■□□	% or regular suppliers who have signed the Responsible Purchasing Charter
SPONSORING AND PARTNERSHIPS *Establish a sponsoring and partnership policy for Gecina in line with its convictions and commitments*	– Set up an incentive mechanism for employees to increase their involvement within the Foundation such as internal communications, offering one day off of company work for each volunteer action day put in by employees on personal time, limited to 2 days per year – Development of partnerships with two housing reinsertion associations – Conclusion of a partnership with "Nos quartiers ont du talent", a non-profit organization promoting professional insertion – Launch of an innovative program to support social entrepreneurship in partnership with the NGO Ashoka	■■■□	% of employees actively involved in one or more actions of the Foundation (Group)

□□□□ Action plan not initiated
■□□□ Action plan initiated / some actions have been launched
■■□□ Action plan implemented / all actions have been launched and are being carried out
■■■□ Action plan well advanced / some actions have been completed
■■■■ Action plan completed

7.1.3.2. RESPONSIBLE BUILDING [5]

Gecina participates in the planning and development of sustainable cities by designing, building, managing and operating responsible buildings. These buildings make up part of the sustainable development perspective and address the issues outlined in the Assets and Planet pillars of the company's CSR policy, as shown in the graph below.

■ The 12 themes of the responsible building



Gecina is endeavouring to develop responsible buildings fitted seamlessly into all the components of the city and the neighborhood, healthy, comfortable and energy-efficient, with positive environmental footprint or controlled throughout its entire life cycle:

(5) In line with the concept proposed and adopted by France GBC and the sustainable building plan.

- **an eco-designed building:** the design phase is an essential part of addressing a client's technical, esthetic, economic, health – comfort and environmental – concerns, while taking a building's entire life cycle into account. In bioclimatic terms, the shape of buildings is a decisive factor in optimizing energy consumption. All new buildings constructed by Gecina incorporate these characteristics (55 Amsterdam, Vélizy Way, Garden Ouest, etc.);
- **an eco-built/eco-refurbished building** which is deconstructed at the end of its life: implementation must be carefully handled to guarantee good performance. All the work phases must be planned and developed to limit annoyances to staff, local residents and the environment;
- **an eco-managed building:** the actions of the various parties (energy, water and waste management…) most involved in each stage of the building's life cycle are coordinated through a management system tailored to the size of the project. The management system requires in particular, that at each stage where responsibilities are transferred, appropriate documents must be supplied to allow each party to gear its actions towards the achievement of the operational goals;
- **an eco-utilized building:** building users play a critical role. They must be involved so as to adopt responsible behavior and to exploit all of the building's potential in the areas of energy and water consumption, maintenance, etc. Green leases are a motivational tool for this with tenants;
- **a building with rated performances:** performance rating in terms of comfort and environmental and economic impacts whether planned (design phase: use scenarios) or measured (use phase) should be a key concern for the parties involved and be subject to a performance bond as soon as possible as a means of developing measurement tools.

7.1.4. STEERING AND COORDINATION OF THE CSR STRATEGY AND RESPONSIBLE ASSETS

7.1.4.1. STEERING AND COORDINATION OF THE CSR PROCESS AND RESPONSIBLE ASSETS

At the end of 2011, Bernard Michel, Chairman and CEO, decided to refocus the organization of Gecina's social responsibility on a main CSR steering committee in charge of:
- anticipating the areas on which Gecina must base its process;
- defining the ambition, the goals and related action plans and assigning the right resources for reaching them;
- assessing actions initiated, ensuring compliance with the roadmap and if necessary, updating the CSR strategy so as to position Gecina as a leading real estate company in this area;
- defining and organizing theme-based committees dedicated to the principal points of action.

Chaired by Bernard Michel, the committee has met every quarter since February 2012.

In 2013, at the same time as the implementation of the PRIME project (an acronym for responsible assets, innovation and environmental management), the CSR liaison committee organized monthly meetings with the leaders and parties of the different projects (see Chapter 7.1.4.3 "The PRIME project") (6).

The CSR department coordinates macro work groups and their "satellite" groups on each of the topics under study as shown in the overall organizational chart below.

(6) The "PRIME*" project leads the decisive change towards a responsible property portfolio, in which the quest for best-in-class environmental standards, innovative operations management, the galvanizing of relations with tenant customers through the environmental appendices and the introduction of new performance contracts that guarantee results and collective performance.

CSR POLICY COORDINATION AND STEERING

CSR STEERING COMMITTEE
-
Comprising the Executive Committee, CSR management and Chairman Bernard Michel, then Philippe Depoux from June 3, 2013 (meetings every two months)

MANAGES | REPORTS

CSR DEPARTMENT*
-
5 ETP, Yves Dieulesaint

*CSR director Executive committee member since 01/01/2014

OPINIONS AND RECOMMMENDA-TIONS

INFORMS

AUDIT RISK AND SUSTAINABLE DEVELOPMENT COMMITTEE
-
Chairman: Jacques Yves Nicol – independent director

MANAGES

LIAISON COMMITTEE
-
Involving all work group managers, i.e. around 12 people, monthly meetings

COORDINATES AND SUPPORTS

OPERATIONAL WORK GROUPS
-

Stakeholders Committee
Managed by: Aurélie Rebaudo-Zulberty, CSR project manager

Responsible purchasing
Managed by: Aurélie Rebaudo-Zulberty, CSR project manager

Gecina Lab
Managed by: Régine Willemyns, Gecina Lab director

Reporting & funding
Managed by: Nicolas Lepigeon, management control manager

Customer relations
Managed by: Véronica Basallo-Rossignol, marketing director

Disability
Managed by: Anoko Lawson, human resources development director

"PRIME" Project: Property holdings manager, Environmental Innovation and Management
Managed by: Stéphane Carpier, technical director PRIME project

PRIME project main lines:
- **Environmental chart**
- **Immaterial value**
- **A responsible head office**
- **Biodiversity**
- **Green leases**
- **High Environmental Quality (HQE®) property**

7.1.4.2 CSR GOVERNANCE LINKED TO GECINA EXECUTIVE MANAGEMENT BODIES

Since his arrival, Philippe Depoux has aired his conviction of the need to reinvent company models to face up to social responsibility commitments and he reaffirmed the directions taken formerly by Gecina in this area by chairing the CSR steering committee. His initial message on Gecina's intranet system in September 2013 was dedicated to the importance of specifically incorporating CSR into Gecina's strategy and processes.

During 2014, a new business line-driven organizational structure will be implemented (see Chapter 5.1 "Chairman's report on corporate governance and internal control"), which will include a Real Estate Assets division, an Investments and Arbitrage division and an Asset Management division that share specific and consistent CSR objectives to be taken up[7] in individual evaluation criteria for all Directors, apart from Executive Committee and Management Committee members.

As from January 1, 2014, as part of the new organizational structure, the CSR management will operate under Executive Management and its Director has become a member of the Executive Committee, a strong sign of consistency between the resolve and resources deployed. Simultaneously, the existing Steering Committee has been eliminated because CSR is represented in each weekly meeting of the Executive Committee and the principle of a monthly in-depth CSR review within the Executive Committee has been adopted in order to examine progress and the proper implementation of action plans to achieve set goals.

Two new monthly steering committees will be set up to monitor progress along the road maps:

- the Planet and Property Portfolio pillars of the CSR policy for the new Real Estate Assets department;
- the Employees pillar for the Company Secretary.

These committees will be made up of the project management and operational directors concerned, as well as CSR management. In this way, Gecina is moving into a complementary CSR integration phase in its business lines and processes, which also extends to each of the company's employees.

CSR Management remains the guarantor of its task before the Audit, Risk Management and Sustainable Development Committee.

It also has the mission of pursuing the development of a fruitful dialogue with all Gecina stakeholders (see Chapter 7.1.1.2 "The Gecina Stakeholder Committee").

7.1.4.3 THE PRIME PROJECT: RESPONSIBLE PORTFOLIO, INNOVATION AND ENVIRONMENTAL MANAGEMENT

Gecina is convinced that responsible performance of assets impacts their values and as such chose to launch the PRIME (Responsible Assets, Innovation and Environmental Management) project to transform the issues governing responsible buildings (see Chapter 7.1.3 CSR policy: commitments, objectives, action plans and key indicators) into operational leverage for managing the company's assets. Gecina has anticipated the conclusions of the working group[8] for the sustainable building plan called "Réglementation Bâtiment Responsable 2020" (RBR 2020), and is hoping to make its assets consistent with these conclusions as from 2016.

PRIME is a cross-functional project carried out in coordination with all Gecina divisions and departments: real estate entities, investments, technical operations, architecture and construction, marketing, communications, legal and finance. All operational work carried out using responsible building themes is broken down into specific chapters (7.3 Assets and 7.4 Planet).

ASSET MAPPING IS A PRELIMINARY REQUIREMENT

As measures-based knowledge facilitates understanding of what actions to undertake and provides effective support in asset management work, Gecina initiated an initial energy mapping program of its assets in 2008.

Changes in its perception of the issues led Gecina to carry out a new analysis of its assets according to all themes that define responsible buildings through:

- **mapping** of properties constituting its assets by:
  - evaluating CSR performance linked to the intrinsic (excluding user impact) and extrinsic qualities of assets;
  - classifying assets in order to carry out a portfolio analysis that would be useful to asset managers, listing assets as leaders, good students, dilemmas and dead weight
  - determining capacity for change, as well as cost and resources scenarios to improve quality of buildings from a 2020 Responsible building perspective;
- **rating** asset quality in line with benchmark tools useful to Gecina in comparing its assets with those of peer companies (IPD, the CIBE quotation grid, other market approaches, etc.);
- **using** CSR as a participating element in asset reviews covering investment, trading and business real estate plan, through the creation of a performance evaluation tool for decision making as part of the acquisition, disposal, maintenance, reconstruction and conversion of assets.

Gecina's objective is to analyze its entire asset base. Properties with commercial leases are priorities in the analysis in view of the rapid increase of assimilation of environmental criteria for this type of building, both by investors and tenants.

(7) Once the new organization has been implemented in the first half of 2014.
(8) This group, chaired by Christian Cléret (CEO of Poste Immo) and Bernard Boyer (former Chairman of IOSIS) is responsible for preparing the future RT 2020: http://www.legrenelle-environnement.fr/Lancement-du-groupe-de-travail.html

At the outcome of far-reaching consultations, Gecina decided to combine the respective expertise of BUREAU VERITAS and CSTB to develop a mapping tool for assets that meets its requirements. The existing Green Rating™ tool, whose current configuration meets a number of Gecina requirements, will be adapted and further developed in order to:

- produce five new themes (biodiversity, health/health quality, safety, accessibility/adaptability and non-renewable raw materials) to complement the six existing themes of the Green Rating™ standard (energy, carbon, water, waste, well-being and transportation), which will evolve to keep abreast of later developments;
- establish indicators for each of the 11 themes stipulated above;
- detail calculation methods associated with these new indicators.

All of these items will be applied to asset types making up the Gecina property portfolio: offices and retail space in mixed-use buildings, residential properties including student residences, and healthcare facilities (EHPAD, MCO, SSR, RPA units, etc.).

7.1.5. CONTINUOUS IMPROVEMENTS TO AN EXEMPLARY HEAD OFFICE

Gecina's head office, which was refurbished in 2004 and which received an award at the SIMI 2005 commercial real estate trade show in Paris, is a perfect fit with the Group's CSR strategy.

Alongside the intrinsic properties of the building, which do have their limits however, action has been taken to improve energy, water and paper consumption, waste management and recycling, environmental awareness among employees and suppliers, as well as in catering and healthcare. In addition, studies have been launched to pioneer or experiment with new forms of renewable energy and biodiversity. Gecina has grouped together these initiatives under the umbrella term "Green Performance", for maximum impact on employee engagement.

INVOLVING EVERYONE IN THE EXEMPLARY HEAD OFFICE PROJECT

Facility Management has embraced the CSR strategy at head office by involving staff and external partners. External partners sign the Responsible Purchasing Charter and develop actions to promote sustainable development, reduce their environmental impact and engage with society.
These results support the actions put in place with external partners:

- the cleaning contractor, which uses only eco-friendly products, trains its staff on recycling office waste and on energy and water conservation;
- in terms of office supplies, staff are given a "green" catalogue.

More than 56% of consumables are "green", compared with 44% in 2010. 100% of paper is of recycled origin (Blue Angel label) and in 2013 20.8 tons of paper were consumed against 24.9 tons in 2012 (-16.5%). These results are added to the effects of introducing card-activated printing systems.

IMPROVED ENERGY CONSUMPTION

The initial calculation of energy efficiency for buildings using the 2005 Thermal Regulations (RT 2005) methodology indicated that overall performance was 21% below the standard. Modifications to the energy mix and improvements to equipment, coupled with the new practices introduced and greater accountability among all parties (external partners, technicians and employees) resulted in **a gain in primary energy of 37.4%** (in climate-corrected values) between 2008 and 2013. At the same time, the energy label improved two classes, moving from H to F and are now aligned to the provisions of the French Charter for the Energy Efficiency of Public and Private Commercial Buildings.

The choice made to modify the energy mix to incorporate a lesser share of electrical energy for heating led to a 27.3% gain in final energy, a slightly lower figure. However, the use of the CPCU urban network should result in a virtuous change in the energy mix, which will feature a larger share of renewable energy.

Between 2010 and 2013, a 23% reduction in final energy consumption was recorded, with 8.3% between 2012 and 2013. These results were achieved by implementing a raft of measures:

- monitoring and use of multi-technical building management (optimization of centralized building management);
- continued research into lighting controls (precise lighting instructions linked to weekly changes in daylight hours, systematic extinguishing of office lighting between dawn and 12.00pm, motion sensor lighting in parking areas and plant rooms);
- development of more energy-efficient lighting (replacement of 1,006 dichroic bulbs with LED bulbs);
- involvement of service partners (e.g. the sustainable development commitments agreed with Sogeres for the staff restaurant reduced electricity consumption by 43% between 2010 and 2013 and by 24% between 2012 and 2013, through switching off equipment and improving environmental awareness among staff).

Gecina has included its headquarters, like all buildings in its commercial portfolio, in the application of the Hypervision© system for improving the monitoring of a building's energy consumption. Sensors will immediately detect when thresholds have been exceeded and when swift corrective action is required. By generating and sending dashboards in real time, best practice can be identified more swiftly and shared more easily.

IMPROVED CO_2 EMISSIONS

The drop in consumption gave rise to a 28% decrease in CO_2 emissions between 2008 and 2013.

Although for its portfolio Gecina's influence is limited to energy consumption, at its head office action is brought to bear on a wider scope. Regular carbon footprint measurement is accordingly carried on in numerous areas.

Green solutions (bicycle or electric car) are used for 68% of courier deliveries, which represents 193kg of CO_2 emissions and a saving of 336.6kg of CO_2 compared with conventional means of transport. For taxi firms whose fleets include hybrid vehicles, 239kg of CO_2 was emitted over a distance of 7,240km.

The "green" printing solution has saved 127 trees equivalent to a reduction of 19,087kg of CO_2. An additional saving of 3,573kg of CO_2 can be added to the total from improved equipment design (sleep mode, energy-saving mode, etc.).

In 2014, a GHG emissions assessment of the entire catering service is programmed.

The vehicle fleet has also come under the spotlight, with CO_2 emissions down by 10%. In 2013, three new petrol vehicles were replaced by 100% electric vehicles, leading to the installation of rapid charging stations in the car park.

IMPROVED WATER CONSUMPTION

Although the financial impact is limited for its head office, Gecina is permanently raising awareness of water consumption among its staff. The Group considers this to be a social responsibility and is keen to engage its employees in rethinking their behavior both at work and at home.

In addition to the technical solutions developed in previous years, in 2013 Gecina:
- improved circuit design by installing shut-off valves on each cold water column supplying fan coil units and mini air-conditioning units (avoiding significant losses during corrective maintenance work), wastewater meters and alarms, modifications to WC dual flush volumes (3l and 6l, instead of 6l and 8l);
- promoted behavioral changes (encouraging staff not to waste water and to report any problems);
- introduced of metering for partner firms for cleaning, catering (16% fall in consumption between 2010 and 2013) and ground maintenance, and regular patrols of all water points.

IMPROVED WASTE RECYCLING

A system introduced with new partners has helped to improve waste recycling (paper, tins, plastic bottles, batteries, glass, WEEE, coffee pods, pens, eyewear and printer cartridges).

This commitment to monitor and recycle waste also concerns construction firms, which report on the traceability of construction and demolition waste.

A RESPONSE TO THE ISSUE OF ACCESSIBILITY AND ADAPTABILITY OF PREMISES

Various initiatives have been carried out to help people with disabilities:
- outsourcing of services to contractors employing people in adapted and protected work environments (e.g. Cèdre, Antilope);
- improved accessibility for employees or visitors with disabilities (for example, all building control and door-entry systems have been made accessible for people with reduced mobility, while the integration of orientation and guidance systems for the hearing-or sight-impaired is under review at all sites, due to be completed in 2014).

FOCUS ON EMPLOYEE COMFORT AND WELL-BEING

A sports hall has been built and will be followed by locker rooms to encourage employees to get involved in sport. Various improvements have been made to building services to improve olfactory comfort. Likewise, employee comfort and well-being are key when redesigning office layout.

INTEGRATING BIODIVERSITY

In late 2012, a biodiversity competition for Gecina headquarters was organized with the support of specialist design consultants Elan. The winner of the competition was the French landscaping firm Les Jardins de Gally. This project, which covers all outdoor areas and the roof terrace of the building, saw the first beehive being set up in the roof garden on the sixth floor. The planted terrace on the sixth floor of the building now has a hive. This will be followed in 2014 by the landscaping of areas designed to encourage biodiversity with the help of staff.

The project will also include "innovative planting" schemes as part of the initiative promoted by Paris City Council.

RECOGNITION THROUGH CERTIFICATION

Gecina's head office building has been integrated into the portfolio of certified buildings since 2012. At the time, the certification profile included four targets rated as Very Efficient, seven as Efficient and three as Basic.

Proving its ability to increase the performance of its portfolio, in 2013 Gecina undertook actions that improved the certification profile to five targets as Very Efficient.

The follow-up audit of the HQE® Operation certification for the head office building, performed by Certivéa, revealed no deficiencies.

THE GREEN RESTAURANT AT GECINA HEAD OFFICE

The layout of the staff restaurant has been extensively redesigned in order to improve comfort, flow, waiting times, acoustics, visibility, and variety of choice.

This is part of a CSR policy that includes an annual audit to generate consumption and operating indicators.

All data compiled on energy, food, and other areas are used to prepare a greenhouse gas (GHG) emissions assessment certified by an independent body.

For example, between 2012 and 2013, the level of compliance rose from 52% to 69% for detailed measures and from 58% to 78% for general measures (source: Interface report).

OUTLOOK FOR 2014

The concept of a lab building continues.
Some projects are already in the pipe-line:

- an audit of centralized building management systems with a new application for enhancing building performance;
- redesigning offices by combining the need to optimize spaces with new collaborative working methods, the need for privacy, social areas, acoustic comfort and air quality;
- the creation of a biodiversity terrace open to employees;
- recycling of organic waste.

Ongoing studies focus on the installation of photo-voltaic panels on the roof or in solar windows, as well as small-scale wind turbines, is also under consideration. The feasibility of obtaining international certification for the building is also being examined.

7.2. CSR performance

Gecina's non-financial reporting tool encompasses the 17 themes identified in its issue mapping. Gecina has also developed about 20 key performance indicators (KPIs), which are determined and monitored annually. In this context, strict attention must be paid to ensure that the process is rigorous, as it must fall within the financial reporting time frame to supplement the disclosures, and that the collected data is reliable. To respond to investors' expectations, Gecina's non-financial report covers both past performance and future outlook. Lastly, being able to adapt an integrated reporting approach provides Gecina with a competitive advantage by ensuring the comparability of its data over time.

In the same note chapter 1.6 "Risks" underwent an initial rework with the insertion of a table giving a summary of Group risks and their control mechanism.

The majority of environmental, social and societal issues have adopted the following levels:
- politics and strategy;
- objectives and action plans;
- analysis of results;
- identification of actions resulting in progress.

Finally, Gecina worked with Goodwill Management (a consulting firm) to produce a composite indicator for the immaterial value of its assets (in Chapter 7.3.3. Immaterial value, well-being and productivity).

7.2.1. REPORTING SCOPE AND METHODOLOGY

Gecina is constantly developing and honing its reporting protocol. This covers the full range of the Group's activities and serves as an internal guide (organization of reporting and control, roles and responsibilities of contributors).

The protocol also represents reporting standards for the external verification of data. It defines in particular:
- the scope;
- the list of indicators and the definition;
- calculation rules and procedures: one factsheet for each indicator;
- retrieval procedures and timetable;
- validation and control.

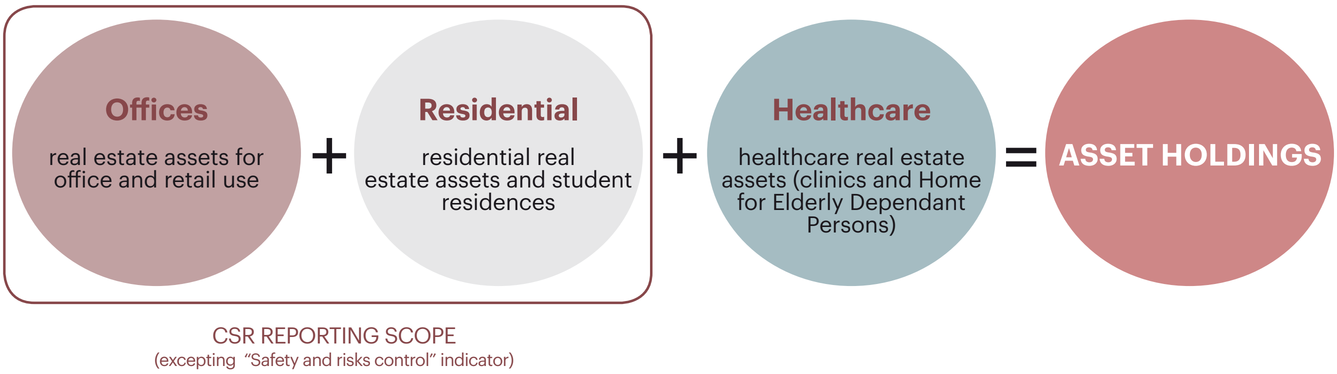
Chapter 7.2.1.1 is a summary of the major elements of the reporting scope. The full reporting protocol for Gecina is published on its website very soon (www.gecina.fr/fo/home/sustainable-development/non-financial-performance/non-financial-reporting-methodology.html).

7.2.1.1. SUMMARY OF THE SCOPE AND PROTOCOL FOR REPORTING

7.2.1.1.1. REPORTING SCOPE

Businesses, employees and assets concerned

The scope covers all businesses operationally controlled by Gecina in France from January 1 to December 31 of the reporting year.
The assets and all businesses of the Gecina Group arranged according to the classification below are included in the scope:



The hotels business, which was sold in 2013, is not included in the scope of consolidation.

For employees, the scope appears as follows:
- head office: Group administrative employees;
- group: (i) head office (Group administrative employees) and (ii) employees and building caretakers.

Following the strong development of the healthcare assets portfolio in 2012, Gecina started the data collection process for this business The Group has obtained new quantitative data on its energy consumption, especially concerning a significant part of its healthcare assets. However, these data have not been incorporated as yet because they have been deemed non-uniform with regard to the rest of the reporting scope Chapters 7.3 "Assets" and 7.4 "Planet".

The scope of activities applicable to each sustainable development indicator in the protocol is defined and specified in each of the related methodological factsheets, as required by the classification specified above.

Changes in scope

Changes in scope can be explained by:
- acquisitions of assets;
- asset developments;
- asset disposals;
- start-up or wind-up of businesses.

Assets recognition rules:
- an asset is in service if it is present in the property portfolio from January 1, N to December 31, N;
- acquisitions carried out and development projects completed during a reporting year N are accounted for on January 1 of N+1, except for the energy consumption indicator;
- data and information concerning disposals made in reporting year N are excluded from all data for reporting year N.

Coverage ratio

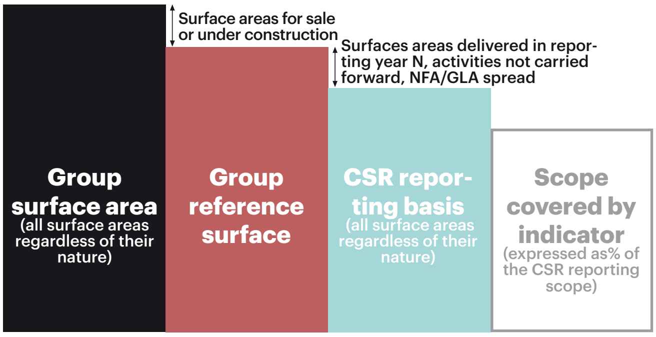
Social indicators cover 100% of the Group's workforce.

Most of the environmental indicators expressed as percentages are built as follows:
- total surface area providing measured data/Surface area in service = %;
- commercial and head office surface area: Refers to gross leasable area (GLA), in other words the private surface area including the rented communal areas;
- residential surface area: Refers to the net floor area (NFA) rented.

The adopted office and residential surface areas are:

	2008	2009	2010	2011	2012	2013
Offices *(GLA, sq.m)*	903,037	891,815	824,466	799,673	815,758	**819,582**
Residential including student residences *(NFA, sq.m)*	893,883	838,554	786,874	652,233	513,566	**503,467**
Scope of CSR reporting *(sq.m)*	1,796,920	1,730,369	1,611,339	1,451,906	1,329,324	**1,323,049**

These surface areas relate to 67% of the Group reference surface because they do not include healthcare assets (reference surfaces comprise all asset surface areas except those of assets for sale or under construction).



7.2.1.1.2 REPORTING PROTOCOL

Variants of asset segmentation

In response to the industry works conducted by France GBC and in accordance with EPRA recommendations, since 2012 Gecina has been publishing a breakdown of its indicators that show the level of control and action on the asset with respect to energy, greenhouse gas emissions and water.

Each indicator factsheet specifies whether or not this segmentation is applied.

Period and history

To be able to compare the results from one year to another, the history of reported information, if available, covers years 2008-2013 with the corresponding methodologies.

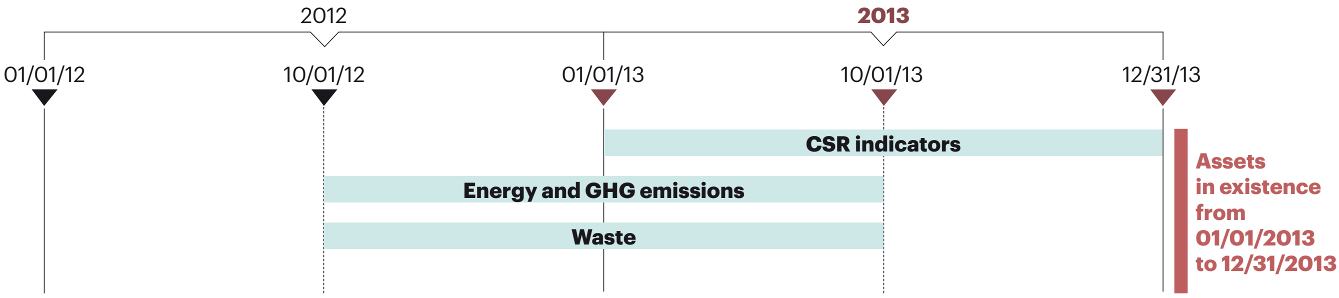
The Group archives all records of reported data by activity.

Gecina has opted for data consolidation over the accounting period of year N. As a result, all CSR indicators reflect the activity from January 1, N to December 31, N barring the exceptions quoted below.

Break in data collection periods beginning in 2012

As Gecina has no control over fluids meters but wishes to publish in this report detailed consumption levels and volumes at a more recent date than in previous years, it has decided to shift the data collection period starting from financial year 2012. Therefore, data on energy consumption, greenhouse gas emissions and waste volumes for year N will cover the period between October 1, N – 1 and September 30, N.

Indicators' reporting period



Indicator for water consumption (only in this case), Gecina may disclose the year "n" as the consumption of the "n-1" year reconciliations of expenses for the year subject the document is not available or extrapolated to the date of the report.

Emission factors for the conversion of final energy consumptions into greenhouse gas emissions (kgeqCO_2/kWhef)

The sources of regulatory conversion factors stem from the decree of September 15, 2006 (amended by the decree of 8 February) regarding energy performance audits for existing buildings offered for sale in mainland France or the emission factors obtained from the suppliers' data, if any, to improve the quality of data. Following publication of this decree, all emissions values were retroactively updated as from 2008.

Climate changes

Contrary to the residential sector where the energy performance of the portfolio is still mostly carried out on a conventional basis, the commercial portfolio takes account of real consumptions. If it is interesting to track the absolute energy consumption of the portfolio in order to measure the total carbon footprint, assessing the progress of actions carried out on the commercial property, especially in relation to the goals set (for Gecina, base 100, 2008 consumption), implies adjusting the data obtained to reflect climate changes.

In 2009 and 2010, due to harsher winters and/or hotter summers, primary energy consumption stated on actual invoices do not reflect the upgrades to properties since 2008. To adjust this value, it must be compared with climatic data or "UDDs" (Unified Degree Days) obtained from Météo France national databases.

In 2010, Gecina decided to determine the impact of climate change on the consumption and emission levels of its property portfolio assisted by its Cap Terre advisor, who has been analyzing the thermal behavior of the Group's commercial properties since 2008.

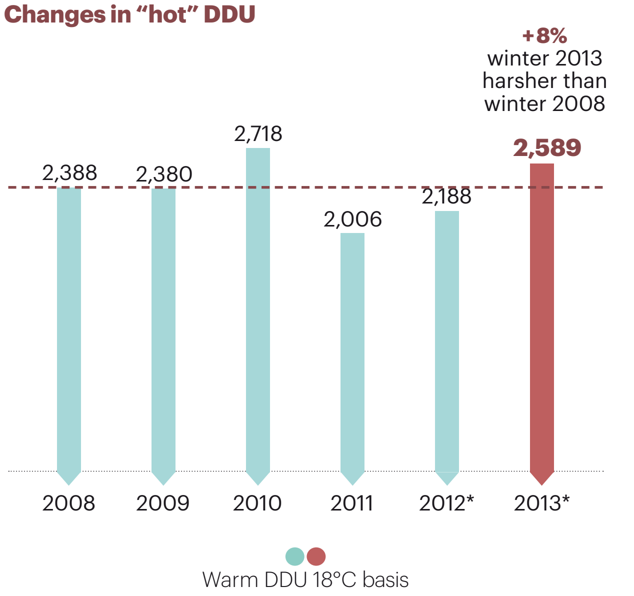
Although direct proportions of heating consumption and hot UDDs was confirmed – heating occurs because it is cold outside – simulations carried out on nine new HVAC equipped office buildings of different types showed that the same could not be true for the cold UDDs. In fact, we cool a room because it is hot outside but also because of other indoor sources of heat; and the relative percentage of air-conditioning due to each of these two causes changes according to the energy performance of the building.

After this study, Gecina opted for evaluating its results both in absolute value and on a same-climate basis by adjusting for commercial properties:

- heating consumption of 100% of the change of hot UDDs;
- air-conditioning consumption of:
  - 50% for properties built before 1930
  - 30% for properties built between 1975 and 1990
  - 0% for properties built before 1990
  - no correction for buildings without HVAC systems regardless of their date of construction.

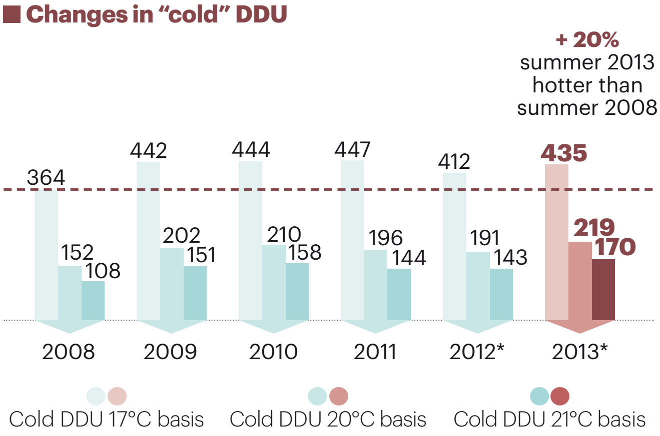
This correction system was also used in 2013.

Changes in "hot" DDU



Weather station: Paris-Montsouris * period from 01/10/N-1 au 30/09/N

Changes in "cold" DDU



Weather station: Paris-Montsouris * period from 01/10/N-1 au 30/09/N

7.2.1.2. DATA QUALITY

7.2.1.2.1 DATA COLLECTION

The CSR data measured, collected and analyzed by Gecina is from different sources: invoices, certificates, typographical readings, Météo France databases, manual or automated meter readings, building permits, geometric readings, etc.

Any estimates made due to unavailable data on the reporting date, are based on the real data of the month in question for the previous year, or for the period under consideration, adjusted to reflect changes in scope affecting the year under consideration.

For example, 76% of energy consumption and greenhouse gas emissions from the commercial business stem from the collection and analysis of actual invoices. The estimated portion is 24% and it primarily concerns part of the energy consumption paid by tenants.

Responsibilities

Operational entities are the divisions or departments that own the data and information to be reported. They are responsible for collecting and compiling the data, entering them into the appropriate reporting tools and transmitting them to management accountants.

A management accountant is appointed for each business line. His/her role entails:
- collecting data from operational entities;
- consolidating the indicator's data on the scope for which he or she is responsible;
- checking data reliability by conducting required consistency checks (concordance year N/N-1, consistency between sites, audit ratios).

A contact person (business technical director) is appointed for each business line.
His/her responsibility includes:
- checking that the business line's data is reported;
- checking that the data has been audited internally and therefore validate its consistency with previous years and its truthfulness;
- checking, then validating the data submitted by the management accountant;
- checking the right justification for changes in scope observed since the prior period and any discrepancies with the reporting methodology defined in the protocol;
- providing and presenting the reported data at quarterly reporting reviews at CSR Steering Committee meetings.

The CSR Committee is responsible for:
- updating and disseminating the reporting protocol according to changes in indicators, the Group's activities, applicable regulatory or external reporting standards, and according to comments from external auditors;
- launching the annual reporting campaign by informing the various managers of the reporting stages and deadlines;
- analyzing the comments and justifications of key persons on the reported data;
- consolidating all reported data at Group level;
- restituting the consolidated data for internal and external communications.

Internal audits

During the collection and validation of reported information, the Group conducts general reviews to check the reliability of the reported data using pertinent ratios by indicator. The data must be systematically formalized and archived.

A comparison of data calculated at the different reporting stages is made with the data from the previous quarter or previous year.

7.2.1.2.2 MEASUREMENT DIFFICULTIES

Although it is relevant to monitor energy use levels and GHG emissions for the total asset base of the Group, these analyses should take into account current limitations of this practice.

Indeed, the Group's scope includes commercial, residential and healthcare assets with practices and calculation methods that are particularly inconsistent, as indicated in the table below.

In addition to this table, the following elements should be taken into account for the commercial and healthcare business lines:
- consumption is broken down by supply sources (electricity, fuel oil, gas, heating network, etc.) and by item (usage, heating, air conditioning, etc.);
- the typology and the activity within buildings have a significant influence on consumption levels:
  - **commercial property:**
    - premises may be occupied 24 hours a day, 7 days a week,
    - type of use: multi-tenant buildings, the head office, etc.,
    - intensity of activity: administrative, consultancy, call-center, trading desk, etc.,
    - services associated with the building's use: sports hall, restaurant facilities, etc.
    - retail activity with more or less long opening hours (open or not on Sundays) and of different types (shop, showroom, etc.),
  - **healthcare property:**
    - the intensity of the activity affects the levels of consumption: accommodation (retirement home); research center and laboratory; medical activity (rehabilitation, spa, operating theatres, etc.).

■ Characteristics and measurement of the influence of parameters on energy efficiency

<table>
<tr><th></th><th colspan="3">Scope</th></tr>
<tr><th></th><th>Commercial</th><th>Healthcare</th><th>Residential</th></tr>
<tr><td>Reference surface area</td><td>GLA: gross leasable area</td><td>GLA: gross leasable area</td><td>NFA: net floor area</td></tr>
<tr><td>Method of calculation</td><td>Real, calculation based on the analysis of invoices and adjusted to reflect climate impact</td><td>Real, calculation based on the analysis of invoices</td><td>Real for properties with collective heating
EPC, standardized calculation for properties with individual heating</td></tr>
<tr><td>Breakdown of energy supply</td><td colspan="3">Energy consumption is broken down by sources: electricity, gas, oil, heating network, cooling network, etc., distinguishing the proportions paid by Gecina and by the tenant.</td></tr>
<tr><td>Influence of work carried out</td><td colspan="3">Impact on consumption and emissions is simulated prior to starting work and measured in real time after delivery.</td></tr>
<tr><td>Influence of vacancy rate</td><td colspan="2">The N/N+1 changes in consumption and emission levels are analyzed with respect to the occupancy levels of buildings.</td><td rowspan="5">Partly non applicable because EPC calculations are carried out using comfortable temperatures and regulatory occupancy rates</td></tr>
<tr><td>Climate impact (see Chapter 7.3.4.3.)</td><td>Measured impact</td><td rowspan="4">For the moment, these impacts are not measured in detail.</td></tr>
<tr><td>Influence of operation management</td><td>Measured impact</td></tr>
<tr><td>Behavior of users</td><td rowspan="2">For the moment, these impacts are not measured in detail.</td></tr>
<tr><td>Influence of the business</td></tr>
</table>

7.2.1.3 EXTERNAL VERIFICATION OF DATA

In 2010, for the first time and in anticipation of future obligations of the Grenelle II law, seven key indicators were audited to test the relevance and performance of the systems in place. Ernst & Young and OXEA conducted interviews with contributors to check the proper understanding of the definitions of indicators. They also reviewed internal controls and audit evidence, consistency and truthfulness tests to check their conformity with the internal assessment process.
Since 2011, all audit programs carried out with audit, accounting and consulting firm Mazars have resulted in an unqualified audit report.
Since 2012, Gecina has voluntarily undertaken quality and reliability improvement actions with regards to its CSR reporting and chose to extend the audit to qualitative information that is subject to a "consistency" verification, which goes further than the specific requirements of Article 225.

The scope of the 2013 program was extended to include the following compared to 2012:
- verification of fifteen new indicators;
- upgrading to five indicators for "reasonable" verification levels, compared to the 2012 "Details Tests".

Level of assurance 2013

	"Reasonably assured"	Detailed testing
Number of indicators	9	35
including KPI	*2*	*14*

After the publication of AMF Recommendation 2013-18 dated November 5, 2013 on CSR information issued by listed companies, Gecina is publishing a summary list of indicators that provided a level of verification. All the indicators that were verified as providing a "reasonable" level of assurance were identified by the following symbol ☑. All the indicators with no marking and related to grenelle II french law have been verified with detailed testing or coherence review from the statutory auditors.

Detailed table of audit methodology

Grenelle II information		Indicator / Information	Level of verification	Remarks
Social data				
Employment	Total headcount and breakdown of employees by gender, age, and geographic region	Total headcount by status	Reasonable	Level of assurance upgraded
		Total headcount by gender	Reasonable	Level of assurance upgraded
		Total headcount by age group	Reasonable	Level of assurance upgraded
		Total headcount by contract type	Reasonable	Level of assurance upgraded
	Hires and dismissals	Changes in headcount through hires	Reasonable	Level of assurance upgraded
		% of jobs placed internally	Detailed testing	
		Total number of departures of indefinite-term contracts (CDI), exits stated by reason for leaving and by population	Detailed testing	New
	Remuneration and changes thereto	% of average individual raise (management vs. non-management) by status and by gender	Detailed testing	New
Work organization	Organization of working time	Organization of working time (qualitative)	Coherence	
	Absenteeism *	Regulatory absenteeism rate for all absence types	Detailed testing	New
		Number of days of absence by type of absence	Detailed testing	New
		Absenteeism rate detailed by type of absence and by collective bargaining agreement (caretaker / administrative)	Detailed testing	New
		Number of employees off work at least once for a period of at least three days in the period	Detailed testing	New
Labor relations	Organization of labor-management relations, especially procedures for informing the employees and consulting and negotiating with them	Organization of of labor-management relations (qualitative and quantitative)	Coherence	
	Overview of collective bargaining agreements	Number and overview of collective bargaining agreements (quantitative and qualitative)	Coherence	
Health and safety	Health and safety conditions at work	Health and safety conditions at work	Coherence	
	Overview of agreements signed with union organizations or employee representatives regarding health and safety at work	Number and overview of Hygiene, Safety and Working Conditions Committee agreements	Coherence	
	Work accidents, especially their frequency and severity; occupational illnesses *	Frequency rate of work accidents	Detailed testing	New
		Rate of severity of work accidents	Detailed testing	New
		Information on occupational diseases	Coherence	
Training	Training policies implemented	Training policy	Coherence	
	Total number of training hours	Average number of hours of training per employee	Detailed testing	
Gender equality	Measures taken to promote gender equality	% of women recruited externally	Detailed testing	
		Number of occupation classification levels for which wage gap between men and women > 3% (administrative personnel, excluding Comex)	Detailed testing	New
	Measures taken to promote employment and insertion of people with disabilities	Policy for employing people with disabilities (qualitative and quantitative)	Coherence	
	Policy for fighting discrimination	Anti-discrimination actions (qualitative and quantitative)	Coherence	
Promotion and respect of the stipulations of the basic ILO conventions relating to*:	Respect for the right to freedom of association and the right to collective bargaining	Compliance with ILO agreements (qualitative) / human rights	Coherence	
	The elimination of discrimination in respect of employment and occupation			
	The abolition of forced or compulsory labor			
	The abolition of child labor			

Grenelle II information		Indicator / Information	Level of assurance	Remarks
Environmental data				
General environmental policy	Organization of the company in assimilating environmental issues and, if appropriate, engaging in environmental assessment and certification processes	Coverage rate of the Construction Management System in% of surface area	Reasonable	
		Coverage rate of the Operations Management System in% of surface area	Reasonable	
	Approaches for training and informing employees regarding environmental protection	Training and information on environmental protection (Sustainable Development Week, blog, etc.)	Coherence	
		% of reduction in GHG emissions of employees in TeqCO_2/employee/year	Reasonable	
	Resources dedicated to the prevention of environmental risks and pollution	SME coverage rate	Reasonable	
	Amount set aside as provisions or reserves to cover environmental risks, provided that this information is not of a nature to cause serious damage to the company in any ongoing litigation *	Exclusion		
Pollution and waste management	Measures for the prevention, reduction or reparation of discharges into the air, water or ground that severely impact the environment	Information	Coherence	
	Measures for preventing, recycling and eliminating waste	% of waste revalued / recycled (in mass - tons)	Detailed testing	
		% of surface area renovated with a selective waste collection area	Detailed testing	
	Taking into account all noise and other forms of pollution specific to an activity	Information	Coherence	
Sustainable use of resources	Consumption and supply of water depending on local restrictions	Gains de consommation d'eau (en m³/m² et%)	Detailed testing	
	Consumption of raw materials and measures taken to improve efficiency of use	Information	Coherence	
	Consumption of energy, measures taken to improve energy efficiency, and use of renewable energies	Gains in savings of water consumption (in cubic meters/sq meter and%)	Detailed testing	
		% of reduction of electrical consumption since 2008 in kWH EP/sq m at constant climate - Commercial	Detailed testing	
		% of reduction of electrical consumption since 2008 in kWH EF/sq m at constant climate - Commercial	Detailed testing	
		% reduction in consumption since 2008 kWH EP/sq m - Residential	Detailed testing	
		% reduction in consumption since 2008 kWH EF/sq m - Residential	Detailed testing	
		% of surface areas with an EPC certificate for energy A, B or C - Commercial	Detailed testing	
		% of surface areas with an EPC certificate for energy A, B or C - Residential	Detailed testing	
		Energy mix	Detailed testing	
		% of production of renewable energy		
	Use of ground area *	Information	Coherence	
Climate change	GHG emissions	* GHG emissions in kgCO_2/sq m/year at constant climate - Commercial	Detailed testing	
		* GHG emissions in kgCO_2/sq m/year at constant climate - Residential	Detailed testing	
		* % of emissions reductions since 2008	Detailed testing	
		* % of surface areas with an EPC certificate for climate A, B or C - Commercial	Detailed testing	
		* % of surface areas with an EPC certificate for climate A, B or C - Residential	Detailed testing	
	Adapting to the consequences of climate change*	Contribution energy and climate	Coherence	
Protection of biodiversity	Measures taken to preserve and improve biodiversity	Biotope Area Factor	Detailed testing	
		% of assets subjected to a biodiversity audit	Detailed testing	

Grenelle II information		Indicator / Information	Level of assurance	Remarks
Corporate commitments benefiting sustainable development				
Economic, social and territorial impact of the company's business	Economic, social and territorial impact of the company's business	Economic contribution	Detailed testing	
		Information (qualitative)		New
	In the area of employment and regional development	Information (qualitative)	Coherence	
	On local and adjacent populations	Stakeholder Expert Committee	Coherence	
Relationships with persons or organizations interested in the company's business, especially professional insertion associations, teaching institutions, environmental protection associations, consumer organizations and adjacent residents	Relationships with persons or organizations interested in the company's business, especially professional insertion associations, teaching institutions, environmental protection associations, consumer organizations and adjacent residents	Information	Coherence	New
	Terms regulating dialogue with these persons and organizations	Client recommendation rate	Coherence	
		Green lease rate (in% of surface area)	Detailed testing	
		Number of days employees mobilized for one or more actions (Foundation)	Detailed testing	
	Partnership and sponsoring actions	% of employees mobilized for one or more actions (Foundation)	Detailed testing	
		Information (qualitative and quantitative, signature of charter by suppliers, etc.)	Detailed testing	New
Subcontractors and suppliers	Subcontractors and suppliers	Information (qualitatif et quantitatif, déploiement signature charte fournisseur…)	Coherence	
	Inclusion of social and environmental issues in the purchasing policy			
	Importance of subcontracting and consideration of supplier and subcontractor social and environmental responsibility in relations with these entities *			
Constancy of practices	Actions undertaken to prevent corruption *	Information (qualitative and quantitative, Ethics Charter, etc.)	Coherence	
	Measures taken to promote health and safety of consumers *	Information (risks, etc.)	Coherence	
Other actions taken to benefit human rights*	Other actions taken to benefit human rights	To be determined		
Other indicators not dealt with in Article 225				
Governance	Inclusion of CSR issues in the Group's strategy	Number of committees integrating the CSR theme (Council committees, CSR steering, Management Committee, etc.)	Coherence	

7.2.2. KEY PERFORMANCE INDICATORS TABLE

CSR commitments and indicators - 2013 targets

Pillars	Issues	Indicators	Scope(1)		Results				
			Business line	% covered	2008	2009	2010	2011	2012
Assets	Energy efficiency and renewable energy	**Average consumption of primary energy in kWhep/sq.m/year (constant climate)**	**Offices**	**91%**	**473**	**399**	**384**	**391**	**385**
		% reduction of primary energy consumption per sq.m/year (constant climate)	Offices	91%	Base	-16%	-19%	-17%	-19%
		% reduction of final energy consumption per sq.m/year (constant climate)	Offices	91%	Base	-15%	-16%	-15%	-17%
		% of properties with an EPD label of A, B or C	Offices	91%	0.0%	0.0%	0.3%	0.2%	0.0%
		Average consumption of primary energy in kWhep/sq.m/year	**Residential**	**100%**	**221**	**213**	**209**	**201**	**196**
		% reduction of primary energy consumption per sq.m/year	Residential	100%	Base	-4%	-5%	-9%	-11%
		% reduction of final energy consumption per sq.m/year	Residential	100%	Base	-5%	-7%	-11%	-15%
		% of properties with an EPD label of A, B or C	Residential	100%	7%	8%	9%	15%	17%
	Labeling, certification and environmental performance	**% of office space with HQE® Operation certification**	**Offices**	**100%**	**0%**	**0%**	**5%**	**19%**	**34%**
		% of surface areas delivered certified with a high level of certification	**Offices / Residential**	**100%**	**0%**	**0%**	**40%**	**82%**	**84%**
		% of surface areas delivered certified during the year	Offices / Residential	100%	87%	0%	50%	82%	94%
		EMS coverage rate	Offices / Residential	100%	6%	7%	13%	21%	30%
	Immaterial value, well-being and productivity	**% of properties with high immaterial value (categories A, B and C)**	**Offices**	**86%**	**ND**	**ND**	**ND**	**ND**	**ND**
		% of properties with public transport access at less than 400m	Offices / Residential	99%	89%	90%	92%	93%	92%
		% of properties with reduced mobility access	Offices	93%	36%	39%	39%	42%	44%
		% of communal areas accessible or adaptable for people with reduced mobility	Residential	65%	ND	ND	53%	53%	53%
	Safety and control of risks	**% of properties with a "Very Efficient" or "Efficient" rating**	**Property portfolio**	**100%**	**ND**	**17%**	**34%**	**56%**	**74%**

(1) Coverage rate in relation to the scope stated in the technical appendix.
(2) In accordance with relevant recommendations in this area, the only data reported are 2013 data verified by the statutory auditors as providing reasonable assurance ☑.
Other indicators with no remarks received a moderate assurance opinion by the statutory auditors.
UN: Unavailable / In bold: KPI.

Note:
- The "Residential" scope in this table includes student residences.
- The surface area of the asset base was re-evaluated in 2013, revealing differences of < 5%. This difference is considered immaterial.
- The scope of calculation for water consumption was standardized with the other reporting indicators. Changes observed in this ratio are < 1%.

2013	Reasonable assurance(2)	Target 2016	Progress status 2016	Additional information
364		**284**	**58%**	In 2013, the energy efficiency of office properties improved overall by 5.4% compared with 2012 and 23% compared with 2008. In view of the difficulty in implementing necessary actions in properties whose operations Gecina does not control, the Group broke down analyses of results and stated objectives into three sub-categories. These include a) properties for which operations are fully controlled by Gecina, b) properties for which operations are controlled only partially by Gecina and c) properties for which operations are controlled by tenants. The best performance is observed in properties that are fully controlled by Gecina, with an extra premium for HQE® Operation certified assets, whose energy efficiency improved by over 30% between 2008 and 2013. The objective for 2016 now concerns assets for which operations are fully controlled by Gecina. For the other two asset categories, the 2016 objective was pushed back to 2018 and 2020 respectively. Buildings delivered in 2012 and 2013 cannot be included in the calculation of these indicators, as there has not been enough time to collect two years of actual energy consumption. In particular, they cannot be included in the indicator for energy performance certificates (EPC).
-23%		-40%	58%	
-24%		-30%	80%	
0.0%		25%	0%	
192		**132**	**32%**	Since 2012, consumption of energy in residential assets has been calculated on the basis of actual consumption, to which a climate correction factor (same-climate basis) is applied for buildings with collective heating systems. This new approach to evaluating consumption provides a better analysis of progress achieved in operations, which was "invisible" up until 2011 through the EPC-based method. Accordingly, as per France GBC recommendations, Gecina broke down analyses of this indicator into two sub-categories: a) properties whose operations are fully controlled by Gecina and that use collective heating and b) properties over which Gecina exerts no operational control and that use individual heating systems. An overall 13% drop in energy intensity between 2008 and 2013 was observed. As the 2016 objective no longer seemed realistic as it stood, Gecina programmed a detailed analysis of energy efficiency plans in 2014, by property, in order to refocus all improvement actions.
-13%		-40%	32%	
-17%		-30%	56%	
17%		25%	68%	
44%	☑	**80%**	**55%**	Since 2010, the Group has sought to increase the percentage of its office properties that are HQE® Operation certified. In four years, Gecina has progressed from 0% of HQE® Operation certified properties to 44%, nearly half of its office portfolio, 17 properties in all. Gecina is setting ambitious targets in this area because by 2016 the Group hopes to have 80% of its office properties certified in HQE® Operation. The advance is also perceptible for those office assets with a high level of certification, moving from 0% in 2009 to 100% in 2013. These good results should be seen in the light of regulatory requirements, notably RT 2012, and the Group's determination to achieve high performance (with 12 out of 14 targets in the Efficient or Very Efficient levels, equivalent to the Excellent or Exceptional HQE Passport rating). Three buildings out of five obtained a high certification level in 2012 and three out of three in 2013. Note that the Beaugrenelle shopping center, which is not included in this indicator because of characteristics very different from most buildings, obtained a "Very Good" rating.
100%	☑	**100%**	**100%**	
100%		100%	100%	
35%	☑	65%	54%	
63%		**75%**	**84%**	It has long been established that various characteristics of an office building, to include interior air quality, acoustical performance, the quality of the fitting out of office space and location have an influence on the occupants' productivity efficiency. Gecina wanted to assess the performance of its properties in this area (evaluating 74 buildings, representing 86% of the scope of buildings in operation, delivered or acquired) and introduce a new composite indicator. Each building evaluated presents a level of performance that is more or less high in each of these categories, reflected by the model as a change in productivity efficiency (see Chapter 7.3.3 Immaterial value – well-being and productivity). The result is expressed in the form of a "productivity efficiency label", analogous to the environmental label in 7 categories ranging from A to G. In 2013, 63% of Gecina's buildings were classified in categories A, B or C and offer high productivity efficiency gains (in excess of 8%), thus generating significant economic benefits for the customers who use those offices. This indicator is not relevant to residential buildings.
91%		> 95%	96%	
58%		50%	100%	
53%		60%	89%	
77%	Oxea	**> 70%**	**100%**	In 2013, this indicator rose by another 3% compared with 2012 to reach a rate of 77% of assets with a level higher or equal to "Efficient" (calculated through a self-evaluation by Gecina of its operations departments and verified by an independent audit agency). These new advances confirm the achievement of the target set at over 70% for 2016. These good results are the fruit of a risk management policy implemented by Gecina concerning lead, asbestos, air cooling towers and telephone relay towers.

Pillars	Issues	Indicators	Scope[1]		Results				
			Business line	% covered	2008	2009	2010	2011	2012
Planet	GHG emissions and climate change	**Average greenhouse gas emissions in kgCO_2/sq.m/year (constant climate)**	**Offices**	**91%**	**28**	**25**	**24**	**25**	**24**
		Average reduction of greenhouse gas emissions per sq.m/year (constant climate)	Offices	91%	Base	-9%	-14%	-11%	-12%
		% of properties with an A, B or C climate or energy label	Offices	91%	39%	38%	45%	40%	46%
		Average greenhouse gas emissions en kgCO_2/sq.m/year	**Residential**	**100%**	**44**	**41**	**40**	**38**	**36**
		% reduction of greenhouse gas emissions per sq.m/year	Residential	100%	Base	-6%	-9%	-14%	-18%
		% of properties with an A, B or C climate or energy label	Residential	100%	12%	13%	14%	19%	22%
		% reduction in the level of greenhouse gas emissions from employees in TCO_2eq/employee/year	Head office	100%	Base	-2%	-6%	-9%	-30%
		Energy/climate contribution (simulation)	Offices / Residential	100%	€2.0m	€1.7m	€1.6m	€1.3m	€1.1m
	Natural resources and waste	**% of buildings delivered since 2008 that underwent an LCA**	**Offices**	**73%**	**0%**	**0%**	**0%**	**0%**	**14%**
		% of waste sorted for recycling	**Offices**	**25%**	**ND**	**ND**	**ND**	**ND**	**62%**
		% of properties equipped for selective sorting of waste	Offices / Residential	100%	45%	46%	58%	64%	62%
		% of properties with a separate room outfitted for selective sorting of waste	Offices / Residential	100%	3%	3%	13%	37%	44%
	Biodiversity	**Biotope area factor by surface area of properties delivered since 2008**	**Offices**	**73%**	**ND**	**ND**	**48%**	**37%**	**21%**
		% of properties delivered since 2008 that underwent a biodiversity audit	Offices	73%	ND	ND	ND	ND	ND
	Water	**Average consumption of water in m^3/sq.m/year**	**Offices / Residential**	**65%**	**1.24**	**1.20**	**1.10**	**1.06**	**0.98**
		% reduction in water consumption in m^3/sq.m/year	"	65%	Base	-4%	-11%	-15%	-21%

(1) Coverage rate in relation to the scope stated in the technical appendix.
(2) In accordance with relevant recommendations in this area, the only data reported are 2013 data verified by the statutory auditors as providing reasonable assurance ☑.
Other indicators with no remarks received a moderate assurance opinion by the statutory auditors.
UN: Unavailable / In bold: KPI.

Note:
- The "Residential" scope in this table includes student residences.
- The surface area of the asset base was re-evaluated in 2013, revealing differences of < 5%. This difference is considered immaterial.
- The scope of calculation for water consumption was standardized with the other reporting indicators. Changes observed in this ratio are < 1%.

2013	Reasonable assurance[2]	Target 2016	Progress status 2016	Additional information
22		**17**	**55%**	With regard to office assets, the climate performance of properties is strongly correlated to their energy efficiency, with variances linked to changes in the energy mix. For the climate performance to change favorably, the energy mix has to move toward one with less carbon content (e.g., the replacement by Gecina of a gas heater with a connection to a district heating system). The changes in Gecina's climate performance between 2008 and 2013 are favorable, but Gecina has only achieved half of its 2016 target as of now.
-22%		-40%	55%	
57%		25%	100%	
35		**26**	**51%**	The change in climate performance in the residential sector is much more acute than that of offices. Progress in this area between 2008 and 2013 was much stronger than that of energy intensity (a gain of 21% compared with 13%). There are two reasons for this good performance. Firstly, consumption evaluated concerns only heating, hot water production and ventilation, which makes the indicator particularly sensitive to a change in the method of producing heat or hot water (for example due to the replacement of a heating unit). The replacement of several heating units with systems that are less carbon intensive therefore favorably influenced this indicator. Between now and 2016, Gecina hopes to achieve a figure of 26kg CO_2/sq.m/year in its residential business.
-21%		-40%	51%	
22%		25%	88%	
-28%	☑	-20%	100%	
€1.1m				
30%		**100%**	**30%**	Since 2012, Gecina has set a course for carrying out life cycle analyses on all of its delivered properties. A new indicator was therefore established to monitor the Group's progress in this area in 2012. In 2013, 30% of office buildings delivered had undergone an LCA since 2008. In other words, in 2012, one quarter of offices delivered had had an LCA performed on them, compared with two thirds in 2013. The results of initial experiments, while highlighting the eco-design theme, have not yet given rise to any major trend in terms of preferred construction systems or materials. The low coverage rate of the waste indicator, at 25%, may be explained by the fact that Gecina is not involved in all waste management contracts. Nonetheless, since 2008, the Gecina's Office business line is progressively taking greater control over these contracts. While Gecina cannot control the percentage of waste effectively sorted by its office tenants, the Group can act by providing areas equipped for waste sorting and contracts concluded directly with private companies. An indicator that monitors the percentage of waste actually sorted through recycling was established in 2012. At present, 60% of waste is sorted. Gecina is striving for a figure of 80% of waste from the Office business line to be recycled by 2016.
60%		**80%**	**75%**	
63%		80%	79%	
47%		80%	59%	
28%		**-**	**-**	The BAF (Biotope Area Factor) reflects the presence of vegetation on an asset and the land that surrounds it. Since 2012, the Office business line has been interested in this indicator as a way to guide progress in terms of the biodiversity of delivered buildings. Data for 2010 and 2011 have been reconstituted, explaining why the change and figures for 2012 and 2013 were more reliable. The BAF increased by 7% between 2012 and 2013 to reach 28% in 2013. This demonstrates the progress Gecina has achieved in the area of biodiversity. In 2012, the maximum BAF of the four properties delivered was 20%, whereas in 2013, the three properties delivered all had a value greater than 20%.
40%		-	-	
in progress		**0.98**	**87% (2012)**	In 2012, the latest year that consumption figures were available, the indicator dropped by 8.5%, with an overall reduction of nearly 22% between 2008 and 2013. The reason behind this good performance is the continued installation of more energy-efficient equipment in office and residential properties, as well as better control of the consumption monitoring process. In the residential sector, Gecina continues to support tenants by providing them with the tools they need to better monitor their consumption of energy. This performance has put Gecina in a position of achieving the 2016 target that it set in 2008 (87% of the target has been fulfilled to date).
in progress		-21%	89% (2012)	

Pillars	Issues	Indicators	Scope(1) Business line	% covered	2008	2009	2010	2011	2012	2013
Employees	Integrate CSR into Gecina's business lines	**% of hours of training dedicated to CSR**	**Group**	**100%**	**ND**	**ND**	**ND**	**ND**	**ND**	**18%**
	Talents and skills	**% of positions filled through in-house mobility.**	**Group**	**100%**	**ND**	**ND**	**30%**	**43%**	**47%**	**54%**
		% of employees who participated in at least one training course during the year	Group	100%	ND	ND	ND	ND	ND	97%
		Average number of training hours per employee trained	Group	100%	12	13	22	24	28	22
		Turnover rate of indefinite-term contracts	Group	100%	ND	ND	ND	ND	8%	5%
	Diversity and equal treatment	**Number of professional classification levels for which the wage gap between men and women is greater than 3% (administrative population excluding Executive Committee members)**	**Group**	**100%**	**ND**	**ND**	**5/7**	**3/7**	**2/7**	**1/7**
		% women in the Board of Directors	Group	100%	6%	7%	11%	14%	23%	23%
		% of employees on work-study contracts	Group	100%	ND	ND	ND	ND	ND	5%
		% of employees with a declared disability	Group	100%	ND	ND	ND	ND	ND	2%
		Rate of access to training of employees aged over 55	Group	100%	ND	ND	ND	ND	ND	18%
	Working conditions	**% of employees with at least one work stoppage for medical reasons less than or equal to 3 days**	**Group**	**100%**	**ND**	**ND**	**ND**	**ND**	**ND**	**32%**
		Absenteeism (sick days)	Group	100%	6,429	7,067	5,871	5,979	4,687	5,429
		% of part-time employees	Group	100%	ND	ND	ND	ND	ND	8%
Society	Integration with the surrounding areas	under development								
	Relations with stakeholders	**Satisfaction rate of outgoing customers (residential excluding student residences)**	**Residential**	**100%**	**93%**	**95%**	**93%**	**93%**	**91%**	**85%**
		Rate of renewal of collective bargaining agreements before term	Group	ND	ND	ND	ND	ND	ND	100%
		Number of SRI investors met	Group	ND	ND	ND	4	30	3	20
	Business ethics	**Number of criminal convictions (excluding traffic fines)**	**Group**	**100%**	**0**	**0**	**0**	**0**	**0**	**0**
		% of employees trained in or made aware of the Ethics Code over the past five years	Head office	100%	ND	ND	ND	ND	75%	80%
	Responsible purchasing	**% of regular suppliers who have signed the Responsible Purchasing Charter**	**Group**	**100%**	**ND**	**ND**	**ND**	**ND**	**ND**	**44%**
		% specifications revisited in light of responsible purchasing (risk categories)	Group	100%	ND	ND	ND	ND	ND	25%
	Sponsorship and partnerships	**% employees actively involved in one or more actions of the Foundation**	**Group**	**100%**	**ND**	**ND**	**ND**	**ND**	**12%**	**16%**

(1) Coverage rate in relation to the scope stated in the technical appendix.
(2) In accordance with relevant recommendations in this area, the only data reported are 2013 data verified by the statutory auditors as providing reasonable assurance ☑.
Other indicators with no remarks received a moderate assurance opinion by the statutory auditors.
UN: Unavailable / In bold: KPI.

	Target	Progress status	
Reasonable assurance[(2)]	2016	2016	Additional information
	-	-	This new performance indicator is a reflection of the Group's determination to develop its employees' skills with regard to CSR issues linked to their activities, while simultaneously increasing their professionalism. This training has been customized by business line, with particular focus on those in the real estate area (see Chapter 7.5.1.3 “Provide staff with CSR training”). In parallel, other socially responsible training (on issues like disabilities, diversity, etc.) has been set up as a part of the company policy. Accordingly, in 2013 nearly 18% of the training programmes targeting 90% of the company’s employees were dedicated to CSR themes. Gecina's objective is to maintain the proportion of training hours dedicated to CSR at the same level so as to progressively cover all CSR themes relevant to these activities.
	> 25%	**100%**	HR pays special attention to the management of its employees' careers. Internal mobility is encouraged through the publication on the intranet of jobs available, or through transfers agreed on in consultation with employees as part of a reorganization or personnel succession plans. In 2013, 20 employees changed jobs through internal mobility. Furthermore, internal mobility accounted for 54% of total recruiting, making this track significantly greater than in previous years (+/- 50% compared with 2008). The objective of exceeding a rate of 25% has been fully achieved.
	-	-	
	25	**87%**	
	-	-	
	0/7	**86%**	In 2013, only one out of seven levels within a grade showed salary gaps over 3% (compared with three of seven in 2012 and five of seven in 2008). This analysis was carried out by a representative panel comprising a minimum of three persons per level and per gender. As in 2011 and 2012, the Group consecrated a specific allocation in 2013 for reducing any existing salary gaps, underscoring Gecina's determination to make this policy one that lasts. As such, the Group has advanced significantly on this issue, although some latitude remains for eliminating residual differences. The objective is to use specific salary-based measures to reduce all non justified differences greater than 3%, taking into account levels of qualification, experience and performance. Accordingly, by 2016, Gecina wishes to establish perfect equality in terms of salaries between men and women among the administrative population, excluding the Executive Committee.
	40%	58%	
	-	-	
	-	-	
	-	-	
			This performance indicator has been deemed more representative and focused in monitoring any difficulties encountered by employees on a day to day basis. It replaces the one established in 2012 showing absences. Short term absences (of three days or fewer) pertained to 157 people (32% of all employees), representing 8.3% of the absences due to illness. Building maintenance staff make up the majority of employees concerned by this figure. The number of days absent due to illness increased by 15% in 2013, but the sick leave rate remains lower than that of the national average. In contrast, in 2013, the benefits of corrective measures implemented to prevent work accidents are coming to light (spurred by training on gestures and posture, supply of individual protective equipment, purchase of materials suited to jobs, etc.). While it is difficult to set targets for this indicator, monitoring its changes is still relevant.
	-	-	
			The issue of integration within the surrounding areas is essential. Yet it is a complex and difficult subject to assess in its entirety. Only local and area-specific indicators can now be used to provide an assessment of the Group's footprint in surrounding areas. Gecina has been evaluating its direct contribution to economic activity and creation of value in this area since 2012 (see Chapter 7.6.1.2 “Breakdown of the value created by Gecina”).
	> 90%	**94%**	Gecina conducts regular satisfaction surveys of all its incoming and outgoing tenants in both conventional residential and student residence properties. The performance indicator targets outgoing residential customers. Since 2008, Gecina has exceeded its objective, which is to maintain this satisfaction rate to a level of excellence of above 90%. In 2013, this satisfaction rate fell from 91% to 85%. It has not yet been possible to objectively analyze the reasons for this. Gecina does not wish to avoid responsibility for this drop by highlighting the overall level of moroseness noted during this period in France. In 2014, it will specifically test the most sensitive themes on an individual residence basis (reaction to handling customer complaints, maintenance of certain common areas, such as car parks, etc.).
	-	-	
	> 20	100%	
	0	**100%**	Preventing any form of corruption is a challenge in the real estate sector, where calls for bids are strictly regulated. Accordingly, compliance with purchasing procedures, good marketing conduct and reasonable diligence, are major ethical issues for the sector. In this framework, the application of turnover procedures for real estate appraisers ensures the independence of property appraisals. The sector’s compliance also applies to the prevention of insider trading on the Stock Exchange, fraud, financial embezzlement, unfair competition and collusion. Since 2008, Gecina has had no convictions for failure to comply with the law (excluding traffic fines). An Ethics Charter was distributed to employees in 2012, accompanied by training. In 2013, the procedure for combating money laundering was strengthened. Gecina's objective is to maintain this indicator at the same value.
	100%	80%	
	100%	**44%**	In 2013, the Responsible Purchasing Charter that was drafted in collaboration with all members of the working group was signed by the CEO and distributed to all employees. This charter, intended to also be signed by Gecina’s suppliers, outlines the Group’s commitments and expectations regarding the five fundamental CSR themes. This is a founding element of the dialogue that Gecina wishes to establish with its suppliers to develop shared progress on the social and environmental levels. In November 2013, the charter was sent to 165 regular suppliers in the operations and maintenance business (representing 80% of Gecina's suppliers). Among these, 44% signed the document by the end of December. In 2014, the charter will be sent to regular suppliers in other business areas, as well as to all new suppliers who meet defined criteria. Gecina's objective is to ensure that 100% of all new and regular suppliers sign the charter by 2016.
	40%	63%	
	20%	**60%**	Since its establishment in 2008, the Foundation has supported 50 projects with some 30 partners. Group employees are at the core of projects supported by the Foundation and they get involved on a volunteer and charity basis through one of three ways: partnerships through providing expertise, sponsoring of project or collective mobilization. A total of 81 employees committed to general interest actions in 2013 (compared with 59 in 2012), representing 16% of the total work force. This represents 162 days consecrated to general interest projects in 2013 (compared with 238 days in 2012). Gecina's objective in this area is to maintain the commitment of its employees at a high level by attracting new employees to participate in charity or volunteer activities.

UN: Unavailable / In bold: KPI.

Note:
- The "Residential" scope in this table includes student residences.
- The surface area of the asset base was re-evaluated in 2013, revealing differences of < 5%. This difference is considered immaterial.
- The scope of calculation for water consumption was standardized with the other reporting indicators. Changes observed in this ratio are < 1%.

7.2.3. A PROCESS RECOGNIZED BY NON-FINANCIAL RATING AGENCIES

7.2.3.1. GECINA CSR ASSESSMENT SUMMARY

Agency	Dedica-ted ISR indices	Rate the raters 2013 [1]	Questionnaire	2011 and earlier assessment	2012 assessment and trends	2013 assessment and trends
Carbon Disclosure Project	Notation	76% (max)	Online questionnaire to be filled out by Gecina	2011: 42%	Score: 78% Performance: B	Score: 93% Performance: A Climate performance Leader 2013
EIRIS	Indice FTSE4Good	55%	Questionnaire filled out by the analyst. Submitted to the company for verification	2011: absolute score 3/5 relative score 76% Index member	Absolute score: 3.5 / 5 Relative score: 83% Index member	Absolute score: 3.5/5 Relative score: 85% Index member
EPRA	Notation	-	No	-	Performance: 4th	Silver
GRESB	Notation	-	Online questionnaire to be filled out by Gecina	-	Score: 48%	Score: 64% Performance: Green Star
Novethic	Baromètre	-	No	200: 2nd (rating 58%) 2009: 1st (rating 79%) 2010: 1st (rating 89%) 2011: 1st (note 76%)	3rd tied (rating 77%)	2nd (rating 70%), referencial update
Oekom Research	Notation	54%	Questionnaire filled out by the analyst. Submitted to the company for verification	-	Performance: C-	Performance: C- No rating update
RobecoSAM	Indice	63%	Online questionnaire to be filled out by Gecina	Score 2009: 35% Score 2010: no answer Score 2011: 63% Member of DJSI World since 2009	"Score: 69% DJSI Europe member DJSI World member"	Score: 73% DJSI Europe member DJSI World member
Sustainalytics	Indice STOXX	49%	Questionnaire filled out	Score 2011: 89% Index member	"Score: 93.7% Index member"	Score: 94.1/100 Index member
Vigeo	Indice	35%	Questionnaire filled out by the analyst. Submitted to the company for verification	Score 2009: 30.2% Score 2010: 33% Score 2011: 42.8%	-	Vigeo Eurozone 120 and France 20 member
Ethibel	Indice		Questionnaire filled out by the analyst. Submitted to the company for verification	Score 2009: 30.2% Score 2010: 33% Score 2011: 42.8%	-	Ethibel PIONEER and Ethibel EXCELLENCE member

(1) « How credible do experts find particular ratings and rankings to be? » Rate the raters 2013 - Polling the experts/Globescan and Sustainability

7.2.3.2 RESULTS AND ANALYSIS OF 2013 NON-FINANCIAL RATINGS

Non-financial rating agencies evaluate the CSR performance of companies, compared to their international peers. These agencies are the preferred partners of investors who include non-financial performance as a factor in their investment decisions. Historically linked to the responsible investment trend, non-financial analysis practices are increasingly used by mainstream investors.

Gecina responds to requests for evaluations by the largest entities, whether they operate in the real estate sector or not. These assessments are a means for Gecina to integrate the opinion of its stakeholders, provided that the criteria used for the analysis reflect their expectations.

The Group has no trade relations with these rating agencies.

Gecina also responds orally or in writing to questions asked by SRI analysts, especially in SRI forums such as presentations or one-to-one events.

CSR actions and achievements once again progressed significantly in evaluations of the Group.

Gecina is a member of six indices including the **DJSI Europe (Dow Jones Sustainability Index),** one of the strictest, most widely known and complete CSR indices. The Group was already on the DJSI Europe index in 2012 and has been on the DJSI World since 2009.

These indices are prepared by **RobecoSAM, a sustainability asset manager.** Gecina's overall rating has been increasing progressively, moving from 63% en 2011 to 69% in 2012, and now to 73%. This excellent performance is even more significant since:

- a new weighting of the various themes has rendered evaluation criteria more stringent and the evaluation in the weighting was unfavorable;
- each of the Europe index members scored significant progress over the period.

The Global territory of the real estate industry comprises 156 companies. Europe, with 24 companies, is ahead of two territories, North America and Asia. Europe moved ahead again in 2013 – which makes it harder to join that index – while America and Asia fell back. Against this backdrop of fierce competition, Gecina has retained its position in the DJSI Europe – along with British Land, Corio, Klépierre, Land Securities and Unibail – presenting a rating of 73%, improving by at least one rank compared with 2012.

Gecina is also listed in the FTSE4GOOD indices of the British agency EIRIS, the STOXX ESG leaders of Sustainalytics, the Eurozone 120 and Vigeo's France 20.

The Group responded to the **GRESB (Global Real Estate Sustainability Benchmark)** survey for the second time and recorded a significant upsurge in its rating between 2012 and 2013, moving from 48% to **64%.** Ranked 81st (compared with 124th in 2012) out of 543 companies evaluated (there were 451 in the running in 2012), Gecina is ranked in the top quartile of all rankings. This recognition was reflected by the company being awarded **GREEN STAR** status, which was attained by only 22% of the 543 companies in the running.

The Group was ranked as one of the nine best performing French companies in the area of addressing energy issues and reducing its carbon footprint by **CDP (Carbon Disclosure Project)** and received the Climate Performance Leader 2013 award. CDP is a renowned international organization that analyzes company policies in the face of climate change.
The France 2013 CDP report analyzed 90 companies, all of which are listed on the CAC 40. It ranked Gecina as the best performing property company in this area, alongside such major players as L'Oréal, AXA, Air France-KLM and Schneider Electric.
The Group was awarded a transparency score of 93% in 2013 (up from 78% in 2012) and a **performance ranking equivalent to A.**
This is a strong sign that Gecina, in the face of an energy transition situation that is profoundly affecting the real estate industry, is adapting its strategy and assimilating its CSR challenges.

Gecina is ranked in a tie for second place in the Novethic scale, an improvement of one rank over last year. The 70% mark it was awarded is lower than the 77% received in 2012, primarily because of an extension of criteria for the ranking standards.

The CFIE (French Center for Business Information), an NGO, has ranked Gecina in the top five for 2012 CSR reports along with Danone, Sanofi, PSA and L'Oréal.

As Oekom Research has not yet updated its data, Gecina's evaluation already notoriously different from those of other evaluators, remained unchanged. A detailed analysis of the results has been requested of the agency in order to assimilate it and to implement action in areas of improvement.

7.2.4 COMPLIANCE AND TRANSPARENCY ANALYSIS

7.2.4.1. THE GRENELLE II (ARTICLE 225) ANALYSIS

Article 225 of the Grenelle II law requires non-financial reporting of 42 environmental, social and societal information items since the application decree of April 2012, with schedules and application suitable to company size. Every year since 2012, Gecina has evaluated its level of compliance with Article 225 with the aid of an external expert in non-financial reporting, the CSR Management Institute. In 2012, Gecina responded to all information requested by law in detail, proving that its non-financial reporting system performed well. Of the 42 information item responses, 86% were presented supported by statistical indicators and qualitative comments. The remainder of information provided was presented solely with qualitative comments. This year the Group once again evaluated the coverage rate of social, environmental and societal information requested under the Grenelle II law (Article 225). This year's report was an improvement over that of 2012 (90% of the scope of Article 225 of the Grenelle II law was covered with quantitative and qualitative information in 2013), particularly with respect to social and societal information.

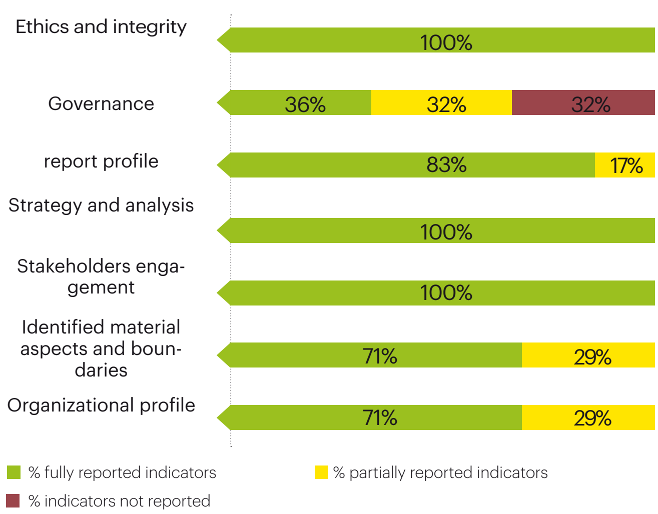
In accordance with the "comply or explain" principle, two indications of Article 225 of the Grenelle II law are not covered by non-financial indicators because these two points concern items that are not relevant (or "material") for Gecina. Since the Group's activities are restricted to France, the issue of forced or child labour is immaterial. Additionally, three indications of Article 225 of the Grenelle II law are covered by information that is solely qualitative, because of the absence of reliable quantitative data bearing on complex subjects such as measures of prevention, reduction or remediation of waste released into the water and the ground that severely affects the environment, the impact of the company on surrounding areas, its economic and social impacts on adjacent or local populations, or other actions undertaken to promote human rights.

Coverage rate of social, environmental and societal information under the Grenelle II law (Article 225).

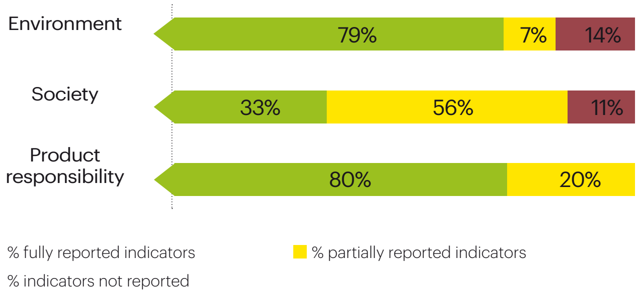
7.2.4.2 THE GRI 4 (GLOBAL REPORTING INITIATIVE) ANALYSIS

The Global Reporting Initiative (GRI) is the leading reference for non-financial reporting most commonly used worldwide. In accordance with the self-declaration procedure used by version 3.1 of the GRI, in 2012 Gecina obtained application level B+. This rating reflected the degree of transparency and completeness of the Group's non-financial reporting process. In 2013, the Global Reporting Initiative put out a new version entitled G4. This version did away with the application levels (A, B, and C), which depended on the level of transparency and the number of indicators published in the company's CSR report. The G4 version now comes out of the materiality principle of issues evaluated by the organization as relevant (or material). Following the methodology recommended by the G4 version, Gecina structured the CSR chapter of its 2013 Registration Document, Chapter 7, in complete conformity with the issues identified as relevant in the materiality matrix (see Chapter 7.1.2.1 "Gecina's Materiality Matrix") and started a dialogue with its stakeholders on the subject upstream of the report. This report contains the information items coming out of the GRI principle guidelines for sustainable development reporting (see Chapter 7.7 "Correspondence Table"). The CSR Management Institute, a consulting firm with expertise in non-financial reporting, carried out an evaluation of Gecina's level of compliance with G4 criteria, which established that Gecina complied with the essential G4 criteria. This evaluation was based on Gecina's materiality matrix. Accordingly, the most relevant issues in terms of business importance and expectations of stakeholders were used to carry out this evaluation, to include Energy performance and renewable energy, Stakeholder relations, Climate change and greenhouse gas emissions, Integration into surrounding areas and Labeling, certification and environmental performance. Additionally, Gecina also published numerous information items on non-material issues in order to demonstrate a spirit of transparency.

General standard disclosures: coverage ratio of the data



■ **Specific standard disclosures: quantified indicators**



Human rights, Labor practices and decent work and Economic are not considered as material issues (cf. Mapping of CSR issues)

7.2.4.3 THE FRANCE GBC ANALYSIS

Gecina is a founder member and board member of France Green Building Council (France GBC). The aim of the association is to galvanize the French construction sector thanks to the diversity and complementarity of its members (Afnor, HQE®, CSTB, Effinergie, Qualitel, Ifpeb, RésoBat, etc.). Its role is to uphold France's position on the international scene and gather intelligence within the World GBC.

As a member of the France GBC working group, in 2013 Gecina helped to draft and update the CSR Reporting Guide – Article 225 for the Construction sector – Real Estate. The definitive guidelines have been adopted by all working group members, including Gecina. It specifically clarifies the scope and strengthens the comparability of the information collected within the sector in France.

The 2013 Registration Document is consonant with the recommendations of France GBC. Gecina won a France GBC award in the "Certification" category in 2013. Its reporting on construction, renovation and operation certifications was assessed in terms of the scope of its portfolio, targets and ambitions.

7.2.4.4 THE EPRA ANALYSIS

Furthermore, Gecina relies on the recommendations of the European Public Real Estate Association (EPRA) for reporting on sustainable development issues (Best Practices Recommendations on Sustainability Reporting). The scope of publication of data on greenhouse gases, energy, water, and waste is consistent with EPRA recommendations (see Chapter 7.2.3 "A process recognized by non-financial rating agencies")

7.2.1.3. THE GLOBAL COMPACT ANALYSIS

By signing the Global Compact, Gecina has made a voluntary commitment to abide by the most important guidelines in France and in the world. This will enable Gecina to improve its communication on the progress made on the central themes of the Global Compact (in the context of Communication on Progress, or COP), particularly where Gecina needs to improve its monitoring system, such as respect for human rights and the right to work across its value chain, the prevention of corruption, and the precautionary principle. In addition, Gecina wishes to draw inspiration from the best practice recommended in the Global Compact at "Advanced" level. Lastly, this commitment confirms Gecina's desire to adopt and comply with international guidelines, which distill the fundamental expectations of stakeholders in terms of CSR.

7.3 Assets

7.3.1 ENERGY EFFICIENCY AND RENEWABLE ENERGY

Gecina monitors in detail all energy consumption for its commercial and residential buildings.
For 2013, Gecina decided to adopt the recommendations of the Article 225 CSR Reporting Guide on Construction & Real Estate, which it helped to draft as part of France GBC. The principle adopted is to break down the data by source:

- corporate data, from the head office;
- business data, comprising;
- stakeholders' data, comprising all energy consumption of buildings not managed by Gecina (i.e. those in which Gecina does not control operations, including energy consumption of tenants, even that of buildings that are operated by Gecina).

For healthcare assets, the collected data (actual consumption figures derived from the energy performance certificate (DPE) or invoices) are not yet sufficiently reliable to be used and presented in the Gecina 2013 results. In 2014, we will continue working within partnership committees, which offer the opportunity to meet tenants in that asset class, as well as undertaking initial instrumentation tests in buildings, in order to optimize this approach.

7.3.1.1. ENERGY CONSUMPTION OF REAL ESTATE PROPERTIES (AS REQUIRED BY THE ARTICLE 225 CSR REPORTING GUIDE ON CONSTRUCTION & REAL ESTATE PREPARED BY FRANCE GBC)

Indicators	Corporate	Business activities	Stakeholders	TOTAL
kWhPE	4,951,529	199,032,592	337,938,906	**541,923,027**
kWhPE DDU adjusted*	4,668,065	176,850,974	313,329,609	**494,848,648**
kWhPE	2,600,802	136,684,769	147,036,709	**286,322,280**
kWhPE DDU adjusted*	2,383,197	122,401,923	136,955,734	**261,740,854**

* kWhPE adjusted by heating/cooling DDU for Offices

7.3.1.2. ENERGY PERFORMANCE OF THE OFFICE PROPERTY HOLDING

The first four-year period indicated a significant improvement in the performance of Gecina's assets, with an energy gain of 19% and energy consumption dropping from a 473 kWhEP/sq.m/year working basis in 2008 to 385 kWhEP/sq.m/year. At the end of this initial period, energy efficiency **improved by 5.4% between 2012 and 2013, and by 23% between 2008 and 2013**, with new Gecina investments incorporated into the working base, excluding four non-representative buildings [10].

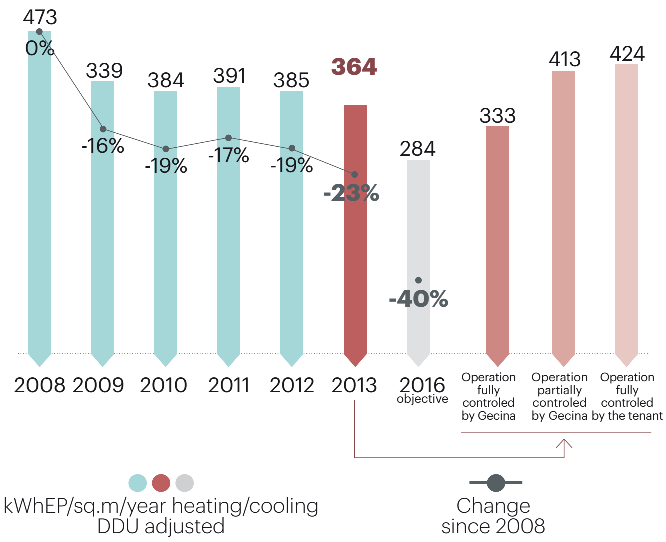
In 2013, energy costs with consumption totalled €10.5 million. This amount is equivalent to that of 2008, despite the increase in asset holdings. Energy costs avoided because of actions carried out in the portfolio is around €1 million, or €1.26 per sq.m (35 kWhFE/sq.m, not corrected for climate).

Changes in energy consumption – Office

	2008	2009	2010	2011	2012	2013
Number of assets	83	78	78	78	74	**78**
Ref. surf. area	683,952	650,412	650,412	650,412	621,749	**744,643**
kWhEP	323,783,329	290,187,013	297,711,337	271,520,951	250,395,352	**313,109,390**
kWhPE/sq.m/year	**473**	**446**	**458**	**417**	**403**	**420**
YoY change	0.0%	-5.8%	2.6%	-8.8%	-3.5%	**4.3%**
Change since 2008	0.0%	-5.8%	-3.3%	-11.8%	-14.9%	**-11.1%**
kWhPE heating/cooling DDU adjusted	323,783,329	259,619,593	249,581,561	254,193,719	239,370,205	**271,076,941**
kWhPE/sq.m/year heating/cooling DDU adjusted	**473**	**399**	**384**	**391**	**385**	**364**
YoY change	0.0%	-15.7%	-3.9%	1.8%	-1.5%	**-5.4%**
Change since 2008	0.0%	-15.7%	-18.9%	-17.4%	-18.7%	**-23.0%**
kWhFE	156,635,473	139,871,654	145,273,502	129,108,708	120,153,364	**149,417,887**
kWhFE/sq.m/year	**229**	**215**	**223**	**199**	**193**	**201**
YoY change	0.0%	-6.1%	3.9%	-11.1%	-2.6%	**4.0%**
Change since 2008	0.0%	-6.1%	-2.5%	-13.3%	-15.6%	**-12.4%**
kWhFE/sq.m/year heating/cooling DDU adjusted	156,635,473	126,746,601	125,365,873	126,163,356	118,611,427	**129,760,951**
kWhFE/sq.m/year heating/cooling DDU adjusted	**229**	**195**	**193**	**194**	**191**	**174**
YoY change	0.0%	-14.9%	1.1%	0.6%	-1.7%	**-8.8%**
Change since 2008	0.0%	-14.9%	-15.8%	-15.3%	-16.7%	**-23.9%**

(10) Non-representative because unoccupied or, for some, with an occupied surface area of only 50%.

Average primary energy consumption (DDU adjusted) - Office



The arbitrage and investment work undertaken by Gecina for several years on its asset pool exerts a positive impact on improving energy performance of the Group's entire portfolio. While the first years of operation of a new building are difficult and its construction qualities are not fully used, significant progress is made in subsequent years, especially when lever-aged by HQE Operation certification. For example, the Portes building in La Défense, which began the certification process in 2010, showed a gain in primary energy efficiency corrected for climate of 32.7% between 2008 and 2013. The commitment to HQE® Operation certification of over 43% of the asset base, with an objective of 80% of surface area by 2016 will guarantee heightened energy efficiency.

Assets under reconstruction, which still represent a negligible 4% in terms of surface area, are also participating in achieving this performance through average energy gains of delivered projects of 43.1% in 2012.
However, in view of the occupancy constraints, other means of action are required to achieve our goals.
Accordingly, to continue in the momentum of the early years and keep on tracking "Negawatts", Gecina has decided to implement a new ambitious four-year plan by harnessing supplementary tools:

- **Active efficiency solutions:** the request for proposals launched in early 2012 to analyze the automatic and dynamic management solutions available on the market resulted in the selection of the Hypervision solution developed by Bouygues Energies Services. By using this genuine tool to monitor fluids consumption levels of its properties, Gecina seeks to:
  - view consumption data in real time;
  - deploy an early warning system to correct unscheduled overruns;
  - consolidate the collected data (centralized dynamic reporting).

Based on comparable "experiments carried out on similar asset bases", the effective implementation of this type of tool in 2014 could, in the long term, result in an energy gain of 10%.

- **Black-out solutions** by working with VOLTALIS: transparent for the user of a building, these solutions provide relief during power consumption peak periods by allowing the black-out of some of the building's non-critical equipment for a short period, thus reducing consumption levels while becoming relevant solutions for the application of the French NOME (Nouvelle Organisation du Marché de l'Electricité) law on a new organisation of the electricity market in 2015.

- For several years already, **the replacement of energy equipment has been subject** to a technical/economic analysis of the overall cost with a preference for the most energy-efficient. Nota-bly, when work is carried out in existing buildings prior to lease renewals or new tenant occupancies, Gecina exercises foresight by carrying out energy diagnostics in order to evaluate the most "profitable" work packages and by identifying the actions that, depending on their cost and the term of the lease, generate savings on the tenants' energy bills.

- Following its experience of placing in service newly delivered assets, Gecina now uses new tools and resources to control building performance from the first instant they come on line. This is the case of BMS (Building Management Systems), which become genuine control centers for performance, through the reporting of consumption by appliance and use type, but also for the commissioning and guarantee of energy performance, both intrinsic and by use, which are becoming Gecina's new standard for managing construction and operations.

- Lastly, after the Newside and Magistère projects, Gecina hopes to use green energy contracts for its existing properties. Absorbing the slight increase of kWh will require preliminary tracking of all savings that can still be achieved. Guarantees that the electricity supplied to these green energy buildings is produced hydraulically will result in reducing the primary/final energy ratio set by regulators at 2.58 to 1.7. Apart from the CO_2 emissions avoided by using renewable energy, Gecina is carefully monitoring changes to this conversion factor, which is currently being reviewed by experts (see the 2009 Senate Report, Energy Assessment for France 2012).

The lessons learned from this initial period and the works carried out collectively with France GBC have drawn attention since 2012

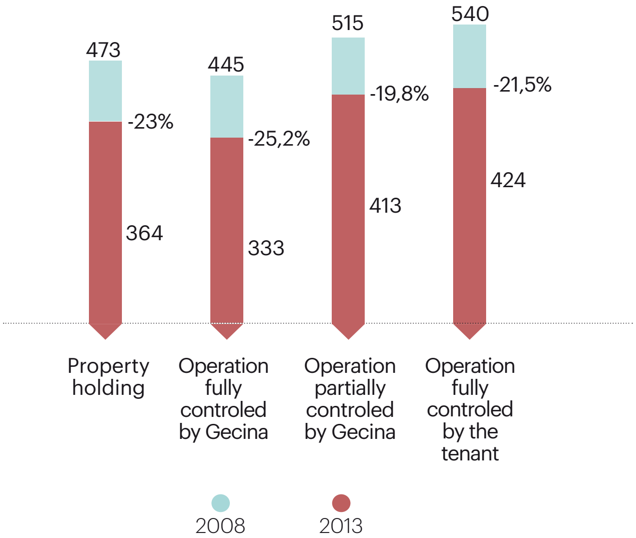
(10) Negawatt: the negawatt quantifies the power "saved", i.e. due to a change in technology or behavior. This concept was invented by Amory Lovins, founder of the Rocky Mountain Institute, who imagined a secondary market that would reduce the gap between the cost of generating and the cost of saving a certain quantity of energy (a concept adopted in France by the NGO Négawatt).

to the need to segment the property portfolio into the following categories:

- Where operations are fully controlled by Gecina (65% of the surface area and 333 kWhEP/sq.m/year including the head office building, which showed a 32% gain between 2008 and 2013), the targets can be better achieved. Consequently, Gecina has maintained its goal for achieving a 40% gain in energy efficiency by 2016 for these assets. Between 2008 and 2013, energy efficiency improved by 25.2%, and for 2013 alone, there was a 9% gain compared with 2012.

- Where Gecina partially controls operations (12% of the surface area representing 413 kWhEP/sq.m/year), actions are limited to common areas and collective heating and cooling systems. Moving the target from 2016 to 2018 appears more realistic. On this scope, only a 20% gain was recorded between 2008 and 2013 despite a limited progress this year of 3%. This demonstrates a formidable difficulty in dealing with these multi-tenant buildings, for which a large scale deployment of environmental appendices (currently insufficiently used) should provide a quite powerful leverage (see Chapter 7.3.2.3 “Green leases / Environmental appendices”).

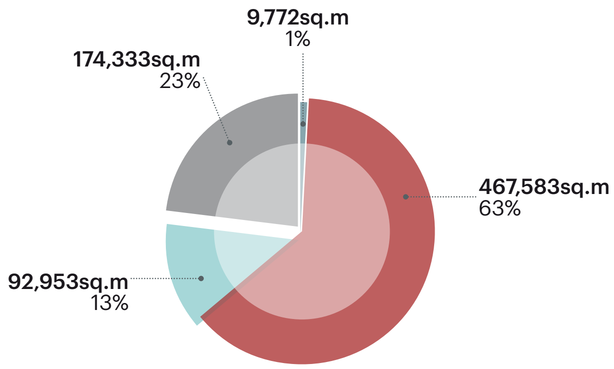
■ 2008/2013 primary energy/sq.m/year consumption breakdown of assets following Gecina’s operationnal control (DDU adjusted)



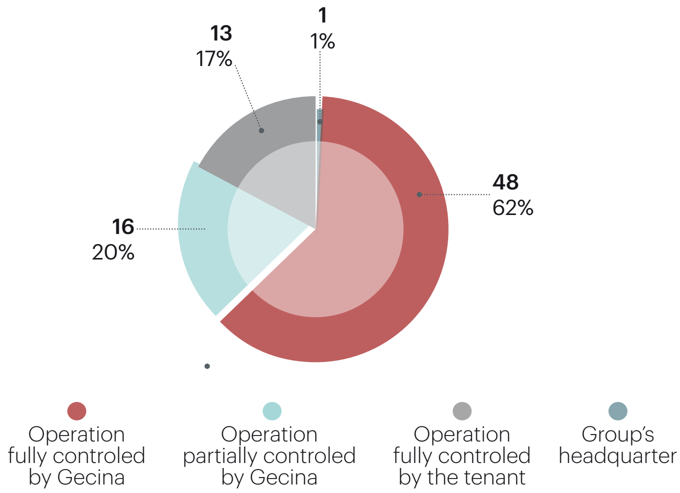
- Where tenants manage the operations of their sites (23% of the surface area representing 424 kWhEP/sq.m/year), Gecina can intervene only with difficulty on the asset, and decided in 2012 that the only way to create the conditions for significantly improving performance was by implementing environmental appendices. Yet between 2008 and 2012, the gain realized ended up being 22%, with a 9% jump in 2012 only. Considering that these major users have embarked on a virtuous intention of reducing energy consumption by themselves, as would appear to be the case with the recent signing of the Commercial Buildings Energy Efficiency Charter by ADI for example, Gecina will certainly revisit its 2020 energy gain targets next year, assuming the trend holds firm.

The tables and charts below present consumption figures for the property portfolio according to the segmentation recommended by France GBC.

■ Breakdown of assets following Gecina’s operationnal control (by surface area and % of surface areas - sq.m GLA)



■ Breakdown of assets following Gecina’s operationnal control (by number and % of assets)



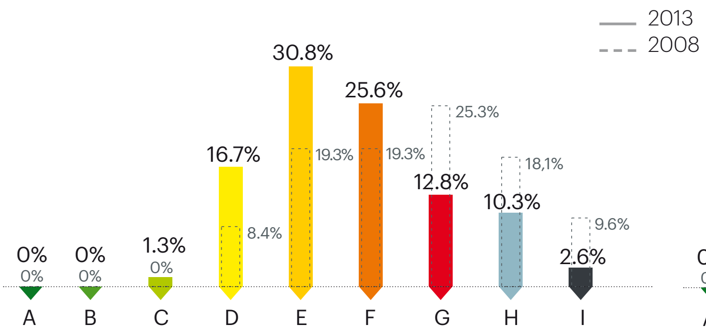
Changes in energy consumption depending on the level of control - commercial properties

	Operation fully controled by Gecina	Operation partially controled by Gecina	Operation fully controled by the tenant
No. of assets	49	16	13
Reference surface area	477,355	92,953	174,335
kWhPE	180,024,492	46,176,261	86,908,637
kWhPE/sq.m/year 2013	**377**	**497**	**499**
kWhPE heating/cooling DDU adjusted	158,851,474	38,355,738	73,869,730
kWhPE/sq.m/year 2008	**445**	**515**	**540**
kWhPE/sq.m/year heating/cooling DDU adjusted 2012	**365**	**425**	**465**
kWhPE/sq.m/year heating/cooling DDU adjusted 2013	**333**	**413**	**424**
saving 2013/2008	**-25.2%**	**-19.9%**	**-21.5%**
saving 2013/2012	**-8.8%**	**-2.9%**	**-8.9%**
kWhFE	87,743,439	22,987,499	38,686,949
kWhFE/sq.m/year	184	247	222
kWhFE heating/cooling DDU adjusted	77,277,814	19,269,082	33,214,055
kWhFE/sq.m/year heating/cooling DDU adjusted	162	207	191

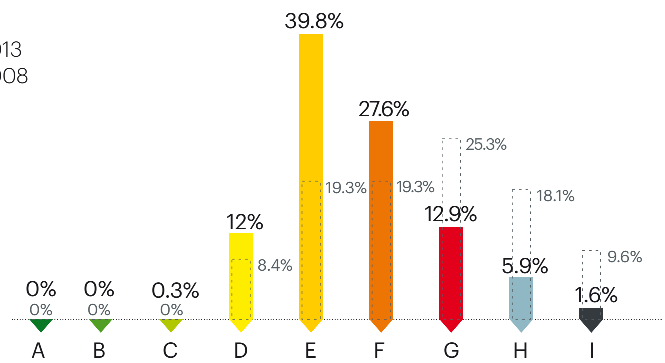
The percentage of assets (by number) in the D and E categories dropped from 48% to 44%, a 4% improvement over 2012. These ratios are based on abnormal consumption following the reporting protocol validated for the publication of annual results. They differ from the methodology recommended by the work of the "Commercial assets renovation" group steered by Maurice Gauchot, who measured all energy consumption of a property. The real estate profession is still awaiting a final ruling on the type of performance to be achieved, which is expected when the Works Decree concerning commercial buildings is published. This decree has been widely heralded and the publication date announced most recently by Cécile Duflot, Minister for Regional Equality and Housing, is 2014.

As a signatory of the Commercial Buildings Energy Efficiency Charter, Gecina is now monitoring the changes in energy classes of each of its assets and intends, if necessary, to reintegrate all consumption levels into building performance ratios in upcoming years.

2008 / 2013 breakdown by energy label of office properties in service (number of assets)



2008 / 2013 breakdown by energy label of office properties in service (surface area of assets)



7.3.1.3. ENERGY PERFORMANCE OF RESIDENTIAL PROPERTY AND STUDENT RESIDENCES (AS REQUIRED BY ARTICLE 225 CSR REPORTING GUIDE FOR CONSTRUCTION & REAL ESTATE PREPARED BY FRANCE GBC)

Residential properties and student residences

Since 2008, there has been a constant improvement in the performance of our residential properties thanks to an optimized works and management plan for asset operations.

Changes in energy consumption - Residential

	2008	2012	2013	2016 objective
No. of assets	128	70	67	
Reference surface area	895.835	515.046	503.467	
kWhPE	**195.391.780**	**99.127.106**	**96.429.889**	
kWhPE/sq.m/year	**218**	**192**	**192**	**131**
YoY change	0.0%	-2.4%	-0.5%	
Change since 2008	0.0%	-11.8%	-12.2%	-40.0%
kWhFE	**174,508,921**	**85,145,430**	**82,594,486**	
kWhFE/sq.m/year	**195**	**165**	**164**	
YoY change	0	-3.9%	-0.8%	
Change since 2008	0	-15.1%	-15.8%	

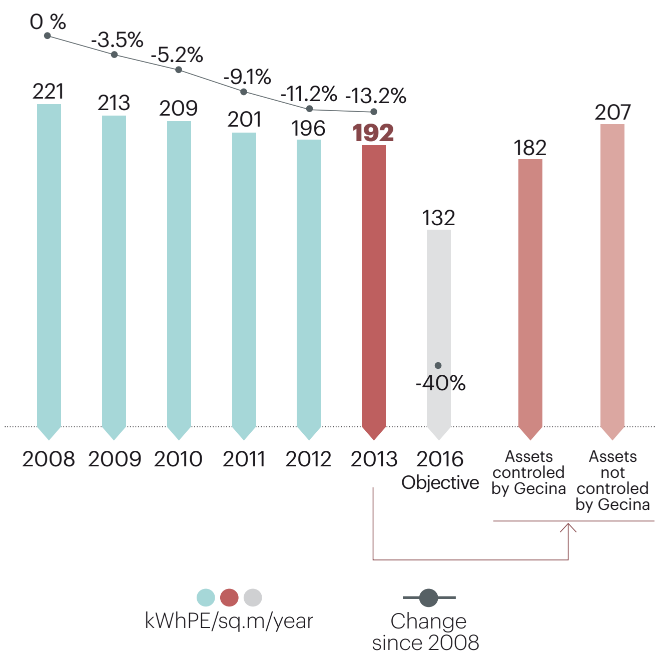
Results presented since 2008 did not however reflect all the work carried out on the asset base. In-deed, the choice made originally to communicate about results derived from Energy Performance Certificates using the 3CL methodology for calculating residential energy consumption only covers the results of building work or changes in energy sources. This decision to standardize the results of individually and collectively heated properties did not show improvements in operations, a determined effort that Gecina undertook on over half of its asset base to significantly improve overall performance.

That is why it was decided that as from 2012 different monitoring methods would be implemented for these two categories, using for buildings with collective heating the same methodology as for commercial buildings, which will be based on actual climate-adjusted consumption.

For assets with individual heating over which the Group exerts no operational control, it is currently not conceivable for Gecina to collect all tenants' invoices to identify actual consumption. For this reason, this portion of our properties will continue to be analyzed using the EPC methodology.

In order to assess actual performance accurately, an analysis is being carried out for residential assets (to be completed over the next two years), in relation to the performance supervision system that is currently being deployed for commercial assets. Measuring residential assets is difficult as it requires the consent of tenants. This will be reviewed in relation with the French Law on information technology, data files and individual liberties.

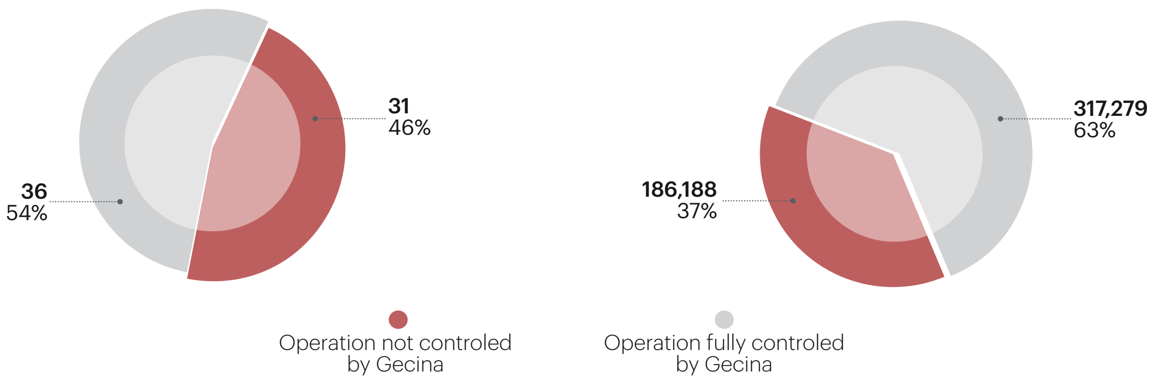
Average primary energy consumption - Residential



Changes in energy consumption depending on the level of control - residential properties

Indicators	Corporate	Business activities Real consumptions for assets controled by Gecina	Stakeholders Assessed consumptions by 3CL method for assets not controled by Gecina	TOTAL
kWhPE	no asset	62,472,963	38,601,450	**101,074,413**
kWhPE heating/cooling DDU adjusted		57,622,802	38,601,450	**96,224,253**
kWhFE		62,472,963	24,766,047	**87,239,010**
KWhFE heating/cooling DDU adjusted		57,622,802	24,766,047	**82,388,849**

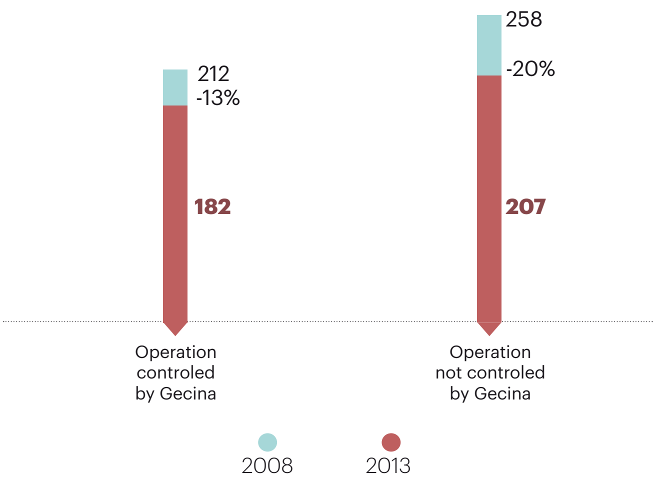
Breakdown of assets following Gecina's operational control



By number and % of assets

By surface area and % of surface areas (sq.m GLA)

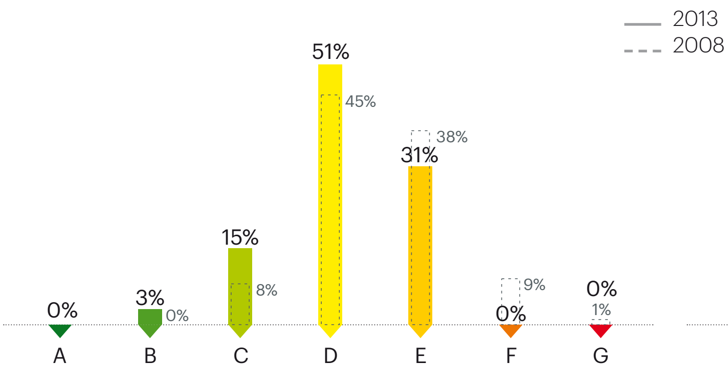
2008/2013 primary energy consumption breakdown of assets following Gecina's operationnal control (DDU adjusted) (kWhPE/sq.m/year)



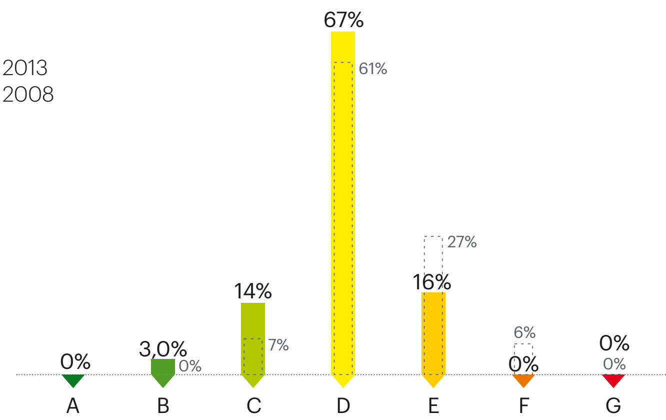
As with commercial property, the number of low energy efficiency assets decreased considerably, with a gain of +10% in categories C and above, reaching the lower limit of the 2020 national objective, which is set at 150 kWhPE/sq.m/year.

Furthermore, virtually all properties are in the D or E energy categories, which is measurably close to the targeted average. Monitoring actual results for collectively heated assets will confirm the importance of managing asset operations for continuing this net improvement in the efficiency of our assets.

■ 2008 / 2013 breakdown by energy label of residential properties in service (number of assets)



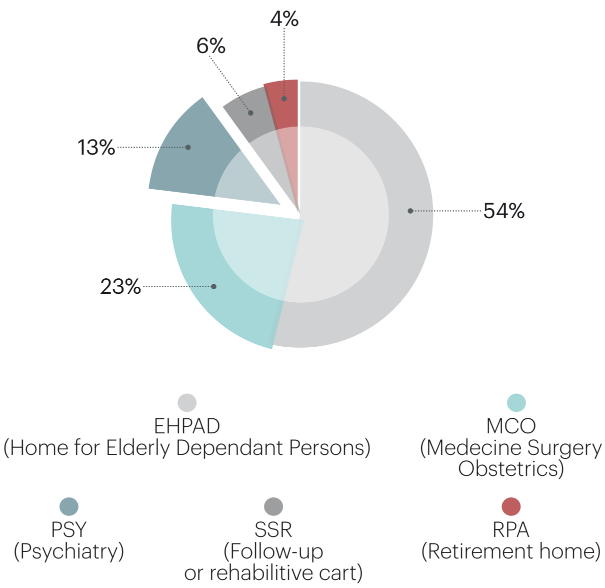
■ 2008 / 2013 breakdown by energy label of residential properties in service (surface area of assets)



7.3.1.4. ENERGY PERFORMANCE OF HEALTHCARE ASSETS

For the first time, in 2012, Gecina published details about its healthcare properties (covering 86% of this portfolio); the graph below shows the breakdown between the various institution categories (clinics, Homes for Elderly Dependent Persons, etc.).

■ Type of healthcare properties



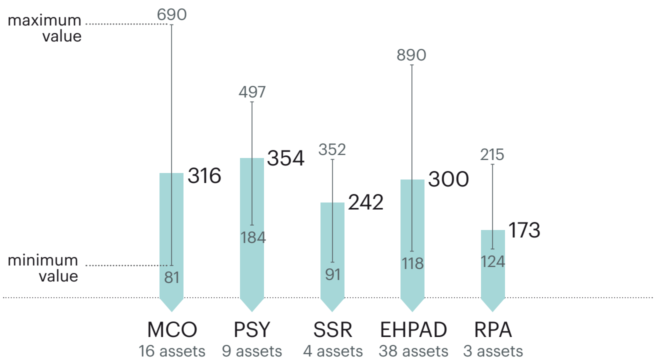
The graph below shows the wide disparities in energy performance between different institution cate-gories and within these categories. It is therefore difficult at this stage to set targets by asset category or at the portfolio level.

Healthcare properties are definitely lagging behind commercial property in energy efficiency. They have different priorities, which naturally include compliance with the extremely complex rules that regulate their activity and to some extent govern their social responsibility. This sector is gradually adapting to environmental concerns.

Gecina and its customers, who are among the leading operators on the market, set a goal in 2012 of developing a detailed action plan.

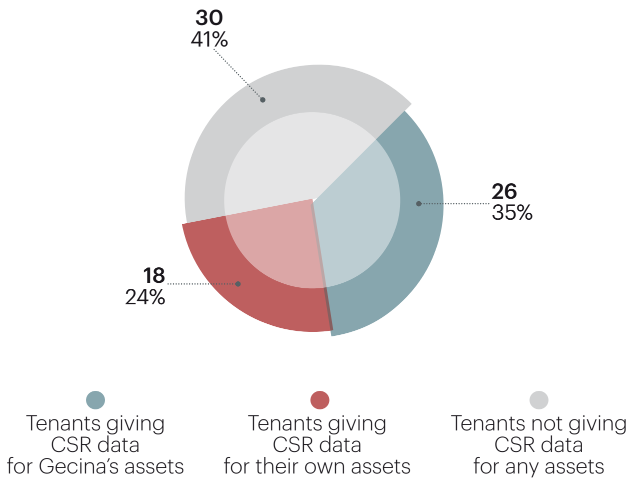
An analysis of actual energy consumption was conducted in 2013 on 35% of the portfolio assets, pri-marily Homes for Elderly Dependent Persons, which revealed differences compared with EPC data available in 2012. The difficulties encountered in this phase of data reconciliation require that sufficient time is alloted to evaluate the differences recorded and validate the data of future better suited action plans.
In addition, an analysis of CSR reports published by some operators on 24% of the healthcare portfolio demonstrates awareness and growing control over the healthcare sector (see Chapter 7.1.3.2 “Responsible buildings”).

Average consumption spread by type of healthcare institution (kWhPE/sq.m/year)



These EPC were carried out for 91% of the healthcare assets.

Breakdown of healthcare assets following the tenants information level (number and % of assets)



We are also conducting an assessment for the establishment of a green lease or a specific environ-mental appendix for this business sector.

7.3.1.5. INCREASE RENEWABLE ENERGY

Gecina is continuing to pull out of high-carbon energy sources (fuel oil and coal) while simultaneously stepping up the proportion of energy generated from renewable sources.
The Group is basing its action plan on two strategies:

- directly, by choosing a suitable method for providing energy to buildings from their construction or during renovation work of heating and cooling systems;
- indirectly, by inciting energy suppliers to produce renewable energy through the signing of green electricity contracts, the use of urban heat and cold networks, etc.

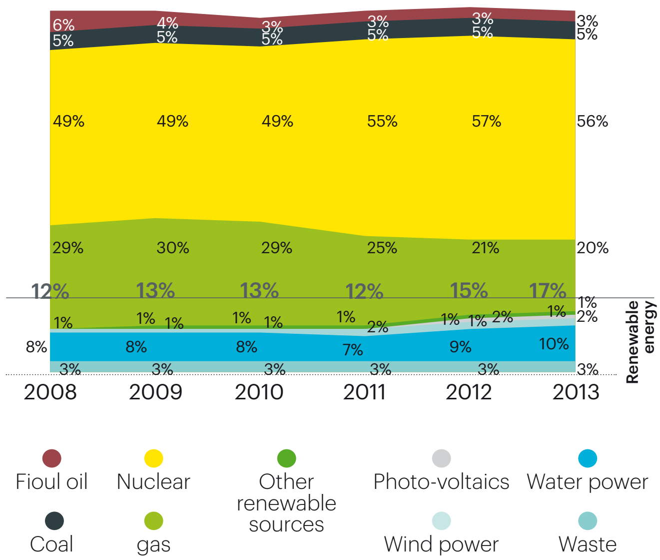
Direct performance is nonetheless exclusively linked to connection to urban networks for the moment (with over 7% of residential assets' surface area connected to such systems between 2008 and 2012), the energy mix of which is slow in changing significantly (due to a slowdown in photovoltaic projects following the 2012 moratorium and still weak advances in wind farm development). The on-site development of renewable energy is making progress, in particular in residential properties, through the adoption of solar energy as the basis for domestic hot water for all new developments. A projected installation of this technology for the renovation of the Ville d'Avray residence is being examined, as is a roof-level solar panel project for a future office building in Montigny le Bretonneux (Garden West).

The predominance of electricity in our properties is largely due to decisions taken to reduce the overall proportion of areas heated by gas in residential properties. Performance results in CO_2 emissions are thus positively affected in view of the energy production mix in France.

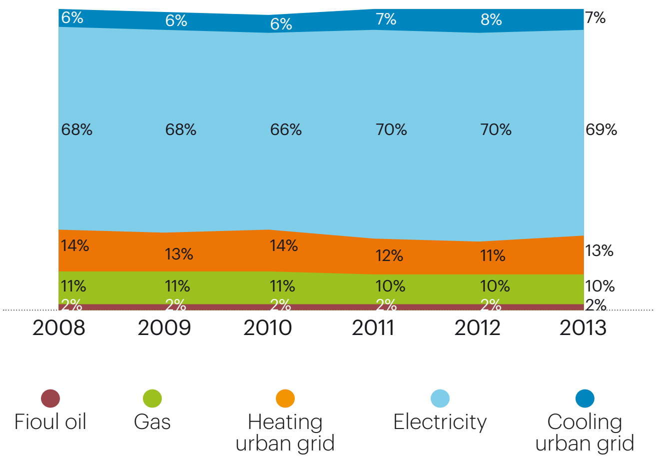
With regard to indirect performance, the Group's energy mix is evaluated on the basis of the breakdown of primary energy consumption in the Gecina portfolio and by referring to the French production mix published each year by RTE (the French Energy Transport Network) and on that reported by urban heat and cold network distributors.

Accordingly, the share of renewable energy in Gecina's energy mix is now 17%.

Change in the primary energy production method for Gecina's property holdings



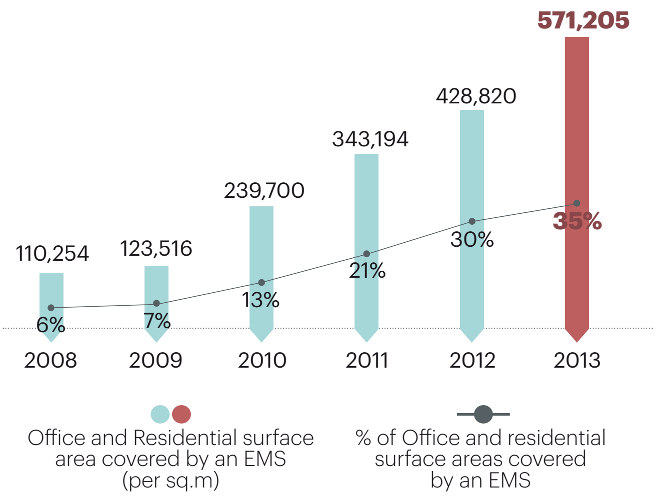
Change in final energy mix for Offices



7.3.2. LABELING, CERTIFICATION AND ENVIRONMENTAL PERFORMANCE

For the purpose of accelerating the transformation its property portfolio, in 2010 Gecina put in place an **Operations Management System** for its commercial real estate properties.
In 2013, Cerqual launched the "Residential Operations 2013" standard. Gecina, having participated in its drafting in 2012, wished to develop it using this specific asset base immediately following the standard's publication.

EMS coverage – Office and residential property portfolio



☑ 2013 data audited by the Statutory Auditors with a reasonable level of assurance.

In the absence of a certification tool, Gecina collaborated with Certivéa in drafting a specific standard for its healthcare assets, using its practices developed on other asset types as a benchmark.

These highly interwoven Management Systems are recognized for commercial buildings by Certivéa and are currently undergoing a certification process by Cerqual for the residential sector. A User Guide introduces and summarizes all operational management elements. These systems are broken down into processes dealing with each phase of a project, coordinating the various participants, classifying input and output documents to be created for each phase, determining the procedures for ensuring proper operations and achieving expected performance levels. Management tools and a "Responsible buildings" dashboard were created for project monitoring. These dashboards emphasize the 12 themes identified in the "Responsible Buildings" concept of Gecina's CSR process (see Chapter 7.1.3.2. "Responsible Buildings") so as to monitor each theme and the associated operational methods, performance indicators and labels of each phase.

Gecina has developed templates to ensure the consistency of all input and output documents.

Accordingly, for the **"Office building"** product, a performance-enhancing program and standard specifications for the construction of commercial buildings summarize Gecina's requirements in terms of quality, usage and technical and environmental performances. The same is true for student residences and family housing, which are currently being updated, with delivery expected in early 2014. For healthcare facilities, the standards are currently being determined in conjunction with a representative body of tenant customers.

The use of HQE® in the construction, management and operational aspects of its portfolio also demonstrates that Gecina is prepared to go beyond energy performance by setting targets for buildings on all responsible building themes. It is expressing its social and societal commitment, giving new meaning to the relationship between employees (directors, technical and non-technical managers) and service providers (operating companies, service contractors and caterers). It galvanizes stakeholders to make them active participants in the design, construction and operation of a building and in improvements in its overall performance.

In adapting its operations as closely as possible to the expectations of current and future tenants, geographic or commercial positioning of operations may, in addition to the basic HQE certification requirement for all of its programs, influence Gecina in seeking another label as a symbol of performance, such as LEED®, BREEAM®, DGNB or others.

The environmental certification or labeling process thus revisits the relationship between owners, tenants and operators by galvanizing these participants to achieve a common objective of improved environmental performance, an ideal framework for setting the practical terms of a green lease. Environmental and social clauses are embedded into operations procurement contracts and work contracts to ensure the integration of sustainable development challenges and help to reach the goals set for the building. For occupants, believing that responsible operations and use are essential for transforming an asset into a "responsible building" and desirous of widespread application of its standards in the buildings it leases, Gecina breaks down its positions through several environmental guidelines, as follows:

- a set of specifications for tenants
- an environmental occupancy guide for building occupants (a simplified version of the operator's guide supplemented with examples of green actions)
- an environmental operation guide.

Gecina pursues its certification process through third parties. **It now has a certified property portfolio of 421,000 sq.m** and numerous projects under certification. Anglo-American label endorsements and certifications such as BREEAM® and LEED® are included on a case-by-case basis to take full advantage of international practices.

7.3.2.1. CONSTRUCTION AND RENOVATION

The technological breakthrough promoted by the Grenelle I & II laws entails designing totally virtuous buildings in environmental terms and infinitely less energy intensive during their use.

Gecina strives to incorporate the best French and international standards in all its projects. Accordingly, in anticipation of the French thermal regulation RT 2012, Gecina has been pursuing the BBC endorsement for its new assets under construction since 2010 and before the HQE® Passport label was created, targeted 12 of the 14 objectives of the NF HQE® commercial buildings certification, aspiring to the "Efficient" or "Very Efficient" level.

Now **Gecina's ambition is directed toward achieving an "Excellent" or "Exceptional" HQE Passport rating** for its commercial buildings, while for the residential sector, the most ambitious profiles of the two certifications, Habitat&Environnement for new buildings and Patrimoine Habitat&Environnement for renovations.

Initiated in 2006 with the Cristallin building in Boulogne-Billancourt, one of the very first buildings in France to be certified NF commercial building - HQE® Construction, **100% of the delivered surface area** is certified through this standard and its most recent upgrades.
With the exception of Beaugrenelle (see below), **100% of the surface areas delivered in 2013** meet the highest requirements of the certification.

Beaugrenelle, which was recognized at the HQE® "Very good" level, is in effect "Out of standard" because the project's start during the period the standard was being developed - at the time, Beaugren-elle was an HQE® pilot project - preceded the setting of this level of achievement and it was impossible to subsequently implement the additional features for acquiring that standard level.

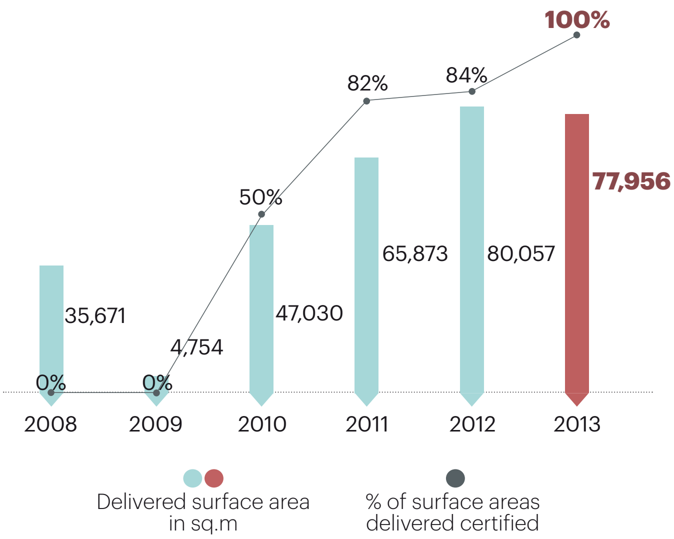
Offices and Residential development certification

	2008	2009	2010	2011	2012	2013
Surface area certified with a high-level of certification*	0	0	18,622	53,827	67,525	**32,269**
Surface area delivered certified	31,023	0	23,675	53,827	75,350	**77,956**
Surface area delivered	35,671	4,754	47,030	65,873	80,057	**77,956**
% of surface areas delivered certified with a high level of certification	**0.0%**	**0.0%**	**39.6%**	**81.7%**	**84.3%**	**41.4%**
% of surface areas delivered certified	87.0%	0.0%	50.3%	81.7%	94.1%	**100.0%**
% of surface areas delivered certified with a high level of certification (except Beaugrenelle)	0.0%	0.0%	39.6%	81.7%	84.3%	100.0%

* Offices: 12/14 targets HQE® Efficient or Very efficient; Residential: Profile A H&E.

☑ 2013 data audited by the Statutory Auditors with a reasonable level of assurance

Office and residential surface areas certified



2013 DELIVERIES

Beaugrenelle: An exceptional asset earns double environmental certification.
As both a pilot project for the HQE® Retail standard at the "Very good" level and certified BREEAM® "Very Good", the Beaugrenelle shopping centre in the 15th arrondissement of Paris designed by Valode et Pistre is a synonym for performance and integration with the surrounding area.

This new generation shopping centre featuring 45,000 sq.m meets the challenges of a changing mixed use environment. It features a connection to the urban CPCU heating system, which was extended 2km for this purpose, and to the Climespace cooling system, as well as double skin exterior insulation and a green terrace of over 7,000 sq.m providing a genuine refuge for biodiversity.

Velum: A new building in the image of Greater Lyon.
The Velum building is located in the La Buire mixed development zone. It was developed by Gecina and the CIC Group and delivered at the end of 2013, in the heart of Lyon Part-Dieu. This building was designed by Franck Hammoutène and is a HQE Construction certified project at the "Excellent" level. It has a total surface area of 11,000 sq.m of offices that provide comfort and practical use to its occupants and feature energy performance good enough to warrant the BBC label, notably thanks to the heavy vegetation of the parcel, inertia levels allowing increased nighttime ventilation, the implementation of exterior solar protection and a heat pump tied into the water table.

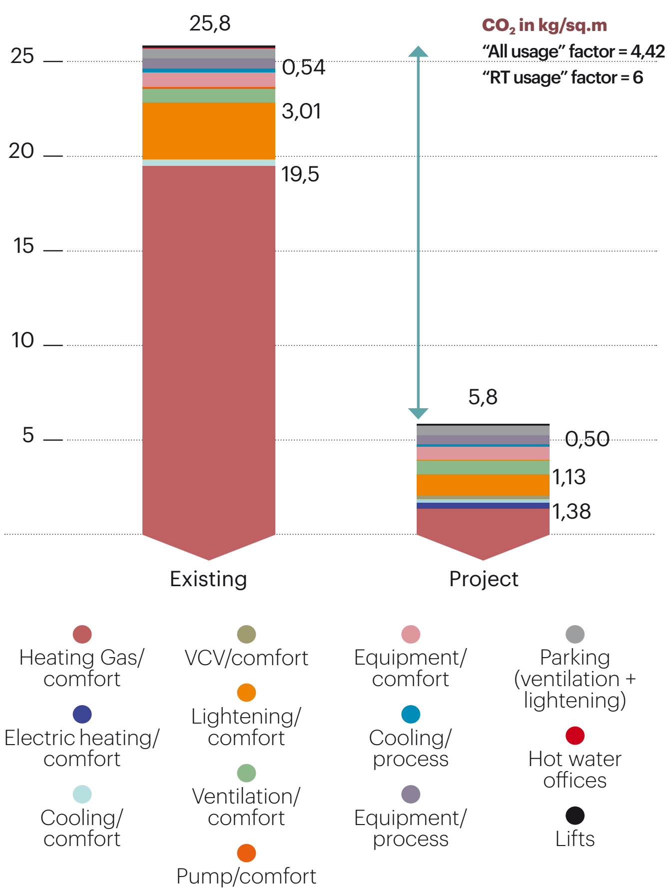
Docks en Seine:
The Docks en Seine building located in the new Docks de Saint-Ouen district reflects Gecina's con-cept of working to deploy sustainable neighborhoods by re-inventing the city in the city with responsible buildings.

The Francklin Azzi Docks en Seine design comprises six floors covering a total surface area of 17,000 sq.m. The building features fine architectural and technical components such as a multi-tude of terraces accessible to occupants and numerous advantages including restaurants and a concierge service, with environmental performance that attains the highest standards currently existing in the form of a HQE® Construction "Excellent" level and a BBC label.

ONGOING RECONSTRUCTION AND DEVELOPMENT PROJECTS

Cristallin Building B: A "Factor 4" renovation
The Cristallin, located in Boulogne-Billancourt comprises two buildings, Building B with 11,000 sq.m, completed in 1969 and Building A of 9,000 sq.m, delivered in 2006, one of the first HQE® Construction certified buildings. With the intent of improving overall environmental performance of this asset, Gecina is preparing an ambitious reconstruction program for Building B and seeks to attain "Factor 4", a 75% reduction of GHG emissions before and after reconstruction, as detailed in the graph below. The Zundel and Cristea project combines a high performance skin featuring a double skin with natural ventilation, installation of the best equipment providing a dual flow ventilation system that recovers 75% of energy used and building controls with numerous meters and sub-meters to fine tune the management of requirements.

CO_2 emissions



The building is seeking HQE® Construction Exceptional level and LEED® Platinum certification. The initial site work on the occupied site has already begun and delivery is set for the end of 2015.

Bayonne:

The construction of the new Capio Polyclinic in Bayonne is contributing to an improved health care offer in the Basque country. The facility will bring together three existing clinics from ageing and obsolete premises into a new building that will be both a high performance tool for doctors and an agreeable and reassuring place of care for patients. The facility extends over nearly 30,000 sq.msq.msq.msq.m and will host 255 beds and 18 operating rooms.

Gecimed and Capio agreed to launch an HQE® Construction certification process for the clinic. This will be one of the very first facilities to attempt this certification type in France. The project's design quality has already validated 12 targets in the design audit phase at the "Efficient" and "Very Efficient" levels. Particular attention was paid to the treatment of rain water, waste and the health quality of water.

The HQE® process is perceived by the lessor and the tenant as a way of generating efficient operations in a building over time, as well as of better controlling its impact on the environment.

Saint-Denis:

The Campuséa residence located in Saint-Denis near the Pleyel intersection, currently under construction, is located in a neighborhood with a wide functional mix comprising office buildings, public health organizations, retail establishments at the foot of buildings and residences. It is near major higher educational locations such as the campus of Paris VIII, Paris XIII and a nursing training facility. The residence will be simultaneously functional and environmental friendly through its targeting of a Habitat&Environnement profile A as well as a BBC label.

To achieve this, outside insulation, thermal solar panels for the production of hot water and dual flow ventilation are being installed.

FUTURE RECONSTRUCTION AND DEVELOPMENT

55 Amsterdam:

The 14,000 sq.m Hausmannian building located at the intersection of the Amsterdam and Bucarest streets in the 8th arrondissement of Paris has an ideal situation at no. 55, rue Amsterdam. Gecina is reconstructing this commercial building with a triple certification award in view, HQE® Renovation "Exceptional", BREEAM® "Outstanding" and LEED® "Platinum", to meet the best standards of now and the future.

The concept of improving environmental performance and assuring the comfort of occupants resides at the core of the project.

The project especially emphasizes a 45% improvement of energy performance, rain water management (recovery of rain water and grey water to irrigate plants and flushing toilets), extensive vegetation around the building (to increase the biotope area factor by 78%) and improved services for occupants (to include a staff restaurant and a concierge service).

Vélizy Way:

Two overriding concerns guided the design project of this complex:

- Developing a high performance and functional workplace with quality space that serves users and can be adapted to suit future requirements
  - creating a façade to provide optimal climate and visual comfort through a sun shield and exterior awnings system that gives effective solar protection by modulating natural light before it enters the building
  - A domestic conception of work areas, based on the simple principles of individual and collective comfort that promote user friendliness and individual controls for changing office temperatures and levels of shade provided by the exterior awnings, as well as operable windows and the ability to access a terrace for a bit of fresh air
  - A low energy use fan coil system for heating and cooling linked to the degree a window is open
  - A 116 sq.m bicycle storage area on the ground floor and dedicated parking and recharging locations for electric vehicles

- Treat exterior areas like a natural biotope where the water environment that forms the complex is fed by recovered rain water and planted areas maintain themselves.

This project will receive the dual labels of HQE® "Exceptional" and LEED® "Platinum".

Montigny:

Garden Ouest seeks to prolong its historic tradition of a site in a lush setting and features numerous points that prove its commitment to high environmental performance. All HQE® goals target either the "Very Efficient" or "Efficient" levels, with six goals for the former and eight for the latter. The primary energy consumption target for Garden Ouest is to come in below 30% of the level set by the 2012 thermal regulations; the design of the building is based on the NégaWatt scenario:

- **The sobriety of an optimized building:** Facades with large glass surfaces to take advantage of free solar heat in winter and sun shields to guarantee comfort in summer, extensive insulation of exterior walls with outside insulation and light colored rendering, heavy planting of out-side areas to support the albedo effect, construction of patios at the garden level to bring natural light into all areas of the restaurant facility and passageways, like the alley between the Ampère and Newton buildings, facades with window treatments depending on orientation for maximum natural light entry and sized with large 90cm spandrels and glazing of 2.15m.
- **Use of high performance equipment:** Reversible heat pumps for producing heat and cooling, renewal of air to offices by dual flow, variable flow air handlers with energy recovery,

very low lighting power of under 6W/sq.m, with operation by motion detection and dimming depending on natural light levels, technical management of the building through anticipation of energy supervision and a design for 272 sq.m of photovoltaic panels.

Further details on other themes are available in dedicated chapters (Chapter 7.3 “Assets” and Chapter 7.4 “Planet”).

HQE® CERTIFICATION FOR OFFICE AND RETAIL DEVELOPMENTS

Gecina has nearly 401,871 sq.m of assets that are HQE® Construction certified or in the process of certification.
The table below shows the HQE® environmental profiles of operations delivered since 2005 and those in development.

								HQE process targets														No. of efficient or very efficient targets/ Passport
								Eco construction			Eco management				Comfort				Healthcare			
Activity	Statut	Delivery date	Label	Certification n°	Asset	Architect	Surface area (sq.m)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Offices + commercial properties + healthcare	Delivered	2005	HQE®	NF380/05/011	Le Cristallin	Arte Charpentier	24,075	3	2	3	3	3	3	3	1	3	3	3	3	3	2	13/14
		2008	HQE®	NF380/06/021	Khapa	Norman Foster	19,639	3	1	3	2	3	1	3	1	1	2	3	2	3	2	10/14
		2008	HQE®	NF380/06/022	L'Angle	Jean-Paul Viguier	11,384	2	1	2	2	3	2	3	1	1	2	3	2	3	2	11/14
		2010	HQE® THPE 2005	NF380/07/111	Origami*	Manuelle Gautrand	5,053	2	2	3	2	2	3	3	2	2	2	1	1	1	2	11/14
		2010	HQE® THPE 2005	NF380/07/117	Anthos	E. Naud & L. Poux	9,487	2	1	3	3	3	3	3	3	2	3	3	2	3	2	13/14
		2011	HQE® THPE 2005	NF 380/08/184	Mercure	Sienna + 2AD	12,888	3	2	3	3	2	3	3	3	2	2	2	2	2	2	14/14
		2011	HQE® THPE 2005	NF 380/07/115	Horizons	Atelier Jean Nouvel	36,487	3	2	3	3	3	2	3	3	1	1	3	3	3	2	12/14
		2012	HQE® THPE 2005 for the 2 renovated buildings, HQE BBC for 1 new building	NF 380/09/339	96/104	Lobjoy & Bouvier	10,665	3	1	3	3	3	3	3	2	2	2	2	2	2	2	13/14
		2012	HQE® THPE 2005	NF 380/09/346	Magistère	Anthony Bechu	7,825	3	1	3	3	2	3	3	2	1	1	2	2	2	2	11/14
		2012	HQE® Exception BBC, LEED Platinium, BREEAM® Very Good	NF 380/10/493	Newside	Valode & Pistre	17,860	3	3	3	3	3	3	3	3	2	2	2	2	3	2	14/14 Exceptionnel
		2012	HQE® BBC		Park Azur	Philippe Rigway	24,000	3	2	2	3	3	2	3	2	2	1	2	1	2	2	12/14
		2012	HQE® BBC	NF 380/08/128	Pointe Métro 2	Jean-Paul Viguier	15,000	3	2	2	3	2	3	3	2	1	2	3	2	3	2	13/14
		2013	HQE® Très Bon, BREEAM® Very Good		Beaugrenelle (Pegase, Verseau)	Valode & Pistre	45,687	3	2	3	2	3	3	3	1	1	2	1	1	1	2	Très bon
		2013	HQE® Excellent BBC	NF 380/11/647	Velum	Frank Hammoutene	15,225	3	2	2	3	3	2	3	3	1	1	2	1	2	1	Excellent
		2013	HQE® Exceptionnel BBC		Docks de St-Ouen	Franklin Azzi	16,155	3	2	3	3	2	3	3	2	1	2	2	1	3	3	Exceptionnel
	Under construction	2015	HQE® Excellent		Bayonne	AIA	30,000	3	2	2	2	2	3	3	2	1	1	2	2	2	3	Excellent
		2015	HQE® Exceptionnel, LEED Platinum		Cristallin bât B	Agence Zundel & Cristea	11,000	3	2	3	3	3	3	3	3	2	2	3	2	3	2	Exceptionnel
		2015	HQE® Exceptionnel, BREEAM® Outstanding, LEED Platinum		55 Amsterdam	E. Naud & L. Poux	14,000	3	2	3	3	3	2	3	3	2	1	3	2	3	3	Exceptionnel
		2016	HQE® Excellent et BREEAM® Very Good		75 Gerland	Reichen et Robert Associés & D3 Architectes	20,341	2	2	3	2	1	3	3	1	1	1	2	2	2	2	Excellent
		2015	HQE® Exceptionnel et LEED Platinum		Vélizy	Chaix & Morel	15,200	3	2	3	3	2	3	3	3	2	3	3	2	3	3	Exceptionnel
		2015	HQE® Exceptionnel		Garden Ouest	Hubert Godet	39,900	3	2	3	3	2	3	3	2	2	2	2	2	2	3	Exceptionnel
	TOTAL						**401,871**	21/21	16/21	21/21	21/21	20/21	20/21	21/21	16/21	11/21	14/21	19/21	16/21	19/21	20/21	
								No. of efficient or very efficient targets														

* building sold in 2011

Base   Efficient   Very efficient

7.3.2.2. OPERATIONS

The use of an Operations Management System provides a framework for the responsible management of buildings, improves the environmental performance by unfolding an action plan for each of them and capitalizes on the good operating practices developed for the properties. This process, audited and recognized by Certivéa, illustrates Gecina's involvement in the integration of the HQE® process within the operations management of its portfolio.

An annual audit performed by Certivéa evaluates the system developed for each property and analyzes the achievement of performance goals on each building. This certification is reviewed every five years.

Gecina participated in working groups in 2012 under the aegis of Certivéa to prepare for Version 2 of the certification standard that was published in early 2013:

- Intrinsic quality, representing functional and technical qualities of the building.
- Operational quality to highlight high performing environmental management of buildings in terms of the provision of technical and other services.
- Use quality, which recognizes good environmental practices in the use of surface areas.

In 2013, seven new buildings were added to the ten already recognized HQE® Operation assets bringing **the certified surface area to 359,813 sq.m, or 43.9% of the portfolio.**

Five properties were recognized for their intrinsic qualities, where operations are managed by tenants:

- Pyramidion (92 Courbevoie), a 9,632 sq.m building delivered in 2006
- Newside (92 La Garenne Colombes), a 17,711 sq.m building delivered in 2012.
- Point Métro 2 (92 Genevilliers), a 15,000 sq.m building delivered in 2012.
- Two buildings in the Cours Ferdinand de Lesseps and Place de l'Europe in Rueil Malmaison (92) with respective surface areas of 25,663 sq.m delivered in 1992 and 9,887 sq.m delivered in 1993.

There were also two properties delivered in 2012 that were recognized both for their intrinsic qualities and the quality of operations, managed directly by Gecina:

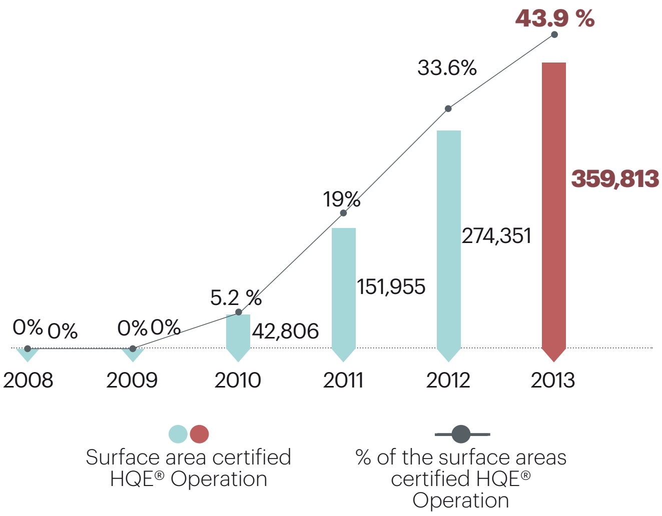
- Magistère (75 Paris 8th), a building of 7,630 sq.m;
- Parc Azur (92 Montrouge), a building of 23,537 sq.m.

HQE® Operation certification for Offices

	2008	2009	2010	2011	2012	2013
Surface area certified HQE® Operation	0	0	42,806	151,955	274,351	**359,813**
Surface area Offices	903,037	891,815	824,466	799,673	815,758	**819,582**
% of the surface areas certified HQE® Operation	0.0%	0.0%	5.2%	19.0%	33.6%	**43.9%**

☑ 2013 data audited by the Statutory Auditors with a reasonable level of assurance

HQE® Operation certification for Offices



The HQE® Operation certification is a key commitment for Gecina, who has set the objective of **80% of the surface area of its assets certified by 2016.**

Gecina's asset strategy is vehicled by three manners of actions:
- Buildings that have an intrinsic quality that meets the standards and are operated by Gecina are submitted for certification under POSITION 1 and POSITION 2.
- Buildings that have an intrinsic quality that meets the standards and are operated by tenants are submitted for POSITION 1 certification, while POSITION 2 certification is discussed with tenants, especially when the time comes for implementing green leases.
- Buildings whose intrinsic quality does not meet standard requirements and cannot therefore be recognized under POSITION 1 are recognized under POSITION 2 if Gecina is managing their operations; for these buildings, a work plan for renovation work is developed to achieve the certification, a plan which is implemented with the objective of causing the least amount of annoyance to tenants' businesses, during occupancy if that is possible, or once the premises have been vacated.

In this way, Gecina demonstrates its commitment to extend the environmental qualities of its buildings beyond simple construction certification, justifying by this the full exercise of its property management activity.

In 2014, the 13,340 sq.m Velum (69 Lyon) building and the 16,154 sq.m Docks en Seine building (93 Saint-Ouen), both delivered in December, 2013, will shortly be certified for operations.

Apart from these HQE® certifications, Gecina uses a standard developed with Interface that recognizes quality of contributions and services in company restaurants of its asset base. Among the 23 staff restaurants, 13 of which are operated by external contractors and 10 by tenants where the building has a single tenant, four restaurants are already involved in a green restaurant process and at least three others will be in 2014.

The special case of health facilities operations

No HQE® certification standard exists for healthcare properties to date. As Gecina has been able to confirm the growing interest of this process with an objective of significant improvement in the performance of its assets (see Chapter 7.3.1 "Energy efficiency and renewable energy"), the Group wanted this type of standard to be developed in upcoming years. Taking advantage of a development opportunity with Orange, Gecina proposed to Capio, its future tenant, a joint effort in developing a standard in collaboration with Certivéa. Through this initial project, the methodology to be used consists of validating the feasibility of this type of process before seeking authorization from health authorities and establishing a precedent, which will obviously be the new clinic in Bayonne developed by Gecina, whose construction is already underway, which Capio will operate and which will be profitable for other healthcare sector players.

7.3.2.3. GREEN LEASES / ENVIRONMENTAL APPENDICES

The green lease, or environmental appendix, evolved out of a process started by the Grenelle de l'Environnement laws and was confirmed when Law 2010-788 dated July 12, 2010 went into effect instituting a national commitment regarding the environment. It applies to all leases for office or retail space in excess of 2,000 sq.m that are signed or renewed beginning from January 1, 2012 and has become mandatory for leases dating from July 14, 2013 (through the July, 13 2010 Grenelle II law), although there is no sanction for not having one.

Article L. 125-9 of the French Environmental Code states its content, especially:
- mutual communication of all information related to consumption of energy in leased premises,
- the obligation of the lessee to allow the lessor access to leased areas to perform work related to improvement of energy efficiency,
- the possibility of stating obligations to be imposed on lessees to limit energy consumption of the concerned surface areas.

Gecina rapidly viewed the environmental appendix not as a constraint, but rather as the core of an iterative progress process, one that could and should become a key factor of success for Gecina and its customers as a boon to their CSR strategies. **In 2010, Gecina anticipated future changes in regulations by signing** green leases with its customer-partners for new buildings, as follows:
- Barclays Capital for ORIGAMI – 34-36 Ave de Friedland – Paris 8th
- Roche (15,560 sq.m) for HORIZONS – Seguin Rives de Seine mixed development zone – 92100 Boulogne,

- Carrefour Management SAS for ANTHOS – Seguin Rives de Seine mixed development zone – 92100 Boulogne.

Gecina also consecrated several Gecina Lab the think tank of the Group intended for its customers and concentrating on sustainable development themes (see Chapter 7.6.2.2) meetings to spread and exchange information with them regarding good practices for this process.

Since 2010, all new leases signed by Gecina concerning over 2,000 sq.m incorporate an environmental appendix. The Lab is a link between participants, takes part in ensuring consistency between various CSR themes related to real estate and proves to be a key factor in the success of the HQE® Operation certification process where Gecina sets high targets, like the 80% of assets certified by 2016 (see Chapter 7.3.2 "Labeling, certification and environmental performance").

Since 2012, Gecina's ambition has extend beyond this, as **the property company seeks to set up environmental appendices with all of its customers** and initially with all customers located in buildings where at least one "regulated" green lease must be signed, i.e. for surface areas exceeding 2,000 sq.m. In this way, Gecina set up an environmental appendix with all of its office and retail tenants, even though each tenant's surface area was under 2,000 sq.m.

This is the mentality that Gecina staff has adopted during personalized meetings, where they **addressed all tenants concerned** and explained the content and issues of environmental leases, especially the commitments to:

- actively collaborate to improve the features of the building and the premises leased in terms of environmental and societal issues,
- share information needed for setting environmental targets

In addition, looking more closely at the way a building functions leads to going beyond the ratios and addressing such concepts as comfort and well-being of users, areas where Gecina can bring its expertise to bear.
More specifically, and **beyond the regulatory obligations**, the structure of contracts recommended by Gecina may be detailed as follows:

Obligations assumed by Gecina

- set up a technical "building environmental audit" in order to determine its performances, which will serve as a basis for setting general and specific environmental objectives to be achieved,
- update the initial environmental audit every three years to monitor environmental performance of the building and to verify that the objectives set comply with this performance so as to improve them, in as much as this is possible,
- undertake compliance and improvement of energy performance work on equipment for which the lessor is contractually responsible,
- review these environmental and sustainable development commitments with the participants concerned, which manage the building or occupy the leased premises, especially with the building manager, maintenance companies, etc.

Obligations assumed by Gecina customers
Adopt an eco-responsible attitude in using the premises leased:

- requirement to review the environmental and sustainable development commitments determined by the lease with those entities with whom the lessee contracts as part of the occupation of the premises and especially with maintenance companies,
- share information related to the various energy consumption data with Gecina, including water, waste processing, etc., with a view to verifying that general and specific environmental objectives are met,
- cooperation in obtaining a certification or accreditation for the building,
- acceptance of the constraints required for obtaining or maintaining certifications and/or accreditations.

These three years of practical experience in implementing environmental appendices have resulted in the emergence of very different customer types:

- those with a natural CSR set of convictions who welcome the process positively and see it as in perfect resonance with their own objectives and ambitions,
- those who spontaneously manifest several forms of reticence:

- a reluctance to see environmental or green clauses written into the lease that are perceived as solely a way to enhance the value of Gecina's real estate properties,
- a degree of reticence with regard to exchanging information that could have a link with their business,
- the fear of having to assume major costs and constraints in return for accounting for the energy performance of the building and environmental targets, especially the completion of major work on the lessor's initiative,
- or very simply the fear of having to achieve results.

Note that at this stage the absence of sanctions and the current market oversupply of buildings incites many of these groups to **wait for their leases to be up for renewal before discussing the greening of leases.**

In this context, Gecina staff acts with the greatest amount of pragmatism, as progress achieved in signing green leases is indicated in the table below:

Historical signatures of green leases

Green leases signed 2010-2013	No. of leases	Surface area	Rent
2010	3	42,041	18,973,667
2011	7	54,625	20,410,518
2012	19	80,340	34,425,186
2013	25	137,918	54,915,840
TOTAL GREEN LEASES SIGNED	**54**	**314,924**	**128,725,211**

Condition on the 12/31/2013	No. of leases	%	Surface area	%	Rent	%
Green leases > 2,000 sq.m signed	31	45.6%	281,868	50.6%	114,949,211	47.2%
Green leases < 2,000 sq.m	20		17,655		7,661,443	
TOTAL GREEN LEASES SIGNED			**299,523**		**122,610,654**	
Green leases > 2,000 sq.m under negociation	37	54.4%	274,962	49.4%	128,758,607	52.8%

At December 31, 2013, **51 green leases were signed**, excluding 3 green leases signed for buildings that were sold and buildings under reconstruction or being marketed, as follows:

- of these, 31 had surface areas greater than 2,000 sq.m (representing 45.6% of leases, 50.6% of surface area and 47.2% of rents corresponding to areas greater than 2,000 sq.m),
- twenty green leases related to surface areas smaller than 2,000 sq.m (out of a total of 134 leases for space smaller than 2,000 sq.m located in buildings where there was at least one lease for an area greater than 2,000 sq.m).

There are 37 leases for space greater than 2,000 sq.m currently being negotiated (representing 54.4% of leases, 49.4% of surface area and 52.8% of rents corresponding to surface areas greater than 2,000 sq.m).

7.3.3. IMMATERIAL VALUE, WELL-BEING AND PRODUCTIVE

It has long been established[12-13] - that various characteristics of an office building, to include interior air quality, acoustical performance, the quality of the office space and workstation planning, as well as the location have an influence on the productivity efficiency of the occupants. Gecina wished to assess the performance of its properties in this area (by evaluating 74 buildings, representing 86% of its buildings in operation, delivered or acquired) and is exclusively publishing herein an assessment of the productive efficiency generated by its portfolio.

METHOD

Goodwill-Management carried out this study using the Thésaurus-ecopolis© method. This model, which is supported by a large body of academic material, was adapted for the purposes of the study. Gecina's experts evaluated the factors that influence the productive efficiency of the building occupants targeted by the study according to six levels (ranging from "excellent" to "very inadequate"). These factors are grouped into five major categories:

- **physical well-being**: Office area per person, thermal comfort, lighting quality, control of glare from the sun, air and ventilation quality,
- **tranquility of occupants**: Quality of the outside view, distance to natural areas, internal and external acoustic performance, quality of relaxation areas, especially smoking areas,
- **motivation**: Impact exerted by the neighborhood, neighborhood safety, identity and maintenance of the building, modular offices, etc.,
- **time wasted in the building:** Rapidity of movement (vertical and horizontal flows, elevators and stairs), flexibility and alacrity of changes in layout, ease of access to meeting rooms, services in the buildings (restaurant, parking, concierge services, showers, etc.),
- **ease of access:** Location, distance to and density of public transport, distance to retail shops and services.

Each building evaluated presents a level of performance that is more or less high in each of these categories, presented by the model as a change in productive efficiency. Productive

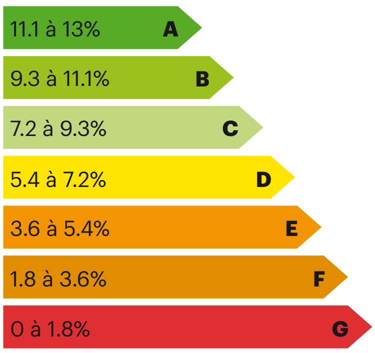
(12) Brill, Michael, et al. *Using Office Design to Increase Productivity*. Workplace Design and Productivity, Buffalo Organization for Social and Technological Innovation (BOSTI), 1984.
(13) Wyon, David *Predicting the Effects of Individual Control on Productivity*, White Paper 960130, 1996.

efficiency is defined in the study, for example the relationship between speed of work and cost of work. Accordingly, a gain in productive efficiency of say 3% means that people can produce 3% more at constant wage costs, or that their productive efficiency can be constant at an analogous drop in the cost of their work. Gains in productive efficiency thus mean an increase in operating profit for the company occupying the building. Under this model, gains in the productive efficiency of a given building are calculated relative to a benchmark building with no special priority allocated to the above-mentioned criteria.

STUDY RESULTS

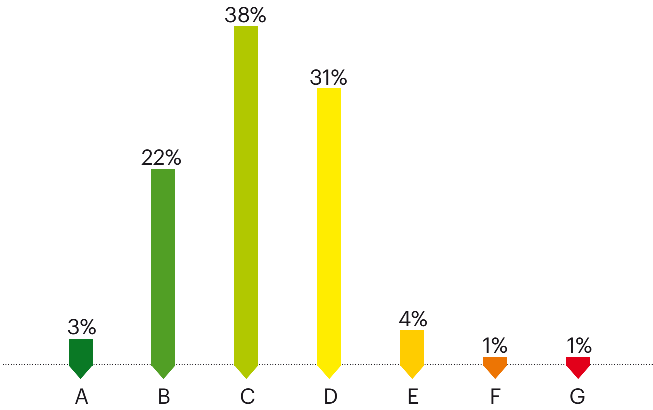
The results of the study are expressed in the form of a productivity label analogous to the environmental label, featuring seven classes, from A to G.

Class A corresponds to a gain in productive efficiency between 11.1% and 13%, while Class G ranges from 0 to 1.8%.



Under this model, Gecina's portfolio shows a Gaussian spread in the buildings, with few A ratings (3%) and few G ratings (1%), as shown in the graph below. The majority of the buildings (63%) are classified into one of the A, B or C categories and provide high productive efficiency gains (over 8%), which result in significant economic gains for office occupants.

Breakdown of Gecina's assets following their productive efficiency



INTERPRETATION

A more detailed analysis of the study results confirms that location has a major weight (often in the area of 50%) in productive efficiency gains. However, contrary to preconceived notions, the results also show that this is not the only theme to consider. In order to attain A or B rating levels, high internal productive efficiency must be combined with a good location. Because of this, the middle levels D and E include buildings that compensate extremely well for their relatively far distance by very high internal performance. These represent opportunities for some companies with long-standing operations in these areas.

More generally, comparisons of productive efficiency gains and rent gains provide additional input to the decision-making process compared to simple analyses of price per square meter.

For this reason, Gecina will be gradually incorporating this indicator in analyses of its portfolio, especially as one of the CSR mapping elements for its properties (see the article published in IEIF Reflexions Immobilières issue no. 64, second half of 2013: "et si la valeur des actifs immobiliers était immatérielle?" ["What if the value of real estate assets were immaterial?"]). The company wishes to share this information with its existing and prospective customers in order to better respond to their requirements. Gecina also seeks to test the relevance of this indicator for evaluating its peers (other real estate companies), to support its credibility and by so doing, ensure the measure of objective progress in the productive efficiency of its commercial properties is maintained over the long term.

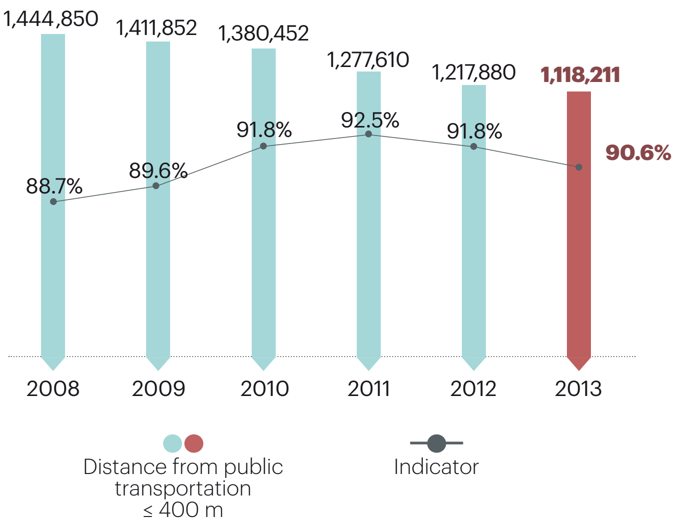
7.3.3.1. TRANSPORTATION AND CONNECTIONS

In France, transportation is the primary contributor to GHG emissions and the second in Europe.

Gecina's priority is to manage and develop our real estate assets in the middle of an efficient and sustainable transport network well integrated into the urban fabric. In this area, the Group is achieving its objective since over 90% of its assets are located less than 400m from public transportation in the form of buses, metro, RER trains, tramway, other trains, etc. Properties recently incorporated into the asset base such as the Mirabeau and Marbeuf buildings located in the 8th and 15th arrondissements are particular examples of this determination.

In 2013, a slight decrease in the connections indicator can be explained by the sale of residential assets in the heart of Paris.

Asset Connectivity - Offices and Residential



7.3.3.2. ACCESSIBILITY TO PEOPLE WITH DISABILITIES

Gecina's operational teams have the methodology and tools to:

- assess each building's accessibility to people with disabilities while identifying and estimating the cost of the services needed to improve the situation;
- define an action plan based on the audit recommendations which includes clear goals to improve the number of accessible buildings in order to meet Gecina's sustainable development and CSR commitment.

At the same time, Gecina uses a client-specific approach in conjunction with this procedure so that it can provide an optimum solution to the requirements and needs of its current and future clients with disabilities.

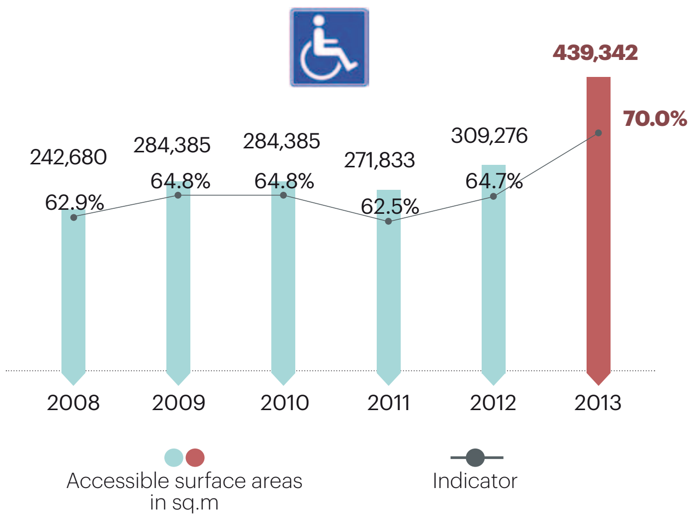
Four forms of accessibility hardships have been identified:

- wheelchair accessibility;
- motion-impaired accessibility (people using pushchairs, pregnant women, people with semi-ambulatory disabilities, etc.);
- accessibility for sight disabilities;
- accessibility for hearing disabilities.

The rating is summarized according to four performance levels:

- accessible area;
- convertible area; the area can become accessible after upgrade works are completed;
- area requiring technical study;
- non-accessible area.

Change in surface area of Offices and Residential in wheelchair accessibility



Wheelchair accessibility (surface area in sq.m GLA)

	2008	2009	2010	2011	2012	2013
Accessible area	**242,680**	**284,385**	**284,385**	**271,833**	**309,276**	**439,342**
Convertible area	296,985	301,090	301,090	407,004	355,267	**322,454**
Area requiring technical study	130,652	130,649	130,649	123,534	131,304	**95,620**
Non accessible area	187,610	187,610	187,610	283,150	231,955	**230,805**
Covered surface area	857,927	903,734	903,734	1,085,521	1,027,802	**1,088,222**
Accessibility indicator	**62.9%**	**64.8%**	**64.8%**	**62.5%**	**64.7%**	**70.0%**

Motion impaired accessibility

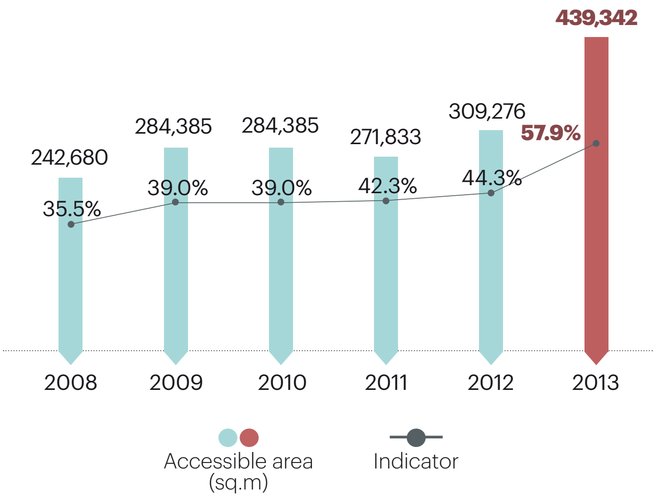
	2008	2009	2010	2011	2012	2013
Accessible area	**296,564**	**342,376**	**342,376**	**289,373**	**320,844**	**452,504**
Convertible area	397,979	397,978	397,979	507,520	466,357	**398,244**
Area requiring technical study	47,159	47,155	47,154	43,956	49,392	**47,772**
Non accessible area	116,225	116,225	116,225	244,672	191,209	**189,701**
Covered surface area	857,927	903,734	903,734	1,085,521	1,027,802	**1,088,222**
Accessibility indicator	**81.0%**	**81.9%**	**81.9%**	**73.4%**	**76.6%**	**78.2%**

Commercial properties

Gecina endeavors to adapt its existing buildings to make them accessible for people with disabilities within the limits, especially technical constraints, of each building. Improvement solutions are accordingly examined based on the specific characteristics of each building in order to improve access to people with disabilities.

We continued our audit of office properties continued in 2013, with **758,234 sq.m of space audited**, an increase of 8.6%. Surface areas accessible to wheelchair users amount to 57.9% (compared with 44.3% in 2012), to people with reduced mobility amount to 59.7% (compared with 46% in 2012), to visually impaired people are at 59.1% (compared with 44.9% in 2012) and for people with hearing disabilities, 94.7% of surface areas were audited (compared with 86.3% in 2012).

Wheelchair access to corporate properties (Gecina file, DIE – PMR – MAJ surf 2013)



Gecina has identified a service provider that specializes in this type of diagnostic to support this process. An initial test was carried out on a commercial building in its asset base. The results of this diagnostic classify actions in four categories, access, use, finding one's way and orienting oneself, which are associated with an order of priority and a cost. In 2014, Gecina intends to extend these diagnostics in order to prepare work plans by asset.

Residential properties

While knowledge of assets had improved significantly in 2011, the sale of numerous buildings since that time has led to a sharp decrease in the surface area of the asset base covered, despite a diagnostic campaign that is continuing on assets that have not yet been diagnosed. This is compensated for in the results since none of the indicators has dropped in terms of performance levels.

At the same time as improving the accessibility of communal areas, Gecina is also committed to adapting private areas for people with disabilities. During the remodeling of the privatE areas of residential buildings, the services are designed to facilitate the adaptation of housing units to different disabilities and to the aging of its occupants.

Gecina relies on a specific list of products, suppliers and service providers capable of meeting the adaptation requirements for housing units, as well as taking account of special client needs.

7.3.3.3. THERMAL COMFORT

Aimed at controlling energy consumption, Articles R. 131-19, R. 131-20, R. 131-21, R. 131-22 and R. 131-23 of the French Building Code specify the upper temperature limits for heating buildings during periods of occupancy or vacancy. These limits are set at 19°C for buildings whose intended use is for residence, teaching, offices or public premise. This value is an average for an entire accommodation unit or all premises with a use other than residential, and does not exclude certain rooms from having higher or lower temperatures (for example a temperature of 18°C is advisable in bedrooms for refreshing sleep).
The concept of thermal comfort is closely related to personal perceptions. For example, occupational medicine recommends a working environment between 22°C and 24°C with a humidity of 40 to 60%, which is far above the limits imposed by regulations (see ACMS [French occupational health service] explanatory brochure on workstation ergonomics).

From a scientific viewpoint, we could consider that thermal comfort is only achieved when the perceived temperature, a function of ambient and wall temperatures, relative humidity and the movement of air, is located within the limits we call "the comfort zone".

For this reason, while working on the energy efficiency of a building, for example, by insulating the outside walls of residences, Gecina's actions improve the comfort of occupants by reducing the effects of cold walls and the sensation of drafts. Several air permeability tests have been carried out on new assets, and this is now a standard requirement for Gecina.

In addition, Gecina contacts users when temperatures on the premises are significantly different from the recommended regulation values, 19°C in winter and 26°C in summer.

Gecina maintains constructive dialogue with residential and commercial occupants and the operators of buildings using most energy in order to lower average indoor temperatures, a reduction of 1°C producing energy savings of around 7%.
Active cooling of commercial buildings is today felt to be essential for the comfort of occupants. To ensure that summer comfort levels meet tenants' requirements, Gecina chooses bioclimatic designs for its new buildings, with solar protection to limit external heat inputs, and increased night-time ventilation as illustrated by the Velum building, which features the following:

- extensive vegetation on the surrounding lot,
- pools to limit the heat island effect,
- high performance external solar protection on all facades,
- windows that can be opened for individual comfort management,
- thermal inertial, combined with increased night-time ventilation to reduce air conditioning consumption.

7.3.3.4. ASSESSMENT OF INTERNAL AIR QUALITY (IAQ)

Gecina is continuing its initiatives of measuring the quality of air inside buildings and assessments of labels and materials undertaken in previous years, working to integrate the quality of indoor air as a basic element in the development of Responsible Buildings.

Gecina entered into a partnership with the Laboratoire Hygiène de la Ville de Paris [Paris public health laboratory]– LHVP to carry out IAQ measures in new and restructured buildings following the HQE® Performance protocol.

Assimilating the theme in all Group business lines

Because of its importance for public health and the difficulty of identifying all the factors affecting the quality of indoor air, Gecina has reviewed all its technical specifications so that it can make preferential use of materials with the best performing labels and certifications (Class A+, European Ecolabel, GUT, Blue Angel, White Swan, etc.), the most effective ventilation systems, and to ensure use of best practices (e.g. the protection of materials against humidity during site work).

Following this revision, new materials descriptions were sent to our partners at the end of 2012 for interior decoration and fitting out of both private and common areas in residential and business properties.

2013 Measures: Make progress in learning what means of improvements to deploy

In order to evaluate the performance of new materials used, interior air quality tests were conducted in 2013 by LHVP in three apartments of the Vouillé residence in the 15th arrondissement of Paris (a dense urban environment) and in three buildings of the La Ronce residence in Ville d'Avray (semi-urban environment).

These apartments were chosen for their surface areas to include a studio, a two-room apartment and a three-room apartment, and for the type of work to be done, i.e. a partial, full or no renovation at all. Following the HQE® Performance protocol, all measurements were made without occupation and including active measurement of Total Volatile Organic Compounds (TVOC).

To avoid influencing results, all end-of-site clean-ups were executed using European Ecolabel products.
These tests show that the use of high-performance products is not sufficient to obtain good IAQ as the values higher than those used by the HQE® Performance protocol for VOC were recorded, primarily in the studios, where a higher concentration of pollutants exists. The time period between the end of work and the entry of tenants is not sufficient to allow adequate aeration for evacuating these compounds.

Analyses were therefore undertaken to modify renovation procedures and plan an extension of the aeration period. Active measures using the Azimut monitoring systems have been planned for 2014. These monitors count the number of VOC particles present in the air in real time and also give temperature, humidity and noise level readings in the test area. These experiments will be used to monitor decreasing concentrations of pollutants in the air after construction work and will set an optimal period of aeration to apply, taking into account both air quality aspects and business relocation criteria.

Verify services

To ensure the well-being of occupants and in anticipation of future regulations, in 2011, Gecina launched a research workshop for improving the quality of the air inside its buildings. The first stage was a study of the building materials used, their ecological performance, and identification of existing labels.

This was supported by testing of indoor air quality in two projects delivered in 2011, the student residence Campuséa at 75 rue du Château des Rentiers in Paris, and the complex renovation of the Mercure office building, conducted in compliance with French standards (NF) and the HQE® commercial buildings methodology for new properties.

The results of sampling showed a very acceptable indoor air quality in the Mercure building, where all criteria came in under the reference thresholds, while nitrogen dioxide, benzene, formaldehyde and carbon monoxide values were also below reference thresholds at the Château des Rentiers residence. In the latter case, values for particles with a diameter between 2.5 and 10 microns (PM10 and PM2.5) and for TVOC were slightly above the WHO guide values. This is explained by the choice of single-flow ventilation for a building close to an urban area.

The analysis of these initial results highlighted the advantages of improving interior air quality, provided reassurance to Gecina with regard to some of its construction choices for its properties, such as the implementation of dual flow ventilation systems for student residences located in dense urban environments that are sources of interior air pollution.

Gecina is pursuing IAQ measures for its new buildings according to the protocol "Handover measures for interior air quality of new and renovated buildings", drawn up by the HQE® Performance working group. In 2013, the Magistère building in the 8th arrondissement of Paris that was delivered at the end of 2013 underwent this process prior to occupancy by its tenants. The test results for interior air quality were satisfactory, thanks to design and implementation to Gecina standards.

Integration at the core of projects:
INSPIR to control IAQ

This project undertaken by a grouping of several major companies working to improve IAQ, including Bouygues Immobilier, Green Affair, Ciat, Saint-Gobain, Médieco, Azimut, Ademe and Gecina, aims to establish a quality process that details good practices applicable to each phase of a project in order to control interior air quality of buildings.
This work includes an initial phase in which the standard is drawn up and a second testing phase on projects in development or in operations. It will be carried out over 36 months and is already contributing to the call for research projects for "responsible buildings by 2020" put out by Ademe.

7.3.3.5. SOUND AND LIGHT POLLUTION

The actions carried out in 2013 are a continuation of those initiated in 2012.

7.3.3.5.1. SOUND POLLUTION – ACOUSTICAL COMFORT

Although the issue of sound pollution is fully integrated into new construction projects, work to improve acoustical performance in existing properties is more difficult.

Article R. 1334-31 of the French Public Health Code states the following items: "No specific noise, by its duration, repetition or intensity shall impair the peace of the neighborhood or the health of the people [...]"
To ensure that it offers quality properties, Gecina places significant emphasis on handling pollution of all kinds that could result in disturbance of the occupants or the neighbors.

The following actions have already been implemented:

- sound insulation is a constant preoccupation in residential buildings, where double glazing is systematically installed during building renovations;
- Target 9 "acoustic comfort" in the HQE® construction standard is at least improved to an effective level.
- emergency procedures are carried out whenever equipment is replaced in commercial properties;
- special attention is paid to the management of noise pollution from sites through a Site Environmental Organization Charter developed as part of the Construction Management System.

7.3.3.5.2. LIGHT POLLUTION

Often neglected, artificial lighting at night results not only in serious energy waste but also has negative effects on living creatures. The term "light pollution" describes all undesirable effects produced by artificial lighting. The challenge is to reconcile our need for additional light with limited disturbance to the biotope.
In developmental terms, artificial lighting is a serious disturbance for species with diurnal or nocturnal living patterns. Depending on species or even age of the individual, light may have an attractive or repellant effect.
It is possible to limit this impact by taking account of the following points:

- for external lighting, limit the light intensity and orient the light source so that it is directed downwards. Gecina observes this rule when landscaping external spaces around its buildings;
- for interior lighting, in particular of commercial buildings, turn off the lighting at night. Gecina uses management tools such as centralized building management systems which are very useful in this respect. Motion sensors for commercial spaces are becoming a standard that contributes to this target

To reduce this effect and the related over-consumption of energy in application of the decree dated January 25, 2013 "concerning the nocturnal lighting of non-residential buildings to limit light pollution and energy consumption", Gecina reprogrammed all centralized building management systems of buildings under its direct management in 2013. In addition, a communiqué will be issued in 2014 to inform and to assist tenants who operate directly in Gecina buildings.

7.3.4. SECURITY AND CONTROL OF RISKS

These topics are treated in the chapter dealing with risks (see Chapter 1.6.3. "Risk management").

The percentage of assets rated "High Performance" or "Good Performance" was 77.2% in 2013, higher than the 70% target set for 2016. This achievement is the result of a risk management policy implemented by Gecina that relates to lead, asbestos, air cooling towers, telephone relay towers, etc.

7.4. Planet

7.4.1. CLIMATE CHANGE AND GHG EMISSIONS

7.4.1.1. GHG EMISSIONS OF THE GROUP'S PROPERTIES

Limiting climate change implies **combining two actions, energy efficiency and decarbonation of the production mix,** a dual process that Gecina has made its own.

One of the most recent manifestations of this strategy is the Cristallin project, located at 122 Avenue du Général Leclerc in Boulogne, which will be **both a BBC renovation featuring energy consumption levels of the most recent buildings, and a Factor 4 project that reduces CO_2 emissions by 75% after renovation.**

Since 2008, Gecina has engaged in a parallel effort to reduce energy emissions and convert technical plant and energy processing systems to ones with a lower carbon impact in an attempt to reduce the carbon foot-print of its portfolio. Accordingly, fuel-oil based heating systems have been exchanged for gas heating or connection to heating systems to improve the energy mix to one that releases even less carbon into the atmosphere, in line with 2012 thermal regulations that already recognizes the virtues of these networks through an McGES modulation coefficient.

Breakdown of GHG emissions from residential and commercial business lines in accordance with France GBC recommendations

Indicators	Corporate	Business activities	Stakeholders	TOTAL
ton of CO_2	267	22,598	18,285	**41,150**
ton of CO_2 corrected for climate*	252	20,797	17,477	**38,526**

* Adjusted by cooling/heating DDU for Offices.

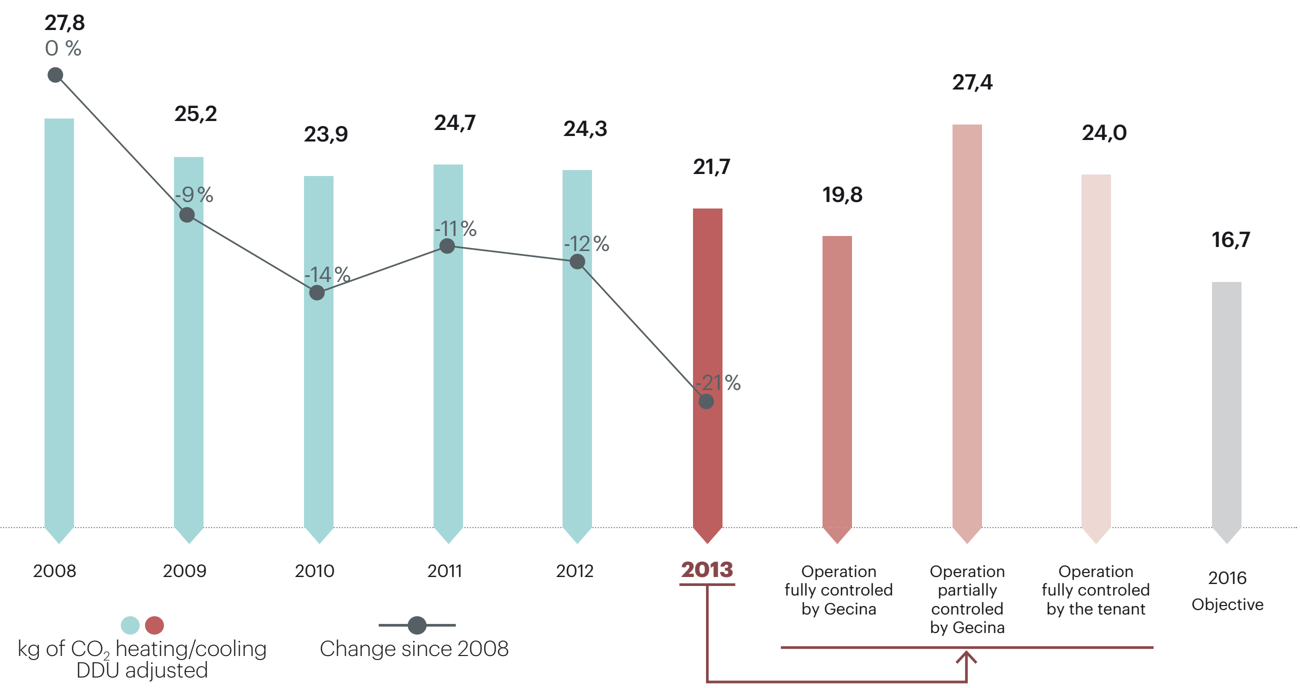
7.4.1.2. GHG EMISSIONS OF THE GROUP'S COMMERCIAL PROPERTIES

Gains in CO_2 emissions have always been lower in commercial properties than gains in energy consumption, as is the case again this year. This is mainly a result of the initial energy mix that contained little carbon through the primary use of electricity for most services.

Change in GHG emissions in the Commercial business line

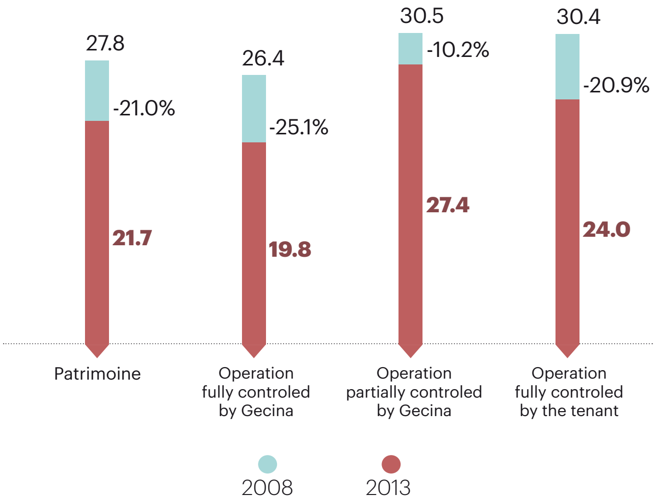
	2008	2009	2010	2011	2012	2013
No of assets	83	78	78	78	74	**78**
Ref. surf. area	683,952	650,412	650,412	650,412	621,749	**744,643**
ton of CO_2	18,998	16,839	17,855	15,084	14,548	17,748
kg of CO_2/sq.m/year	**27.8**	**25.9**	**27.5**	**23.2**	**23.4**	**23.8**
YoY change	0.0%	6.8%	6.0%	-15.5%	0.9%	**1.9%**
Change since 2008	0.0%	-6.8%	-1.2%	-16.5%	-15.8%	**-14.3%**
ton of CO_2 heating/cooling DDU adjusted	18,998	16,412	15,528	16,089	15,126	**16,184**
kg of CO_2/sq.m/year heating/cooling DDU adjusted	**27.8**	**25.2**	**23.9**	**24.7**	**24.3**	**21.7**
YoY change	0.0%	-9.2%	-5.4%	3.6%	-1.7%	**-10.6%**
Change since 2008	0.0%	-9.2%	-14.1%	-10.9%	-12.4%	**-21.8%**

Average CO_2 emissions (DDU adjusted) - Offices



The table below, which is symmetrical to the table of energy consumption (see Chapter 7.3.1.2 Energy consumption of commercial properties), details emissions according to the level of control by Gecina of building operations. Conclusions are identical for maximum efficiency obtained when Gecina fully controls operations.

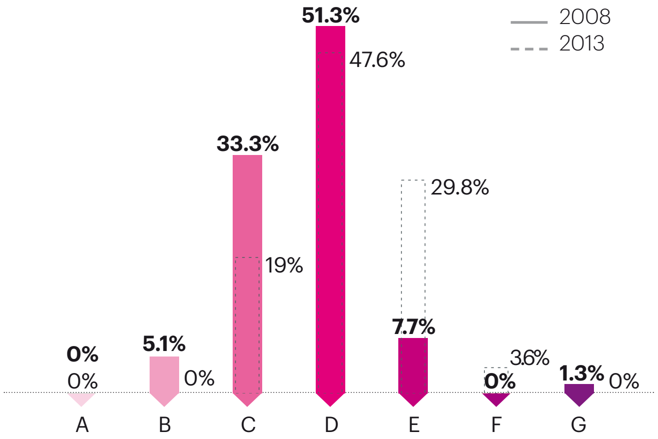
2008/2013 CO_2 emissions/sq.m/year breakdown following Gecina's operationnal control (DDU adjusted)



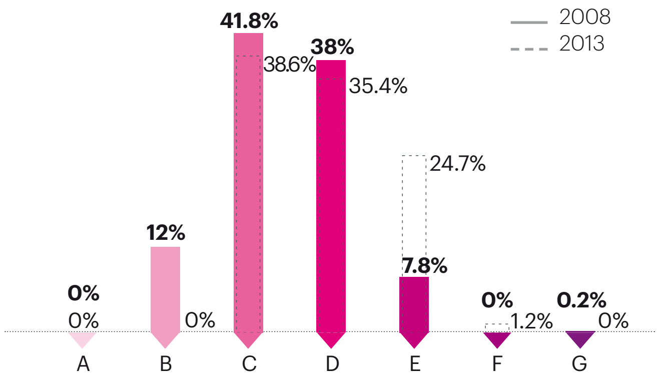
Climate labels show the same trend as energy labels but with sharper emphasis on improvements linked to changes in heating production with lower carbon emissions, calculated with the same transformation coefficient for primary energy accounting purposes.

Climate labels for commercial assets benefit from a predominantly electrical energy mix, with low carbon emissions.

2008/2013 breakdown by climate label of office properties in service (number of assets)



2008/2013 breakdown by climate label of office properties in service (surface area of assets)



7.4.1.3. GHG EMISSIONS OF THE GROUP'S RESIDENTIAL AND STUDENT RESIDENCE PROPERTIES

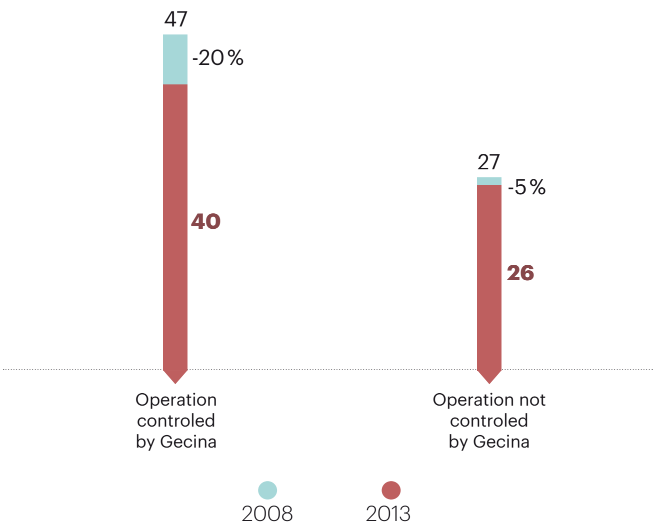
In the residential portfolio, the trend has reversed, with clearly larger gains in CO_2 (a 20.5% reduction) than in energy (a 13% reduction). This involves a scope of consumption comprising solely domestic hot water, mostly produced by fossil fuels, for which conversion to less carbon dominant energies is in direct correlation with improvement levels. Residences equipped with individual electric heating also participate in performance levels primarily due to a carbon index that is half as high and inversely proportionate to their impact on primary energy, proof of the advantages of the dual process based on efficiency and the energy mix.

Change in GHG emissions in residential properties and student residences

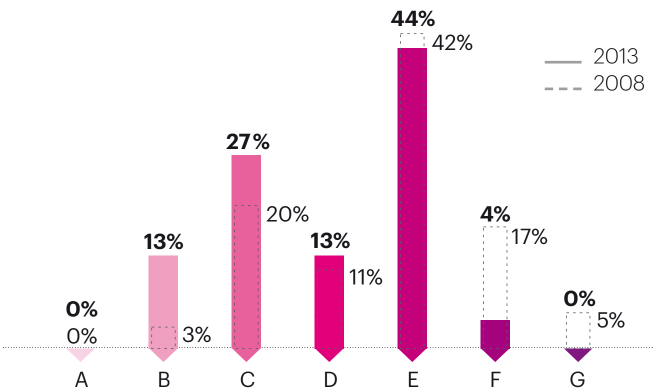
	2008	2009	2010	2011	2012	2013	2016 objective
No of assets	128	116	106	93	70	**67**	
Ref surf. area (sq.m)	885,892	827,727	776,759	642,977	506,306	**503,467**	
ton of CO_2	38,818	34,144	30,808	24,299	18,099	17,541	
kg of CO_2/sq.m/year	**43.8**	**41.2**	**39.7**	**37.8**	**35.7**	**34.8**	**26.3**
YoY change	0%	-6%	-4%	-5%	-5%	**-3%**	
Change since 2008	0%	-6%	-9%	-14%	-20,5%	**-20%**	40%

Average of CO_2 emissions (DDU adjusted) - Résidential properties and student residences

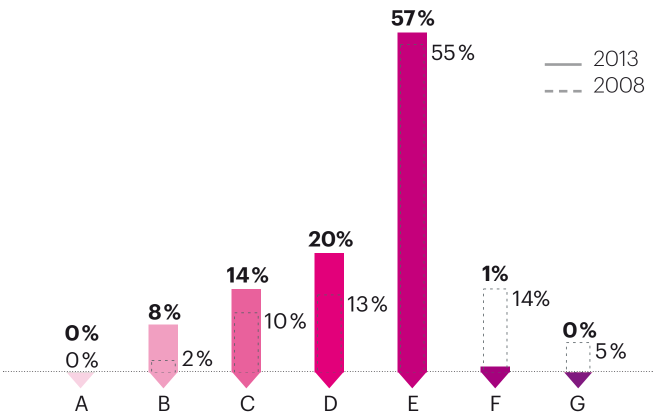
2008/2013 CO_2 emissions/sq.m/year breakdown following Gecina's operational control (DDU adjusted)



2008/2013 breakdown by climate label of residential properties in service (number of assets)



2008/2013 breakdown by climate label of residential properties in service (surface area of assets)



Climate labels show the same trend as energy labels but with sharper emphasis on improvements linked to changes in heating production with lower carbon emissions, calculated with the same transformation coefficient for primary energy accounting purposes.

7.4.1.4. PUTTING VALUES ON CLIMATE IMPACTS

The principle of a carbon tax is intended to promote a change in the behavior of families and companies towards lower energy and carbon consumption and purchases. The July 28, 2010 "Rocard" report concluded that the Climate-Energy Contribution (CEC) is a critical measure for combating greenhouse gases. It stresses that this CEC should start at a level of €32 per ton of CO_2, i.e. 7 eurocents per liter of gasoline and 1 eurocent per kWh of natural gas, to reach €100, per ton of CO_2 in 2030. This contribution would become a strong signal for encouraging innovation especially with respect to reducing the energy consumption of buildings and alternatives to polluting methods of transportation.

Initially to stimulate the awareness of stakeholders on this issue, Gecina introduced a CCE assessment by applying a value of €32/t of CO_2 emitted while performing sensitivity tests that could lead to a higher valuation. In view of the above, the Group assesses the 2013 impact of this tax at just under €1.1 million (0.2% of gross rental income).

7.4.2. NATURAL RESOURCES AND WASTE PRODUCTS

7.4.2.1. LIFE CYCLE ANALYSIS

With buildings consuming progressively less energy in the operations phase, the issue of environmental impacts of other areas of consumption is now becoming more acute. These involve consumption connected with the building's use, such as elevators and IT systems, as well as grey energy, which is the energy needed for the extraction, transformation, transportation and end of life cycle of the materials that comprise it. Life cycle analyses, or LCA, are carried out on buildings to evaluate these impacts, based on data concerning materials provided by manufacturers through the FDES environmental and health data sheets.

In 2011 and 2012, Gecina became involved in changes affecting various certification mechanisms and submitted five projects (the Newside and Velum office buildings, the Villafranca and Chambéry residential buildings and the Beaugrenelle shopping center) for HQE® Performance testing.
Five indicators were calculated: total primary energy, climate change, production of inert waste, production of non hazardous waste and consumption of water, guided by design and installation choices.

This first experiment provided no major leads in terms of constructive systems or materials to be singled out. Nevertheless it did show the need for a shared methodology for LCA. In fact, the two commercial buildings that were tested showed major impact disparities (41 kWhPE/sq.m of net floor area/year and 68 kWhPE/sq.m of net floor area/year), despite similar design features. These results are based on the different calculation methods used by the design offices concerned.

The results also showed the importance of choice of life span of buildings since changing a building's life span from 100 to 50 years increases the total primary energy cost by 18%.

Since January 1, 2013, manufacturers that wish to provide information on the environmental advantages of their products have to do so through the FDES system. As these data sheets will be converted into EPD, or Environmental Product Declarations, from July 1, 2014, the LCA will now multiply and over time will evolve into a veritable design tool.

Building on the work of the HQE® Performance analyses carried out previously, in 2013 Gecina increased its knowledge of LCA and continued to optimize its environmental performance in buildings under development. The support of the CSTB in modeling projects and the integration of the Paris area community in experimenting with LCA (through the Cristallin Building B heavy reconstruction project in Boulogne and the Vélizy Way new construction project in Vélizy) are proof of the strong commitment engaged to promote this process. The objective of this community, led by the IFPEB, the ADEME for the Paris region and Ekopolis, is to exchange information with sector players regarding questions and difficulties arising during the modeling process, to identify best practices and determine a relevant methodology.

2013 RESULTS

In 2013, five office buildings went through the LCA process. These included Garden West, a new construction project in Montigny, the Cristallin Building B, Vélizy Way, the Lecourbe office-to-student residence conversion in Paris and 55 Amsterdam, a major reconstruction project also in Paris.

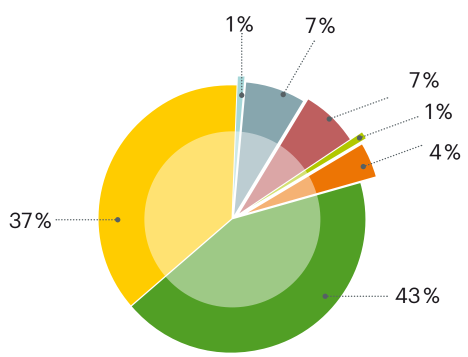
Five modeling analyses determined the overall environmental footprint of these various buildings. The 55 Amsterdam project underwent successive modeling phases beginning with design, in order to optimize the choice of materials.

To simplify modeling results and to identify the highest impact areas, the 15 impacts that describe the character of LCA were grouped into three categories:

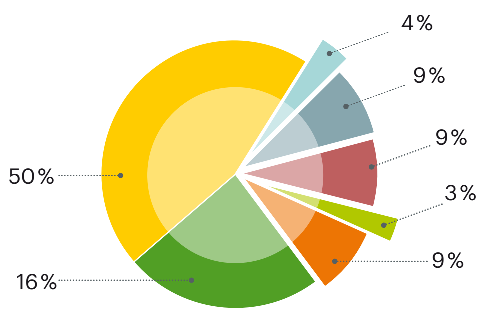
- resources, including consumption of energy resources, using up of resources and total water use;
- waste;
- air and water pollution.

The below graphs show that horizontal and vertical bearing structures, water tightness, internal thermal and acoustical insulation, office floor system models and exterior doors and windows are the elements with the greatest impacts.

Distribution of environmental impacts - Ressources

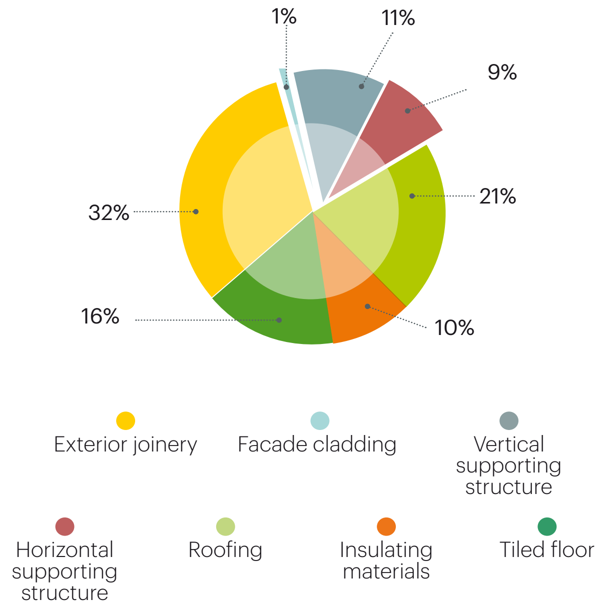


Distribution of environmental impacts - Wastes

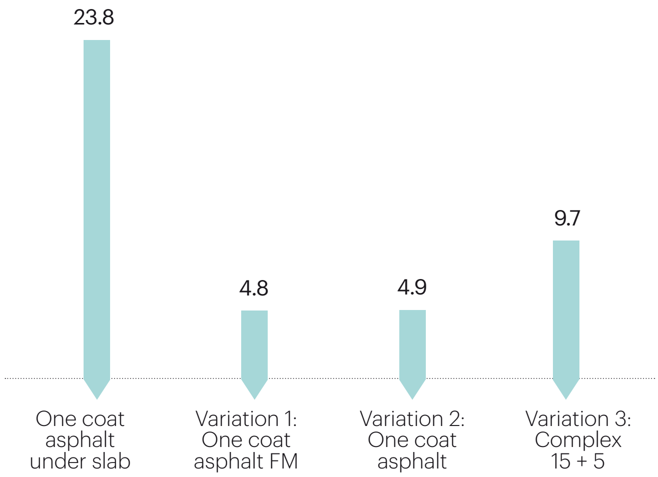


Exterior joinery · Facade cladding · Vertical supporting structure · Horizontal supporting structure · Roofing · Insulating materials · Tiled floor

Distribution of environmental impacts - Air and water pollution



Comparison of different impermeability solution's environmental footprints (rating on 30 points)



Two changes were accordingly recommended to very significantly improve the environmental performance of these items:

1. Replace the watertight system with a single-layer bituminous method to reduce the environmental foot print by 80%, which could be done for an equivalent cost and technical performance.

2. 1. Replace the originally planned interior fiberglass insulation with Métisse®, a material obtained by the recycling of mostly cotton-based clothing, providing a 75% reduction of the environmental footprint for interior insulation.

In 2013, two out of three properties delivered for the Commercial business line underwent an LCA. In all, 30% of properties delivered since 2008 have had LCA carried out on them.

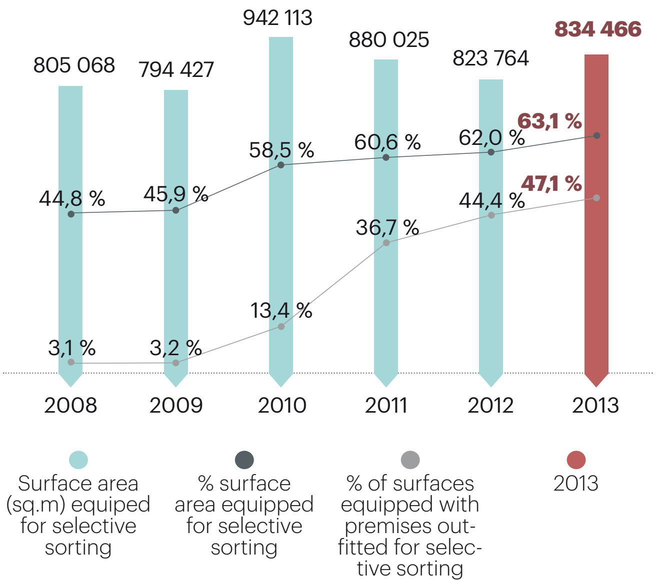
This subject is treated in the chapter on risks (see 1.6.3.1).

7.4.2.2. WASTE MANAGEMENT

Areas equipped to accommodate selective collection of waste increased slightly in 2013 compared to 2012, by 1.1%. Regular progress in this area since 2008 demonstrates that Gecina is pursuing the extension of selective sorting facilities in its buildings. The slight drop in areas in the residential business of 0.1% is offset by the accomplishments in commercial buildings, which expanded by 2.4%.

Surface area (sq.m) equiped for selective sorting	805,068	794,427	942,113	880,025	823,764	**834,466**
Surface area of property holdings (sq.m)	1,796,920	1,730,369	1,611,339	1,451,906	1,329,324	**1,323,048**
% surface area equiped for selective sorting	**44.8%**	**45.9%**	**58.5%**	**60.6%**	**62.0%**	**63.1%**

■ **Selective sorting of waste - Offices and Residential**



■ **Tons of waste by type - Offices**

In the same manner, the indicator for measuring surface area equipped with a facility adapted to selective waste collection showed a new gain of 2.7% and thus demonstrates Gecina's determination to facilitate selective waste sorting in its buildings, the only way to finally achieve waste recycling.

The number of selective waste collection networks continues to grow. Accordingly, beyond the sorting of paper, Gecina is developing the installation of receptacles to collect batteries, packaging and bottle tops.

In staff restaurants in its portfolio, Gecina works with operations companies and is embarking on the recycling of fermentable waste products in sectors working in that area.

Although the percentage of recycled waste has dropped slightly, Gecina is demonstrating better understanding of the types of waste products in its buildings, with a covered perimeter of 42.9% of the surface area of its portfolio, compared to 40.5% in 2012.

In order to coordinate all of these actions, an analysis of the situation has been initiated with Indiggo, a company that will help determine a strategy on the subject of waste. Gecina's objective is to publish shortly information on the tonnage of waste recycled by the sector, a revealing performance indicator for actions carried out among its tenants and users.

7.4.3. BIODIVERSITY

Industrialization, urbanization and intensive agriculture damages ecosystems by fragmentation and destruction of habitats that are important to regulating amounts of CO_2 in the atmosphere. On the average, one species disappears every 20 minutes, threatening biodiversity on the planet. There are solutions to protect these fragile ecosystems and to re-establish equilibrium, such as developing urban planted areas, refuges for local fauna and flora and carbon capture and storage.

Gecina is aware that biodiversity is a real and growing factor influencing its businesses, its assets (design, construction, renovation and operations) and its image. The company has made biodiversity a major thrust of its CSR policy and has put it at the core of the responsible building concept.

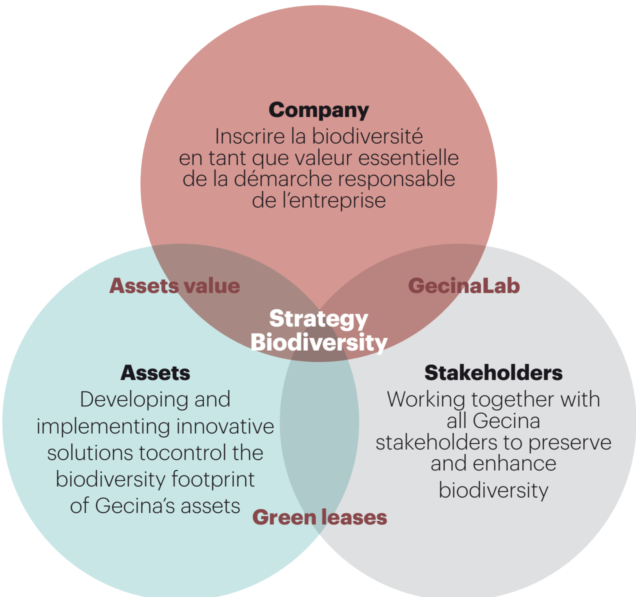
FOCUS ON URBAN SPRAWL

Building districts far from city centers involves financing the extension of electrical grids and telephone, sewage and potable water systems, in addition to building roads and parking facilities. This sprawl, which often generates dedicated residential neighborhoods, results in inhabitants increasing movement between their residences, their work and their leisure destinations. This movement is most commonly accomplished by private vehicles because public transportation is a far more complex solution for this type of situation than one in a densely populated urban area. Covering huge ground areas with asphalt and cement leads to heavier flooding and the degradation of water quality in flows (see Frédéric Melki, CEO of Biotope, an ecological consulting company).

By locating projects in major urban centers such as the Paris area and the Lyon area, Gecina's development strategy limits these dangerous effects through the re-urbanization of obsolescent areas like Beaugrenelle, 75 Gerland and the mixed development Girondins zone, or the functional reallocation of buildings that do not meet current market standards, like the Lecourbe and Auguste Lançon commercial building conversions to student residences.

7.4.3.1. THE BIODIVERSITY STRATEGY AND ITS ASSOCIATED ACTION PLANS

Gecina's biodiversity strategy is broken down into three areas and ten commitments. The strategy was prepared in 2012 with the assistance of Gondwana, an expert consultant. It was the culmination of a four-phase project comprising biodiversity mapping of properties, building audits, interviews with internal and external stakeholders and the preparation of indicators.



Gecina's biodiversity strategy is entitled "Incorporate biodiversity into property management: Establishment of Gecina's properties strategy as a reference and the development of the Beaugrenelle shopping center as a concrete example of innovation". The strategy was one of 22 projects awarded the SNB [National Strategy for Biodiversity] label in 2012. This recognition commits Gecina to submitting results to the government for the three years the award is valid.

In 2013, the dedicated working group, which was created two years before and includes the operational and functional departments concerned, established an action plan based on the company's ten strategic commitments.

COMMITMENT 1: INCORPORATE BIODIVERSITY INTO GECINA'S RESPONSIBLE MANAGEMENT SYSTEM

The progressive revision of operational specifications and the regular presentations of actions carried out on properties in the CSR liaison and steering committees are progressively incorporating biodiversity into **Gecina's responsible management system.**

The inclusion of a paragraph on biodiversity in the performance enhancing program reflects the incorporation of this challenge into Gecina's Construction Management System.

COMMITMENT 2: DEVELOP A BIODIVERSITY MENTALITY INTERNALLY

In a bid to demonstrate to its staff the importance of re-developing ecosystems in urban environments, Gecina remodeled the exterior landscaping of its head office (see Chapter 7.1.5 Continuous improvements to an exemplary head office).

Following a competitive bid, Les Jardins de Gally was hired to set up participative workshops for reshaping the design of the green areas with employees and developing a virgin area conducive to spontaneous vegetation on the roof, as a test of new technologies and to heighten awareness of Gecina's stakeholders, especially its customers, through its head office building, a showcase of the company's pro-biodiversity action.

Gecina wanted to give company employees a role in implementing its CSR policy, so it set up three workshops during the 2013 sustainable development week focusing on the theme "How to incorporate CSR into Gecina's businesses" In this way, technical managers in charge of building maintenance, management officers and tenant relations officers were able to react to the theme of biodiversity. How should this subject be dealt with in their business? What resources are required? What type of customer relationship should be implemented? These types of questions steered the drafting of a biodiversity action plan for Gecina.

COMMITMENT 3: DISPLAY GECINA'S COMMITMENT

Gecina used Green Building Week, the week-long sustainable construction event, to sponsor a visit of its properties based on the theme of biodiversity. This visit of four specific examples of innovative projects was an opportunity to address specific challenges related to integrating biodiversity into a policy of responsible design and real estate management.

This unprecedented tour featured emblematic sites such as the 2,000 square meters of suspended gardens in the Horizons tower, the 540 square meters of green wall of the Anthos building, the 7,000 square meters of garden terraces at the Beaugrenelle Center and the 1,200 square meters of gardens at the St Charles residence labeled Ecojardin.

The visit brought together some fifty professionals, including members of the Gecina Lab, the real estate think tank for CSR subjects (see Chapter 7.6.2.2 "Gecina Lab, the CSR think tank for the company's stakeholders") as well as clients, developers, designers and architects. The purpose was to heighten their awareness of this theme in order to produce other green surfaces of this type.

In 2013, Gecina was chosen for its feedback on actions carried out for the "Biodiversity management by participants: from realization to action" guide prepared by Orée, a non-profit organization. Accounts of beehives being placed on properties, awareness programs for employees and the integration of new projects were all discussed.

COMMITMENT 4: PERFORM ECOLOGICAL DIAGNOSTICS ON HIGHLY IMPORTANT SITES

The inauguration of the Beaugrenelle shopping center green roof, which was attended by Anne Hidalgo and Allain Bougrain Dubourg, was Gecina's opportunity to prove its commitment and to illustrate its expertise in preserving and enhancing biodiversity. By signing an agreement with the LPO bird protection society, Gecina is committing to the Club Urbanisme, Bâti et Biodiversité (see Chapter 7.6.2.5 "Active participation in the representative bodies and the think tanks") and marshals the expertise of this non-profit organization in carrying out annual audits intended to ensure progress in the integration of biodiversity into its properties.

In the wake of this agreement, Gecina and LPO worked together to establish an audit standard that is essential to analyzing the various sites. This standard is based on five major sections that include a presentation of the structure, a biodiversity net that reflects an evaluation of the project, details of parameters assessed such as the site, habitat, species, land, amenities and materials, a summary of strengths and weaknesses and a biodiversity action plan.

In 2013, three audits were performed on the Vélizy Way building in Vélizy (an upcoming project analysis), the Banville building in the 17th arrondissement of Paris (an existing unit analysis) and the Auguste Lançon residence.

Gecina will pursue this commitment in 2014 with four biodiversity audits.

THE AUGUSTE LANÇON LANDSCAPING PROJECT

The Auguste Lançon residence in Paris' 13th arrondissement was selected from 29 Gecina residential properties located at least 5 kilometers from a protected area by the Gondwana mapping effort to undergo a full revamping of its landscaping.

After an initial consulting phase with tenants and the selection of the landscaper Praxis, LPO carried out an audit to evaluate the existing situation, identify areas of improvement such as diversifying the range of plants and site maintenance, as well as threats to fauna in the form of exterior lighting, glass surface area, etc. The audit would also assist the client in making choices.

The final project will include:

- a diversified and native range of plants on different strata including grasses, flowering plants, bushes and trees, with 57% of species indigenous to the Paris region;
- a dedicated biodiversity area through the creation of a flowering prairie and the erection of insect hotels;
- an ecological management method featuring reasoned cutting and pruning, halting the use of phytosanitary products, recycling green waste and management of exterior lighting.

Through the biodiversity indicators prepared, an improvement of the "biodiversity value of the site" can be observed with a ranking of 14.6/20 (from a previous 5.3/20) on indicator number 2 "ecological performance of the building: biodiversity".

The audits carried out by LPO bring to the forefront the potential of each site to evolve, as witnessed by the Auguste Lançon project.

COMMITMENT 5: INTEGRATE BIODIVERSITY INTO NEW CONSTRUCTION PROJECTS

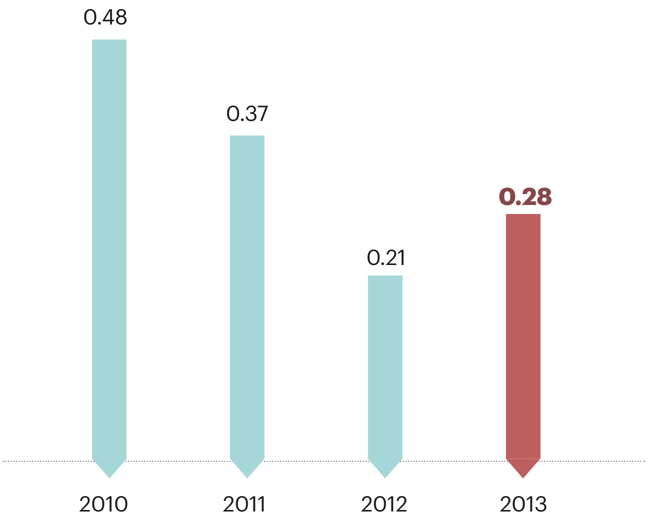
Despite locations in urban centers with little vegetation, half of Gecina's properties are located near species and habitats of interest, as illustrated by the biodiversity mapping accomplished by Gondwana in 2011.

Gecina wishes to preserve and create ecological continuity in the form of green and blue belts and is already integrating this theme in its new programs through the planting of vegetation on its sites.

Thus in 2008, a third of buildable surface area delivered was preserved from construction to promote development of biodiversity.

In order to weigh change in its properties, Gecina used the BAF (Biotope Area Factor) that has been in use for 20 years now in Berlin, which characterizes the degree of vegetation of a lot by establishing a relationship between the eco-developable areas and the area of the lot. Depending on surface types, a coefficient of ecological value per square meter is used to weigh the various eco-developable surfaces. Calculated before and after building work, this factor provides an assessment of the biodiversity of a project. Gecina is convinced that this type of indicator is essential for assessing the environmental footprint of a building and has incorporated CBS into the Responsible Building dashboard of its Construction Management System.

■ **2013 results: BAF (Biotope Area Factor) calculation of new projects delivered since 2010**



Results prior to 2012 are different from those published in 2012. This is due to a change in the calculation method. The method used since 2013 is that used by the City of Berlin.

EXAMPLES OF VEGETATION INSTALLED IN NEW PROJECTS

Beaugrenelle

Located at the intersection of several ecological strips such as the André Citroën gardens and the Champ de Mars, linked by the Seine, this extensive area of green roofs and facades that makes up Beaugrenelle and includes a total area of 7,000 square meters, is a precious additional habitat for numerous plant and animal species that coexist in Paris' 15th arrondissement.

This exceptional project hosts the largest green area in the capital and represents alone 10% of the City of Paris' green roofs target. To achieve the 7,000 square meters of green roofs and facades, Gecina turned to the experienced consultants Gondwana, Raphia for landscaping and the Valode & Pistre Architectural agency. The most suitable species were carefully selected and planted in 40 cm of natural ground cover, with a watering system based on rainwater and an annual cutting and pruning program in place. A careful effort has been made to minimize the death rate of birds by glass collision through the implementation of a glass printing operation to limit the effects of transparency and reflection, with window trim painted in white on facades to eliminate the "large glass surface" effect and rubber protective covers installed on sharp glass corners.

Velum

The Velum building features numerous exterior improvements, with special attention paid to the landscaping and vegetation work, especially through affirmative action regarding the planting of preserved species. The 15,250 square meter area is structured around two hanging gardens and a shaded garden. Two identical areas extend from North to South separated by two crossing patios. The rear of the building is also built around a landscaped garden. Old and native vegetation was preferred in the choice of species. A retention pond for rainwater facilitates the establishment of the gardens. They were selected because of their link with the history of the lot, which is located on the left bank of the Rhône. The species recall the vast alluvial forests, when the Rhône was still a wild watercourse with huge flood plains that made up the Val-de-Rhône marshlands.

Vélizy Way

Re-vegetate the lot is the watch word of this project. The future Vélizy Way project incorporates life and makes way for vegetation in what was once a highly impermeable lot.

A good number of improvements are planned, to include an ecological pond covering 440 square meters, an orchard with 43 fruit trees and valleys totaling 6,000 square meters of landscaped area. These finishes were recommended by landscaper Valérie Patrimonio and reviewed by LPO through a biodiversity audit. They will result in a gain of 200% in terms of vegetation and 7.4% in terms of soil permeability. The BAF for the project also increases from 0.26 before the work to 0.43 after completion.

GRAY BIODIVERSITY

Building materials account for hundreds of millions of tons of raw materials each year for infrastructure and buildings. Extracted all over the world, processed and transported, warehoused and reprocessed, these resources, whether renewable or not, are proof of the overall impacts of every building on biodiversity. This is known as "grey biodiversity" in tandem with "gray energy" necessary for the manufacture of materials.

The choice of building materials has a major impact on the gray biodiversity of a building. There are two essential criteria to be taken into account:

- the source of the materials: preferring local resources limits transport and develops local industry;
- the type of materials: synthetic materials are produced by complex industries that consume energy and chemical products, with negative effects on the environment. So-called "biosourced" materials, or compounds using a quantity of biosourced material, do not require the same treatment and consequently produce a smaller environmental footprint. To encourage the use of biosourced materials, in 2012 the government created the "Biosourced Building[13]" label to distinguish buildings using materials of this sort.

Because biodiversity preservation also takes account of gray biodiversity, Gecina measures the environmental footprints

(13) Biosourced material: Material taken from plant or animal biomass that can be used as raw material for construction or decoration products, fitting or for construction materials in a building (Decree of December 19, 2012 relating to content and attribution terms of the Biosourced Building label).

of its properties, in particular the materials they are made from, through life cycle analyses (LCAs) (see Chapter 7.4.2.1 "Life cycle analysis".

COMMITMENTS 6 AND 7: INCORPORATE BIODIVERSITY IN THE RENOVATION AND OPERATIONS PHASE

OBTAIN LABELS FOR LANDSCAPED AREAS OF PROPERTIES

Gecina chose the Ecojardin label from various action possibilities in the labeling of the landscaped areas of its assets. This label is awarded by NatureParif and recognizes ecological quality of sites as well as reasoned management of the space.

To start this initiative on its properties, Gecina chose the Saint-Charles residence (Paris 15th arrondissement) as a pilot site and cooperated with its landscaping contractor ISS to develop a planting plan for the residence that was awarded the Ecojardin label on December 2, 2013. The refurbishment of this garden area improved biodiversity propagation possibilities. The finished project features native species, ground cover plants, insect hotels, a compost site and nesting boxes.

This is the first French residence to obtain the label. Gecina intends to continue along this path in pursuing its commitment in 2014 with the labeling of other sites such as the Auguste Lançon and Blomet residences in Paris' 15th arrondissement.

INCORPORATION OF BIODIVERSITY REQUIREMENTS INTO SPECIFICATIONS

Since 2012, landscaped area maintenance specifications for commercial and residential buildings have been reviewed with an ecologist in order to use more sustainable practices and to integrate a differentiated management approach.

In 2014, Gecina will establish specifications for the design of landscaped areas that integrate the requirements of the Ecojardin label as well as maintenance specifications requisites.

COMMITMENT 8: HEIGHTEN TENANT AWARENESS

Gecina wishes to mobilize all its stakeholders to adhere to biodiversity practices, and in 2012 it organized two biodiversity conferences through its sustainable development club, Gecina Lab.

In 2013, Gecina began the initiative of increasing biodiversity awareness among its tenants. One of the first actions consisted in installing beehives on its commercial properties. This first phase sparked dialogue for implementing other actions such as the review of green areas, site maintenance directed toward ecological quality and the establishment of biodiversity reservoirs.

Gecina selected 16 commercial buildings from its asset base of 90 for the installation of beehives, depending on both their size and the expectations of tenants.

Throughout the year, one or two events were set up to introduce tenants to hive products and to make them aware of the initiative in general as well as the importance of preserving and enhancing biodiversity.

To date, 17 beehives have been installed.

The 2013 harvest produced 250 kilos of honey, making this action a clear success among tenants, who have become involved, such as the occupants of the Défense Ouest building, who came up with the idea of selling honey to their fellow employees in the building and donating the profits to the Enfance Espoir association.

COMMITMENT 9: INVOLVE GECINA'S PARTNERS IN RECOGNIZING THE IMPORTANCE OF BIODIVERSITY

Gecina drafted a performance enhancing program for commercial buildings in 2013 that determines the building standards for the company and requests its project bearing partners to adhere to them, such as the developers of VEFA future completion sales projects. This program incorporates all of the CSR themes and especially Gecina requirements in the area of biodiversity (see commitment 1).

The student residence performance enhancement program has also been in revision since the end of 2013.

To achieve an exhaustive assessment of its actions in this area, Gecina carried out opinion surveys in 2012 with internal and external stakeholders to get their perspectives on the Group's management of biodiversity.

Seven company representatives from different business lines and 24 external tenants, partners and experts were surveyed at this time. The table below summarizes the outcome of their perspectives using a strengths/weaknesses matrix:

Strengths	Weaknesses
Internal views	
Operational staff likely receptive to this approach	Lack of internal and external communication
A real estate company that creates biodiversity standards	Lack of middle management consciousness
A client focused real estate company	
A perception of biodiversity as a sustainable profitability source	
External views	
A structured CSR policy with a long term vision	Study only developed on few buildings
The deployment of human and financial resources	Assets mostly located in urban environment
A foundation that strongly supports biodiversity	No data monitoring of action efficiency
	No systematic partnership on construction projects

COMMITMENT 10: WORK IN COOPERATION WITH BIODIVERSITY PLAYERS

Gecina is actively involved on the organizations dedicated to this subject (see Chapter 7.6.2.5 Active participation in representative bodies and think tanks)

CALL FOR INNOVATIVE GREEN PROJECTS

Apart from the aesthetic results, green surfaces of buildings provide numerous advantages to structures, including insulation, water regulation and providing a source of comfort and well-being to occupants. They are also a refuge for urban biodiversity if they are designed in harmony with their environments.

In 2013, Gecina together with a team made up of LPO, Noé Conservation, Gondwana, Goodwill Management and Les Jardins de Gally, were selected to participate in the "Innovative Green Surface" project bid offered by the City of Paris under the guidance of the Paris Region Lab.
The proposed project consists of monitoring life and ageing of green roofs and walls of Gecina properties for a period of 3 years.

Gecina is satisfied that the true meaning of innovation is the real or immaterial value it produces. As such, it wishes that this experimentation will produce ecological, sociological and economic benefits in addition to highlighting areas of improvement of such systems, followed by an open sharing of them among the entire profession. This sort of feedback is a precondition to multiplying green surface projects.

The experimentation will be carried out over three years and will be broken down into the following phases:

- determination of a follow-up protocol and indicators with the entire project team;
- protocol testing and follow-up with selected Gecina buildings over three years;
- publication of a report intended for the entire profession through the intermediary of the LPO biodiversity club.

For the three years, the project team and representatives of the City of Paris, the biodiversity observatory and the DEVE will meet in quarterly steering committees to share observations and difficulties encountered and to effect any modifications needed to the follow-up protocol established. The internet site set up by LPO through its club will be a vector for publishing this initial feedback.

Gecina has already chosen eight buildings from its asset base to participate in the experiments, six of which are commercial and two residential. This experiment is of course open to all clients who would like their buildings to apply the same follow-up protocol.

Gecina is constantly on the lookout for continuous innovation and improvements. To this end it has stated that it is prepared to accept projects winning this bid that integrate the follow-up protocol on its properties and principally on its head office building.

7.4.3.2 THE ADDED VALUE OF BUILDINGS THAT INTEGRATE BIODIVERSITY

Beyond the principle of service rendered to ecosystems, the economic enhancement provided by biodiversity is of interest to Gecina in that it adds credibility to its actions and federates other real estate players around the theme. This includes economic value of a property with green surfaces regarding benefits to the community in terms of reducing heat island effects, rainwater management and regulation of atmospheric pollution, energy savings achieved by tenants and productivity gains by building occupants. Gecina contracted with a group of Goodwill Management research offices, who is assisting the company in producing immaterial value data, and Gaïadomo, a consultancy firm with whom Gecina carried out a study on the "Assessment of the financial value of services rendered by nature" on the OPIO Club Med in 2011.

A model responding to this issue can be broken down into five phases:

- review of the concept of services rendered by ecosystems;
- design of a model to determine the major biodiversity options applicable to a building;
- study of financialization methods applicable to the various situations possible;
- inventory of internal and external impacts of biodiversity practiced on a building;

- Production of formulas for calculations.

Tests on the buildings of the asset base are set for 2014.

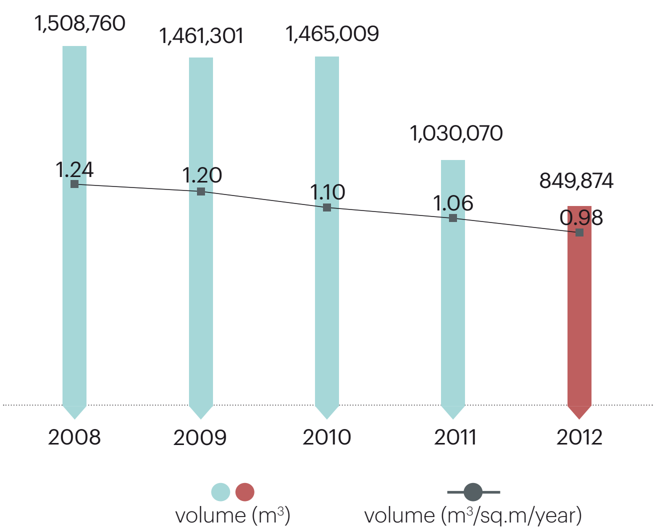
7.4.4. WATER

In 2013, actions continued on the commercial portfolio bearing on installation of systems for monitoring and consumption, and high-efficiency equipment, to include:
- installation of meters;
- connection of meters and sub-meters to a building management system (BMS) for close tracking of consumption and identification of any leaks;
- installation of aeration units to limit throughput;
- installation of rainwater recovery systems on some reconstructed buildings;
- removal of air-cooled towers.

Wherever possible in its residential properties, Gecina provides its customers with the tools required to better control water consumption and preserve sanitation quality:
- collective service contracts for plumbing with at least one annual visit scheduled for each apartment;
- replacement of hot water heaters and stopcocks;
- individual domestic hot water consumption meters with remote meter reading;
- installation of water-saving measures (two-level WC flush, shower heads and tap aerators);
- automatic watering timers, installation of drop-by-drop watering systems and low water consumption plants for ornamental gardens.

Traditionally, in the case of this indicator, the only one in this situation, Gecina cannot publish information for the year "n" other than for consumption of year "n - 1", since reconciliations for the year of the registration document are not available or cannot be extrapolated before the publication date of the report.

Cold water consumption



Installing monitoring systems in properties during 2013, with the same goals of real-time efficiency management for energy (see previous chapter) and water consumption will make data more reliable and cut the time required before they can be published.

Beginning with this significant improvement in 2014, Gecina anticipates contracting an analysis and recommendations task with an expert design office to support the company in determining its strategy and to move beyond updated improvement in performance.

7.5. Employees

Gecina's HR policy reflects the issues of the employee pillar identified in the company's CSR strategy:
- integrate CSR into Gecina's business lines;
- talents and skills;
- working conditions;
- diversity and equal treatment.

This year therefore, this chapter has been organized to describe the actions and results for each of these issues. A summary of the action plans can be found in Chapter 7.1.3.1 "Commitments, goals, action plans and key indicators".

The reporting scope for social indicators covers the entire Gecina workforce. The Group has no employees outside France. Some of the social indicators have been verified with a reasonable level of assurance by the statutory auditors (see Chapter 7.2.1.3 "External verification of data" and 9.2 "Statutory auditors").

June 2013 saw the arrival of the new Chief Executive Officer, Philippe Depoux. A conference was organized for all employees on this occasion.

The traditional annual staff party was preceded by a conference at which the Chairman and the CEO presented a review of 2013 and outlined their strategic vision for the Group's future. Philippe Depoux also unveiled the guidelines for the new organization, due to be adopted in the first half of 2014 in consultation with the employee representative bodies.

7.5.1. INTEGRATE CSR INTO GECINA'S BUSINESS LINES

At the same time, the Group's CSR policy took another step forward in 2013. By putting CSR at the center of its strategy, Gecina has sought to achieve the buy-in of its employees, to place the company in a position of responsibility, and to grow its ability to analyze and anticipate economic, social and environmental issues.

7.5.1.1. INVOLVE SENIOR MANAGEMENT IN CSR

The major decision to include, from January 1, 2014, the CSR management in the Executive Committee and to extend the introduction of collective and individual targets for all directors, rather than just its members, is a testimony to the search for coherence and maximum efficiency in effecting Gecina's transformation.

These quantitative and qualitative objectives, directly aligned with progress in the key indicators of action plans (energy efficiency, building automation, development of the customer relationship, positive biodiversity), while maintaining an excellent ranking in leading CSR indices (e.g. Carbon Disclosure Project, GRESB, Novethic, RobeccoSAM), put into perspective the concrete results obtained, leaving the strategic declarations far behind.

The CSR strategy, action plans and results were examined by members of the Risk Audit and Sustainable Development Committee (CARDD) and were on the agenda at 40% of preliminary working group meetings. CSR topics were reviewed by Executive Committee members at 25% of meetings, either during Steering Committee Meetings or at Executive Committee meetings. The same topics were on the agenda at six of the 11 Management Committee meetings, i.e. almost 50% of the time.

7.5.1.2. RAISE EMPLOYEE AWARENESS OF CSR

So that employees can understand the CSR issues facing the Group and adopt a useful framework for their day-to-day actions, relevant information is regularly published on the company's intranet site and on its specialist blogs. For example, there were 229 publications on CSR issues during the year; these obtained 39,556 hits in total, or an average of 173 hits per article, from 501 employees.

In addition, various awareness-raising initiatives took place throughout 2013, particularly during the Sustainable Development Week in April and the Employment of People with Disabilities Week in November.

Employees attended conferences and workshops, took part in role-plays and quizzes, visited buildings, etc. Participation in these events was voluntary, except for the Group's CSR awareness conference, attended by 278 employees at its head office over two days.

The report drawn up at the end of the Sustainable Development Week revealed that 69% of those surveyed found the events useful. In addition, among the expectations expressed, staff wanted to be more informed on social and human issues, particularly those linked to disability and micro-nutrition, in conjunction with the staff restaurant.

These requests were taken into account when organizing the Employment of People with Disabilities Week. The events organized were aimed at improving the level of awareness among staff of visible and invisible disabilities through quizzes, role-plays, and a conference on diabetes, followed by an event on nutrition organized in association with our catering service provider.

7.5.1.3. PROVIDE STAFF WITH CSR TRAINING

In line with the Group's CSR issues, a training policy was defined in 2013 to empower employees on the CSR issues applicable to their profession, while further boosting their professionalism.

The course was tailored to the professions concerned, particularly those within the real estate sector, with topics such as understanding the CSR, improving energy performance, the introduction of the green lease. Simultaneous to this, other training in social responsibility, dealing with disabilities, diversity, etc. was set up for employees under company policy.

As a result, almost 18% of training hours during the year were devoted to CSR issues, benefiting 90% of the company's employees.

7.5.2. TALENTS AND SKILLS

7.5.2.1. WORKFORCE

In 2013, the Group's workforce fell by 1.6%, from 509 employees in 2012 to 501 in 2013. This decrease, observed over several years, reflects the Group's property portfolio strategy: sales of residential buildings have led to the departure of building staff who worked there, with a 10.6% reduction in headcount. Conversely, the administrative population rose by 1.3% over the same period, from 386 to 391 employees.

Workforce

Category	2011			2012			2013			2012-2013 change
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Managers	104	102	**206**	98	101	**199**	100	100	**200**	0.5%
Supervisors	30	128	**158**	28	121	**149**	27	125	**152**	2.0%
Administrative staff	11	10	**21**	13	25	**38**	17	22	**39**	2.6%
Building staff and superintendents	66	97	**163**	51	72	**123**	44	66	**110**	- 10.6%
TOTAL	**211**	**337**	**548**	**190**	**319**	**509**	**188**	**313**	**501**	**- 1,6%**

☑ 2013 data audited by the statutory auditors that provide reasonable assurance.

The change in workforce over the last three years reflects the recruitment strategy adopted by the Human Resources department.

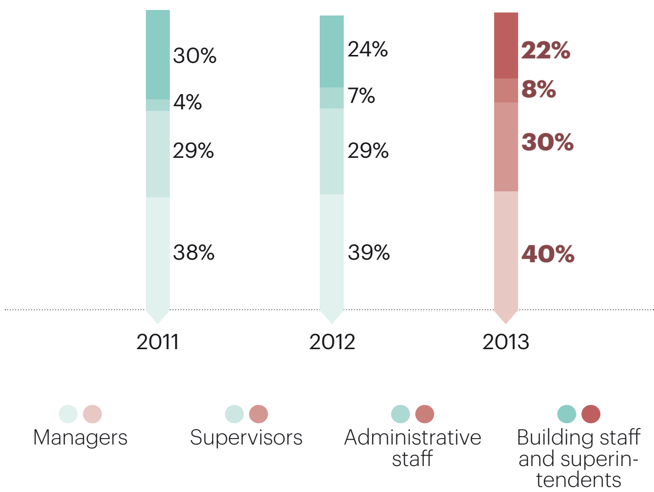
The withdrawal from the residential sector has led to a significant shrinkage of the corresponding workforce, which has fallen from 30% to 22% of the total headcount in three years. Meanwhile, the need for skilled positions has led to a 2% increase in the management population, climbing from 38% in 2010 to 40% of the total workforce in 2013.

The increase in administrative employees from 4% to 8% is due to the recruitment of people on work-study contracts, following the policy introduced in 2012.

Conversely, the number of supervisors, mainly composed of management teams, remains stable with a 1.5% variation.

The high number of temporary staff on a fixed-term contract at December 31, 2013, is mainly due to the replacement of building staff on leave and the recruitment of people on work-study contracts (see Chapter 7.5.2.2 below).

Distribution of the workforce by category since 2011

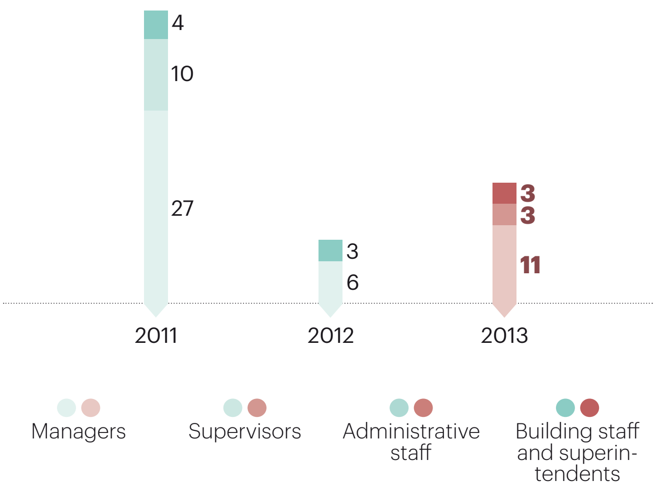


All of the Group's employees are covered by a collective bargaining agreement. Head office personnel are covered by the French real estate industry collective bargaining agreement, while building personnel are covered by the French collective bargaining agreement for caretakers, concierges and building maintenance employees.

7.5.2.2. HIRING AND DISMISSALS

In 2013, the number of employees hired on indefinite-term contracts (CDI) largely equated to the number of staff who left the company. Management posts accounted for 64.7% of hires. Of these, three fixed-term contracts (CDD) were converted into indefinite-term contracts (two managers and one supervisor).

Growth in employees hired on indefinite-term contracts (CDI)



Workforce

Category	Gender	Headcount at 12/31/2012	CDI				CDD		Headcount at 12/31/2013
			Entries	Departures	Promo +	Promo -	Entries	Departures	
Managers	H	98	7	6	1		3	3	**100**
	F	101	4	5	1		2	3	**100**
Supervisors	H	28		1	1	1			**27**
	F	121	3			1	6	4	**125**
Administrative staff	H	13		1		1	23	17	**17**
	F	25					29	32	**22**
Building staff	H	51	2	7			142	144	**44**
	F	72	1	7			82	82	**66**
TOTAL		**509**	**17**	**27**	**3**	**3**	**287**	**285**	**501**

Building staff on fixed-term contracts represent a structurally significant proportion of the hires and departures recorded each year. In effect, these contracts largely correspond to the replacement of superintendents absent due to sickness or on leave. In 2013, they represented 78% of the fixed-term contracts signed.

For the administrative population, the use of fixed-term contracts is more common for work-study contracts, which account for almost 40% of the fixed-term contracts signed. However, the company also resorted to fixed-term contracts for replacements (28%), seasonal staff at student residences (17%), and additional temporary work (almost 16%).

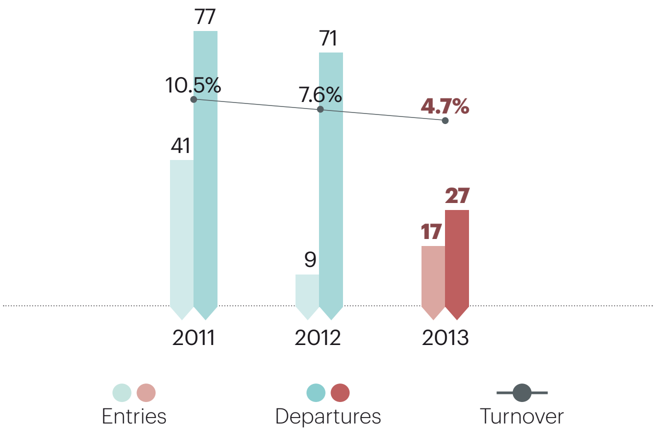
Departures are carefully monitored by the HR department, which interviews each outgoing member of staff. In 2013, the turnover of staff on indefinite-term contracts was 4.7%, a fall of 38% compared with 2012 (7.6%).
Of the 27 departures from an indefinite-term employement contracts analyzed during the year, the main reasons for leaving were: redundancy for personal reasons or contractual termination (44.5%), retirements (29.6%), staff transfers due to the sale of residential buildings (18.5%) and resignations (7.4%). Of the two employees who resigned during the year, one wanted to leave in order to pursue a personal project, while the other wanted to look for a better career opportunity.

Reasons of departure

Reasons	Gender	Resignation	L. 1224-1 transfert	Number of terminations for economic reasons	Number of terminations for another reasons	Departure during open-ended contract trial period	Fixed-term contract resignations	End of fixed-term contracts	Departure during fixed-term contract period	Voluntary retirement or early retirement	Mandatory retirement or early retirement	Death
Managers	H	1			4			3		1		
	F	1			4		1	2				
Supervisors	H				1							
	F							4				
Administrative staff	H				1			17				
	F						2	30				
Building staff and superintendents	H		2					144		5		
	F		3		2			82		2		
TOTAL	**312**	**2**	**5**	**0**	**12**	**0**	**3**	**282**	**0**	**8**	**0**	**0**

In 2013, the turnover rate for indefinite-term employment contracts (CDI) in the Group was 4.7%, a 38% drop compared with 2012, at 7.6%.

Change in turnover of staff on an indefinite-term contract (CDI) since 2011



PERFORMANCE REVIEWS

The annual or biannual performance review is a management tool focused on individual and collective performance within the company, which is guided by the Human Resources department. This formal interview documented by a specific form provides the opportunity for individual employees and their managers to review the past year, analyze how set objectives were achieved, determine which skills were acquired and what needs to be improved upon (so as to identify any training requirements), as well as anticipate and plan for the future.

In order to include operational issues, interviews with administrative personnel are carried out during the final quarter of the current year and with building staff in the first quarter of the following year.

The corresponding forms are recorded for statistical purposes with a one-year lag.

Accordingly, the results published in the financial year 2013 relate to 2012. The overall (administrative and building staff) recording rate of performance reviews was 79%, a 5.8% increase over 2011 (74.4%).

An analysis of the forms completed each year is taken into account by Human Resources, especially when preparing the training plan, career management interviews and other action plans. Employees identified by means of performance reviews may, on the initiative of Human Relations, benefit from support plans intended to work with them on areas in need of improvement or to prepare them for assuming greater degrees of responsibility. As a result of the performance reviews for 2012, 33 employees engaged in HR support programmes during 2013, five of which concerned promotions to management positions.

At the same time, the analysis of the performance reviews for 2013 have begun. At January 31, 2014, **97.9% of the forms**

awaited for administrative personnel have already been sent to HR. This is a **23% improvement** compared with the same period of the previous year, when the rate of return was 80%. Annual building staff performance reviews for 2013 will be carried out until June 30, 2014. Statistics concerning the overall rate of the evaluations completed in 2013 will be published in the 2014 Registration Document.

7.5.2.3. INTERNAL MOBILITY AND PROMOTIONS

The HR department places considerable emphasis on the career management of employees. Temporary or permanent internal transfers are encouraged by advertising vacancies on the intranet or through changes decided in consultation with employees during restructuring or as part of a succession plan. During the year, 20 employees (75% of them women) were transferred internally. The high percentage of women transferred is consistent with the proportion of the Group's overall workforce they represent (62.5%).
In addition, for 2013, internal transfers represented 54% of total hires made.

Change in internal hires compared with external hires, by category

Changes in annual performance levels are considered in managing high potential employees. Gecina promoted 35 persons over the year, 34 of whom were administrative staff, an increase of nearly 13% compared with 2012. These promotions are influenced by changes in skill sets and widening of responsibilities. Half (17) of these promotions concerned management staff with excellent performance levels over two consecutive years.

Among the non-management staff (clerical workers and supervisors), 17 promotions took place, two of which (one man and one woman) to management positions. These last two promotions involved prior support of the employees by their supervisor and Human Resources.

The only promotion occurring among building personnel concerned a woman who assumed greater responsibility by moving to a building caretaker job

The promotions covered almost 8% of the Group's indefinite-term staff, with 57% offered to women and 43% to men.

Promotions

	Managers	Supervisors	Administrative staff	Building staff and superintendents	Total
Men	10	5			15
Women	9	10		1	20
TOTAL	**19**	**15**	**0**	**1**	**35**
Category change					
Men	1				**1**
Women	1	1			**2**

7.5.2.4. TRAINING

The annual training plan is drawn up in consultation with line managers. Focused on Group strategy and technological developments, the training plan is designed to foster the acquisition or development of the core competencies that employees need for their particular role. The recommendations made by line managers take into account the individual training preferences expressed by staff, who are also consulted on the subject. During the year, new training requests may be made and taken into account, depending on the operational priorities or needs identified in individual guidance plans drawn up for some employees following their annual appraisal or at the end of internal mobility.

In addition to the needs expressed by the various departments, some training is also proposed and implemented in line with company policy.

The Group allocated 10,634 hours of training to this policy. This corresponds to an average of 21.9 hours, or three days of training per year per employee, with a budget equivalent to 4.4% of the 2013 employee expenses. The proportion of eligible expenses compared with the mandatory 1.6% represents 3.8% of the employee expenses.

At the same time, employee access to training, by gender and professional category, has improved, rising from 85% in 2012 to 96.8% in 2013.

Number of employees trained by SPC and by gender in 2013

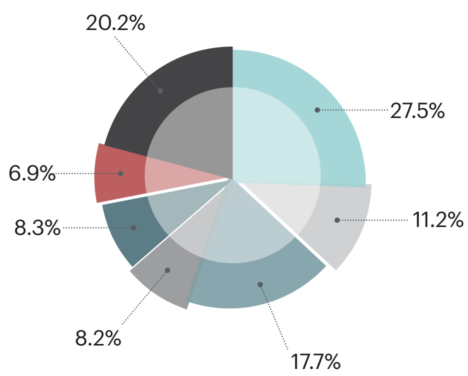
	Workforce			Access to training by SPC and gender					
CSP	Men	Women	Total	Men	% of men with training compared to their representation in the workforce	Women	% of women with training compared to their representation in the workforce	Total Men + Women	Total % men + women trained
Building staff and superintendents	44	66	110	39	88.6%	56	84.8%	95	86.4%
Adminsitrative staff	17	22	39	14	82.4%	26	118.2%	40	102.6%
Supervisors	27	125	152	27	100.0%	119	95.2%	146	96.1%
Managers	100	100	200	103	103.0%	101	101.0%	204	102.0%
TOTAL	188	313	501	183	97.3%	302	96.5%	485	96.8%

Furthermore, in keeping with its commitment to society, the Group allocates some of its apprenticeship tax to schools or charities involved in the field of disability or professional integration. Accordingly, 40% of the apprenticeship tax was ringfenced for this commitment in 2013.

In addition, the training offered as company policy was mainly collective and linked to professions or different CSR issues, such as the environment and sustainable development.

During the year, the five principal training areas were, in terms of volume of hours: real estate (27.5%), CSR (17.7%), communication and marketing (11.2%), office automation and IT (8.3%), and security (8.2%).

Breakdown of training hours by principal fields of study



As part of the Group's training policy, the following programs were proposed in 2013:

- **"act for diversity and avoid discrimination":** launched in 2012, this training course was attended during the year by 75 new members of staff who missed the previous year's sessions, or 15% of the population concerned, thereby increasing the total number of employees trained on this issue to almost 67% of the current workforce;
- **"disability in business":** this training course, launched in October 2013, sought to inform staff of the commitment made by the Group to employ people with disabilities, while offering them the legal and practical knowledge necessary for their work. In total, 79% of employees received this training.

Each training program is followed by an assessment designed to gauge the level of satisfaction of trainees compared with the targets set and the quality of the training. Following an analysis of these assessments, corrective measures are taken where necessary.

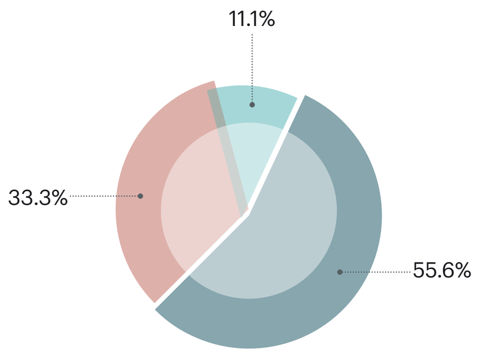
This year, in view of the issues targeted, the focus was on assessments carried out at the end of two training courses offered in line with company policy:

- "**management and Managerial Attitudes":** mandatory training for all company managers since 2011. In 2013, the course was offered to 15 new managers, with an 84% satisfaction rate among those who took part;
- "**disability in business":** offered to all employees, this achieved an 85% satisfaction rate among the 296 employees who completed the assessment questionnaire.

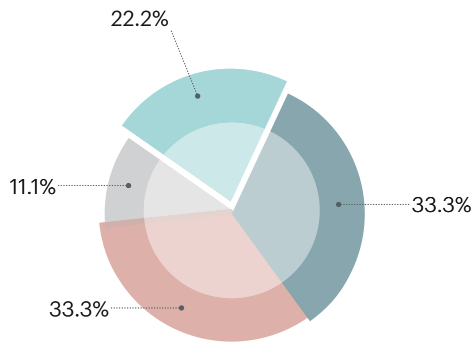
Gecina has also continued its skills development policy for employees wishing to go on a training course leading to a certificate, qualification or diploma with the support of the HR team. This program, which began in 2012 with 10 participants, was extended to a further five employees in 2013. In total, 15 employees completed the program in 2013, with an average duration of 28 days per employee. Of the nine employees who completed their training during the year, six validated the course by obtaining professional accreditation, thereby boosting their qualifications. The program had a 67% success rate in 2013, i.e. two out of three employees.

All employees involved in this project received support from the careers management service, while 56% switched to a new job in line with their career plan and new professional skills, depending on the opportunities available. This included those employees who did not gain the qualification expected.

Employee initial level of training



Employee level at the end or training



Level IV (high school / votech diploma / cert. Of competency) | Level III (2 years of secondary education) | Level II (3-4 years of secondary education) | Level I (Master's degree)

7.5.3. WORKING CONDITIONS

7.5.3.1. ORGANIZATION OF WORKING HOURS

Within the Group, working hours and the organization of work are generally defined by corporate agreement, depending on the category of employee. Aside from senior managers not subject to regulations governing working time, employees with managerial status are required to work a fixed number of days on an annual basis by virtue of their responsibilities and autonomy.

Non-managerial employees are either subject to a collective variable schedule or are required to work a fixed number of hours on an annual basis if their duties include frequent travel away from the corporate head office.

Based on an average of 35 hours per week, the agreement sets a weekly variable work time of 37 hours and 30 minutes, which is an annual rate of 1,567 hours and an annual day-based formula of 207 days, offset by the allotment of days off in lieu (15 or 17 days depending on the work time formula adopted).

Hours put in by employees over the regulated thresholds are considered overtime. During the year, this totaled 296 hours, representing a fall of 78% compared with the amount paid in 2012, which stood at 1,360 hours over two fiscal years (2011 and 2012).

FLEXIBLE WORKING HOURS

The company offers its employees the option of working within a broad daily timetable, in order to guarantee a satisfactory work/life balance while maintaining collective performance.

PART-TIME WORKING ARRANGEMENTS

Employees are entitled to work part-time based on various schemes. When employees apply for part-time working hours under the agreement for the employment of older employees, management compensates a portion of the resulting loss in salary, including pension contributions. These employees, like those eligible for part-time parental leave, can voluntarily opt to maintain social security contributions based on 100% of their salary.

The total number of employees benefiting from part-time working arrangements in 2013 remained constant compared with 2012, at 40 employees. The number of older employees working part-time was 37.5%, while only 10% of employees opted to take part-time parental leave.

There are 348 full-time employees, excluding senior managers and resident caretakers.

Organization of working hours

	% of work time	Number of employees at 12/31/2011	Number of employees at 12/31/2012	Number of employees at 12/31/2013
Executive managers		15	15	21
Annual basis (hours)	100%	10	10	8
Annual basis (days)	From 50% to < 80%	2		
	From 80% to < 99%	7	9	12
	100%	176	171	165
Resident superintendents	Not subjected	137	100	92
Salaried employee with variable working hours	< 50%	3	4	3
	From 50% to < 80%	7	5	5
	From 80% to < 99%	22	22	20
	100%	169	173	175
TOTAL		**548**	**509**	**501**

* including building staff

In order to guarantee its staff the best working conditions, occupational health and the prevention of work-related stress are among Gecina's foremost concerns. This commitment is reflected in the various measures taken over the years in terms of work organization.

In keeping with this commitment, in 2013 Gecina adopted new concrete measures to prevent occupational stress, support parents and improve the work/life balance.

7.5.3.2. EMPLOYEE HEALTH, SAFETY AND ABSENTEEISM

In March 2013, Group management, in agreement with its Health, Safety and Working Conditions Committee (CHSCT), decided to commission a report on company working conditions from an independent firm, Technologia, to anticipate any repercussions on the physical and mental welfare of its employees.

To that end, an anonymous questionnaire was sent out to all staff, followed by one-to-one interviews with a panel of 60 employees, selected at random and representative of the various professions within the company. A specific focus group was also set up for building staff, who were observed at work for relatively short periods.

Fully 67% of staff took part in the survey, which lasted for more than three months. The resulting analysis was presented to the CHSCT and to Gecina's Executive and Management Committees. This was followed by a series of meetings to analyze and investigate the matter further. The resulting action plan is monitored by the Committee for the Prevention of Occupational Stress, which was created for this purpose.

Its aim is to:
- set up support centers (counseling unit for sufferers, counseling sessions, etc.);
- step up internal communication on the strategic direction of the company by opening up new communication channels;
- revising the Management Charter and Ethics Charter, offering managers training and auditing the annual appraisal practices.

In 2013, the Human Resources department was contacted by five employees suffering from stress due to interpersonal relations in their department. Following an investigation, the necessary measures were taken in agreement with all those concerned.

In terms of work-related stress, in accordance with the action plan drawn up in 2012, the following actions were taken:

- **At company head office**

Purchase of ergonomic chairs, redesign of three workstations.

- **In buildings**

Of the 60 buildings identified in the action plan, 50% were visited by HR, sometimes accompanied by occupational medicine. Depending on the situation, these visits resulted in corrective measures being taken, such as purchasing new equipment or redesigning workstations.

Following the health issues identified, nine workstations were redesigned, involving the purchase of more suitable equipment and tools (chairs, tow tractors for bins, installation of access ramps) and dispensing with physically demanding work. In addition, in order to improve working conditions, inventories and quality assurance visits were facilitated by the introduction of tablet computers for the employees concerned. In terms of floor cleaning, new mops with built-in reservoirs were introduced on a trial basis to replace the more cumbersome traditional mops and buckets.

The Risk Management department also visited buildings to identify hazards and analyze the risks that Gecina staff might be exposed to. This resulted in the production and updating of documents that are unique to each building.

In terms of the risk of accidents and occupational illness, a study carried out revealed that the 102 caretakers and building staff on indefinite-term contracts could be at risk. Of these 102 employees, 47.5% were identified as being exposed to the risk of an accident due to the tasks they had to carry out, as well as the overall duration of those tasks (more than four hours a day). These included mail delivery, taking the bins out, building maintenance (cleaning, ground maintenance) and various manual jobs.

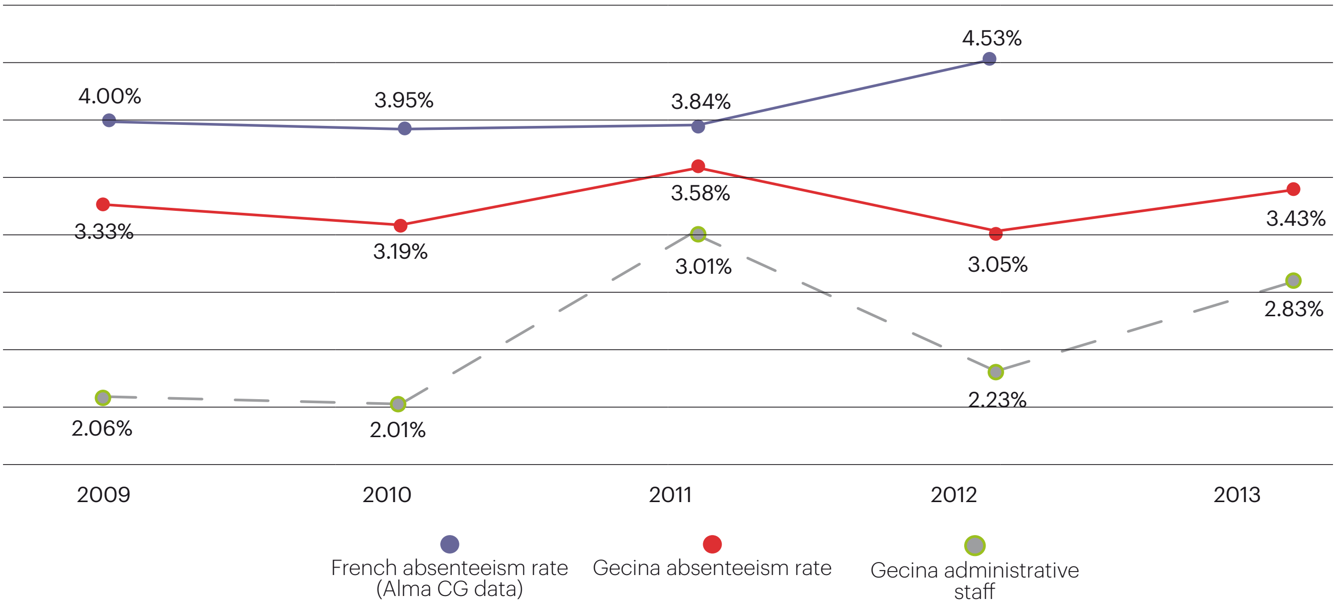
However, the company is pleased to report that no occupational illness or fatal accidents occurred during the year.

Absenteeism

	2011	2012	2013		
	Total	**Total**	**Total**	**Administrative staff**	**Building staff**
FTE monthly average	559.25	512.63	**489,71**	380.68	109.03
Illness	6,978	4,687	**5,429**	3,572	1,857
	3.47%	2.54%	**3.08%**	2.61%	4.73%
Work-related and commuting accidents	231	937	**622**	304	318
	0.11%	0.51%	**0.35%**	0.22%	0.81%
Family leave	461	427	**350**	320	30
	0.30%	0.30%	**0.26%**	0.32%	0.09%
Absenteeism rate	**7,670**	**6,051**	**6,400**	**4,195**	**2,205**
	3.88%	**3.35%**	**3.69%**	**3.15%**	**5.63%**
Maternity/Paternity	933	1,163	**951**	940	11
	0.46%	0.63%	**0.54%**	0.69%	0.03%
Other leave	1,232	327	**960**	849	111
	0.80%	0.23%	**0.72%**	0.86%	0.33%
Total	9,835	7,541	**8,311**	5,984	2,327
	5.14%	4.21%	**4.96%**	4.69%	5.98%

The average number of days of absence per Gecina employee* amounted to 12.4 days in 2013, compared with 11.0 days in 2012, an increase of 12.7%. The 2012 Gecina average may be compared with the national French average of 16.6 days, according to the latest Alma CG absences barometer published on September 4, 2013 (shown in the graph below), a difference of -33.7%. A fairly significant difference exists between indicators of head office personnel and those of staff working in the buildings, primarily in residential buildings.

Change of Gecina absenteeism rate



Absenteeism rate with absence due to illness, work-related and commuting accidents

An increase in the absences for illness was unfortunately recorded in 2013. Compared with 2012, the number of days absent increased by 15.8%, the absenteeism rate by 21.3% and the number of employees in work stoppage for illness by 10.2%.

Absenteeism due to sickness affected 269 employees in 2013, or 54.9% of the full-time equivalent average monthly workforce, with an average of 20 days' absence per employee. However, these figures must be put into context, since 40.7% of sick leave days (2,210) were attributed to 10 employees who had at least 100 days off during the year, while 29.8% of sick leave days (1,615) were attributed to 201 employees had fewer than 30 days off during the year. Short-term absenteeism (fewer than three days' absence) affected 157 employees and represented 8.3% of days off due to sickness (451).

Conversely, in 2013 the beneficial effects of the corrective measures taken to prevent workplace accidents can be seen (training on workplace ergonomics and posture, provision of personal protective equipment, purchasing of suitable equipment, etc.). Therefore, absenteeism due to occupational accidents (work-related accidents and commuting accidents) fell significantly compared with 2012. This represents 622 days of absence, or a decrease of 33.6%, and an absenteeism rate of 0.35%, or 30.8% less than in 2012, when it stood at 0.51%.

An analysis of these accidents has shown that of the 24 accidents recorded during the year, only 13, or 54%, are work-related accidents and could be linked to working conditions and situations. The 11 other accidents recorded, or 46%, took place while commuting. The number of days off work (194) caused by these commuting accidents only affected administrative personnel, accounting for 31% of the 622 days off due to accidents during the year.

Of the 428 days off caused by work-related accidents, 318 (74%) concerned building staff and 110 (26%) concerned administrative personnel.

Of the 13 work-related accidents recorded, eight were caused by falls or twists, which generally occurred in winter, and three occurred during physical assaults in the workplace, particularly for building staff. Only one accident occurred while handling objects in the workplace. In accordance with the commitments assumed by HR, workplace ergonomics and posture training is planned for the member of staff concerned.

Safety and working conditions

	2011			2012			2013		
	Lost time	No lost time	Total	Lost time	No lost time	Total	Lost time	No lost time	Total
Number of work-related accidents	6	10	16	10	7	17	**11**	**2**	**13**
Number of commuting accidents	2	6	8	6	4	10	**7**	**4**	**11**
TOTAL	**8**	**16**	**24**	**16**	**11**	**27**	**18**	**6**	**24**
Number of days of absence from work as a result of the work-related accident	166		166	566		566	**428**		**428**
Number of days of absence from work as a result of the commuting accident	64		64	371		371	**194**		**194**
TOTAL	**230**	**0**	**230**	**937**	**0**	**937**	**622**	**0**	**622**

Despite this, the incidence of occupational loss-time accidents rose slightly compared with 2012, from 10 in 2012 to 11 in 2013.

Frequency rate

	2011	2012	2013
Frequency rate		11.43	**13.30**
including			
Administrative staff	1.60	0.00	**6.53**
Building staff	14.82	36.63	**32.64**

Calculation = Nb occupational loss-time accidents x 1,000,000/Nb of theoretical worked hours x ETP month

Conversely, the reduction in lost time is reflected in the severity rate, which went from 0.65% in 2012 to 1.52% in 2013.

Severity rate

	2011	2012	2013
Gravity rate		0.65	**0.52**
including			
Administrative staff	0.11	0.00	**0.18**
Building staff	0.29	2.07	**1.48**

Calculation = Nb of days lost due to occupational loss-time accidents regardless the date x 1,000/Nb of theoretical worked hours x FTE month

7.5.3.3. STAFF COHESION AND EMPLOYEE-MANAGEMENT RELATIONS

Gecina respects the principles of the ILO and the commitments assumed under the Global Compact. ILO issues can be found in the requirements communicated by the Group to its suppliers and subcontractors.

In 2013, regular and special meetings with the Works Council, staff representatives and members of the Health, Safety and Working Conditions Committee (CHSCT), and meetings to review the various corporate agreements, provided 65 opportunities to discuss collective or individual employee issues relating to working conditions at the company.

List of agreement 2013/2014

Signed in 2013	2014 projects
• Mandatory 2013 annual negociation - Minutes of disagreement	• Re-negociation of the collective agreement on the employment and skills
• Memorandum of the collective agreement on the employment and skills (4 month)	• Re-negociation of the collective agreement on the category
• Memorandum of the collective agreement on Participation pension	
• Mandatory of the collective agreement on supplementary pension	
• Mandatory of the collective agreement on Participation pension (unblocking)	
• Mandatory of the collective agreement on supplementary pension (unblocking)	
• Mandatory regarding to Generation contract	
• Memorandum of the collective agreement on the employment and skills (8 month)	
• Memorandum of understanding regarding the elections of the Work's Council and Staff delegates of the Gecina group	
• Mandatory 2014 annual negociation - Agreement	

7.5.3.4. INCENTIVE SCHEMES AND EMPLOYEE ENGAGEMENT IN GROUP PERFORMANCE

Gecina's remuneration policy is based on a balance between the Group's ability to increase revenue and profitability and the proportion distributed to employees through its salary policy. The general level of salary increase is established with the unions during the obligatory annual negotiations which this year produced agreed minutes signed off by both parties. Since January 1, 2013, managers have no longer been eligible for the general increase.

A budget specifically intended for individual pay increases and bonuses is set aside to reward employees on merit. These individual increases and bonuses are allocated each year on the basis of results and performance with regard to the targets set for the employee. The amount must be within the bracket established for each person's level of responsibility.

Remuneration

in €	Adminsitrative staff	Building staff	Group
Amount of bonuses paid	3,401,846	46,587	3,448,432
Gross total payroll	25,827,745	3,286,966	29,114,711
% of total payroll	13.2%	1.4%	11.8%

MEDIAN LEVEL OF REMUNERATION AND INCREASES

Calculation of the median salary is based on the number of employees on indefinite-term contracts, excluding corporate officers, present from January, 1 to December, 31, 2013; the salary taken into account is the fixed annual base salary (excluding variable remuneration), but including the 13th month and long-service awards. The total is then divided over 12 months as follows:
administrative staff (100% for part time);
building staff (proportional to their on-duty time).

gross median monthly salary for the group

Median monthly salary (€)	2011	2012	2013	Change 2012-2013
Managers	4,685	4,816	**4,852**	0.7%
Not manager	2,993	3,100	**3,204**	3.4%
Building staff	2,108	2,169	**2,245**	3.5%

In 2014, the Group will introduce a new set-up with a customer/supplier focus, organized by business line rather than by type of real estate (See Chapter 5.1 "Chairman's report on corporate governance and internal control").

Tailored for the real estate value chain, this will involve the creation and/or consolidation of certain business lines, which in future will facilitate the calculation of the average base salary for each one.

- **Group Savings Plan with employer's contribution and capital increase reserved for employees**

A Group Savings Plan (PEG) is designed to receive savings from employees via four mutual funds with diversified profiles (money-market, balanced, European equities and bond solidarity funds) and one mutual fund invested in the company's shares. The PEG benefits from an employer's contribution of up to €2,100 gross per employee depending on the amounts invested.

The gross amount paid out in 2013 under the incentive and profit-sharing scheme for 2012 was €3,221,000, equivalent to 11% of the 2012 employee expenses, while the employer's contribution paid in 2013 by Gecina for the PEG or PERCO (Collective Retirement Savings Plan) amounted to €921,000 (€766,000 for administrative staff and €155,000 for building staff).

- **Employee shareholding**

At December 31, 2013, Group employees held 489,465 Gecina shares directly and 110,482 Gecina shares indirectly via the Gecina employee shareholding fund (FCPE Gecina actionnariat), representing a total of 0.95% of share capital.

- **Performance shares**

The company has introduced two performance share plans:
- the first plan is reserved for directors or employees of the company and those of its associates within the meaning of Article L. 225-180 of the French Commercial Code;
- the second is intended for all Group employees who by December 13, 2013 had worked for the company for at least three months.

The two plans have a duration of four years (two-year vesting period and two-year lock-up period).
The performance condition is a comparison between movements of Gecina's stock market price and the SIIC France index over the reference period.
Detailed information on these performance shares can be found in Chapter 6.4 "Stock options and performance shares".

In June 2013, the Group published an individual social report intended for indefinite-term contract employees in order to present all elements of their overall compensation, social protection, employee savings plans, training performed and other benefits offered by the company in 2012. The satisfaction survey that was carried out at the end of this third edition revealed that among the 222 employees who responded out of 439 questioned, 89.6% were satisfied with the process and 92.3% found it useful.

7.5.4. DIVERSITY AND EQUAL TREATMENT

7.5.4.1. DIVERSITY POLICY

Since signing the Diversity Charter in 2010, the Group has refined its HR processes, and more specifically recruitment, training and career management.

The issues addressed – gender equality, the employment of older people and strategic workforce planning – are covered under a corporate agreement and are measured based on a set of indicators presented at follow-up meetings held every six months with staff representatives.

As part of this commitment to society, and in order to strengthen its diversity policy, in 2013 the Group was keen to define a structured employment policy for people with disabilities. To do this it commissioned an audit from a specialist consultancy, Rayonnance. This led, on October 1, to the signing of a two-year agreement with AGEFIPH, the French association for the integration of people with disabilities.

7.5.4.2. EMPLOYING PEOPLE WITH DISABILITIES

For Gecina, defining a policy for the employment of people with disabilities and making this official through a partnership agreement with AGEFIPH is a public testimony to its commitment. This is an opportunity for the Group to have a structured framework so that it can prepare a sustainable strategy that will continue long after the agreement.

It is also an opportunity to strengthen employee-management relations while offering employees and directors a chance to get behind a business project with implications for the company and society as a whole.

Through this commitment, the Group has set itself the following objectives:
- to improve the situation both from a quantitative point of view (awareness-raising initiatives, level of employment, number of new hires, continued employment, etc.) and from a qualitative point of view (changing perceptions of disability, monitoring of the integration of employees with disabilities, flexible working hours and adapted workstations, skills development, career management, etc.);
- to manage the employment of people with disabilities independently and to incorporate this issue into the company's HR management policy by building the right partnerships and taking the necessary action to develop a suitable and effective employment policy for people with disabilities.

As a minimum, these objectives encompass the following six strands:
- staff awareness and training;
- information and communication with various internal and external stakeholders;
- recruitment and integration of candidates with disabilities;
- career guidance for employees with disabilities;
- continued employment of employees no longer able to perform their job;
- cooperation with companies employing people in adapted and protected work environments (Institutions and services through Work, Adapted Enterprises).

These various strands, translated into action plans, have led to the implementation of concrete initiatives such as the first quarterly review presented to the Steering Committee for People with Disabilities, which found that:
- 79% of staff have received disability awareness training;
- a program of events has been set up (Employment of People with Disabilities Week, visits to professional retraining centers, etc.);
- a partnership has been established for the employment of trainees with disabilities with a professional retraining centre;
- indicators have been defined to prevent professional discrimination against employees with disabilities;
- increase in the number of employees recognized as having a disability, from six in 2012 to nine in 2013.

7.5.4.3. EMPLOYABILITY OF OLDER AND YOUNGER EMPLOYEES (UNDER THE AGE OF 26)

In June 2013, Gecina was one of the first companies in the real estate sector to sign a three-year agreement with its social partners under the "Generation Contract". This agreement, which replaces the "Older Employees" agreement, had to be negotiated by French companies by September 30. It fulfills a threefold objective:

- to foster access to permanent employment among workers under the age of 26 (or 30, if they are recognized as having a disability);
- to promote the hiring and continued employment of older people by proposing specific age-related measures, starting from the age of 45;
- to encourage the transfer of knowledge and skills between different generations.

At Gecina, the measures proposed under the Generation Contract were defined following a detailed analysis presented to staff representatives. Built into the Group's HR processes, these are aimed at contributing to Strategic Workforce Planning (SWP) while reflecting Gecina's commitment to society.

IN TERMS OF RECRUITMENT:

From July 1, the Group pledged to allocate since 3 years:

- 15% of total recruitment for indefinite-term contracts to young people under the age of 26;
- 5% of total recruitment for indefinite-term contracts to candidates aged 45 and over;
- the necessary resources for the recruitment of interns by offering them jobs directly related to their studies, particularly within the Group's vulnerable areas.

CONTINUED EMPLOYMENT OF OLDER WORKERS:

The Group has pledged to continue employing older workers over the age of 55, so that at the end of the agreement in June 2016, they make up 20% of the total workforce. Various age-related measures have been proposed.

Measures offered to employees aged 45 and over:

- invitation to a late-stage career interview, so that the career management team can review skills, training requirements and career development. This optional interview for the over-45s will take place every five years;
- personal monitoring by HR where the company doctor has requested an adaptation of the work-station;
- skills assessment/accreditation of prior experiential learning (APEL): possibility of an HR interview with possible companion study.

Measures offered to employees aged 55 and over:

- part-time older employees (administrative): possibility of flexible working hours with the employee cutting down to 80%, but being paid for 85%, based on a four-day week;
- option of a one-to-one interview with pension funds for a personal retirement review;
- option of an HR interview to identify situations that could be physically demanding.

Measures offered to employees aged 57 and over:

- part-time older employees (administrative): possibility of flexible working hours with contributions based on full-time employment, with the employee cutting down to 80%, but being paid for 90.4% (based on a four-day week), or 60%, but being paid for 75% (based on a three-day week);
- guidance on how to prepare for retirement: three-day training course available as part of the individual training entitlement
- organization of a late-stage career interview so that the career management team can review skills, training requirements and career development. This interview will take place every three years;
- retirement support for building staff aged 60 and over in order to analyze and anticipate retirement issues; help with finding accommodation under the "housing initiative" or from within Gecina's own social housing portfolio (subject to availability).

IN TERMS OF KNOWLEDGE AND SKILLS TRANSFER:

- introduction of mentoring for new hires under the age of 26. The mentor, who must be at least 45 and who is voluntary, with no hierarchical relationship with the young person, is responsible for facilitating the integration of the new recruit during the first six months, introducing him or her to the company, how it operates and its values. An expert in the new recruit's specialist area or with cross-functional competencies, the mentor may also help the new recruit prepare for management and HR interviews.
- intergenerational business breakfasts: an opportunity for the different generations within the company to meet and engage in debate on a range of topics chosen by HR.

This agreement is accompanied by specific indicators, monitored on a halfannual basis at meetings with employee representatives.

At December 31, 2013, i.e. six months after the agreement was implemented, it could already be observed that:

- the recruitment rate for young people under the age of 26 was 43%, compared with the target of 15%;
- the percentage of over-55s was equivalent to 22% of the workforce;
- two new requests for part-time work had been made by employees over the age of 55;
- late-stage career interviews had been arranged for 10 employees over the age of 57;
- briefing sessions on general and supplementary pensions or personal interviews on company premises with general and supplementary pension funds had been arranged for around 60 employees.

7.5.4.4. GENDER EQUALITY

Gender equality is monitored each year together with the company's employee representatives.
On this basis, various indicators have been introduced.

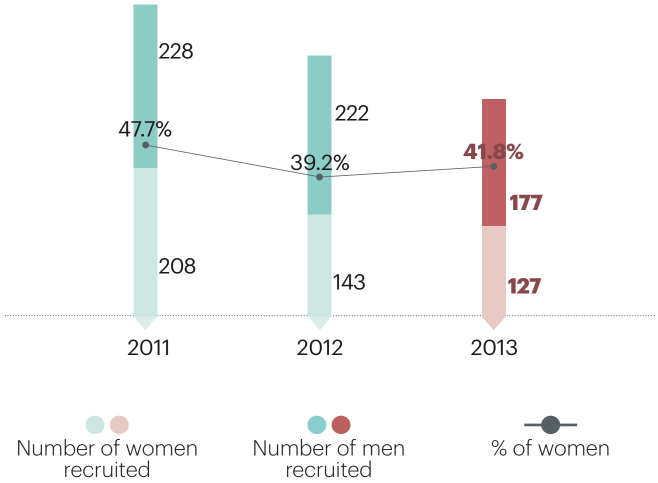
- In 2013, 62.5% of the Group's workforce were women, virtually unchanged from 2012, when the figure was 62.7%.

During the year, women accounted for 41.8% of total hires made (47% of indefinite-term contracts and 41.5% of fixed-term contracts).

In accordance with the commitments assumed under the professional equality agreement, the HR department strives wherever possible to achieve an equal balance of men and women when selecting applications.

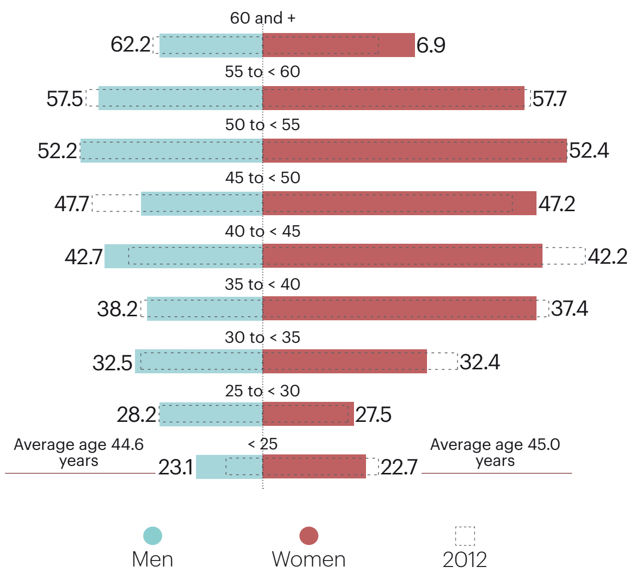
For example, women represented 49% of the 297 applications selected and accounted for 50% of the 183 recruitment interviews held during the year.

Distribution of the workforce by gender since 2011



- At 45, the average age remains unchanged compared with 2012. For women, this was 45 in 2013 compared with 44.5 in 2012.

Breakdown of Group ages 12/31/2013



(Avantage age at the 12/31/2013)

- Women who received training represented 62.3% of the trained workforce, consistent with the proportion of women in the company.

Number of women recruited

		Adminsitra-tvice staff	Adminsitra-tvice staff
Number of women recruited in 2013	CDI	7	1
	CDD	37	82

Percentage of training hours performed by women

Worforce					Number of employees access to training and gender				
Men	%	Women	%	Total	Men	% of men with training compared to their repre-sentation in the training employees	Femmes	% of women with training compared to their repre-sentation in the training employees	Total
188	**37.5%**	**313**	**62.5%**	**501**	**183**	**37.7%**	**302**	**62.3%**	**485**

- In terms of flexible working hours, of the 10 female employees who went on maternity leave in 2013, only one wanted to return part-time. Conversely, 349.5 days were taken by employees for family reasons and 88 days of paternity leave were taken. In addition, for the 54 parents who incurred childcare costs for their children under the age of six, the total allowance paid was €40,598.
- In terms of remuneration, of the 375 indefinite-term staff, 93.1%, or 349 employees, re-ceived variable remuneration, with wo-men representing 60.2% of beneficiaries.

Average individual increase for management vs. non-management and by gender

Category	M	W	Total
Manager	2.58%	3.00%	**2.76%**
Not manager	1.34%	1.13%	**1.18%**
TOTAL	**2.40%**	**2.15%**	**2.26%**

In 2013, individual pay increases were 2.26%. On average men saw an increase of 2.40% compared with 2.15% for women. Female managers received higher individual increases than men (3% compared with 2.58%), unlike non-managers (1.34% for men and 1.13% for women).

For building staff, only general and contractual increases were applied. Since 2011, the company has set aside a specific amount out of its annual forecast of wages and salaries expense to reduce the most significant salary differences.

- Average gender gap by category (excluding ExCom)

In the annual comparative status report on men and women, administrative employees on indefinite-term contracts are studied using basic salaries for December. For 2013, this study revealed:

- among the management population, an average gap of 15% in favor of men (compared with 16% in 2012)
- among supervisors, an average gap of 1% in favor of women (compared with 2012, when no gap was recorded)
- among office workers, an average gap of 1% in favor of women (in 2012, the difference was in favor of men)

Gap on base salary between men and women

	2011	2012	2013
Codir	-15%	-13%	**-1%**
C4	na	na	**na**
C3	11%	3%	**2%**
C2	16%	7%	**3%**
C1	-2%	-1%	**-2%**
AM2	2%	2%	**0%**
AM1	3%	1%	**1%**
E3	-3%	-2%	**-3%**

*the collective bargaining agreement for real estate personnel divides persons into three categories: Employees (E), Supervisors (AM) and Management (C) Levels range from 1 to 4 within the categories with progressive responsibilities. At Gecina, the members of the Management Committee (CODIR) all belong to the highest classification, C4, which is also the highest of the collective bargaining system.

This analysis was carried out based on a representative sample of at least three people for each grade and gender. The aim was to reduce, when assessing pay scales, any unjustified difference of more than 3%, taking into account qualifications, experience and performance.
For the Codir, C1 and E3 grades, it was found that the level of pay for men was lower than for women.

- % of women on the Board of Directors

In 2013, the percentage of women in the Board of Directors was 23%.

- Parenthood Charter

In keeping with the measures taken to promote employee welfare, in 2013 Gecina signed the Parenthood Charter. The company firmly believes that by guaranteeing its employees the best working conditions, it can reduce stress among working parents – which has an inevitable impact on absenteeism – and boost productivity and performance.

In this respect, the company was keen to inform employees of the measures already taken:
- Childcare allowance;
- New school year allowance;
- Flexible hours;
- Part-time hours;
- Family-related leave;
- Flexible working hours for pregnant women;
- Gender pay gap on base salary by professional grading among the Group's administrative population, excluding ExCom
- Full pay during maternity and paternity leave with provision for childcare;
- 75% of the total employer's social security contributions covered;
- Subsidized meals in the staff restaurant;
- Christmas party for children of employees at company head office;
- 100% maintenance of seniority during the first year of parental leave;
- Consideration of family constraints when scheduling business meetings, seminars and business travel;
- Contribution to childcare costs for children under the age of six.

7.5.4.5 STUDENT WORK-STUDY POLICY

In 2013 Gecina continued its work-study recruitment policy.

True to its CSR strategy, the Group offers relevant vacancies to people on its existing work-study contracts first before advertising them externally. For the second year in a row, this has provided employment, in the same role or in a different role, for nine people on such contracts, who completed their training during the 2012/2013 academic year.

For example, in 2013 the Group's student intake across almost all departments was 25 for the 2013/2014 (5% of staff) academic year, with qualifications ranging from A-level to Masters degrees in real estate professions (56%) or support professions such as finance, IT and HR (44%).
In addition, of the 14 people on work-study contracts studying for a Level 1 Diploma (Masters), 13 graduated at the end of the year and five were offered contracts with Gecina, two on indefinite-term contracts and three on fixed-term contracts.

The Group seeks to contribute to the strengthening of ties between teaching institutions and the business world and as such it encourages its employees, especially its management teams, to give presentations in real estate industry schools or business schools. A Finance director accordingly gives regular courses at the ESSCA, while four other Gecina directors have given presentations related to their activities intermittently at Sciences Po (the Paris Institute of Political Studies), the Ecole Spéciale d'Architecture (the Special School of Architecture), the Ecole Nationale des Ponts et Chaussées (the National School of Bridges and Roads, a civil engineering school in Paris) and Centrale Paris Executive (an executive education programme at the Ecole Centrale de Paris - the Central School in Paris).

7.5.4.6 OUR NEIGHBORHOODS HAVE TALENT

Since April 2012, Gecina has worked with Nos Quartiers ont des Talents, a non-profit organization, to support and advise postgraduates from deprived areas on finding work. During the year, a meeting also took place in-house between young people from the non-profit organization and real estate professionals to introduce them to the various careers available within the industry. Since the partnership began, a dozen volunteers from the company have mentored around 60 young people, 31.6% of whom found a job.

7.6. Society

7.6.1 INTEGRATION WITHIN SURROUNDING AREAS

7.6.1.1 GECINA'S ECONOMIC CONTRIBUTION TO SOCIETY

As a large listed real estate company, Gecina positions itself as a major player in the value creation chain of the real estate sector. The sector creates wealth, drives growth and accounts for more than a quarter of the overall net worth of France. It provides jobs to more than 2 million people. The SIIC framework was introduced in France in 2003 to give individual investors the same real estate investment opportunities as institutional investors. It is based on the principle of the mutual fund, a fiscally transparent entity since:

- it invests in real estate,
- it derives most of its income from rent,
- it distributes 95% of its profits and 60% of gains of cession,
- it has a diversified shareholding structure.

Gecina thus offers individual investors the opportunity to invest in a profitable asset category which can help them save towards their retirement.

In view of this fiscal status, the tax burden is transferred from the company (exemption from corporate income tax) to the share-holder (tax on dividends). This provides the necessary flexibility for an activity involving large investments in projects that help to rejuvenate neighborhoods and modernize towns and cities. As an SIIC, Gecina offers companies a way of trimming their balance sheets by outsourcing their real estate too. Gecina also contribute its rental customers a way of augmenting their competitiveness owing to a first-class property portfolio and the immaterial value this generates (see Chapter 7.3.3 "Immaterial value - well-being and productivity"). Gecina's long-term vision means that it can engage with the community and boost local development. This creates indirect jobs and resources for communities.

By developing and improving the assets in its portfolio, Gecina generates economic benefits for the construction sector and drives job creation. In 2013, Gecina injected €249 million of orders into the construction and public works industry, both through the construction or extensive redevelopment of buildings, and through building improvement and maintenance works. The latest data released by the French Building Federation (FFB – 2012) estimates Gecina's impact on this sector to translate as over 2.235 indirect jobs. Considering the location of Gecina's real estate portfolio, most of these jobs are in the Paris region.

Gecina paid a total of €19 million for its water and energy consumption, which is mostly recovered from tenants.

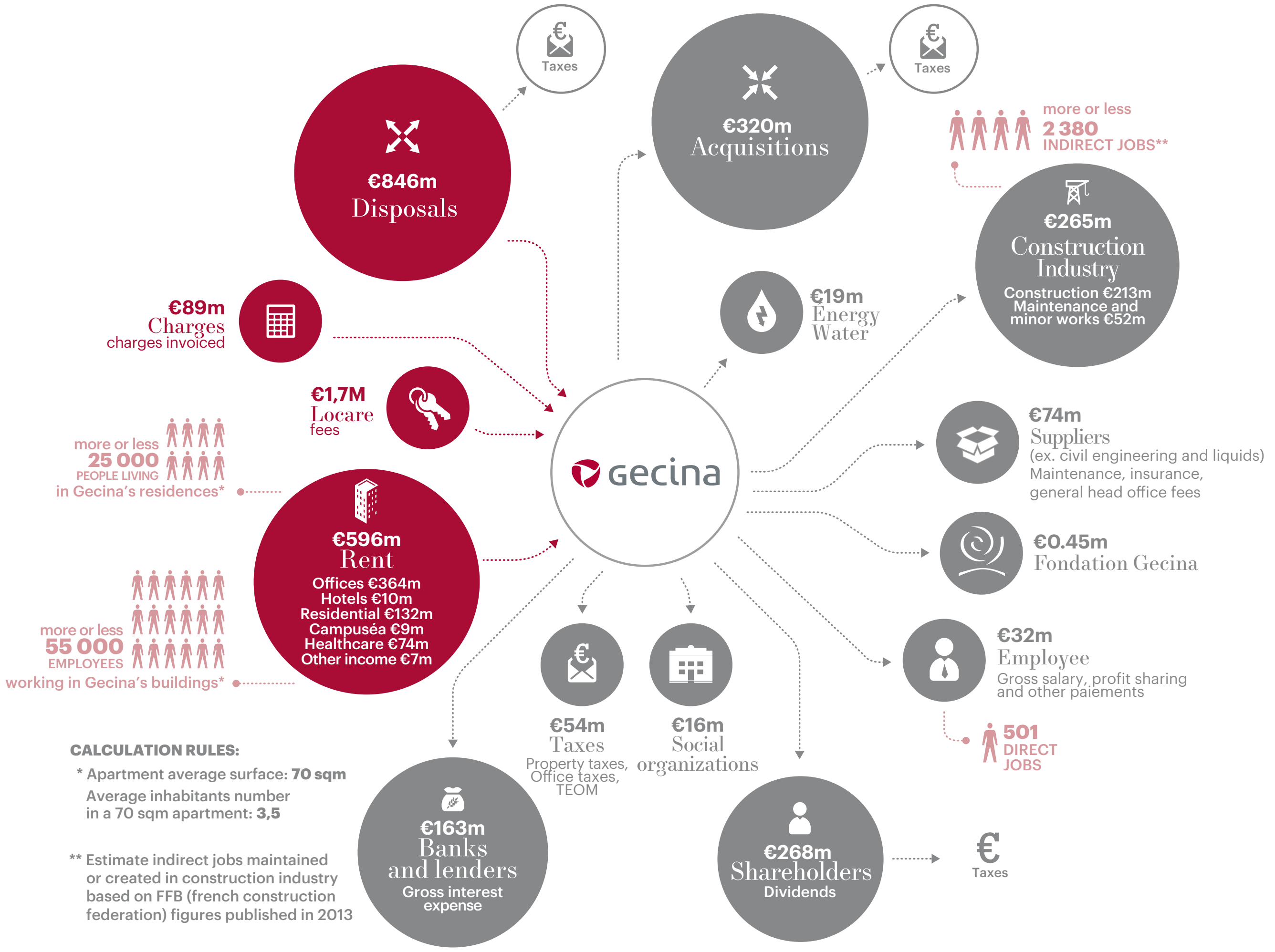
Gecina has 501 employees earning total gross remuneration of €32 million.

According to the standard average occupancy ratios for residential and commercial properties, it is estimated that there are 25,000 people living in apartments belonging to Gecina, while 55,000 people work in buildings owned by it.
The Group finances some of its developments through steady turnover of its mature assets, and thus generates transfer duties on sales and acquisitions.

Gecina is looking at ways of refining the assessment of its impact on regional development and employment. In early 2013 for example, Gecina joined the "Mesure de l'empreinte économique locale" (measuring the local economic footprint) working group created by the Conseil Supérieur de l'Ordre des Experts Comptables (French supreme council of chartered accountants).

7.6.1.2 BREAKDOWN OF THE VALUE CREATED BY GECINA

The following diagram illustrates Gecina's contribution to the economy throughout its value chain.



7.6.1.3 PROJECT EXAMPLES

In the healthcare sector, Gecina creates social benefits for the local area through its structural input into projects. The new healthcare facilities built consolidate services that were previously spread across several sites. This generates savings and social benefits for the public, such as in Le Havre and Carcassonne.

The Beaugrenelle shopping center, reopened in October 2013 in the 15th arrondissement of Paris, is a recognized landmark in the city, contributing to the economic growth of the neighborhood and the attractiveness of the area. Apart from the business and jobs generated during the construction phase of the mall, the 100 stores generate direct jobs in retail, leisure, catering, culture, administration and management of the site. An employment forum, set up jointly with the City of Paris prior to the opening of the site, hosted several thousand people who were looking for work. Accordingly, 1,800 jobs were created or maintained for the construction and operations phases of the shopping center overall. These new businesses also boost spending, particularly among local suppliers, and generate additional tax receipts for the government. Lastly, the high footfall at the shopping mall acts as a catalyst for nearby shops and businesses.

Furthermore, while heavy traffic at the center—an expected 12 to 15 million visitors per year—can exert a catalyst effect on retail trade and nearby businesses, it can also be the source of a certain type of competition. Gecina responded by committing to the Chamber of Commerce and Industry of Paris an aid of €750,000 over five years to support and promote nearby businesses.

The Beaugrenelle shopping center also introduces a societal contribution to the quarter by:

- Hosting a local employment branch and a police unit for the neighborhood.

- Developing a cultural and artistic dimension through the installation of a huge suspended mobile by Xavier Veilhan, a contemporary plastics artist.
- Contributing to improving biodiversity through 7,000 sq.m of terraces and green facades, the installation of six beehives and a bird refuge, and 700 sq.m of shared gardens made available to neighboring residents and schools.

7.6.2. RELATIONS WITH STAKEHOLDERS

In addition to the various processes and mechanisms described in the following paragraphs, Gecina set up a Stakeholder Committee in 2013 to establish long-term dialogue with this group of people and to ensure that their expectations are addressed as fully as possible. The methods of organization and the initial results of this process are described in Chapter 7.1.1.2.

7.6.2.1. CUSTOMER RELATIONS AND THE QUALITY APPROACH

7.6.2.1.1 A customer-oriented quality and innovation approach

The customer quality approach is a genuine corporate value clearly illustrated by Gecina's baseline: "Gecina, far more than square meters". Gecina has made customer relations central to its commercial and property management strategy with the determination to establish a relationship of trust built on customer satisfaction and attention to their needs and expectations.

In 2013, the Ipsos Institute, who guarantees the results arrived at Gecina commissioned a **Group survey on the subject of "Customer Relationship Management"** from an external research institute. The aims of the survey were as follows:

- to assess the **level of overall satisfaction** (and at each key point in the customer process) and understand customers' expectations;
- to measure and monitor changes in **key quality indicators** among the "major corporate accounts", "residential" and "student" targets;
- to identify Gecina's key **strengths** and **weaknesses**;
- to provide qualitative information on the outlook for the real estate sector, with a view to continuous innovation and adaptation of **Gecina's offering**.

The survey should define customer relationship performance indicators for the Group and quality drivers (satisfaction surveys, reports) in order to produce the necessary **operational action plans**.

THE OVERALL AVERAGE SATISFACTION SCORE FOR ALL SEGMENTS COMBINED IS 7/10.

■ Method:

This study covers the Group's three business segments (commercial real estate, conventional residential and student residences) with an administration model tailored to each one:

- face-to-face interviews with 34 major account customers in the commercial real estate sector;
- telephone interviews with a representative sample from the conventional residential portfolio;
- online interviews with student residences.

This is a key metric for a customer-focused organization with five major indicators covering all Group entities.

1. Overall satisfaction with all relations, services and facilities provided by Gecina
2. Overall satisfaction with relations with Gecina representatives
3. Overall satisfaction with Gecina's quality of service
4. Overall satisfaction with the quality of Gecina's facilities
5. Recommendation rate

All business segments taken together, Gecina's strong point is the quality of customer relations, for which its average rating was 7.3/10, which exerted a very positive customer recommendation with an average approval rating of 86.7%.

In corporate real estate details, the relationship with Gecina partners is the strong point of satisfaction. This relationship qualifies as a «relationship of trust and a partnership».
The biggest efforts should be addressed primarily to reaction time on addressing requests and on feedback concerning their treatment.

In residential real estate, customers who were interviewed strongly appreciated their relationships with their superintendents and what should be monitored vigilantly is reactivity to dealing with requests by post or email, maintenance of common areas and communication about upcoming or current work on the premises.

With regard to the Campuséa student residences, relations with on site teams are highly appreciated by students. Special attention will be paid to furniture with a new tender offer in early 2014.

The first review meetings were held at the end of 2013. Action plans will go into effect in 2014 after the new organizational structure has been implemented (see the paragraph on the organization of the company in Chapter 5.1.9.2 "Internal Control System").

This involves building an iterative and participatory process that adopts a continuous improvement approach.

A renewed partnership approach with major account customers in the commercial real estate sector

Gecina is committed to strengthening the existing partnership with its customers, particularly major account customers in the commercial real estate sector.

The survey results for the key indicators are as follows:

	Commercial real estate (average score out of 10 excluding recommendation rate)
1. Overall satisfaction with Gecina	7.5
2. Overall satisfaction with the relationship	7.5
3. Overall satisfaction with the quality of facilities	6.9
4. Overall satisfaction with the quality of service	7.1
5. Recommendation rate	90%
Partnership	7.4
Image	7.6

A proactive approach for our residential customers

The survey results for the key indicators are as follows:

	Conventional residential property	Campuséa Student residences
	(average score out of 10 excluding recommendation rate)	
1. Overall satisfaction with Gecina	6.7	7.1
2. Overall satisfaction with the relationship	7.1	7.5
3. Overall satisfaction with the quality of facilities	6.4	7.2
4. Overall satisfaction with the quality of service	6.3	7.1
5.Recommendation rate	82%	88%

In addition, satisfaction surveys are systematically carried out among all incoming and outgoing tenants both for conventional residential properties and student residences.

Satisfaction and recommendation rate for residential customers (excluding student residences)

	2009	2010	2011	2012	2013
Overall satisfaction rate					
New customers	94%	94%	95%	93%	**94%**
Leaving customerss	95%	93%	94%	91%	**85%**
Recommendation rate					
New customers	97%	97%	96%	95%	**96%**
Leaving customers	92%	93%	93%	90%	**89%**

Student customers recommendation rate

	2009	2010	2011	2012	2013
Recommendation rate					
New customers	-	-	-	-	**98%**
Leaving customers	95%	96%	98%	94%	**96%**

Gecina uses the data from these results as inspiration for the development of customer relations tools:
- the tenant handbook, given to new customers when they sign the lease;
- the works notice;
- the Lifestyles newsletter;
- the Facebook page for students, which now has over 4,000 fans.

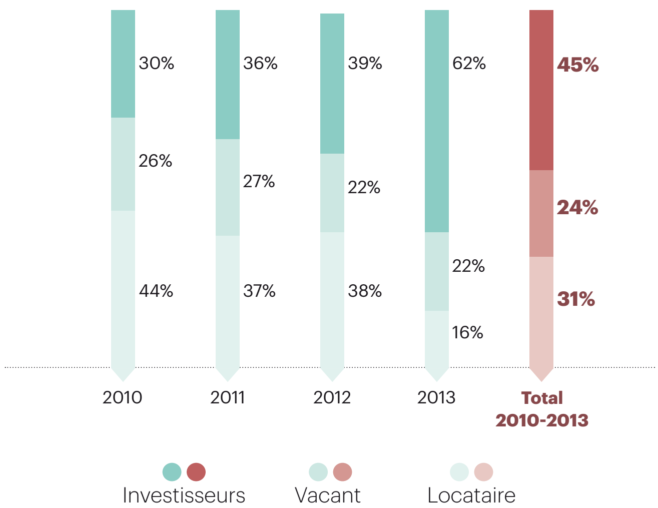
7.6.2.1.2. Responsible sales management

Gecina has regularly arbitraged part of its residential assets, selling them unit by unit. Because of the impact on tenants of the sale of their apartments, the company has always taken steps to accompany the process carefully.
Gecina's unit-by-unit building sale process complies strictly with the legal and administrative requirements, which protect the tenants according to criteria of age, resources and health. These provisions are reinforced by the company's own practices for the protection of its tenants.

The principal legal requirements and Gecina's own provisions are as follows:
- Gecina is proud of establishing a far-reaching and constructive dialogue with the principal stakeholders – the tenants' associations and the local authorities concerned – essentially prior to the sale, but also throughout the marketing phase.
- Gecina's management and sales teams are mobilized throughout the sales period to examine solutions to fit each individual case. Gecina benefits from the widely recognized expertise of Locare, a wholly-owned subsidiary, which has worked for the major institutional investors in this market since 1984, disposing of over 15,000 residential units on the their behalf.
- Legal protection for tenants aged over 70 on the expiry of their lease and not subject to wealth tax includes the right to renew their lease under the same rental terms, provided they meet certain conditions of health or disability.
- In addition, Gecina offers lease renewal to tenants whose reference yearly taxable income is below the ceiling for obtaining an intermediate rental loan or PLI (Prêt Locatif Intermédiaire). This measure goes further than the legal provisions that limit the Lessor's obligations to offering alternative accommodation for such tenants.
- For people who cannot or do not wish to acquire their accommodation, Gecina offers an alternative accommodation solution in its rental property estate to every tenant who requests it under preferential terms. Gecina is the leading private property owner in Paris, with some 8,000 apartments.

For sales volumes by units for the past four years (annual average of €164 million or 530 units), the distribution of apartment buyers is as follows:
- A total of 31% of our sales were to renting occupants, who thus became owners of their homes with price reductions of up to nearly 20%, calculated taking account of the age and maturity of their leases. Many were first time purchasers who thus became owners of an apartment at below market price in a well-known environment;
- A total of 24% of units were sold vacant, approximately the average annual rental turnover (between 14% and 15% depending on the year) of the rental portfolio over the program marketing period (3 to 4 years). Evictions for sale were relatively few, an average of twelve per year (2.2%) for an annual sales volume of 530 apartments for the past three years;
- At least 45% of units are sold as rental investments, that is to say they are sold occupied and the initial conditions of the lease signed with Gecina remain binding on the new owner. Gecina is committed to keeping a good number of renters in place, especially those for whom such a move would severely impact their personal situation.

Breakdown of unit-by-unit sales by type of buyers



7.6.2.2. GECINA LAB, THE CSR THINK TANK FOR THE COMPANY'S STAKEHOLDERS

At the end of 2010, Gecina set up a think tank, Gecina Lab, to reflect on all subjects relating to Corporate Social Responsibility. A genuine forum for forward-thinking, exchanging views and sharing with its stakeholders, Gecina Lab aims to act sustainably at the core of the Group's buildings.

The objectives of this meeting place include establishing a partnership relationship, promoting listening and dialog exchanges, contrasting points of view of experts and users, transposing ideas into effective action and improving building performance for users.

The basis of the Gecina Lab's agenda of activities has been to hold conferences, thematic reviews and construction site visits since 2011.
The initial meetings of this club were held in buildings owned by the company and were based on national events to heighten awareness of all tenants to new thematic issues and to encourage individual and collective actions. Each year club meetings have also been held during the Sustainable Development Week in April and during the World Green Building Week in September.
One of the subjects raised was the question of responsible consumption, at a conference held by Elisabeth Laville, founding manager of Utopies, with employees from tenant companies of the Défense Ouest building.

The desire to open the club to other stakeholders such as suppliers and local authorities led to meetings on biodiversity held at the Horizons building. Invited to speak on the link between this subject and their activities, the Paris city council and the developer Paris Seine explained their expectations and achievements in a joint session with the Ligue de Protection des Oiseaux (bird protection society), at which the current and future properties of Gecina demonstrated its anticipation of the these issues.

In the same spirit of collective action, the Gecina Lab breakfasts, bringing together several Gecina tenants, continue to lead to profitable dialogs resulting in mutual learning with regard to best practices.

A program rich in interest was carried out throughout 2013 under the aegis of Gecina Lab or in the light of external events. A visit to the «Work in Progress» exhibition with comments by Catherine Sabbah, a journalist with Les Echos, brought together forty people. The inauguration of the Beaugrenelle shopping center's green roofs brought 150 people to a conference on biodiversity. During the World Green Building Week, some fifty people followed the biodiversity trail set up in four Gecina buildings, the Horizons, Anthos, the Saint-Charles residence and Beaugrenelle,.

Taking the Group's commitment in the area of CSR even further, an original initiative was proposed during a breakfast meeting at Gecina's head office with a dozen participants during the presentation of a competition. The Concours Usages Bâtiment Efficace (CUBE 2020), set up by the IFPEB (Institut Français pour la Performance du Bâtiment), is the first national inter-company competition intended to attach importance to energy savings. This contest is to be carried out in the form of a competition in commercial buildings with the intention of mobilizing users to make eco gestures during 2014. The buildings that achieve the greatest degree of energy savings over one year through the mobilization of their occupants will receive bronze, silver, gold or platinum medals depending on the achievement of absolute thresholds of energy savings. Furthermore, events and communication actions will accompany the contest in order to enhance the images and best results of committed companies. Naturally, Gecina aligned itself with its customer-tenants Banque de France, Ipsos and Page Group to meet these challenges throughout 2014. This initiative is supported by the Sustainable Building Plan.

Gecina also approached the ESSEC Alumni association and has supported the 2013-2014 Renewable Energies and the Energy Efficiency Trophies by becoming a partner of this event set up by the Sustainable Energy and Development club of ESSEC. Prizes will be awarded on February 6, 2014 under the aegis of Gecina Lab, a member of the judging panel.

Since its establishment, nearly 500 customers-tenants and external leading figures have participated in the various meetings of Gecina Lab, representing such major brand names as Altaréa Cogedim, Banque de France, EADS, Herbert Smith, Hermès, Ipsos, PageGroup, Natixis, Pepsico, Sodexo and Tetra Pak.

In an attempt to infuse new vitality into Gecina Lab, a wide-reaching benchmark assessment bearing on company practices observed in the European markets and beyond was carried out in 2013, irrespective of industry. In general, dialogue is characterized through dedicated bodies, or even specific committees and under diverse names. The themes addressed are wide-reaching and the methods of exchanges are varied. Resources depend on industries, company size and mechanisms in place. Meeting frequencies are variable. Much of what emerges is declaratory, as few companies bring proof of their actions.

Elsewhere, Gecina carried out direct contacts with its customers to assess their expectations and to provide better answers through the Gecina Lab tool. This initiative was greatly appreciated and solicited wide interest in the process. A good number of Gecina customers are highly aware of the issues of sustainable development within their buildings and need the assistance of the owner-lessor in adhering to their commitments. They are convinced of the win-win nature of the tenant-owner partnership carried out in this framework.
Gecina also hopes to extend its think tank, which was initially conceived for its commercial real estate customers, to its ten-

ant-operators of healthcare facilities and to other stakeholders, such as suppliers, who during presentations of the Responsible Purchasing Charter show strong interest in this body (see Chapter 7.6.4 Responsible purchasing).

With regard to the healthcare sector, a specific reflection approach was initiated with the managers of the affected real estate team at the end of the year. This process will be implemented in early 2014 through a partnership with Gecina tenant-operators and leading, well-known figures.

And the end of the first think tank period, two Gecina Lab working groups were established internally. The first of these relates to commercial real estate and the second to healthcare facilities. The objective of these committees is to determine different action plans and how to implement them with involved stakeholders in a win-win partnership.

7.6.2.3. IN-DEPTH RELATIONSHIPS WITH INDIVIDUAL INVESTORS

7.6.2.3.1. Individual investors

The individual shareholder relations team interacts frequently with individual shareholders at the various meetings.

In 2013, Gecina participated in two debate conferences set up by Le Revenu in Rennes during March and in Bordeaux in December.

In addition, the Group set up three visits of Parisian properties for its shareholders in June, October and December, 2013.

Gecina published four "Shareholder letters" in April, July, October and December of 2013, which can be downloaded from the company's website www.gecina.fr.

The General Meeting is also a special time for dialog between shareholders and the Group's corporate officers.
Since 2004, all Gecina shares are registered shares by law. Shareholders are identified in shareholder registries of the company and are entitled to personalized service, especially systematic notice of General Shareholders' Meetings.

Lastly, substantial means of information are provided to all:
- the company systematically sends information by e-mail in response to requests from shareholders;
- a specific e-mail address: actionnaire@gecina.fr;
- a website with a Shareholder section;
- a toll-free number (0 800 800 976), free when dialed from inside of France;
- the establishment of a new Shareholder section in 2013 on www.gecina.fr.

7.6.2.3.2. ISR investors

In 2013, two road shows out of a total of 13 were dedicated to ISR investors. Accordingly, 20 ISR investors came to 198 meetings, a figure of 10% (see Chapter 7.6.3.2. "Summary table of governance indicators")?

7.6.2.4. RELATIONSHIP WITH IRPS

As guarantor of the law and of maintaining quality social dialogue, Gecina set up personnel representative elections in March 2012 with over 72% of company employees participating. At this time, staff representatives, Works Council members and Health, Safety and Working Conditions Committee (CHSCT) members were elected for the terms of office of two years, until March 8, 2015 following an extension.

These bodies have the task of representing all of the company's employees and defending their interests in the face of the employer during periodic meetings or organized negotiation sessions set up by the employer.

To accomplish this, each body elected has standing and alternate members broken down as follows:

	Standing members	Alternates
Employee representatives	8	7
Executive Committee members	6	6
Health, Safety and Working Conditions Committee	6	2

Union representatives are appointed by their union and have no alternate. Their role is to negotiate company agreements (agreement on Strategic Workforce Planning, incentive scheme, working hours, etc.).

In 2013, **100% of collective agreements** due to expire were renewed following negotiations. They are mentioned in the social agenda (see Chapter 7.5.3.3 "Staff cohesion and dialogue").
The total number of complaints brought before Management during monthly meetings with staff representatives came to 27 for the year, while of the twelve meetings, five of them raised no issues whatever.

The Works Council (CE) was consulted twice about projects related to organizational changes such as restructuration, outsourcing, etc.
In addition, the Group set aside an amount equal to 1.6% of employee expenses to finance the operating budget of social actions by the CE.
In 2013, the CE's overall budget received €466,000 in allocations.

7.6.2.5. ACTIVE PARTICIPATION IN REPRESENTATIVE BODIES AND THINK TANKS

Gecina participates in different think tanks dealing primarily with sustainable development themes. Much more than intelligence gathering, this involvement contributes ideas and techniques that facilitate experimentation with new practices, boost innovation and increase the development of skill sets among employees.

In addition, the Group is an active member of several bodies representing the construction and real estate industries. This participation helps Gecina to stay abreast of challenges, anticipate the future requirements of its industry and react be implementing the best practices.

The Group provides no financing for these representative bodies and think tanks apart from membership dues used for their functioning. Neither does it practice any direct lobbying.

■ Think tanks and representative bodies in the real estate sector (by order of strategic importance to Gecina)

Grenelle Building Plan (2007-2012) – Sustainable buildings (2012-2017)

The Sustainable Building Plan is attached to the Directorate-General for Planning, Housing and Nature and federates a network of construction and real estate players in achieving energy efficiency targets in the sector. Its role is to inform participants of regulatory changes, make them aware of new challenges, assist them in their projects and provide liaison with appropriate ministerial and administrative offices.

After having been an active member of co-chairing four working groups in 2012 and co-chairing the "quality marks" group (Yves Dieulesaint), Gecina remained involved in 2013 with actions undertaken through the Sustainable Building Plan through General Meetings. Furthermore, Gecina contributed to drawing up and signing the Energy Efficiency Charter for commercial buildings in November, 2013.

France Green Building Council (France GBC)

France GBC is a non-profit organization with the objective of leading a movement to federate the public and private sectors at the national level to benefit the development of sustainable construction and renovation work, to represent the French position internationally as a member of the World Green Building Council (WGBC) and to contribute to bolstering the offer of French companies.

Gecina is a founding member and member of the Board of Directors of France GBC. It participates in its communication commissions with Yves Dieulesaint and its technical commissions with Stéphane Carpier. In 2013, Gecina once again contributed to the World Green Building Week, a worldwide event set up by WGBC to promote sustainable construction and environmental quality in buildings. The company organized a Sustainable Construction and Biodiversity trail to visit four buildings among its properties that are representative of innovative achievements in this area.

French Federation of Real Estate Companies)

The purpose of FSIF is to review, promote and represent the collective and professional interests of its members, to research and apply all own resources in their favor and to assist them in all subject of direct or indirect interest to members. Gecina, as a member of FSIF, especially contributes to work carried out by the Sustainable Development Committee.

Green Rating Alliance

The Green Rating Alliance is a non-profit organization started in 2011 by a partnership of European real estate companies in collaboration with Bureau Veritas. Its objective is to help construction and real estate companies to guide and improve their environmental performance by providing a European building performance standard. In 2013, Gecina became a member of the organization and is participating in its Board of Directors through the intervention of Vincent Moulard. Two correspondents, Eric Saint-Martin and Stéphane Carpier, maintain regular relations with the organization, especially through Mr. Carpier's presence on the Technical Committee.

HQE®

HQE® is a non-profit organization that aims to bring together appropriate players to think about sustainable construction and renovation, to contribute to the development of excellence in the regions and of professional practices and to stand up for the general interest of operators in the sector both locally and internationally. To accomplish this, the organization offers modifications to reference frameworks and proffers action on operational projects and renovation.

Gecina is a member of HQE®. As such, it participates in the Air Quality and Biodiversity working groups, through Joanna Rebelo, who attended eight meetings in 2013. Gecina is a signatory of the HQE® Performance Charter and took part of the HQE® Performance general meeting in December, 2013.

Apogée

Apogée is a grouping of organizations in the real estate sector that concentrates on improving real estate management and identifying and promoting best practices in their business.

Gecina is an active member of Apogée and has intervened regularly in its meetings and conferences, in both the permanent Housing and Offices groups, the Apogée Tuesdays and the debate conferences on current events involving 25 employees from Gecina's various operational and functional departments.

The International Biodiversity Council (CIBI)

CIBI is a non-profit organization composed of representative colleges for various trades to included investors, developers, property companies, design offices, builders, equipment suppliers and landscapers, who seek to enhance best practices in the area of urban biodiversity during the planning, design and operational phases of constructed infrastructure, in France and throughout the world, primarily by means of the BiodiverCity™ label. Gecina is a founding member of CIBI. It participates in its Board of Directors as well as in its Communication Committee with Yves Dieulesaint and its Technical Committee with Stéphane Carpier. In 2013, the club met twice to discuss biodiversity strategies of each partner and actions carried out in adding green spaces to the city. Four meetings are scheduled for 2014.

Sustainable Building Alliance (SB Alliance)

The Sustainable Building Alliance endeavors to develop common metrics that can be used to compare environmental performance internationally. Specifically, it measures six critical indicators: carbon, energy, water, waste, air quality and thermal comfort.
Gecina, through Stéphane Carpier, participates in the "pilot test on common metrics" task force led by CSTB, tasked with defining common labels.

Certivéa

Certivéa is a subsidiary of CSTB that supports performance improvement processes of entities in the field of construction through certification. Stéphane Carpier, the Technical Innovation and Environmental Management Director for Gecina is also an auditor for Certivéa (NF HQE® Commercial Buildings and NF HQE® Renovation).

Construction 21

Construction 21 is a collaborative European platform dedicated to construction professionals and sustainable cites, intended for exchanges of information and feedback sessions, developing networks and sharing perspectives on current affairs with other specialists.
Gecina is a member of this platform, with 14 of the company's employees network members, and participates in the editorial committee.

■ Think tanks and representative bodies working in sustainable development (by order of strategic importance to Gecina)

Global Compact

This is a pact through which companies agree to align their operations and strategies on ten universally accepted principles involving human rights, work standards, the environment and fighting corruption. The objective of the Global Compact, an international initiative of citizen companies, is to promote social legitimacy in companies operating in markets.
Gecina became a member of the Global Compact in 2013 as a publicly expressed confirmation of its adherence to the ten universal principles of the initiative. As an active member, the company participates through the action of Lionel Guichaoua in the GC Advanced Club, which provides a dialogue, discussion and collective learning possibilities on the way to attain the 21 criteria of the Global Compact required to achieve the GC Advanced level.

Urbanism, Built Structures and Biodiversity Club

This club for exchanges of information is led by LPO, with whom Gecina has formed a partnership. It assembles the large operators of the domain with a view to developing a biodiversity-based urbanism, nature close up and ecological connectivity approach in its construction and regional development processes.
Gecina is a founding member of this club and participates in its Board of Directors through Stéphane Carpier, and Joanna Rebelo, who attended two meetings of the think tank operations in 2013.

The HR and Future Planning Circle

This club is made up of Human Resources directors and experts in future planning and innovation. The HR and Future Planning Circle seeks to make participants aware of anticipation methods, of working on changes that will have an impact on organizations, management and mentalities in upcoming years.
Gecina, through Aurélie Rebaudo-Zulberty, participates in the development of HR future planning dedicated to considering new ways of working, organization and management in socially responsible companies, through a series of working groups, two of which were held between October and December, 2013.

The Paris Climate Agency

Gecina is a member of the Paris Climate Agency, an independent and multi-partner initiative of the City of Paris. Established in 2011, the purpose of the agency is to promote energy sobriety, support changing behavior, develop renewable energies and provide active commitment in the fight against climate change in all sectors concerned, including buildings, transportation, consumption, etc.

Sustainable Development Club of Chartered Accountants

The French Supreme Council of the Institute of Chartered Accountants has established a Sustainable Development Club to bring together experts from all areas (chartered and non-chartered accountants), to consider themes connected with social responsibilities of organizations. The primary objective of this initiative is to make chartered accountants aware of and receive training on these subjects, to put forward proposals for the accounting and finance professions and to facilitate the integration of sustainable development in companies. Gecina became a member of this club in 2013 and participates actively in the «Local Economic Footprint» working group deliberations intended to formalize a transparent, acknowledged and auditable process on the subject. Lionel Guichaoua participated in eight meetings of this group in 2013.

Agrion

Agrion is an international network consecrated to sustainable development and energy that brings together companies, organizations, schools, laboratories, public institutions and other stakeholders concerned by energy, Cleantechs, raw materials, mobility, urban management and sustainable development issues.
Gecina is represented as a member of Agrion through the intervention of Stéphane Carpier and Aurélie Rebaudo-Zulberty and participated in conferences set up to discuss responsible purchasing, responsible communications, CSR reporting, risk analysis and sustainable development, water management and smart grids.

Agora CSR

Agora CSR is one of the French communities of Agora Fonctions used by decision makers exercising the same function in a large company to set up a place for exchange of information, sharing of experiences for pooling expertise and find better solutions through working together.
Gecina has been a member for several years and continued its participation in 2013 in the network through visits, exchange of information and evening debates on various subjects.

7.6.3. GOVERNANCE AND BUSINESS ETHICS

7.6.3.1. ETHICS AND COMPLIANCE OF THE INDUSTRY

Just as other industries, the real estate industry is concerned about numerous ethical issues. In a competitive environment which particularly affects the acquisition of land and available assets and subject to real estate speculation, due to natural market laws, the goal is to guarantee the transparency and integrity of the internal organization and transactions for stakeholders (shareholders, customers, associations, etc.). The implementation of robust due diligence and control procedures helps to anticipate and track practices that do not comply with the expected trust levels.

The contribution of non-financial reporting plays an important role in confirming that the financial statements intended for shareholders and investors are true, so that they can benefit from accurate information on the value of the company's property portfolio in light of the new CSR trends (such as energy performance and the risk of obsolescence of the property portfolio).

Furthermore, another critical issue is the prevention of any form of corruption in the real estate industry, where calls for bids are strictly regulated. Accordingly, compliance with purchasing procedures, good commercial conduct and reasonable diligence, are major ethical issues for the industry. In this framework, the application of turnover procedures for real estate appraisers ensures the independence of property appraisals. In strict compliance with the laws, decrees and regulatory texts, the industry's compliance also applies to the prevention of insider trading on the Stock Exchange, frauds, financial embezzlements, unfair competition and collusion.

In compliance with its legal obligations, the information given, especially to tenants, is true and complete, especially regarding the transparency on prices and charges billed to tenants. The transparency of lobbying elected officials and public authorities is also a powerful compliance issue for the industry (especially regarding the coherence of the positions defended with the CSR strategy of the real estate company concerned).
Lastly, in terms of internal organization, the compliance of practices with the AFEP-MEDEF and AMF recommendations is essential. Gecina goes further than these recommendations by proposing its own Ethics Charter
The Ethics Charter, reflecting the Group's fundamental values, was distributed to all employees in early 2012 and made public at the same time.

It focuses on eight issues:
- compliance with regulations;
- the Group's commitments;
- responsibility towards the environment;
- work conduct;
- ethical business management;
- confidentiality;
- stock exchange compliance;
- whistle-blowing rights.

Each employee is asked to follow and ensure that others follow the charter and to act with integrity at all times. In the event of a query regarding a transaction or doubt about a specific situation, employees may report this directly to the Chief Compliance Officer by email. The entire whistle-blowing system set up by the Group guarantees confidentiality for the employee. A practical guide illustrating the principles listed in the Ethics Charter has been distributed to all administrative staff.

In 2012, 75% of employees at head office attended one of the four information and training seminars on the Ethics Charter. Each new employees is given the Ethics Charter and the practical guide on joining the company. In addition, a presentation on the Charter is an integral part of the orientation process for new Group employees. Overall, 100% of new employees attended this presentation in 2013. Taking into account staff turnover during the year, 80% of Group employees have been familiarized with the Ethics Charter. Finally, Gecina's intranet has been updated to ensure that the Ethics Charter is disseminated among employees.

The Ethics Charter supplements the provisions, regulations, and internal policies already applied in the Group.

In 2013, the Group tightened its procedures for the prevention of money laundering.

In 2014, an employee awareness program will be launched on the risks of external fraud. This program will be geared towards all employees involved in commercial transactions.

No criminal conviction was handed down to Gecina in 2013 for breaking the law (excluding traffic fines).

For more information, see Chapter 5.1.9.2 "Internal Control System".

7.6.3.2. SUMMARY TABLE OF GOVERNANCE INDICATORS

Gecina expanded in 2013 the field of stakeholders within its CSR reporting by publishing a summary table of the Group's main governance elements in addition to the special chapters in the Registration Document.

		2008	2009	2010	2011	2012	2013	2013 Reference Document chapter
Operation of management bodies	Number of Board members (at 12/31/N)	18	15	18	14	13	**13**	137
	% of independent Board members	61%	40%	39%	36%	38%	**38%**	137
	Definition of independence in accordance with the AFEP-MEDEF code			oui				137
	% of women on the board of directors	6%	7%	11%	14%	23%	**23%**	137
	AFEP/MEDEF correspondence table	-	-	-	information in Reference Document	Table in compliance		136
	Number of employee representatives on the Board of Directors	4 members representing administrative categories of staff (employee, supervisor, manager, senior manager); no voting right						137
	Board member term of office	3	3	3	4	4	**4**	137
	Turnover (incoming / outgoing)	4 incoming/ 6 outgoing	10 incoming /13 outgoing	3 incoming	1 incoming/ 5 outgoing	1 incoming/ 2 outgoing	**1 incoming /1 outgoing**	137
	Directors' compensation	€1,785,850	€1,921,40	€1,750,000	€1,750,000	€1,360,000	**€1,360,000**	172
	Director's compensation voted at GM			oui				172
	Number of board of directors meetings	10	10	12	12	9	**12**	149
	Board meetings attendance rate	95%	95%	95%	98%	94%	**98%**	137
	Board of directors evaluation	-	-	yes external	yes external	yes external	**yes external**	149
	Number of independent board committees	5	5 then 3	3	3	3	**3**	149
	Number of board committee meetings	24	33	34	34	31	**28**	149
	Board committee meetings attendance rate	91%	94%	92%	98%	96%	**98%**	149

		2008	2009	2010	2011	2012	**2013**	**2013 Reference Document chapter**
Corporate officer	Separation of the duties of Chairman of the Board of Directors and Chief Executive Officer	no	yes	yes	no	no	**yes**	147
	Effective separation of roles	yes, Deputy CEO	yes	yes	no	no	**yes**	147
	Organization of the succession of the CEO	no	no	no	no	yes[1]	**yes**	147
	Compensation of the CEO voted at GM	no	no	no	no	no	**no [2]**	147
Shareholder democracy	Publication of the detailed breakdown of company capital	yes	yes	yes	yes	yes	**yes**	178
	Publication of bylaws				-	yes [3]	**yes [3]**	-
	Voting rights	1 share = 1 vote; no double vote						
	Anti-takeover actions	no	no	no	no	no	**no**	179
	Voter turnout /quorum	80,96%	82,96%	78,46%	81,56%	57.22% [3]	**81,76%**	185
	Number of resolutions submitted	27	35	24	38	14	**23**	179
	% positive votes/ % negative votes /% abstained breakdown	Y: 96.6% N: 2% A: 1.4%	Y: 80.9% N: 16.9% A: 2.1%	Y: 91.9% N: 7.7% A: 0.4%	Y: 95.6% N: 4% A: 0.4%	Y: 94% N: 1.9% A: 4.1%	**Y: 82.1% N: 16.7% A: 1.2%**	-
	Number of resolutions submitted by minority shareholders	0	6	1	0	0	**3**	179
	Number of regulated agreements presented at GM	2	2	4	3	3	**1**	179
	Rate of approval of regulated agreements % positive votes /% negative votes / % abstained	Y: 80,3% N: 2,2% A: 17,5%	Y: 97% N: 1,5% A: 1,5%	Y: 77,3% N: 22,5% A: 0,2%	Y: 96,9% N: 3% A: 0,1%	Y: 87,9% N: 2,7% A: 9,4%	**Y: 99,8% N: 0,1% A: 0,1%**	-
	Provisions to facilitate voting rights	Ballots are mailed to all shareholders + Use of electronic voting devices at the meeting			Upload beforehand of the information relative to the general meeting, including ballots + Ballots are mailed to all shareholders + Use of electronic voting devices at the meeting			-
Financial communication	Number of financial roadshows completed	5	9	18	21	14	**11**	-
	Number of investors met	71	169	274	282	204	**178**	-
	Number of non-financial roadshows completed	0	0	1	2	0	**2**	-
	Number of ISR investors met	0	0	4	30	3	**20**	-
	Existence of an individual shareholders committee and number of committee meetings	no	no	no	no	no	**no**	-
	Number of individual shareholders meetings	4	4	6	5	7	**5**	-

(1) In progress at end 2012.
(2) Consultative vote in the 2014 General meeting approve the 2013 financial statements.
(3) Website.
(4) No presence in quorum of one of the Group's major shareholders.

7.6.4. RESPONSIBLE PURCHASING

7.6.4.1. GECINA'S RESPONSIBLE PURCHASING PROCESS

7.6.4.1.1 THE RESPONSIBLE PURCHASING STRATEGY AND MONITORING OF ACTION PLANS

Each operational and functional department of Gecina provides purchasing resources required for its business. In order to determine a responsible procurement strategy and to co-ordinate the process, in 2011 Gecina set up a working group made up of representatives of the various functions that manage one or several procurement categories identified as having priority.

In 2013, this working group, guided by CSR management, met in quarterly committees to monitor the roll-out of the action plan, results and indicators chosen for each priority category according to the four commitments of the responsible purchasing strategy.

Buying Process	Knowing how to identify the (right) need	Formulating (more eco-friendly) specifications	Securing (long-term and fair) relationships with suppliers	Streamlining our (eco-friendly) after-sales service
4 Commitments	1 **Training stakeholders in the CSR issues** in the construction and operation of buildings	2 Basing our buying practices on the **best standards** of product, services and building quality and traceability	3 Building **partnership relationships** with our suppliers in the field of CSR	4 Raising awareness and involving **users** to ensure optimal impact for our responsible buying process
Key actions	• Training/raising awareness of in-house teams about the issues related to SD, Responsible Buying, green buildings (Asset & Investment), etc. • Make suppliers and contractors aware of sustainable development issues and recognition of CSR in their processes and practices • Defining the criteria of good environmental management of worksites and including them into the General Management System (SMG) • Share CSR commitments with regular suppliers by having them sign the Responsible Purchasing Charter	• Creating a sustainable investment scoring matrix • Revise specification standards and requirements to include environmental and social criteria for all priority families • Bolster the procedure for combating undeclared work • Improving social traceability of the main indicators (core business and support functions) • Incorporate energy criteria into PC inventory renewals and analyze opportunities for virtualizing servers for all new applications • Implement an internal policy for responsible printing (for paper and printing services) • Establish a standard for responsible events	• Evaluating current suppliers (core business and support functions) based on CSR criteria (environmental and social policy) • Co-develop progress plans with affected suppliers who have been evaluated • Carry out on-site audits (verification and progress) of contractors and suppliers • Partnering with suppliers in a responsible Health and Safety policy (accidents, clandestine employment, etc.) • Signing the CCAG (after presentation of the educational material summarizing the requirements of the CCAG) with all the suppliers • Expand the use of suppliers employing people in adapted and protected work environments	• Becoming involved in recycling of materials at end of life (core business and support functions) • Becoming involved in waste sorting during the service phase • Incorporating sorting equipment in the specifications during renovations • Training superintendents in eco-labels, particularly for maintenance products.

Note: The principal components of this action plan may be found in the general action plans table in Chapter 7.1.3

The quarterly responsible purchasing committees were assisted by a third party expert, Utopies, a firm which was tasked with providing a constructive critique of the proposals and recommendations of the working group. In view of the progress noted in actions undertaken and changes in technologies, markets, supplier maturity and customer expectations, new actions are regularly brought in to supplement the responsible purchasing action plan monitored during these meetings.

7.6.4.1.2 The importance of supporting suppliers in the area of CSR

Furthermore, Gecina is aware of the importance of its supplier pool and wishes to contribute to bolstering and extending the longevity of their activities. Special attention is paid to companies with the smallest structures, the SMEs and the VSEs, in an effort to support them in becoming aware of and adapting to the issues of sustainable development. As part of the responsible purchasing strategy, Gecina is careful to facilitate access to information relating to CSR and sustainable development for its suppliers and to inform them about integrating the issues into their strategies and models, just as they integrate best practices for their processes.

This consideration extended to VSE and SME was recognized by ADEME as an exemplary attitude in an industry with a large number of entities. In 2012, ADEME financed 50% of the studies program intended for implementing Gecina's responsible purchasing strategies.

7.6.4.1.3 PRIORITIZATION OF PURCHASING CATEGORIES

In 2012, an analysis of Gecina's major expenses was carried out, accounting for 92% of overall expenses. This led to the identification of 11 categories of priority purchasing determined by priority level and calculated based on the following elements:
- Volume of expenses, according to IFRS
- Opportunity for contributing to Gecina CSR objectives and image enhancing
- Risk level in terms of environmental, social and health issues
- Capacity for acting on a category: market structure and capacity for influencing suppliers
- Technical or regulatory requirements
- Number of VSEs and SMEs on the market and their strategic features, such as specific expertise, business line experiencing difficulties, etc.

In order to guarantee assimilation of the process internally and the involvement of the various operational and functional departments, this analysis also took into account the degree to which key functions of the company were represented. Thus a twelfth category representing support services was added to the list of categories.

The twelve priority purchasing categories were identified and grouped into five working sub-groups, as follows:
- **Investments:** VEFA or CPI purchases of new or existing buildings and delivery of turnkey building projects
- **Construction work:**

– finishing,
– technical equipment,
– shell;
- **Operation and maintenance:**

– maintenance with a maintenance contract,
– fittings and finishing,
– ongoing maintenance: small repairs with a departmental request,
– cover and facade: frames/covers/leakage,
– fitting and finishing the private areas;
- **Services and small equipment:**

– lights, electrical equipment (bulbs, neon lights and batteries),
– electronic and electrical equipment (PCs, printers telephones, screens, other accessories, etc.);
- Support services: communications, marketing, legal and human resources.

The table below states risk levels identified for each of the categories of priority purchasing and a prioritization index.

Category /working sub-group	Purchase Category	Environmental Risk	Health Risk	Social Risk	Priority Index
Investments	VEFA [off-plan] / CPI [real estate development contract] purchases of new buildings or purchases of existing buildings	5	5	5	31
Construction Work	Finishes	5	5	5	30
Construction Work	Technical equipment	5	5	5	29
Construction Work	Shell (roof framing, roofing, weather tightness)	5	5	5	29
Operations & Maintenance	Maintenance (contracted: antennas and cables, technical inspections and fire safety, generators, ventilation, sanitary engineering, elevators, access control, plumbing, doors, windows, glass areas, hardware, heating, air conditioning, electrics, painting, suspended ceilings, etc.)	5	5	5	29
Operations & Maintenance	Fittings and common area finishes (fittings, partitions, suspended ceilings, renderings, finishes, common areas)	5	5	5	29
Operations & Maintenance	Day-to-day maintenance (non-contracted minor maintenace: antennas and cables, technical inspections and fire safety, generators, ventilation, sanitary engineering, elevators, access control, plumbing, doors, windows, glass areas, hardware, heating, air conditioning, electrics, painting, suspended ceilings, etc.)	5	5	5	28
Operations & Maintenance	Roof and facade maintenance (roof framing, roofing, waterproofing)	4	5	5	27
Services And Small Equipment	Lighting, electrical consumables (light bulbs, fluorescent tubes, large & small batteries)	5	5	4	27
Operations & Maintenance	Fittings and private area finishes (fittings, partitions, suspended ceilings, renderings, finishes, common areas)	5	5	5	27
Services And Small Equipment	Electrical and electronic equipment (PCs, printers, telephones, accessories, screens, video conference equipment)	5	5	4	26
Support Services	Communication, marketing, human resources and legal services	0	0	1	13

Prioritization index: Scale from 0 to 31 (from lowest to highest priority)
Risks: Scale of 0 to 5 (from lowest assessed risk to highest assessed risk)

7.6.4.2. GECINA ACTIONS AND PERFORMANCE IN THE AREA OF RESPONSIBLE PURCHASING

7.6.4.2.1 KEY ACTIONS AND PERFORMANCE REGARDING THE COMMITMENT TO TRAIN AND HEIGHTEN AWARENESS OF STAKEHOLDERS

Training in green buildings was dispensed to asset management teams in 2013. In parallel, all the technical teams of the business lines (construction work, legal), communications and marketing managers and general services managers, in addition to a considerable portion of management accountants, IT staff and human resources staff concerned were informed with regard to responsible purchasing and especially the Responsible Purchasing Charter. A training program for key company managers dealing with responsible purchasing was integrated in the 2014 training plan.
All members of the working group contributed to the drafting of a Responsible Purchasing Charter for Gecina, which was signed by the CEO Philippe Depoux and distributed to all Group employees in the final quarter of 2013. This charter, which was also signed by Gecina's suppliers, outlines the Group's commitments and expectations regarding the five fundamental CSR themes of Health and Safety, Working Conditions and Diversity, Ethics and Transparency, the Environment, and Social and Environmental Innovation. This is a founding element of the dialogue the Gecina wishes to establish with its suppliers to develop shared progress on the social and environmental levels.
It is relayed to individual suppliers by the Gecina employee managing the relationship with that supplier prior to each transaction and signed in accordance with the rules described below:

Rules applicable to the Responsible Purchasing Charter
1. All suppliers operating in the area of construction projects where developers conclude VEFA or CPI transactions: for existing properties, a clause will be inserted directly into purchase deeds executed as from 2014.
2. All Gecina-certified suppliers who conducted transactions by means of a framework contract or service order in 2013, excluding construction projects already committed, designated as:
- "Technical", equal to or in excess of €100,000
- "Fee-based", equal to or in excess of €70,000
- "Other suppliers", equal to or in excess of €20,000

3. All new certified suppliers as from November, 2013 designated as:
- "Technical" or "Fee-based" for consultations invoiced at an amount equal to or in excess of €45,000
- "Other suppliers" registering orders for amounts equal to or in excess of €10,000 or an estimated amount equal to or in excess of €20,000/year.

Three introductory presentations of the charter were set up during the month of December in order to bring in the 165 "Technical" and "Fee-based" contractors whose invoiced amounts equal to or exceed €100,000, representing 80% of standard operations and maintenance costs. The purpose of this was to clarify:
- The background elements of sustainable development in the industry
- Gecina's CSR policy and the responsible purchasing strategy
- The components of the charter and what is expected from suppliers

These meetings assembled 60% of the suppliers invited as well as Gecina employees. They were held in the presence of the CEO and provided an opportunity for constructive dialogue. At each session, a supplier was asked to demonstrate its commitment and to sign the charter with Philippe Depoux.

In addition, two complementary awareness workshops were held to continue the exchange of information in small groups with VSEs and SMEs. Thirty suppliers were invited to these two workshops, 70% of which attended.
At the end of 2013, 44% of the 165 regular contractors to whom the charter was addressed signed it.
Note: at the middle of February, 2014, this percentage was 49%. The aim is for 90% of this type of supplier to have signed by the end of 2014.

Commitment 1: Training stakeholders in CSR issues relating to the construction and operation of buildings

Actions	Indicator	Evaluated business line	2013 result	2014 Objective	Comments
Training asset management and investment teams in green buildings	% of asset management and investment teams trained in green buildings	All business lines	71%	100%	The aim of this training was to raise awareness among asset teams of the background and the market expectations concerning these issues, and to provide a useful guide for real estate investment, arbitrage and CSR actions.
Training key managers in responsible purchasing	% of key Gecina managers trained in responsible purchasing	All business lines	0%	100%	Training was integrated into the master training plan for 2014.
Heighten awareness of regular VSE / SME suppliers to CSR	% of regular VSE/ SME suppliers aware of CSR	All business lines	70%	100%	Thirty regular suppliers were selected to attend two awareness meetings in December. The meetings lasted two hours and were presented by internal teams and Utopies staff.
Share CSR commitments with regular suppliers through the signature of the Responsible Purchasing Charter	% of regular suppliers that signed the Responsible Purchasing Charter	All business lines	44% (of regular suppliers in maintenance and operations)	90%	In November 2013, the charter was sent to 165 regular suppliers in the operations and maintenance business. Among these, 44% signed the document by the end of December. In 2014, the charter will be sent to regular suppliers in other business areas, as well as to all new suppliers adhering to the set application rules.

7.6.4.2.2 KEY ACTIONS AND PERFORMANCE REGARDING THE COMMITMENT TO BASE GECINA'S PURCHASING PRACTICES ON THE BEST QUALITY AND TRACEABILITY STANDARDS FOR PRODUCTS AND SERVICES

Commitment 2: Basing our buying practices on the best standards of product, services and building quality and traceability

Actions	Indicator	Evaluated business line	2013 results	2014 objective	Comments
Use of a scorecard for sustainable investment, to be updated depending on mapping of assets	% of projects based on sustainable investment scoring matrix	All business lines	59%	100%	100% of student residence projects were given a standard evaluation grid for sustainable performance. Scoring for commercial and healthcare real estate projects was done according to various methodologies (internal or external evaluations).
Revise all RFP standards and specifications to integrate environmental and social criteria for all priority categories	% of IT equipment with eco-friendly label certification or incorporating environmental criteria	IT equipment	100%	100%	The entire Gecina IT equipment (PCs, printers, scanners, etc.) carries the Energy Star 5.0 label and numerous items also have received the Blue Angel label.

Actions	Indicator	Evaluated business line	2013 results	2014 objective	Comments
Revise all RFP standards and specifications to integrate environmental and social criteria for all priority categories	% of families of products incorporating environmental criteria	Operation and Maintenance of Corporate Real Estate	36%	50%	Incorporate specific environmental criteria into different products is a complex task requiring precise monitoring of technological advances in the market and pricing positions. Many categories of products have nonetheless been analyzed in order to prefer eco-labels such as Blue Angel, White Swan, the A+ label, or with values not exceeding WHO recommendations in terms of COV particles.
		Operation and Maintenance of Residential Real Estate	39%	50%	
	% specifications revisited in light of responsible purchasing	All business lines	25%	30%	This data integrates revised criteria of products (see indicators above) as well as good practices and more general guidelines.
Implement an internal responsible printing policy with regard to paper and printing services	% of publications complying with internal policies	Publication of marketing and internal and external communications departments	100% of corporate publications	100% of corporate publications and extension to marketing publications	The paper used for corporate publications must comply with set policies stipulating 100% recycled materials, FSC certified, European Eco-label certified, manufactured in France, printed on Imprim'Vert printers, use of limited lamination and other varnishing effects. In order to rationalize volumes, document printing is carried out upon request.

7.6.4.2.3 KEY ACTIONS AND PERFORMANCE REGARDING THE COMMITMENT TO «BUILD PARTNER RELATIONSHIPS WITH OUR SUPPLIERS IN THE AREA OF CSR»

In 2013, Gecina developed a survey evaluation intended to analyze performance of suppliers in terms of environmental, social, societal and organization issues in an effort to support suppliers in implementing their operational commitments with regard to the Responsible Purchasing Charter. This questionnaire is accessible through an internet platform to facilitate its use and comprises some twenty questions. The results are weighted depending on the size of responding companies in order to guarantee maximum comparability.

This tool, which will be launched in early 2014, will, in the first instance, be sent to suppliers who have signed the charter. An analysis of the survey results will lead to the identification of action paths by category of purchases and by suppliers. It will contribute to the implementation of progress plans, which may be added to on a complementary basis by site audits.

Above all, this process is based on a willingness to improve

SUPERVISE

1. Commitments Charter, awareness and technical specifications

ASSESS

2. Evaluation of practices and performance through surveys and review workshops

IMPROVE

3. On-site audits (verification and progress) and development of progress plans

Commitment 3: Building partnership relationships with our suppliers in the field of CSR

Actions	Indicator	Evaluated business line	Résultat 2013	2014 objective	Comments
Sign the General Terms of Contracts (CCAG) with all service providers	% of CCAG signed	Operation and Maintenance of Commercial and Residential Real Estate	40% of technical contractors for whom expenses amount to over €10,000	100% of technical contractors whose invoiced amounts equal to or exceed € 100,000 and 80% of technical contractors whose invoiced amounts exceed € 10,000	40% of technical suppliers with expenses exceeding €100,000 signed the CCAG in 2013. The CCAG was entirely reviewed and sent to all suppliers and service providers working in operations and maintenance with orders exceeding €10,000.
Develop the use of protected and adapted employment services	Number of beneficiary units (BU) enhanced by using ESAT (professional reinsertion units for people with disabilities) and EA (Adaptive Enterprises)	All business lines	0.57UB	1 UB	As part of the policy for people with disabilities established in 2013, a working sub-group undertook studies to find a way to significantly increase beneficiary units by means of added value services for Gecina and the business line concerned.

7.6.4.2.4 KEY ACTIONS AND PERFORMANCE REGARDING THE COMMITMENT TO «BUILD PARTNER RELATIONSHIPS WITH OUR SUPPLIERS IN THE AREA OF CSR»

Commitment 4: Raising awareness and involving users to ensure optimal impact for our responsible buying process

Actions	Indicator	Evaluated business line	2013 results	2014 objec-tive	Comments
Training superintendents in eco-labels, particularly for maintenance products.	% of maintenance products with eco-friendly label certification or incorporating environmental criteria	Residential Real Estate	11%	20%	Objectives set in 2012 for 2013 were revised to account for the capacity of the market to provide services at a sufficient level of quality that do not generate excessive nuisance to tenants.
Becoming involved in recycling of materials at end of life (core business and support functions)	% buildings outfitted with a collection point for used fluorescent tubes	Residential Real Estate	66%	100% of buildings with a caretaker	Light bulbs in buildings without a caretaker are replaced directly by the electrician. For the rest of the portfolio, collection bins are automatically sent with each new order for buildings not already equipped with one.

7.6.5. SPONSORSHIP AND PARTNERSHIPS

7.6.5.1 GECINA SUPPORTS THE PALLADIO FOUNDATION

Gecina is a founding member of the Palladio Foundation. The Palladio Foundation started out as an original initiative by real estate companies under the auspices of the Fondation de France. It was founded in 2008 with a view to meeting the challenge to create the city of the future and living areas therein. Its mission is to bring together and call on all parties involved in this project (elected officials, real estate professionals, professionals from other sectors that focus on urban issues, researchers, members of federations or non-profit organizations and the media) to take part in a debate. It supports and welcomes those who are building on the future, whether students, researchers or young professionals.

In 2013, with the support of Gecina, the Palladio Foundation was able to develop in particular:
- All of the tools for the Palladio Future Center comprising 12 scholarships granted to PhD and post-PhD students, for an overall allocation of €100,000. The SIMI Junior Real Estate Prize and the AREIM Prize were sponsored for the sixth and third consecutive years, respectively. The Foundation also sponsored the second edition of the Real Estate Industry Career Fair, with 40 exhibitors and 1,400 visitors, as well as the SIMI Training Facility offering 17 training programs from 10 establishments. The new Palladio university term featured 18 establishments with 28 training programs.
- The second annual cycle of the Palladio Institute of Superior Studies in Real Estate and the City, exploring the theme "The city of tomorrow: who will live there?" Sponsored by Gérard Collomb, Senator-Mayor of Lyon and Chairman of Greater Lyon. The 2012-2013 Acts, result of the work done during the cycle and of 27 auditors, were published in November, 2013, thus rounding out the Collection set up in 2012. "The city of tomorrow: what will it be used for?" is the theme of the third cycle sponsored by Jean-Louis Borloo, former Minister and representative for the Nord region.
- The Palladio Research Center, organizer of the second international colloquium of Research on Urban Real Estate and Construction, addressing the theme "Constructing a sustainable city - researchers and scholarship recipients of the Palladio Foundation speak out". The eight 2012 scholarship recipients of the Foundation and recognized experts exchanged perspectives on social, environmental and economic issues.

In 2013, Gecina was especially involved in the following:
- Governance of the Palladio Foundation, through the Board of Directors
- Communication concerning the Palladio Foundation: Gecina hosted Foundation staff during one of its Management Committee meetings
- The Palladio Future Center: Bernard Michel is Chairman of the Scholarship Committee and Gecina participated in the forum on real estate industry professions
- The Palladio Institute: Loïc Hervé was Auditor for the 2012-2013 cycle and Vincent Moulard will be Auditor for the upcoming cycle. Both are Executive Directors of Gecina
- The Palladio Research Center: Gecina hosted the Palladio research colloquium and participated in organizing it.

7.6.5.2 HELP FOR SOCIAL REHABILITATION THROUGH HOUSING

Gecina has entered into partnerships with three non-profit organizations (SNL Paris, Habitat et Humanisme, and Coallia) active in the arena of social rehabilitation through housing. For the past few years, the Group has leased them apartments at preferential rents which are below the market rate. Although social housing is not the vocation of the real estate company, these projects allow the Group to contribute to social diversity.

The private rental market in the Paris area is virtually inaccessible to very low-income families, while access to conventional social housing is hampered by the shortage of such housing. Based on the model practiced in the United Kingdom, Gecina rents out seven apartments in various residences to three social housing organizations with which it has a partnership.
Candidates are chosen by the organizations, which forward requests from the Paris City Council or from the prefecture. Rents are capped and the lease proposed by the organizations is temporary.
The tenants are people in distressed circumstances, mostly couples or single women with one or two children. 30% are single-person households. Many of them have to deal with health, family or professional rehabilitation issues. All of them have lived in emergency or sheltered accommodation.

With SNL, for example, the one-year lease is renewable until a long-term solution is found. The average occupancy period for a unit is three years. When the family feels ready to deal unassisted with the rights and duties of a tenant, then they are re-housed. All avenues are considered in the best interest of the tenants, their constraints and their aspirations.
In 2012, five apartments were leased to partner organizations. Keen to bolster its support for these organizations, in 2013 seven apartments were set aside for families with housing difficulties. Most of these apartments are now home to their second generation of tenants, proof that access to housing contributes to the social reintegration of the most disadvantaged.

7.6.5.3 OUR COMMITMENT TO THE GECINA FOUNDATION

A RENEWED STRUCTURE

The Gecina Corporate Foundation is chaired by Bernard Michel, Chairman and CEO of Gecina. The Board is comprised of eight members:

- Five of them represent the founders and have operational jobs within the Gecina Group;
- Three qualified personalities who provide expert advices on disabilities and environment issues

Members of the Board of Directors

Gecina members

- Bernard Michel, Chairman and CEO of Gecina;
- Philippe Valade, Company Secretary of Gecina;
- Viviane Carbognani Liotta, Accounts Payable Director;
- Loïc Hervé, Director of Residential and Healthcare Real Estate;
- Jacques Craveia, Director of Operations - Corporate Real Estate.

Qualified personalities:

- Anne Voileau, Director of the radio station Vivre FM and Editor in Chief of the magazine Être Handicap Information;
- Dominique Legrain, former Inspector-General for the Environment;
- Ryadh Sallem, elite athlete, Director of the Cap Sport Art Amitié Aventure (CAPSAAA), a non-profit organization.

Over the course of 2013, the Board met on three occasions and the Foundation was renewed for an additional five years until 2018. Gecina, a founding member of the Foundation, granted it an endowment in the amount of €1,000,000 over five years on the occasion of its renewal, representing an increase of 25% in financing compared with the previous five-year term.

During this transition year, the Foundation also approved the report of its first five-year tenure, extended the term of the Directors and approved 11 new programes.

AN IDENTITY OF ITS OWN AND A LINK TO CSR

La Fondation d'entreprise Gecina structure les actions philanthropiques de l'entreprise autour du handicap et de la protection de l'environnement depuis 2008.
Elle soutient des projets d'intérêt général en lien avec:

- l'amélioration des conditions de vie et d'accessibilité des personnes en situation de handicap;
- la protection de la nature par des actions de préservation ou de réhabilitation de sites naturels et de la biodiversité en milieu urbain.

Since 2008, the Gecina Corporate Foundation has structured philanthropic actions of the company around disabilities and protection of the environment.
It supports general interest projects connected with the following:

- The improvement of living conditions and accessibility of people with disabilities
- Protection of nature through preservation or rehabilitation actions of natural sites and of biodiversity in urban settings

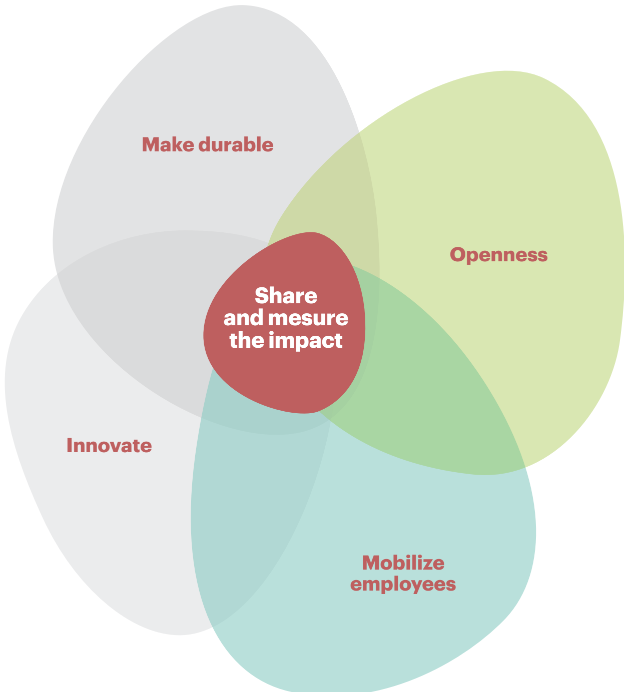
The Foundation is part of a process of openness on the part of Gecina to the issues facing civil society be going beyond business commitments. By involving Group employees, it nourishes and enriches the company's consideration of societal issues and participates in the development of a unified company culture. As a complement to CSR actions applied to properties, the Foundation, with its employees and stakeholders, injects specific vitality into the challenges of protecting the planet and upholding social causes.

A FEDERATING FRAMEWORK AS A SOURCE OF DEVELOPMENT

The Group's employees are at the core of projects supported by the Foundation. They participate through volunteering and charity work by means of three participation mechanisms:

- Partnership for contributing expertise
- Project sponsorship
- Collective mobilization on specific and intermittent support actions

The Foundation's actions focus on five areas:



DEVELOP LASTING PRACTICES

In view of its experience, the Foundation has decided to perpetuate its support over the long term with its two traditional partners

- The French National Forestry Office (ONF) for accessibility and biodiversity of the nation's forest assets in the Melun Sénart area in the département of the Essonne (91).
- The Coastal Conservatory for awareness programs concerning natural heritage land and accessibility to the Consrvatory's property at the Jardin du Rayol in the Var region.

New partnerships have been formed over the past two years with local and national groups that feature good representativeness and capacities for operations:

- The Bird Protection Society (LPO), for its maintenance of biodiversity in urban areas
- The CAPSAAA association for its support of the national wheelchair rugby team
- The Vivre FM associative radio station for its «Let's build together» program
- The NGO Ashoka for its Impact Handicap program

These agreements are systematically accompanied by involvement by employees in terms of patronage through expertise.

OPENNESS AND BALANCE

The Foundation is aware of the numerous requirements of the non-profit sector and has desired to maintain and guarantee its support of structures with a human dimension. It originally lent its support in other ways by supporting the professionalization of purveyors of projects through gifts in kind, free expertise and consulting, time and skills sponsoring.

INNOVATE AND CO-BUILD

The Foundation is turning toward the implementation of an innovative program concerning social entrepreneurship with the NGO Ashoka. This program aims to support and train entrepreneurs who work in the social realm.

In 2013, a panel of experts selected 10 entrepreneurs to receive support in becoming professionalized and augmenting their social impact. Accordingly, in 2014, ten volunteer Gecina employees will advise purveyors of projects over a period of six months in tandem with NGO Ashoka counselors.

The «Let's Build Together» radio show put out every first Saturday of the month by Vivre FM, an associative radio station, gives the Foundation the opportunity to give voice to all non-profit organizations with a social mission supported by the Foundation since it was set up. This is the opportunity for non-profit organizations and committed volunteer Gecina employees to express their commitment, common experiences and news.

MOBILIZE AND EXPERIMENT

Since its establishment, some fifty employees have participated in collective actions to support partner organizations, such as:

- Packaging and distributing gift packs for seniors through Dons Solidaires
- Cleanup of the banks of the Seine with Surfrider
- Performing renovation work at Jardins du Rayol

Eighty employees committed to general interest actions during 2013.

Students and Campuséa residents also participated in mobilization actions concerning the Urban gardens with Centre Montparnasse. Collections of bottle tops placed in residential buildings contribute to increasing the inventory of tops collected for Clayes Handisport.

SHARING AND MEASURE

Since the success of certain programs requires multiple partners, a dialog is opening up with other technical and financial players, institutional and public partners in order to act in concert on a common area and to improve development capacities for territorial projects involving a chain of participants.

A SKILLS-BASED SPONSORSHIP STRUCTURE THAT ASSERTS ITSELF

A total of 162 days have been dedicated to general interest causes in 2013. The share of skills-based patronage amounts to 85.5 days, valued at €32,705 borne by Gecina as part of a contribution to participation shared between volunteer and charity work.

VISIBILITY

Regular communication on the company's intranet facilitated information sharing and dissemination of news of the Foundation. At the five-year anniversary of the Foundation in June 2013, 150 employees and program partners participated in a day set up at the Scouts and Guides of France in Jambville (Yvelines). This event concluded with the symbolic planting of five trees.

Employees were also invited to the inaugurations of projects carried out by sponsors, to include:

- The reopening of the Château de Champs sur Marne (Seine et Marne) with the Centre des Monuments Nationaux
- The inauguration of the Albion boat for the launch of river wanderings with the Espaces association.

ACTIONS

Since its establishment in 2008, the Foundation has supported fifty projects with some thirty partners. Over 140 Gecina employee volunteers have been involved at different levels since the Foundation began.

In 2013, the Foundation supported the following flagship projects:

- Dons solidaires: A non-profit organization that collects downgraded products intended for disposal and redistributes them to older persons in difficulty;
- Château de Champs Sur Marne and the Opéra Comique: Renovation work to facilitate access to the chateau for persons with motor disabilities and creation of a cultural mediation tool for visually-impaired people, including audio descriptions of new lyrical works, special guided visits, tactile models for discovering places and architectural phenomena;
- LPO: Protection program for protecting and monitoring the peregrine falcon, an emblematic species, by installing a camera on the top of the CPCU tower at Beaugrenelle to observe the birth and development of young peregrine falcons.

BUDGET

At December 31, 2013, and since its establishment, the total resources including gifts received of the Foundation amounted to €1,573,945 and the budgets allocated to projects supported by the Foundation totalled

The annual statutory resources of the Foundation are €200,000, a total of €1,000,000 for five years. In view of the surplus amounts of funds from the preceding five-year period, the Board of Directors of the Foundation selected and approved 11 programs with a budget of €252,880 in 2013.

7.7. Correspondence table (in line with France GBC, EPRA, GRI CRESS and Grenelle II)

GRI G4		Gecina: Completeness	Gecina: Scope (1)	Correspondence: ISO 26000	Correspondence: art. 225	Correspondence: EPRA	Correspondence: Page in Reference Document
1. STRATEGY AND ANALYSIS							
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainanbility to the organization and the organization's strategy for adressing sustainability	●	G	6.2	II.a) 1.1		4
G4-2	Description of key impacts, risks, and opportunities	●	G	6.2	II.a) 1.1		20
2. COMPANY PROFILE							
G4-3	Name of the organization	●	G	7.6	I.a) 1.1 I.a) 1.2 I.a) 1.4 III.c) 2		358
G4-4	Primary products and/or services and corresponding brands	●	G				16
G4-5	Location of organization's headquarters	●	G				358
G4-6	Number of countries where the organization operates and names of countries with either major operations or that are specifically relevant to Sustainable Development issues covered in the report	●	G				358
G4-7	Nature of ownership and legal form	●	G				180
G4-8	Markets served including geographic breakdown, sectors served and types of customers or beneficiaries	●	G				16
G4-9	Scale of the organization: number of employees, nimber of operations, net scales, total capitalization, quantity of products or services provided	●	G		I.a) 1.1 I.a) 1.2 I.a) 1.4 III.c) 2		10 and 277
G4-10	Total workforce by employment type, employment contract and geographic region, substantial portion performed by self-employed or contractors, significant variations in employment numbers	●	G	6.4.4	I.a) 1.1 I.a) 1.2 I.a) 1.4 III.c) 2		277
G4-11	Percentage of employees covered by collective bargaining agreements 188 P	●	G	6.4.3 6.4.5			286
G4-12	Organization's supply chain	◐	G		I.a) 1.1 I.a) 1.2 I.a) 1.4 III.c) 2		14
G4-13	Significant changes during the reporting period regarding size, structure or ownership: number of employees, nimber of operations, net sales, total capitalization, quantity of products or services provided	●	G				16
External commitments							
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	◐	G	6.8.9			293
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses	●	G	6.8.9			136
G4-16	Membership in associations (such as industry associations) or national/international advocacy organizations	●	G	6.8.9	I.a) 1.1 I.a) 1.2 I.a) 1.4 III.c) 2		300
3. IDENTIFIED MATERIAL ASPECTS AND BOUNDERIES							
G4-17	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	●	G		PG2		14
G4-18	Process for defining report content	●	G	7.6			204
G4-19	All the material aspects identified in the process for defining report content	●	G				204
G4-20	Report of the Aspect Boundary within the organization	◐	G		PG2		204
G4-21	Report of the Aspect Boundary outside the organization	◐	G				204
G4-22	Explanation of the effect of any re-statements of information provided in earlier reports and reasons for such re-statement (e.g., merger/acquisitions, change of reporting period, nature of business, measurement methods)	●	G	7.6			221
G4-23	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report	●	G	7.6	PG2		221
Stakeholder engagement							
G4-24	Engagement with stakeholders	●	G		III.b) 1		200
G4-25	List of stakeholder groups engaged by the organization: Example of stakeholder groups: communities, civil society, customers, shareholders, suppliers and employees, other workers and their unions	●	G	5.3.3			200
G4-26	Basis for identification and selection of stakeholders with whom to engage	●	G	5.3.3	III.b) 1		200
G4-27	Approaches to such engagement including frequency of engagement by type and by stakeholder group	●	G	5.3.3	III.b) 1		295

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GRI G4		Gecina Completeness	Gecina Scope[(1)]	Correspondence ISO 26000	Correspondence art. 225	Correspondence EPRA	Page in Reference Document
Report profile							
G4-28	Reporting period (e.g., fiscal year, calendar year) for information provided	●	G				221
G4-29	Date of most recent previous report published (if any)	●	G				april 2013
G4-30	Reporting cycle (annual, biennial, etc.)	●	G				221
G4-31	Contact person for any questions regarding the report or its content (last page of report)	●	G	7.6			319
GRI content index							
G4-32	Table identifying the location of the standard disclosures in the report	◐	G	7.6			314
Assurance							
G4-33	Policy and current practice with regard to seeking external validation of the report	●	G	7.6	I.a) 3.1 I.a) 3.2 II.a) 2 III.b) 1		226
4. GOVERNANCE							
Governance structure and composition							
G4-34	Governance structure of the organization, including committees under the highest governance body (board of directors or similar body) responsible for specific tasks	●	G				137
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	●	G				136
G4-36	Has appointed the organization an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	●	G				14 and 147
G4-37	Mechanisms for shareholders and employees to provide recommendations or direction to the board of directors	◐	G		I.a) 3.1 I.a) 3.2 II.a) 2 III.b) 1		157
G4-38	"Composition of the highest governance body and its committees by: Executive or non-executive, Independence, Tenure on the governance body, Number of each individual's other significant positions and commitments, and the nature of the commitments, Gender, Membership of under-represented social groups, Competences relating to economic, environmental and social impacts, Stakeholder representation"	●	G				147
G4-39	Indicate whether the Chair of the Board of Directors is also an executive officer (and if so, indicate the Chair's duties and reasons for such arrangement)	●	G				147
G4-40	Process for determining the qualifications and expertise required of the members of the board of directors to decide on the strategic lines of action of the organization in economic, environmental and social matters	◐	G				137
G4-41	Processes in place for the board of directors to ensure conflicts of interest are avoided	◐	G				155
Highest governance body's competencies and performance evaluation							
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	●	G				149 and 217
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	○	G		I.a) 3.1 I.a) 3.2 II.a) 2 III.b) 1		149 and 217
G4-44	Processes for evaluating the board of directors' own performance, particularly with respect to economic, environmental and social performance	○	G				149
Highest governance body's role in risk management							
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	◐	G				149 and 217
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	●	G				149 and 217
G4-47	The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	●	G				149 and 217
Highest governance body's role in sustainability reporting							
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	●	G				149
Highest governance body's role in evaluating economic, environmental and social performance							
G4-49	Process for communicating critical concerns to the highest governance body	◐	G				40
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	○	G				-

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GRI G4		Gecina Completeness	Gecina Scope[(1)]	Correspondence ISO 26000	Correspondence art. 225	Correspondence EPRA	Page in Reference Document
Remuneration and incentives							
G4-51	Link between compensation for members of the board of directors, senior managers and executives (including severance packages) and organization's performance (including social and environmental performance)	◐	G		I.a) 3.1 I.a) 3.2 II.a) 2 III.b) 1		166
G4-52	Process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization	●	G				166
G4-53	How stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	○	G				-
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	○	G				-
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	○	G		I.a) 3.1 I.a) 3.2 II.a) 2 III.b) 1		-
Ethics and integrity							
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	●	G		III.d) 1		136
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	●	G				149
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	●	G		III.d) 1		149
5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS							
5.1. PERFORMANCE ECONOMIC							
Economic performance							
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation and benefits, donations and other community investments, retained earnings and payments to capital providers	●	G		I.a) 3.1		294
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	○	G		II.a) 4		-
G4-EC3	Scope of defined benefit retirement plan obligations (basic)	○	G				286
G4-EC4	Significant subsidies and financial assistance received from government	○					-
Market presence							
G4-EC5	Range of ratios of standard entry level wage compared to local minimum wage at the main locations of operation	○	G		I.a) 3.1		NA
G4-EC6	Procedures for local hiring and proportion of senior management hired locally at the main locations of operation	○	G		I.a) 2.1		NA
Indirect economic impacts							
G4-EC7	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bon engagement	◐			III.a) III.b) 2		-
G4-EC8	Understanding and describing the economic impacts	●	G	6.8.5	III.a)		293
Procurement practices							
G4-EC9	Policy, practices and proportion of spending on locally-based suppliers at the main locations of operation	◐	G		III.a)		294
5.2. PERFORMANCE ENVIRONMENTAL							
Materials							
G4-EN1	Materials used by weight or volume	◐			II.c) 2.1		266
G4-EN2	Percentage of materials used that are recycled input materials	◐		6.5.1 6.5.2	II.c) 2.1		266
Energy							
G4-EN3	Direct energy consumption within the organization	●	O/R	6.5.4	II.c) 3.1	3.3	239
G4-EN4	Indirect energy consumption outside the organization	●	O/R		II.c) 3.1	3.1	239
G4-EN5	Energy intensity	●	O/R			3.4	239
G4-EN6	Initiatives to reduce indirect energy consumption and reductions achieved	●	O/R		II.c) 3.2		239
G4-EN7	Initiatives to provide renewable-energy based products and services; reductions in energy requirements as a result of these initiatives	●	O/R	6.4.5	II.c) 3.2		239
Water							
G4-EN8	Total water withdrawal by source	●	O/R	6.5.4	II.c) 1.1 II.c) 1.2	3.8	275
G4-EN9	Water sources significantly affected by withdrawal of water	○	O/R		II.c) 1.2	3.9	-
G4-EN10	Percentage and total volume of water recycled and reused	○			II.c) 1.2		-

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		Gecina		Correspondence			
GRI G4		Completeness	Scope (1)	ISO 26000	art. 225	EPRA	Page in Reference Document
Biodiversity							
G4-EN11	Location and size of land owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	◐	O/R		II.c) 4 II.e) 1		269
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	◐	O/R	6.5.6	II.e) 1		269
G4-EN13	Habitats protected or restored	◐	O/R		II.e) 1		269
G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	○			II.e) 1		-
Emissions							
G4-EN15	Direct greenhouse gas emissions (Scope 1)	●	O/R	6.5.5	II.d) 1	3.5 3.6	262
G4-EN16	Indirect greenhouse gas emissions (Scope 2)	●		6.5.5	II.d) 1		262
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	●	O/R		II.d) 1		262
G4-EN18	Greenhouse gas intensity	●	O/R		II.d) 1	3.7	262
G4-EN19	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	O/R		II.d) 1		262
G4-EN20	Emissions of ozone-depleting substances by weight	○			II.b) 1.1		-
G4-EN21	NOx, SOx and other significant air emissions by type and weight	○			II.b) 1.1		-
Effluents and waste							
G4-EN22	Total water discharge by quality and destination	○			II.b) 1.2		-
G4-EN23	Total weight of waste by type and disposal method	◐		6.5.4	II.b) 2	3.10	269
G4-EN24	Total number and volume of significant spills	○		6.5.3	II.b)		NA
G4-EN25	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basle Convention Annex I, II, III and VIII; percentage of transported waste shipped internationally	○		6.5.3	II.b) 2		NA
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	○			II.b) 1.2 II.e) 1		-
Products and services							
G4-EN27	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	◐	G		III.d) 2		248
G4-EN28	Percentage of products sold and their packaging materials that are recycled or reused, by category	○			II.b) 2		NA
Compliance							
G4-EN29	Amount of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	G	6.5.1 6.5.2			20
Transport							
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce	◐			II.a) 3		266
Overall							
G4-EN31	Total environmental protection expenditures by type	○			II.a) 3		-
Supplier environmental assesment							
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	●	G		III.c) 2		305
G4-EN33	Significant actual and potential negative environmental impacts in the suplly chain and actions taken	●	G		III.c)		305
Environmental grievance mechanisms							
G4-EN34	Number of grievance about environmental impact filed, addressed, and resolved trough formal grievance mechanisms	◐	G				20
5.3. PERFORMANCE SOCIAL							
Employment							
G4-LA1	Workforce turnover by number of employees and rate by age group, gender and geographic region	●	G		I.a) 1.2 I.a) 1.3 I.a) 1.4 I.a) 2.1 I.a) 2.2		279
G4-LA2	Benefits provided to full-time employees that are not provided to temporary, fixed-end contract or part-time employees, by major operations	●	G				287
G4-LA3	Return to work and retention rates after parental leave, by gender	●	G		I.f) 1		292
Labor/management relations							
G4-LA4	Percentage of employees covered by collective bargaining agreements 188 P	◐	G		I.c) 1		286

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Occupational health and safety							
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational and safety programs	○	G		I.d) 1		286
G4-LA6	Rate of workplace accidents, occupational illnesses, absenteeism, number of workdays lost and total number of work-related fatalities, by geographic region	●	G	6.4.6	I.d) 3 I.d) 4		286
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	●	G		I.d) 3		283
G4-LA8	Health and safety topics addressed in formal agreements with trade unions	●	G		I.d) 2		286
Training and education							
G4-LA9	Average hours of training per year per employee and by employee category	●	G	6.4.7	I.e) 2		280
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	G	6.4.7	I.e) 1		280
G4-LA11	Percentage of employees receiving regular performance and career development review	◐	G	6.4.7	I.e) 1		280
Diversity and equal opportunity							
G4-LA12	Composition of governance bodies and breakdown of employees by gender, age group, minority group and other indicators of diversity	◐	G		I.a) 1.2 I.a) 1.3 I.a) 1.4 I.f) 1 I.f) 2.2 I.f) 3		288
Equal remuneration for women and men							
G4-LA13	Ratio of basic salary of women compared to men by employee category	●	G	6.3.10	I.f) 1		288
Supplier assessment for labor practices							
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	◐	G		III.c) 1 III.c) 2		288
G4-LA15	Significant actual and potential negative environmental impacts for labor practices in the supply chain and actions taken	◐	G				288
Labor practices grievance mechanisms							
G4-LA16	Number of grievance about labor practices filed, addressed, and resolved trough formal grievance mechanisms	○	G				20
5.4. PERFORMANCE HUMAN RIGHTS							
Investment and procurement practices							
G4-HR1	Percentage and total number of significant investment agreements that include clauses incorporating human rights concerns or that have undergone human rights screening	◐		6.3, 6.6.6	III.e)		305
G4-HR2	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations; percentage of employees trained	●	G		I.e) 2 III.e)		276
Non-discrimination							
G4-HR3	Total number of discrimination incidents and actions taken	○	G	6.3.10	I.f) 3 I.g) 2		286
Freedom of association and right to collective bargaining							
G4-HR4	Activities identified in which the right to exercise freedom of association and collective bargaining may be violated; actions taken to support these rights	◐	G		I.g) 1		286
Child labor							
G4-HR5	Operations identified as having significant risk for incidents of child labor; actions taken to contribute to the effective abolition of this type of labor	◐	G	6.3.10	I.g) 4 III.c)		302
Abolition of forced or compulsory work							
G4-HR6	Operations identified as having significant risk for incidents of forced and compulsory labor; actions taken to contribute to the effective abolition of this type of labor	◐	G	6.3.10	I.g) 3 III.c)		302
Security practices							
G4-HR7	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	●			III.e)		283
Indigenous rights							
G4-HR8	Total number of incidents of violations involving rights of indigenous people and actions taken	◐	G		III.a)2 III.e)		-
Assessment							
G4-HR9	Percentage of new suppliers that were screened using human rights criteria	◐	G		III.c) III.e)		NA
Supplier human rights assessment							
G4-HR10	Percentage of significant suppliers and sub-contractors that have undergone human rights screenings; actions taken	○			III.c) 2		-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	○	G		III.c) III.e)		-
Human rights grievance mechanisms							
G4-HR12	Number of grievance about human rights impacts filed, addressed, and resolved trough formal grievance mechanisms	○	G		III.e)		-

GRI (Global reporting initiative): GRI G4 principles
ISO 26000: international standard, guidelines on organization's social responsibility.
*Section 225 of the «Grenelle 2» french law: decree n°2012-557, April 24th 2012 related to social and environmental transparency
*EPRA: European Public Real Estate Association, EPRA Best Practices Recommendations, sept. 2011
(1) G = All the business lines of the Gecina Group; O = Office business line; R = Residential and student residences business line
● Completed data ◐ Partially completed data ○ Non published data
NA: Not applicable

GRI G4		Gecina Completeness	Gecina Scope[1]	Correspondence ISO 26000	Correspondence art. 225	Correspondence EPRA	Correspondence Page in Reference Document
5.5. PERFORMANCE SOCIETY							
Local communities							
G4-SO1	Nature, scope and efficacy of any program or practice for the assessment or management of the impact of operations, at any stage of development, on communities	◐	G		III.a) 1 III.a) 2		293
G4-SO2	Operations with significant actual and potential negative impacts on local communities	◐	G		III.a) 2		20
Anti-corruption							
G4-S03	Percentage and total number of strategic areas of activities analyzed for risks related to corruption	○		6.6.3	III.d) 1		20
G4-S04	Percentage of employees trained in organization's anti-corruption policies and procedures	●	G		III.d) 1		20
G4-S05	Actions taken in response to incidents of corruption	●			III.d) 1		20
Public policy							
G4-S06	Total financial and in-kind contributions to political parties, politicians and related institutions, by country	◐					20
Anti-competitive behavior							
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices; outcomes	◐	G	6.6.3			NA
Compliance							
G4-S08	Amount of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●		6.6.3			208
Supplier assessment for impacts on society							
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	◐	G		III.c) 2		307
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	◐	G		III.c) 2		307
Grievance mechanisms for impacts on society							
G4-SO11	Number of grievance about impacts on society filed, addressed, and resolved trough formal grievance mechanisms	◐	G				208
5.6. PERFORMANCE PRODUCT RESPONSIBILITY							
Santé et sécurité des consommateurs							
G4-PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	◐	G	6.7.4	III.d) 2		266
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome	●	G		III.d) 2		208
Product and service labeling							
G4-PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	●	G		III.d) 2		248
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome	●	G		III.d) 2		208
G4-PR5	Practices related to customer satisfaction, including results of survey measuring customer satisfaction	●	G				295
Marketing communications							
G4-PR6	Sale of banned or disputed products	○			III.d) 2		-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcome	●			III.d) 2		208
Customer privacy							
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	G		III.d) 2		295
Compliance							
G4-PR9	Amount of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	◐	G		III.d) 2		20 and 208

GRI (Global reporting initiative): GRI G4 principles
ISO 26000: international standard, guidelines on organization’s social responsibility.
*Section 225 of the «Grenelle 2» french law: decree n°2012-557, April 24th 2012 related to social and environmental transparency
*EPRA: European Public Real Estate Association, EPRA Best Practices Recommendations, sept. 2011
(1) G = All the business lines of the Gecina Group; O = Office business line; R = Residential and student residences business line
● Completed data ◐ Partially completed data ○ Non published data
NA: Not applicable

List of property holdings

8.1. Offices

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Activities surface area (sq.m)	Total surface area (sq.m)	% of interests
Buildings in operation									
75 Paris 1er									
55, boulevard de Sébastopol	1880	1880	8	630	639	310	-	1,579	100%
10/12, place Vendôme	1750	1750	-	80	7,821	1,002	-	8,903	100%
1, boulevard de la Madeleine	1890	1996	6	542	1,488	716	-	2,747	100%
Paris 2e									
35, avenue de l'Opéra - 6, rue Danielle-Casanova	1878	1878	10	593	1,003	591	-	2,187	100%
26/28, rue Danielle-Casanova	1800	1800	3	145	1,117	283	-	1,545	100%
Central Office - 120/122, rue Réaumur - 7/9, rue Saint-Joseph	1880	2008	-	-	4,642	-	-	4,642	100%
16, rue des Capucines	1970	2005	-	-	7,241	-	-	7,241	100%
Le Building - 37, rue du Louvre - 25, rue d'Aboukir	1935	2009	-	-	6,586	654	-	7,240	100%
64, rue Tiquetonne - 48, rue Montmartre	1850	1850	52	4,717	2,963	1,923	-	9,604	100%
31/35, boulevard des Capucines	1992	1992	-	-	4,136	1,548	-	5,684	100%
5, boulevard Montmartre	1850/1900	1996	17	1,418	3,938	2,579	-	7,935	100%
29/31, rue Saint-Augustin	1996	1996	6	447	4,744	259	-	5,450	100%
4, rue de la Bourse	1750	1993	10	802	3,186	773	-	4,760	100%
3, place de l'Opéra	1870	1870	-	-	4,617	868	-	5,486	100%
Paris 8e									
26, rue de Berri	1971	1971	-	-	1,926	920	-	2,846	100%
151, boulevard Haussmann	1880	1880	16	1,264	2,372	-	-	3,635	100%
153, boulevard Haussmann	1880	1880	17	798	4,194	-	-	4,991	100%
155, boulevard Haussmann	1880	1880	11	705	4,078	-	-	4,783	100%
22, rue du Général-Foy	1894	1894	4	323	2,434	-	-	2,758	100%
43, avenue de Friedland - rue Arsène-Houssaye	1867	1867	-	-	1,459	227	-	1,685	100%
38, avenue George-V - 53, rue François-1er	1961	1961	-	-	583	704	-	1,286	100%
41, avenue Montaigne - 2, rue de Marignan	1924	1924	2	136	1,523	625	-	2,284	100%
162, rue du Faubourg-Saint-Honoré	1953	1953	-	-	1,812	125	-	1,937	100%
169, boulevard Haussmann	1880	1880	8	735	746	268	-	1,749	100%
Magistère - 64, rue de Lisbonne - rue Murillo	1987	2012	-	-	7,181	-	-	7,181	100%
Parkings Haussmann	1880	1880	-	-	-	-	-	-	100%
44, avenue des Champs-Élysées	1925	1925	-	-	2,781	2,242	-	5,023	100%
66, avenue Marceau	1997	2007	-	-	4,858	-	-	4,858	100%
Parkings - 45, rue Galilée	-	-	-	-	-	-	-	-	100%
30, place de la Madeleine	1900	1900	2	337	816	983	-	2,137	100%
Parkings - Parc Haussmann-Berry	1990	1990	-	-	-	-	-	-	100%
9/15, avenue Matignon	1890	1997	35	2,684	5,269	3,810	-	11,63	100%
24, rue Royale	1996	1996	-	-	1,747	1,150	-	2,897	100%
18/20, place de la Madeleine	1930	1930	-	-	2,902	648	-	3,549	100%
101, avenue des Champs-Élysées	1995	2006	-	-	4,300	3,885	-	8,185	100%
Parking George-V	1977	1977	-	-	-	-	-	-	100%
8, avenue Delcassé	1988	2007	-	-	9,316	510	-	9,826	100%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Activities surface area (sq.m)	Total surface area (sq.m)	% of interests
55, rue d'Amsterdam	1996	1996	-	-	10,318	984	-	11,302	100%
17, rue du Docteur-Lancereaux	1972	2002	-	-	5,428	-	-	5,428	100%
20, rue de la Ville-l'Évêque	1967	1967	-	-	5,575	-	-	5,575	100%
27, rue de la Ville-l'Évêque	1962	1962	-	-	3,172	-	-	3,172	100%
5, rue Royale	1850	1850	1	129	2,172	153	-	2,454	100%
32/34, rue Marbeuf	1930-1950-1970	2005-2007	-	-	9,633	2,331	-	11,965	100%
Paris 9e									
21, rue Auber - 24, rue des Mathurins	1866	1866	6	10	1,256	422	-	1,687	100%
Mercy-Argenteau - 16, boulevard Montmartre	1820	2012	36	1,422	2,345	412	-	4,179	100%
1/3, rue de Caumartin	1780	1780	4	284	1,648	1,041	-	2,973	100%
32, boulevard Haussmann	1850	2002	-	-	2,385	287	-	2,672	100%
Paris 12e									
Parkings - 58/62, quai de la Rapée	1990	1990	-	-	-	-	-	-	100%
Tour Gamma - 193, rue de Bercy	1972	1972	-	-	14,454	548	-	15,002	100%
Paris 14e									
11, boulevard Brune	1973	1973	-	-	2,593	234	-	2,827	100%
37/39, rue Dareau	1988	1988	-	-	4,724	-	-	4,724	100%
Paris 15e									
16, rue Linois (C. C. Beaugrenelle - Panoramic/Magnetic)	1979	2013	-	-	-	45,687	-	45,687	75%
16, rue Linois (C. C. Beaugrenelle - Parkings)	1979	2013	-	-	-	-	-	-	75%
16, rue Linois (C. C. Beaugrenelle - City)	1975	2009	-	-	-	3,954	-	3,954	75%
Tour Mirabeau - 39, quai André-Citroën	1972	1972	-	-	36,497	-	-	36,497	100%
Paris 16e									
58/60, avenue Kléber	1992	1992	-	-	4,297	588	-	4,885	100%
Paris 17e									
63, avenue de Villiers	1880	1880	8	415	2,964	98	-	3,476	100%
Le Banville - 153, rue de Courcelles	1991	1991	-	-	19,442	1,138	-	20,579	100%
32/34, rue Guersant	1970	1992	-	-	12,789	-	-	12,789	100%
Paris 20e									
Le Valmy - 4/16, avenue Léon-Gaumont	2006	2006	-	-	27,234	-	-	27,234	100%
Total buildings in operation in Paris			**262**	**18,613**	**283,341**	**85,478**	**-**	**387,433**	
78140 Vélizy-Villacoublay									
Crystalys - 6, avenue Morane-Saulnier - 3, rue Paul-Dautier	2007	2007	-	-	24,059	-	-	24,059	100%
78 **78180 Montigny-le-Bretonneux**									
6, avenue Ampère	1981	1981	-	-	3,204	-	-	3,204	100%
91 **91220 Brétigny-sur-Orge**									
ZI Les Bordes	1975	1975	-	-	15,646	-	-	15,646	100%
92 **92100 Boulogne-Billancourt**									
Khapa - 65, quai Georges-Gorse	2008	2008	-	-	17,889	427	-	18,315	100%
L'Angle - 4, cours de l'Île-Seguin	2008	2008	-	-	10,089	341	-	10,430	100%
Anthos - 63/67, rue Marcel-Bontemps - 26/30, cours Émile-Zola	2010	2010	-	-	8,681	230	-	8,910	100%
Le Cristallin - 122, avenue du Général-Leclerc	1968	2006	-	-	10,348	3,033	-	13,381	100%
Tour Horizons - Rue du Vieux-Pont-de-Sèvres	2011	2011	-	-	32,381	1,027	-	33,408	100%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Activities surface area (sq.m)	Total surface area (sq.m)	% of interests
92120 Montrouge									
Park Azur - 97, avenue Pierre-Brossolette	2012	2012	-	-	21,110	-	-	21,110	100%
92150 Suresnes			-						
1, quai Marcel-Dassault	2003	2003			11,534	-		11,534	100%
92200 Neuilly-sur-Seine									
159/161, avenue Achille-Peretti - 17, rue des Huissiers	1914	1914	-	-	3,407	-	-	3,407	100%
157, avenue Charles-de-Gaulle	1959	1959	-	-	5,487	232	-	5,720	100%
159, avenue Charles-de-Gaulle	1970	1970	-	-	3,573	243	-	3,816	100%
96/104, avenue Charles-de-Gaulle	1964	2012	-	-	8,715	-	-	8,715	100%
12/16, boulevard du Général-Leclerc	1973	1973	8	541	14,432	-	-	14,973	100%
6 bis/8, rue des Graviers	1959	1959	-	-	4,559	-	-	4,559	100%
163/165, avenue Achille-Peretti	1970	1970	-	-	2,495	-	-	2,495	100%
92230 Gennevilliers									
Pointe Metro 2 - ZAC Barbusse-Péri	2012	2012	-	-	12,899	351	-	13,251	100%
92250 La Garenne-Colombes									
Newside - 41, avenue de Verdun	2012	2012	-	-	15,201	-	-	15,201	100%
92300 Levallois-Perret									
2/4, quai Michelet	1996	1996	-	-	34,156	-	-	34,156	100%
55, rue Deguingand	1974	2007	-	-	4,682	-	-	4,682	100%
92400 Courbevoie									
Pyramidion - ZAC Danton 16, 16 bis, 18 à 28, avenue de l'Arche - 34, avenue Léonard-de-Vinci	2007	2007	-	-	8,728	-	-	8,728	100%
92500 Rueil-Malmaison									
Vinci 1 - Cours Ferdinand-de-Lesseps	1992	1992	-	-	22,418	-	-	22,418	100%
Vinci 2 - Place de l'Europe	1993	1993	-	-	8,871	916	-	9,787	100%
92700 Colombes									
Portes de la Défense - 15/55, boulevard Charles-de-Gaulle / 307, rue d'Estienne-d'Orves	2001	2001	-	-	42,387	-	-	42,387	100%
Défense Ouest - 420/426, rue d'Estienne-d'Orves	2006	2006	-	-	51,768	-	-	51,768	100%
93 **93400 Saint-Ouen**									
Docks en Seine - 23, rue des Bateliers / 48, rue Albert-Dhalenne	2013	2013	-	-	15,999	-	-	15,999	100%
94 **94110 Arcueil**									
13, rue Nelson-Mandela - Bât. A - B - C	2006	2006	-	-	42,175	714	-	42,889	100%
94250 Gentilly									
1, parvis Mazagran	2004	2004	-	-	12,519	562	-	13,081	100%
94300 Vincennes									
5/7, avenue de Paris	1988	1988	-	-	3,507	-	-	3,507	100%
9, avenue de Paris	1971	2003	-	-	1,969	-	-	1,969	100%
Total buildings in operation in the Paris Region			**8**	**541**	**474,886**	**8,076**	**-**	**483,503**	

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Activities surface area (sq.m)	Total surface area (sq.m)	% of interests
69	**Total buildings in operation in Paris and its Region**			**270**	**19,154**	**758,227**	**93,554**	**-**	**870,936**	
	69003 Lyon 3e									
	Le Velum - 106, boulevard Vivier-Merle	2013	2013	-	-	15,186	-	-	15,186	100%
	69007 Lyon 7e									
	174, avenue Jean-Jaurès	1950	1994	-	-	3,783	-	-	3,783	100%
	Total buildings in operation in other regions			-	-	**18,969**	-	-	**18,969**	
Other countries	**28050 Spain (Madrid)**									
	118, avenida Burgos - 2, avenida Manoteros	2004	2004	-	-	12,096	-	-	12,096	100%
	Total buildings in operation in other countries			-	-	**12,096**	-	-	**12,096**	
	TOTAL BUILDINGS IN OPERATION			**270**	**19,154**	**789,292**	**93,554**	**-**	**902,001**	
	Land reserves									
75	**Paris 15e**									
	(Mercure 2) 51 à 53, quai de Grenelle	1975	1975	-	-	3,286	-	-	3,286	75%
78	**78140 Vélizy-Villacoublay**									
	8/10, avenue Morane-Saulnier	1979	1980	-	-	6,331	-	-	6,331	100%
	78180 Montigny-le-Bretonneux									
	1, avenue Niepce	1984	1984	-	-	4,050	-	-	4,050	100%
	5/9, avenue Ampère	1986	1986	-	-	5,068	233	-	5,301	100%
	4, avenue Newton	1978	1978	-	-	4,398	-	-	4,398	100%
69	**69007 Lyon 7e**									
	174/188, avenue Jean-Jaurès - 42, rue Pré-Gaudry	1950	1994	-	-	4,133	-	7,945	12,078	100%
	75, rue de Gerland	1850	1997	-	-	8,163	-	13,671	21,834	100%
	81/85, rue de Gerland	1850	1997	-	-	1,635	-	-	1,635	100%
Other countries	**28050 Spain (Madrid)**									
	16, calle del Puerto Somport	under development	under development	-	-	6,606	-	-	6,606	100%
	10, calle del Puerto Somport	under development	under development	-	-	9,310	-	-	9,310	100%
	TOTAL LAND RESERVES			**-**	**-**	**52,980**	**233**	**21,616**	**74,829**	
	Assets under development									
92	**92100 Boulogne-Billancourt**									
	Bât. B - 122, avenue du Général-Leclerc	1968	under development	-	-	7,807	-	-	7,807	100%
	TOTAL ASSETS UNDER DEVELOPMENT			**-**	**-**	**7,807**	**-**	**-**	**7,807**	
	GRAND TOTAL OFFICES*			**270**	**19,154**	**850,079**	**93,787**	**21,616**	**984,637**	

* Surfaces excluding miscellaneous premises (67,500 sq.m).

Summary of the office property portfolio

	Office surface area (s.qm)	Commercial surface area (sq.m)
Paris	**291,204**	**107,576**
Commercial portion of primarily residential assets	7,863	22,098
Commercial portion of primarily commercial assets	283,341	85,478
Paris Region	**475,831**	**13,277**
Commercial portion of primarily residential assets	945	5,201
Commercial portion of primarily commercial assets	474,886	8,076
Other Regions	**18,969**	**933**
Commercial portion of primarily residential assets	0	933
Commercial portion of primarily commercial assets	18,969	0
Other countries	**12,096**	**0**
Commercial portion of primarily residential assets	0	0
Commercial portion of primarily commercial assets	12,096	0
Commercial portfolio in operation at December 31, 2013	**798,100**	**121,786**
Miscellaneous sale programs	**249**	**652**
Commercial portion of primarily residential assets	249	652
Commercial portion of primarily commercial assets	0	0
Programs under construction and land reserves	**60,787**	**4,037**
Commercial portion of primarily residential assets	0	3,804
Commercial portion of primarily commercial assets	60,787	233
TOTAL COMMERCIAL PROPERTY AS AT DECEMBER 31, 2013	**859,136**	**126,476**
Commercial portion of primarily residential assets	9,057	32,688
Commercial portion of primarily commercial assets	850,079	93,787

8.2. Residential

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Total surface area (sq.m)	% of interests
Buildings in operation								
75 Paris 2e								
6 bis, rue Bachaumont	1905	1905	11	967	463	600	2,030	100%
Paris 3e								
7/7 bis, rue Saint-Gilles	1987	1987	42	2,713	-	116	2,829	100%
Paris 6e								
1, place Michel-Debré	1876	1876	14	955	-	231	1,186	100%
Paris 9e								
13/17, cité de Trévise	1998	1998	44	2,766	-	-	2,766	100%
Paris 11e								
8, rue du Chemin-Vert	1969	1969	42	2,200	-	713	2,913	100%
Paris 12e								
18/20 bis, rue Sibuet	1992	1992	63	4,423	73	-	4,496	100%
9/11, avenue Ledru-Rollin	1997	1997	62	3,055	-	177	3,232	100%
25, avenue de Saint-Mandé	1964	1964	82	3,625	-	141	3,766	100%
25/27, rue de Fécamp - 45, rue de Fécamp	1988	1988	33	2,511	-	181	2,692	100%
220, rue du Faubourg-Saint-Antoine	1969	1969	125	6,485	-	1,019	7,504	100%
24/26, rue Sibuet	1970	1970	158	9,708	85	-	9,793	100%
Paris 13e								
20, rue du Champ-de-l'Alouette	1965	1965	53	3,886	570	369	4,825	100%
53, rue de la Glacière	1970	1970	53	646	-	99	745	100%
49/53, rue Auguste-Lançon - 26, rue de Rungis - 55/57, rue Brillat-Savarin	1971	1971	40	3,413	-	-	3,413	100%
2/12, rue Charbonnel - 53, rue de l'Amiral-Mouchez - 65/67, rue Brillat-Savarin	1966	1966	181	12,007	-	491	12,498	100%
22/24, rue Wurtz	1988	1988	67	4,405	-	248	4,653	100%
75, rue du Château-des-Rentiers (student residence)	2011	2011	183	4,168	-	-	4,168	100%
Paris 14e								
26, rue du Commandant-René-Mouchotte	1966	1966	316	19,706	-	-	19,706	100%
3, villa Brune	1970	1970	108	4,689	-	-	4,689	100%
Paris 15e								
18/20, rue Tiphaine	1972	1972	80	4,877	1,897	177	6,951	100%
37/39, rue des Morillons	1966	1966	37	2,212	212	312	2,736	100%
12, rue Chambéry	1968	1968	30	890	-	-	890	100%
6, rue de Vouillé	1969	1969	588	28,216	730	1,147	30,093	100%
199, rue Saint-Charles	1967	1967	58	3,234	-	-	3,234	100%
159/169, rue Blomet - 334/342, rue de Vaugirard	1971	1971	320	21,517	-	7,475	28,992	100%
76/82, rue Lecourbe - rue François-Bonvin (Bonvin-Lecourbe)	1971	1971	247	13,875	-	480	14,355	100%
10, rue du Docteur-Roux - 189/191, rue de Vaugirard	1967	1967	222	13,035	2,755	-	15,790	100%
74, rue Lecourbe	1971	1971	93	8,042	186	4,213	12,441	100%
22/24, rue Edgar-Faure	1996	1996	85	6,774	-	301	7,075	100%
89, rue de Lourmel	1988	1988	23	1,487	-	245	1,732	100%
39, rue de Vouillé	1999	1999	84	6,292	-	135	6,427	100%
168/170, rue de Javel	1962	1962	85	5,817	135	-	5,952	100%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Total surface area (sq.m)	% of interests
148, rue de Lourmel - 74/86, rue des Cévennes - 49, rue Lacordaire	1965	1965	316	21,980	190	612	22,782	100%
85/89, boulevard Pasteur	1965	1965	260	16,434	-	-	16,434	100%
27, rue Balard	1995	1995	64	5,798	-	-	5,798	100%
Paris 16e								
6/14, rue de Rémusat - square Henri-Paté	1962	1962	185	16,038	-	1,022	17,060	100%
46 bis, rue Saint-Didier	1969	1969	42	2,056	-	670	2,726	100%
Paris 17e								
10, rue Nicolas-Chuquet	1995	1995	54	3,159	-	460	3,619	100%
169, boulevard Pereire (parkings)	1882	1882	-	-	-	-	-	100%
Paris 20e								
59/61, rue de Bagnolet	1979	1979	57	3,227	-	101	3,328	100%
44/57, rue de Bagnolet	1992	1992	30	1,926	-	308	2,234	100%
162, rue de Bagnolet	1992	1992	32	2,305	79	55	2,439	100%
42/52 et 58/60, rue de la Py - 15/21, rue des Montibœufs	1967	1967	142	8,004	488	-	8,492	100%
19/21, rue d'Annam	1981	1981	56	2,866	-	-	2,866	100%
Total buildings in operation in Paris			**4,867**	**292,389**	**7,863**	**22,098**	**322,350**	
77 **77420 Champs-sur-Marne**								
6, boulevard Copernic (student residence)	2010	2010	135	2,659	-	-	2,659	100%
78 **78000 Versailles**								
Petite place -7/9, rue Sainte-Anne - 6, rue Madame - 20, rue du Peintre-Le-Brun	1968	1968	193	14,229	553	1,715	16,497	100%
92 **92100 Boulogne-Billancourt**								
Rue Marcel-Bontemps, Îlot B3 lot B3abc ZAC Séguin Rives-de-Seine	2011	2011	68	4,452	-	-	4,452	100%
94/98, rue de Bellevue	1974	1974	63	4,474	-	-	4,474	100%
59 bis/59 ter, rue des Peupliers - 35 bis, rue Marcel-Dassault	1993	1993	37	2,945	-	79	3,024	100%
108, rue de Bellevue - 99, rue de Sèvres	1968	1968	319	24,603	-	-	24,603	100%
92350 Le Plessis-Robinson								
25, rue Paul-Rivet	1997	1997	132	11,265	250	-	11,515	100%
92400 Courbevoie								
4/6/8, rue Victor-Hugo - 8/12, rue de l'Abreuvoir - 11, rue de l'Industrie	1966	1966	202	13,977	142	1,825	15,944	100%
8/12, rue Pierre-Lhomme	1996	1996	96	5,344	-	-	5,344	100%
43, rue Jules-Ferry - 25, rue Cayla	1996	1996	58	3,574	-	-	3,574	100%
3, place Charras	1985	1985	67	4,807	-	-	4,807	100%
92410 Ville-d'Avray								
14/18, rue de la Ronce	1963	1963	159	15,902	-	-	15,902	100%
1/33, avenue des Cèdres - 3/5, allée Forestière - 1, rue du Belvedère de la Ronce	1966	1966	550	40,243	-	1,095	41,338	100%
93 **93200 Saint-Denis**								
29/33, rue Proudhon / avenue Georges-Sand	2010	2010	115	8,130	-	487	8,617	100%
93350 Le Bourget								
5, rue Rigaud (student residence)	2008	2008	238	4,648	-	-	4,648	100%
94 **94410 Saint-Maurice**								
1/5, allée des Bateaux-Lavoirs - 4, promenade du Canal	1994	1994	87	6,382	-	-	6,382	100%
Total buildings in operation in the Paris region			**2,519**	**167,634**	**945**	**5,201**	**173,780**	
Total buildings in operation in Paris and its region			**7,386**	**460,023**	**8,808**	**27,299**	**496,130**	

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Total surface area (sq.m)	% of interests
01	**01280 Prevessin - Moens**								
	La Bretonnière, route de Mategnin - Le Cottage mail du Neutrino	2010	2010	133	10,460	-	-	10,460	100%
13	**13778 Fos-sur-Mer**								
	Les Jardins	1966	1966	36	2,967	-	-	2,967	100%
33	**33000 Bordeaux**								
	26/32, rue des Belles-Îles (student residence)	1994	1994	99	2,034	-	-	2,034	100%
	33400 Talence								
	11, avenue du Maréchal-de-Tassigny (student residence)	2000	2000	150	3,621	-	933	4,554	100%
	36, rue Marc Sangnier (student residence)	1994	1994	132	2,740	-	-	2,740	100%
	33600 Pessac								
	80, avenue du Docteur-Schweitzer (student residence)	1995	1995	92	1,728	-	-	1,728	100%
59	**59000 Lille**								
	Tour V Euralille - avenue Willy-Brandt (student residence)	2009	2009	190	4,738	-	-	4,738	100%
69	**Lyon 7e**								
	7, rue Simon-Fryd (student residence)	2010	2010	152	3,258	-	-	3,258	100%
	Total buildings in operation in other regions			**984**	**31,546**	**-**	**933**	**32,479**	
	TOTAL BUILDINGS IN OPERATION			**8,370**	**491,569**	**8,808**	**28,232**	**528,609**	
	Properties for sale (unit-by-unit sales)								
75	**Paris 7e**								
	262, boulevard Saint-Germain	1880	1880	5	504	-	-	504	100%
	266, boulevard Saint-Germain	1880	1880	3	537	-	-	537	100%
	Paris 8e								
	80, rue du Rocher	1903	1903	7	776	-	-	776	100%
	51, rue de Rome	1865	1865	7	629	-	-	629	100%
	165, boulevard Haussmann	1866	1866	9	1,014	-	-	1,014	100%
	3, rue Treilhard	1866	1866	10	781	-	-	781	100%
	Paris 12e								
	173 bis, rue de Charenton (Saint-Éloi II)	1965	1965	-	-	-	90	90	100%
	Paris 13e								
	82, boulevard Massena (Tour Ancone)	1972	1972	-	-	60	25	84	100%
	84, boulevard Massena (Tour Bologne)	1972	1972	1	60	189	120	369	100%
	Paris 14e								
	83/85, rue de l'Ouest	1978	1978	4	279	-	-	279	100%
	8/20, rue du Commandant-René-Mouchotte	1967	1967	1	42	-	-	42	100%
	Paris 15e								
	22, rue de Cherbourg - 25, rue de Chambéry	1965	1965	1	40	-	-	40	100%
	191, rue Saint-Charles - 17, rue Varet	1960	1960	92	6,440	-	-	6,440	100%
	3, rue Jobbé-Duval	1900	1900	4	183	-	-	183	100%
	Paris 16e								
	8/9, avenue Saint-Honoré-d'Eylau	1880	1880	1	158	-	-	158	100%
	Paris 17e								
	169/183, boulevard Pereire - 7/21, rue Faraday - 49, rue Laugier	1882	1882	10	954	-	-	954	100%
	54, rue de Prony	1885	1885	1	262	-	-	262	100%

Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Total surface area (sq.m)	% of interests
28, avenue Carnot	1882	1882	14	1,471	-	-	1,471	100%
30, avenue Carnot	1882	1882	8	718	-	-	718	100%
32, avenue Carnot	1882	1882	4	448	-	-	448	100%
169/183, boulevard Pereire - 7/21, rue Faraday - 49, rue Laugier	1882	1882	21	2,122	-	-	2,122	100%
Paris 18e								
40, rue des Abbesses	1907	1907	27	1,823	-	-	1,823	100%
Paris 19e								
104/106, rue Petit - 16, allée de Fontainebleau	1977	1977	1	66	-	-	66	100%
Total buildings on unit-by-unit sale in Paris			**231**	**19,307**	**249**	**235**	**19,791**	
78 **78000 Versailles**								
7, rue de l'Amiral-Serre	1974	1974	39	3,007	-	-	3,007	100%
78100 Saint-Germain-en-Laye								
17, rue Félicien-David	1966	1966	3	346	-	-	346	100%
78600 Maisons-Laffitte								
21/31, rue des Côtes	1982	1982	2	137	-	-	137	100%
56, avenue de Saint-Germain	1981	1981	7	637	-	-	637	100%
91 **91380 Chilly-Mazarin**								
5, rue des Dahlias	1972	1972	1	94	-	-	94	100%
92 **92160 Antony**								
254/278, rue Adolphe-Pajeaud	1972	1972	3	135	-	-	135	100%
92190 Meudon								
7, rue du Parc - 85, rue de la République	1966	1966	23	2,271	-	-	2,271	100%
92200 Neuilly-sur-Seine								
163/165, avenue Charles-de-Gaulle	1967	1967	1	65	-	-	65	100%
47/49, rue Perronet	1976	1976	12	962	-	-	962	100%
77, rue Perronet	1963	1963	1	68	-	-	68	100%
92210 Saint-Cloud								
9/11, rue Pasteur	1964	1964	4	349	-	-	349	100%
92290 Châtenay-Malabry								
148, rue d'Aulnay	1973	1973	16	1,072	-	-	1,072	100%
97, avenue Roger-Salengro	1972	1972	1	64	-	-	64	100%
92300 Levallois-Perret								
136/140, rue Aristide-Briand	1992	1992	41	2,791	-	-	2,791	100%
92380 Garches								
17/21, rue Jean-Mermoz	1974	1974	1	81	-	-	81	100%
92400 Courbevoie								
3/6, square Henri-Regnault	1974	1974	84	5,615	-	-	5,615	100%
6, rue des Vieilles-Vignes	1962	1962	27	1,360	-	-	1,360	100%
92600 Asnières								
46, rue de la Sablière	1994	1994	24	1,644	-	-	1,644	100%
94 **94000 Créteil**								
1/15, passage Saillenfait	1971	1971	2	126	-	-	126	100%
94100 Saint-Maur-des-Fossés								
4, quai du Parc - 69, rue Gabriel-Péri	1966	1966	1	98	-	-	98	100%
Total buildings on unit-by-unit sale in the Paris region			**293**	**20,920**	**-**	**-**	**20,920**	

	Address	Construction year	Year of last reconstruction	Number of housing units	Residential surface area (sq.m)	Office surface area (sq.m)	Retail surface area (sq.m)	Total surface area (sq.m)	% of interests
13	Marseille 8e								
	116, avenue Cantini - Quartier le Rouet	2010	2010	52	3,581	-	418	3,999	100%
	Total buildings on unit-by-unit sale in the other regions			**52**	**3,581**	**-**	**418**	**3,999**	
	TOTAL BUILDINGS ON UNIT-BY-UNIT SALE			**576**	**43,808**	**249**	**652**	**44,709**	
	Buildings under development								
75	Paris 13e								
	rue Auguste-Lançon (student residence)	under development	under development	60	1,465			1,465	100%
	Paris 15e								
	3/9, rue de Villafranca	under development	under development	14	543		156	698	100%
	76/82, rue Lecourbe - rue François-Bonvin (student residence)	under development	under development	103	2,674			2,674	100%
91	91120 Palaiseau								
	Plateau de Saclay (student residence)	under development	under development	145	3,002			3,002	100%
92	92410 Ville-d'Avray								
	Éco-quartier - 20, rue de la Ronce	under development	under development	129	9,000		3,000	12,000	100%
93	93170 Bagnolet								
	16/18, rue Sadi-Carnot - 2/4, avenue Henriette (student residence)	under development	under development	163	3,745		381	4,126	100%
	93200 Saint-Denis								
	Saint-Denis Pleyel - Rue Anatole-France (student residence)	under development	under development	183	4,282		268	4,550	100%
33	33000 Bordeaux								
	Rue Blanqui - Rue de New-York (student residence)	under development	under development	159	3,800			3,800	100%
	TOTAL BUILDINGS UNDER DEVELOPMENT			**956**	**28,511**	**-**	**3,804**	**32,315**	
	GRAND TOTAL RESIDENTIAL			**9,902**	**563,888**	**9,057**	**32,688**	**605,633**	

Summary of residential property portfolio

	Nb of housing units	Residential surface areas (sq.m)
Paris	5,129	311,002
Residential portion of predominantly residential assets	4,867	292,389
Residential portion of primarily commercial assets	262	18,613
Paris Region	2,527	168,175
Residential portion of predominantly residential assets	2,519	167,634
Residential portion of primarily commercial assets	8	541
Other regions	984	31,546
Residential portion of predominantly residential assets	984	31,546
Residential portion of primarily commercial assets	0	0
Residential portfolio in operation as at December 31, 2013	8,640	510,724
Unit-by-unit sale programs	576	43,808
Residential portion of predominantly residential assets	576	43,808
Residential portion of primarily commercial assets	0	0
Programs under construction and land reserves	956	28,511
Residential portion of predominantly residential assets	956	28,511
Residential portion of primarily commercial assets	0	0
Total residential property holding as at December 31, 2013	**10,172**	**583,042**
Residential portion of predominantly residential assets	9,902	563,888
Residential portion of primarily commercial assets	270	19,154

8.3. Logistics

	Address	Construction year	Year of the last reconstruction	Logistics surface area (sq.m)	Activities surface area (sq.m)	Total surface area (sq.m)	% of interests
69	69540 Irigny						
	Le Broteau	1980	1980	-	10,400	10,400	100%
Other countries	Warsaw (Poland)						
	Księcia Ziemowita Street No.59 - Warsaw	2000	2000	24,653	-	24,653	100%
	Total buildings in operation			24,653	10,400	35,053	
	GRAND TOTAL LOGISTICS			24,653	10,400	35,053	

8.4. Healthcare

	Address	Construction year	Year of last reconstruction	Healthcare surface area (sq.m)	Type of facility	Number of beds	Total surface area (sq.m)	% of interests
	Buildings in operation							
75	Paris 20e							
	20, rue des Cendriers	1990	1990	4,954	Nursing home	124	4,954	100%
77	77400 Saint-Thibault-des-Vignes							
	5, rue Marc-Chagall	1990	1990	2,892	Nursing home	90	2,892	100%
	77640 Jouarre							
	Clinique du Château de Perreuse	1873	1873	5,139	PSY	96	5,139	100%
78	78125 Vieille-Église-en-Yvelines							
	Clinique d'Yvelines - Route de Rambouillet	1939	1997	6,042	PSY	120	6,042	100%
	78130 Chapet							
	Clinique Bazincourt - Route de Verneuil	1910	1984	5,092	SCR	60	5,092	100%
	78300 Poissy							
	11, rue Saint-Barthélemy	1990	1990	3,072	Nursing home	85	3,072	100%
	52, rue de Villiers	1989	1989	5,122	Nursing home	124	5,122	100%
	78400 Chatou							
	8, square Debussy	1990	1990	4,936	Nursing home	115	4,936	100%
92	92130 Issy-les-Moulineaux							
	Labo Diderot - 30/32, rue Diderot	1985	1985	211	LABO	-	211	100%
	92150 Suresnes							
	1/3, rue de Saint-Cloud	1989	2011	9,665	Nursing home	116	9,665	100%
	36, rue Carnot	2001	2001	4,613	Nursing home	100	4,613	100%
	92230 Gennevilliers							
	22, rue Jeanne-d'Arc	1960	1960	2,658	Nursing home	76	2,658	100%
	92290 Châtenay-Malabry							
	6/8, avenue du Bois	1989	1989	5,086	Nursing home	80	5,086	100%
	92500 Rueil-Malmaison							
	31, boulevard Solferino	1992	1992	4,608	Nursing home	103	4,608	100%
	92700 Colombes							
	27/29, rue Youri-Gagarine	1996	1996	2,124	Nursing home	70	2,124	100%
93	93110 Rosny-sous-Bois							
	16, rue Marcelin-Berthelot	1986	1986	4,297	Nursing home	114	4,297	100%
	93250 Villemomble							
	36, rue de la Montagne Savart	2008	2008	5,206	Nursing home	116	5,206	100%
	93604 Aulnay-sous-Bois							
	Clinique Aulnay - 11, avenue de la République	1934	1998	11,567	MSO	191	11,567	100%
95	95200 Sarcelles							
	Avenue de la Division-Leclerc	1989	1989	6,697	Nursing home	156	6,697	100%

	Address	Construction year	Year of last reconstruction	Healthcare surface area (sq.m)	Type of facility	Number of beds	Total surface area (sq.m)	% of interests
	95460 Ézanville							
	6, Grande Rue	1991	1991	2,874	Nursing home	90	2,874	100%
	95600 Eaubonne							
	2, rue Henri-Barbusse	1997	1997	3,941	Nursing home	103	3,941	100%
	Total buildings in operation in the Paris Region			**100,795**		**2,129**	**100,795**	
01	**01000 Bourg-en-Bresse**							
	Clinique Convert - 62, route de Jasseron	1974	2003	17,550	MSO	164	17,550	100%
06	**06400 Cannes**							
	6, rue Monti - Impasse Bellevue	1989	1989	4,530	Nursing home	115	4,530	100%
07	**07500 Guilherand-Granges**							
	Clinique Pasteur Valence - 294, boulevard du Général-de-Gaulle	1968	1998	17,276	MSO	199	17,276	100%
09	**09270 Mazères**							
	Faubourg-du-Cardinal-d'Este	1987	1987	3,306	Nursing home	80	3,306	100%
11	**11000 Carcassonne**							
	84, route de Montréal	1953	2006	12,000	MSO	148	12,000	100%
13	**Marseille 8e**							
	Clinique Monticelli - 88, rue du Commandant-Rolland	1950	1996	4,069	MSO	42	4,069	100%
	Clinique Rosemont - 61/67, avenue des Goumiers	1964	2000	6,702	SCR	117	6,702	100%
	Marseille 9e							
	CHP Clairval - 317, boulevard du Redon	1990	1990	31,035	MSO	289	31,035	100%
	Marseille 12e							
	Provence Santé (Beauregard) - 12, impasse du Lido	1950	1991	20,698	MSO	326	20,698	100%
	13651 Salon-de-Provence							
	Clinique Vignoli - 114, avenue Paul-Bourret	1900	1900	4,850	MSO	54	4,850	100%
	13781 Aubagne							
	Clinique La Bourbonne	1968	1972	9,249	SCR	120	9,249	100%
14	**14050 Caen**							
	CHP Saint-Martin Caen - 18, rue des Roquemonts	1993	1993	36,631	MSO	167	36,631	100%
17	**17300 Rochefort**							
	2 bis, rue du 14-Juillet	1989	1989	2,989	Nursing home	71	2,989	100%
22	**22310 Plancoët**							
	Clinique Bran de Fer - rue Velleda	1971	1971	5,970	SCR	105	5,970	100%
	22430 Erquy							
	37, rue Saint-Michel	1920	1992	2,821	Nursing home	58	2,821	100%
27	**27100 Le Vaudreuil**							
	1, rue Bernard Chédeville	1989	1989	4,139	Nursing home	98	4,139	100%
31	**31270 Frouzins**							
	25, chemin de Mailheaux	2003	2003	3,775	Nursing home	80	3,775	100%
	31470 Saint-Lys							
	835, route de Toulouse	1970	1970	3,075	Nursing home	95	3,075	100%

	Address	Construction year	Year of last reconstruction	Healthcare surface area (sq.m)	Type of facility	Number of beds	Total surface area (sq.m)	% of interests
31	**31700 Blagnac**							
	20, rue Pablo-Picasso	1990	1990	3,667	Nursing home	80	3,667	100%
	31770 Colomiers							
	4, chemin des Cournaudis	1972	1972	3,159	Nursing home	95	3,159	100%
32	**32410 Castéra-Verduzan**							
	Lieu-dit au Conte	2009	2009	4,150	Nursing home	84	4,150	100%
33	**33000 Bordeaux**							
	Clinique Tourny - 54, rue Huguerie	1850	1980	6,277	MSO	55	6,277	100%
	27, rue Ségalier	1850	1850	4,436	Nursing home	59	4,436	100%
	1, rue Jean-Dandicolle	1993	1993	3,744	Nursing home	107	3,744	100%
	33608 Pessac							
	Clinique Saint-Martin Pessac - Allée des Tulipes	1976	1995	16,527	MSO	185	16,527	100%
34	**34094 Montpellier**							
	Clinique Rech - 10, rue Hippolyte-Rech	1850	2003	13,930	PSY	182	13,930	100%
35	**35171 Bruz**							
	Clinique du Moulin - Carcé	1850	1995	5,147	PSY	72	5,147	100%
44	**44046 Nantes**							
	Clinique Sourdille - 3, place Anatole-France	1928	2000	7,057	MSO	50	7,057	100%
45	**45500 Gien**							
	2 ter, avenue Jean-Villejean	2010	2010	11,556	MSO	142	11,556	100%
47	**47000 Agen**							
	2, avenue du Général-de-Gaulle	1990	1990	3,618	Nursing home	76	3,618	100%
53	**53810 Changé**							
	Clinique Notre-Dame-de-Pritz - Route de Niafles	1965	1996	1,978	PSY	50	1,978	100%
59	**59000 Lille**							
	15, avenue Saint-Maur	1862	1862	7,555	Nursing home	142	7,555	100%
	59553 Esquerchin							
	Clinique de l'Escrebieux - 984, rue de Quiéry	1997	1997	3,405	PSY	75	3,405	100%
60	**60200 Compiègne**							
	9, rue de Bouvines	1991	1991	2,363	Nursing home	60	2,363	100%
	60350 Pierrefonds							
	Clinique Eugénie - 1, sente des Demoiselles	1998	1998	2,161	PSY	42	2,161	100%
62	**62320 Rouvroy**							
	Clinique du Bois Bernard - Route de Neuvireuil	1974	1998	22,170	MSO	186	22,170	100%
63	**63830 Durtol**							
	Clinique Grand Pré - Lieu-dit Les Chaves	1976	1999	7,500	PSY	144	7,500	100%
64	**64000 Pau**							
	5, avenue des Lilas	1600	1600	3,436	Nursing home	65	3,436	100%
69	**69000 Lyon**							
	40, rue des Granges	1988	1988	2,743	Nursing home	91	2,743	100%
	8, rue Antoine-Péricaud	1995	1995	4,316	Nursing home	108	4,316	100%

	Address	Construction year	Year of last reconstruction	Healthcare surface area (sq.m)	Type of facility	Number of beds	Total surface area (sq.m)	% of interests
	69134 Écully							
	Clinique Mon Repos - 11, chemin de la Vernique	1820	1991	5,028	PSY	98	5,028	100%
	69280 Marcy-l'Étoile							
	248, rue des Sources	1993	1993	2,948	Nursing home	90	2,948	100%
71	**71100 Chalon-sur-Saône**							
	Clinique Sainte-Marie - 4, allée Saint-Jean-des-Vignes	1988	1988	9,539	MSO	197	9,539	100%
	71400 Autun							
	14, rue Lauchien-le-Boucher	1877	1877	5,118	Nursing home	80	5,118	100%
73	**73100 Aix-les-Bains**							
	26, rue Victor-Hugo	1988	1988	2,466	Nursing home	54	2,466	100%
74	**74100 Annemasse**							
	17/19, avenue Mendès-France	2012	2012	23,662	MSO	250	23,662	100%
76	**76600 Le Havre**							
	505, rue Irène-Joliot-Curie	2010	2010	33,388	MSO	356	33,388	100%
79	**79500 Melle**							
	5, allée de Chaillé	1850	1850	5,668	Nursing home	112	5,668	100%
81	**81100 Castres**							
	14, chemin des Amoureux	1989	1989	2,295	Nursing home	69	2,295	100%
85	**85000 La Roche-sur-Yon**							
	96, boulevard des Belges et 32, rue Abbé-Billaud	2009	2009	3,750	Nursing home	75	3,750	100%
	96, boulevard des Belges et 32, rue Abbé-Billaud	2009	2009	1,961	Nursing home	35	1,961	100%
	Total buildings in operation in other regions			**427,383**		**5,894**	**427,383**	
	TOTAL BUILDINGS IN OPERATION			**528,178**		**8,023**	**528,178**	
	Assets under development							
64	**64100 Bayonne**							
	Clinique Capio - Chemin de Jupiter - Chemin de Campagne	under development		29,594	MSO	254	29,594	100%
84	**84100 Orange**							
	Clinique Capio - Orange	under development	under development	4,797	MSO	60	4,797	80%
	TOTAL BUILDINGS UNDER DEVELOPMENT			**34,391**		**314**	**34,391**	
	GRAND TOTAL HEALTHCARE			**562,569**		**8,337**	**562,569**	

Summary of the healthcare property portfolio

	Number of beds	Total surface area (sq.m)
Paris Region	2,129	100,795
Other regions	5,894	427,383
Healthcare portfolio in operation as at December 31, 2013	8,023	528,178
Programs under construction and land reserves	314	34,391
Total Healthcare property holdings as at December 31, 2013	**8,337**	**562,569**

Additional Information

9.1. Information and documentation

MAP OF GECINA'S WEBSITE (www.gecina.fr)

Profile
- Presentation
- Strategy
- Values
- Governance
- Brand & Communication
- The Gecina Foundation

Finances
- Financial data
- Publications
- Gecina's stock
- Shareholders
- Non-financial performance
- Agenda
- Contact

Properties
- Outstanding portfolio
- Responsible buildings
- Offices
- Residential
- Student Residences
- Healthcare

Responsibility
- Strategy
- Action plans and goals
- Non-financial performance
- Stakeholders
- News and publications
- Contacts

Media Center
- News
- Publications
- Media Contact

Careers
- HR Mindset
- Our business
- Grow together
- Join us
- Contact

Offices
- Overview
- Architectural mark
- Current Projects
- Properties
- News
- Contact

Residential
- Presentation
- Traditional residences
- Current projects
- Properties
- News
- Contact

Student residences
- Concept
- Properties
- Search for housing
- Contact

Healthcare
- Overview
- Current projects
- Properties
- Gecimed
- News
- Contact

- Institutional feed
- Financial feed
- Legal notices
- Credits
- Copyright

9.1.1. REFERENCE DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

9.1.1.1. PUBLIC DOCUMENTS

This financial report is available free of charge on request from Gecina's Financial and Extra-Financial Communication and Strategic Research department at the following address: 16, rue des Capucines – 75002 Paris, by telephone at 0 800 800 976, or by e-mail to actionnaire@gecina.fr. It is also available on Gecina's website (www.gecina.fr).
Other documents accessible at Gecina's head office or on its website include:
- the company's bylaws;
- the historic financial reports of the company and its subsidiaries for the two fiscal years preceding the publication of the annual financial report.

Person responsible for the Reference Document
Mr. Philippe Depoux, CEO of Gecina (hereinafter the "Company" or "Gecina").

Persons responsible for financial communications
Elizabeth Blaise: +33 (0) 1 40 40 52 22
Laurent Le Goff: +33 (0)1 40 40 62 69
Virginie Sterling: +33 (0)1 40 40 62 48

Financial communications, institutional investor, financial analyst and press relations:
ir@gecina.fr

Private shareholder relations:
Toll-free number (only available in France): 0 800 800 976
actionnaire@gecina.fr

9.1.1.2. HISTORICAL FINANCIAL INFORMATION

In accordance with Article 28 of European Regulation 809/2004 of April 29, 2004, this Reference Document incorporates by reference the following information, to which readers are invited to refer:

- for the fiscal year ended December 31, 2011: The Consolidated financial statements and the related Statutory Auditors' report included on pages 45 to 82 and 230 of the Reference Document filed with the AMF on March 27, 2012 under reference D. 12-0223.

- for the fiscal year ended December 31, 2012: The Consolidated financial statements and the related Statutory Auditors' report included on pages 53 to 114 and 276 of the Reference Document filed with the AMF on February 27, 2013 under reference D. 13-0086.

These documents are available on the AMF and Gecina websites:

www.gecina.fr
www.amf-france.org

9.1.1.3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT CONTAINING AN ANNUAL FINANCIAL REPORT

"I certify that, having taken all reasonable measures to this effect, the information contained in this Reference Document is, to the best of my knowledge, fair and accurate, and free from any omission that could alter its substance.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with the applicable accounting standards and faithfully reflect the assets, liabilities, financial situation and earnings of the company and all the companies included in its consolidation group, and that the information from the management report listed in the correspondence table on the next page presents an accurate picture of the development of the business, earnings and financial situation of the company and all the companies included in the consolidation group, as well as a description of the main risks and uncertainties facing them.

I have received a completion letter from the Statutory Auditors in which they indicate that they have verified the information relating to the financial situation and financial statements given in this document and that they have reviewed the entire document.

The historical financial information relating to the year ended December 31, 2013 presented in this document is the subject of reports by the Statutory Auditors, which appear on pages 344 to 347 of this document. The report on the Consolidated financial statements for the year ended December 31, 2013 is presented on page 344 of this document. The Consolidated financial statements for the year ended December 31, 2012, presented in the Reference Document filed with the AMF under number D. 13-0086 on February 27, 2013, are the subject of a report by the Statutory Auditors, which appears on page 276 of that document. The Consolidated financial statements for the year ended December 31, 2011, presented in the Reference Document filed with the AMF under number D. 12-0223 on March 27, 2012, are the subject of a report by the Statutory Auditors, which appears on page 230 of that document."

Philippe Depoux
CEO

9.1.1.4. CORRESPONDENCE TABLE FOR THE REFERENCE DOCUMENT

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9.1.1.5. CORRESPONDENCE TABLE WITH THE INFORMATION REQUIRED IN THE ANNUAL FINANCIAL REPORT

Since the Reference Document also contains the annual financial report, the statement by the person responsible makes reference to information from the management report. In the document's current form, this information can be found in various sections.

Annual financial report **Elements required by Articles L. 451-1-1-1 of the French Monetary and Financial Code and 222-3 of the AMF's general regulations**	Pages
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Management report	See below
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Management report	Pages
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Information on employee issues and the social consequences of business operations (L. 225-100 and L. 225-102-1 of the French Commercial Code)	275-293
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Information about the capital structure and organization: authorizations for capital increases (L. 225-100 of the French Commercial Code), information on the buying of treasury stock (L. 225-211 of the French Commercial Code), identity of shareholders with more than 5%; treasury stocks (L. 233-13 of the French Commercial Code), employee shareholding as the last day of the financial year (L. 225-102 of the French Commercial Code)	178-194
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9.2. Statutory Auditors

9.2.1. PARTIES RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

INCUMBENT STATUTORY AUDITORS

Mazars
Member of the Compagnie Régionale de Versailles
Represented by Bernard España and Julien Marin-Pache
Exaltis – 61, rue Henri-Regnault
92400 Courbevoie

Mazars was appointed at the Combined General Meeting on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting held on May 10, 2010. The appointment will expire at the end of the Ordinary General Meeting convened to approve the financial statements for the financial year ending on December 31, 2015.

PricewaterhouseCoopers Audit
Member of the Compagnie Régionale de Versailles
Represented by Jean-Pierre Bouchart
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

PricewaterhouseCoopers Audit was appointed at the Combined General Meeting on June 2, 2004 for a six-year term. The firm's appointment was renewed by the Ordinary General Meeting held on May 10, 2010. The appointment will expire at the end of the Ordinary General Meeting convened to approve the financial statements for the financial year ending on December 31, 2015.

DEPUTY STATUTORY AUDITORS

Philippe Castagnac
Member of the Compagnie Régionale de Versailles
Exaltis – 61, rue Henri-Regnault
92400 Courbevoie

Patrick de Cambourg was appointed by the Combined General Meeting held on June 2, 2004 for a six-year term. His term of office expired at the end of the Ordinary General Meeting on May 10, 2010. Mr. Philippe Castagnac has been appointed by this Meeting to replace Patrick de Cambourg. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2015.

Yves Nicolas
Member of the Compagnie Régionale de Versailles
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Pierre Coll was appointed by the Combined General Meeting of June 2, 2004 for a six-year term. His appointment expired at the end of the Ordinary General Meeting held on May 10, 2010. Mr. Yves Nicolas has been appointed by this Meeting to replace Pierre Coll. His term of office will expire at the end of the Ordinary General Meeting called to approve the annual financial statements for the year ending December 31, 2015.

9.2.2. STATUTORY AUDITORS' REPORTS

9.2.2.1. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended December 31, 2013

Ladies, Gentlemen, and Shareholders,

In performing the assignment which was entrusted to us by your Annual General Meeting, we present to you our report relating to the financial year ended December 31, 2013 regarding:
- the audit of the Consolidated financial statements of the Gecina company as attached to this report;
- the justification for our remarks;
- the specific verification as provided for by law.

The Consolidated financial statements were approved by the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these statements.

1. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have performed our audit according to the generally accepted professional accounting standards in France; these standards require the implementation of procedures that make it possible to provide reasonable assurance that the annual financial statements do not include significant anomalies. An audit consists of verifying, by survey or by means of another selection method, the elements that justify the amounts and the information in the annual financial statements. It also consists of assessing the accounting principles used, the significant estimates made and the presentation of all financial statements. We believe that the elements we have collected are sufficient and appropriate to justify our opinion.

We certify that the Consolidated financial statements for the financial year are, with regard to the IFRS standard as adopted in the European Union, true and accurate and give a fair view of the holdings, the financial situation, and the results of the operations by the people and entities included in the financial statements.

2. 2. JUSTIFICATION OF ASSESSMENTS

- In the application of the provisions of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following elements:

- Notes 3.5.4.6, 3.5.5.12 and 3.5.9.3 of the annex describe, on the one hand, certain operations and/or commitments in Spain and, on the other hand, the alleged issuing of four promissory notes by Gecina. We have been made aware the developments on this subject during the course of the financial year, we have examined the corresponding documentation, and we have assessed the appropriate nature of accounting processes that resulted from it.

- The property holdings are subject, at each approval, to evaluation procedures by independent property experts according to the terms described in note 3.5.3.1 of the annex. We have assessed the appropriate nature of these evaluation methods and their application. We have also confirmed that the determination of the fair value of investment properties and sale properties as presented in the consolidated balance sheet and the notes 3.5.5.1 and 3.5.5.5 of the annex were carried out on the basis of these external expert reviews. We are furthermore confident that for the property valued at cost, the level of depreciation was sufficient with regard to these external expert reviews. As indicated in note 3.5.3.14 of the annex, the evaluations performed by independent property experts rely on estimates, and it is therefore possible that the value at which the property holdings could be sold differs significantly from the evaluation carried out on the date of the approval.

- As indicated in note 3.5.3.8 of the annex, Gecina has access to derivative accounting tools at fair value in the consolidated balance sheet. To determine this fair value, the company uses evaluation techniques based on market parameters. We have examined the data and hypotheses on which these estimates are based and reviewed the calculations performed by the company. As indicated in note 3.5.3.14 of the annex, the evaluations performed by the company are based on estimates, and it is therefore possible that the value at which these derivative instruments could be liquidated differs significantly from the evaluation carried out on the date of the approval.

- As indicated in notes 3.5.3.2.2 and 3.5.3.2.3 of the annex, the equity securities are evaluated at their fair value and the other fixed financial assets are depreciated when there is long-term depreciation. To determine the fair value of the equity securities and the potential existence of lasting depreciation of other fixed financial assets, the company examines the circumstances of each asset and uses hypotheses and projection data. We have examined these elements and assessed the evaluations performed by the company. As indicated in note 3.5.3.14 of the annex, the evaluations performed by the company are based on estimations and it is therefore possible that the value at which these assets could be liquidated differs significantly from the evaluation carried out on the date of the approval.

The assessments made in this way fall within our auditory approach for Consolidated financial statements, taken as a whole, and have thus contributed to the formation of our opinion expressed in the first part of this report.

3. SPECIFIC VERIFICATION

We have also proceeded, in accordance with generally accepted professional accounting standards in France, with the specific verification provided for by law, of the information provided in the report on the Group's management.

We have no comments to make on their accuracy and their consistency with the consolidated financial accounts.

Courbevoie and Neuilly-sur-Seine, February 20, 2014

The Statutory Auditors

Mazars

Bernard España
Partner

Julien Marin-Pache
Partner

PricewaterhouseCoopers Audit

Jean-Pierre Bouchart
Associate

9.2.2.2. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended December 31, 2013

Ladies and Gentlemen,

In performing the assignment which was entrusted to us by your General Meeting, we present to you our report on the financial year ended December 31, 2013 regarding:
- the audit of the annual financial statements of the Gecina company as attached to this report;
- the justification for our remarks;
- the verifications and specific information provided for by law.

The annual financial statements were approved by the Board of Directors. It is our responsibility, based on our audit, to express an opinion on these statements.

1. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We have performed our audit according to the generally accepted professional accounting standards in France; these standards require the implementation of procedures that make it possible to provide reasonable assurance that the annual financial statements do not include significant anomalies. An audit consists of verifying, by survey or by means of another selection method, the elements that justify the amounts and the information in the annual financial statements. It also consists of assessing the accounting principles used, the significant estimates made and the presentation of all financial statements. We believe that the elements we have collected are sufficient and appropriate to justify our opinion.

We certify that the annual financial statements are, with regard to the rules and principles of French accounting, proper and accurate and provide a faithful image of the result of the operations of the previous financial year, as well as of the financial situation and the holdings of the company at the end of that financial year.

2. 2. JUSTIFICATION OF ASSESSMENTS

In the application of the provisions of article L.823.9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following elements:

- The applicable rules and methods of accounting for property holdings and for financial fixed assets are described in notes 4.3.3.1 and 4.3.3.2 of the annex, respectively. We have assessed the appropriate nature of these estimating methods and their correct application.

- Note 4.3.6.1 of the annex describes the alleged issuing of four promissory notes by Gecina. We have been made aware the developments on this subject during the course of the fiscal year, examined the corresponding documentation and assessed the appropriate nature of the accounting treatment that resulted from it.

The assessments made in this way fall within our auditory approach for annual financial statements, taken as a whole, and have thus contributed to the formation of our opinion expressed in the first part of this report.

3. VERIFICATIONS AND SPECIFIC INFORMATION

We have also proceeded, in accordance with the generally accepted professional accounting standards in France, with the specific verifications provided for by law.

We have no observations to make on the accuracy and consistency of the annual financial statements with the information given in the management report of the Board of Directors and in the documents addressed to shareholders on the financial situation and on the annual financial statements.

Regarding the information provided in accordance with the provisions of article L.225-102-1 of the French Commercial Code on remunerations and benefits paid to the executive officers, as well as on the commitments agreed upon in their favor, we have confirmed their consistency with the accounts or with the data used for the establishment of these accounts and, if necessary, with the elements gathered by your company from the companies that monitor your company or are monitored by it. On the basis of this work, we certify the truth and accuracy of this information.

Pursuant to the law, we are assured that you have been provided with the necessary information relating to the equity participation, monitoring, identity of the holders of capital, and the right to vote in the management report.

Courbevoie and Neuilly-sur-Seine, February 20, 2014

The Statutory Auditors

Mazars

Bernard España
Partner

Julien Marin-Pache
Partner

PricewaterhouseCoopers Audit

Jean-Pierre Bouchart
Associate

9.2.2.3. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

Financial year ended December 31, 2013

To the Shareholders,

In our capacity as Statutory Auditors of Gecina, we hereby present to you our report on regulated party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our assignment, without commenting on their usefulness or substance or identifying the existence of any undisclosed agreements or commitments. Pursuant to the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by article R225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We implemented the procedures that we deemed necessary for this task in accordance with professional standards applicable in France to this assignment. These procedures consisted of verifying that the information provided to us correspond to the underlying documents.

AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

Agreements and commitments authorized during the past year

Pursuant to the provisions of article L.225-40 of the French Commercial Code, we were informed of the agreement, which received the prior approval of your Board of Directors.

Awarding of severance compensation subject to performance conditions to Mr. Philippe Depoux, nominated as Managing Director as of June 3, 2013

Officer concerned: Mr. Philippe Depoux

The Board Meeting of April 17, 2013 approved the implementation of conditions for the severance benefit due to the CEO in the event of termination of service. These can be summarized as follows:

- In case of termination of the services as CEO, following a forced departure due to a change in control or strategy, Mr. Philippe Depoux will receive a severance benefit with a maximum amount calculated as indicated below:

    - Seniority of less than one year: Severance indemnity of a maximum of 6 months of gross remuneration as General Manager (fixed and variable).

    The payment of this allowance is subject to performance conditions as described in the table below.

    - Seniority of between one and two years: Severance pay of a maximum 100% of gross remuneration as Managing Director (fixed and variable).

    The payment of this allowance is subject to performance conditions as described in the table below.

    - Seniority of more than two years: Severance pay of 200% maximum of gross remuneration as General Manager (fixed and variable).

    The payment of this allowance is subject to performance conditions as described in the table below.

Performance conditions for seniority of less than one year:

100% of the allowance will be paid only if the recurring income for the financial year ended as of the last quarter (Q) preceding the departure exceeds the recurring income anticipated in the budget. The recurring incomes will be compared, taking into account changes in the scope of the firm's assets over the years in question, as indicated below:

Performance criteria	Severance compensation
Recurring income for quarter Q excluding fair value adjustments > annual budget	100%
Recurring income for quarter Q excluding fair value adjustments < 4% of the annual budget	80%
Recurring income in quarter Q excluding fair value adjustments < 8% of the annual budget	50%
Recurring income for quarter Q excluding fair value adjustments < 12% of the annual budget	No severance compensation

Performance conditions for seniority of more than one year:

The benefit will only be paid if the recurring income in the previous financial year (N), completed prior to the severance, is greater than the average of the recurring income for the two years (N-1 and N-2) preceding the termination of services. The recurring incomes will be compared, taking into account changes in the scope of the firm's assets during the relevant years, as indicated below:

Performance criteria	Severance compensation
Recurring income year N excluding fair value adjustments > average recurring income (N-1 + N-2)	100%
Recurring income year N excluding fair value adjustments < 4% of the average recurring income (N-1 + N-2)	80%
Recurring income year N excluding fair value adjustments < 8% of the average recurring income (N-1 + N-2)	50%
Recurring income year N excluding fair value adjustments < 12% of the average recurring income (N-1 + N-2)	No severance compensation

It is the duty of the Board of Directors to determine whether these performance criteria have been achieved, with the understanding that the Board of Directors may consider exceptional items that occurred during the financial year.

Agreements and commitments approved in prior financial years

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Pursuant to the provisions of article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in prior financial years, remained in force during the past year.

1. Guarantee granted to the Euro-Hypo Bank

Directors involved: Mrs. Victoria Soler, Mrs. Helena Rivero, Mr. Joaquin Rivero, Mr. Jose Vicente Fons, and Mr. Jose Gracia

The Board Meeting of March 22, 2010 authorized the issuance by Gecina of a guarantee in favor of Euro Hypo Bank, for an amount of €20.14 million. This guarantee was set off against a guarantee issued by its subsidiary SIF Espagne on June 24, 2009 (as part of the restructuring of the financing of its 49% interest in Bami Newco SA, of Euro Hypo is the leader) and replaces the letter of comfort signed on April 29, 2009 by Gecina to cover the commitments of SIF Espagne.

In financial year 2013, SIF Espagne and Gecina guarantees were invoked and Gecina made a payment of €20.14 million on November 14, 2013, thereby terminating the guarantee payable upon first request and definitively releasing SIF Espagne from its obligations.

1. Signing of a settlement agreement with Mr. Christophe Clamageran, subsequent to the termination of his duties as CEO of the company

Officer involved: Mr. Christophe Clamageran

The Board Meeting of October 4, 2011 authorized the signature of a transaction with Mr. Christophe Clamageran, following the termination of his duties as CEO of the company. This transaction remained in effect in 2013 with regard to the following point:

- The retention by Mr. Christophe Clamageran of the benefit of stock options granted to him by the Board Meetings of March 22 and December 9, 2010. The Board of Directors released Mr. Christophe Clamageran from the obligation of complying with the condition of presence that is included in the plan regulations governing these attributions, while the other payment terms in these plans remain unchanged.

2. Contributions in kind and asset disposal by Gecina to its subsidiaries (intercompany transactions)

Officer involved: Mr. Bernard Michel, Chairman and CEO of Gecina

To allow future development transactions, the Board Meeting of September 28, 2011 authorized the contribution in kind by Gecina to GEC 8, its wholly-owned subsidiary, of a plot of land valued at €1,369,500, located at 3-9 rue de Villafranca, in the 15th arrondissement of Paris.

The Board Meeting of September 30, 2013 did not authorize the contribution in kind, but decided that the lot was the subject of a transfer to the GEC 8 company, concluded under normal market conditions, and therefore not subject to regulations applicable to the control procedure of regulated agreements. Therefore, the initially envisaged contribution in kind agreement was terminated on September 30, 2013.

3. Attribution of severance benefits subject to performance conditions to Mr. Bernard Michel, the Chairman and CEO at the time of the signing of this agreement

Officer involved: Mr. Bernard Michel

The Board Meeting of December 14, 2011, approved the implementation of conditions for the severance benefit due to the CEO in the event of termination of service. These can be summarized as follows:

- Should a decision be made to change the company's governance status by separating the duties of Chairman and Chief Executive Officer and if at the same time Mr. Bernard Michel is appointed as Chairman of the Board of Directors on financial terms identical to those when he was appointed as Chairman and CEO, then no severance pay will be due;

- In case of termination of all the functions of Chairman and CEO, following a forced departure due to a change in control, Mr. Bernard Michel will receive a severance benefit with a maximum amount calculated as indicated below:

    - Seniority of less than six months: 100% of the gross overall remuneration (fixed and variable) for the position as Chairman and CEO. This amount will be prorated.

    The payment of this allowance is not subject to any performance conditions.

    - Seniority between six months and twelve months: 100% of the gross overall remuneration (fixed and variable) for the position as Chairman and CEO. This amount will be prorated.

    The payment of this allowance is subject to performance conditions as described in the table below.

- Seniority between one year and the end of his appointment: once the gross total compensation (fixed and variable) for his services as Chairman and CEO, for the previous calendar year.

The payment of this allowance is subject to performance conditions as described in the table below.

Performance conditions:

The benefit will only be paid if the recurring income in the previous fiscal year (N), closed prior to the severance, is greater than the average of the recurring income of the two years (N-1 and N-2) preceding the termination of services. The recurring incomes will be compared, taking into account changes in the scope of the company's assets during the relevant years, as indicated below:

Performance conditions	Severance pay
Recurring income year N excluding fair value adjustments > average recurring income of years (N-1 + N-2)	100%
Recurring income year N excluding fair value adjustments < 4% of the average recurring income (N-1 + N-2)	80%
Recurring income year N excluding fair value adjustments < 8% of the average recurring income (N-1 + N-2)	50%
Recurring income year N excluding fair value adjustments < 12% of the average recurring income (N-1 + N-2)	No severance pay

It is the duty of the Board of Directors to check that these performance criteria are achieved, with the understanding that the Board of Directors may take into account exceptional items that occurred during the year.

This agreement was terminated on June 3, 2013, when Mr. Bernard Michel was replaced in his position as CEO by Mr. Philippe Depoux. Mr. Bernard Michel was confirmed as the Chairman of the Board and did receive any severance benefit when he stopped acting as the CEO.

Courbevoie and Neuilly-sur-Seine February 20, 2014

The Statutory Auditors

Mazars

Bernard España
Partner

Julien Marin-Pache
Partner

PricewaterhouseCoopers Audit

Jean-Pierre Bouchart
Associate

9.2.2.4. STATUTORY AUDITORS' REPORT PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF GECINA'S BOARD OF DIRECTORS

Financial year ended December 31, 2013

Ladies, Gentlemen, and Shareholders,

In our capacity as the statutory auditors for the Gecina company, and in accordance with the provisions of article L. 225-235 of the French Commercial Code, we present to you our report on the report created by the President of your company in accordance with the provisions of article L. 225-37 of the French Commercial Code with respect to the financial year ended December 31, 2013.

The President is responsible for establishing and submitting for approval to the Board of Directors a report recording the internal monitoring and risk management procedures implemented in the company and providing other information required by articles L.225-37 of the French Commercial Code relating in particular to the system of corporate governance.

It is our responsibility:

- to communicate to you our observations concerning the information contained in the President's report regarding the procedures of internal monitoring and risk management relating to the preparation and processing of accounting and financial information, and

- to certify that the report includes the other information required by article
L. 225-37 of the French Commercial Code, it being understood that it is up to us to confirm the accuracy of this other information.

We have performed all of our work in accordance with generally accepted professional accounting standards in France.

Information concerning the procedures for internal monitoring and risk management relating to the preparation and processing of accounting and financial information

Professional accounting standards require the implementation of procedures intended to assess the accuracy of information regarding the procedures for internal monitoring and risk management relating to the preparation and processing of accounting and financial information contained in the President's report. These procedures consist, in particular, of:

- examining the procedures for internal monitoring and risk management relating to the preparation and processing of accounting and financial information underlying the information contained in the President's report, as well as the existing documentation;

- examine the work that permitted the preparation of this information and the existing documentation;

- determine whether major deficiencies in internal monitoring relating to the preparation and processing of accounting and financial information that we may have identified as part of our assignment are the subject of the information provided in the President's report.

On the basis of this work, have no observations to make on the information regarding the company's procedures of internal monitoring and risk management relating to the preparation and processing of accounting and financial information contained in the report of the President of the Board of Directors, established in accordance with the provisions of article L. 225-37 of the French Commercial Code.

We draw your attention to paragraph, "Guarantee Commitments Made in Spain" in part 5.1.9 of the report by the President of the Board of Directors. This paragraph mentions the identification, during financial year 2012, of commitments made in Spain in 2009 and 2010 despite the system of internal monitoring, as well as the implementation of procedures by the Group in this context.

Other information

We certify that the President's report includes the other information required under article L.225-37 of the French Commercial Code.

Courbevoie and Neuilly-sur-Seine, February 20, 2014

The Statutory Auditors

Mazars

Bernard España
Partner

Julien Marin-Pache
Partner

PricewaterhouseCoopers Audit

Jean-Pierre Bouchart
Associate

9.2.2.5. STATUTORY AUDITORS' INDEPENDENT THIRD-PARTY REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

Financial year ended December 31, 2013

To the Shareholders,

An independent third-party, members of statutory auditor's network, whose accreditation application was accepted by COFRAC, we hereby present our report on the consolidated social, environmental and societal information provided in the management report prepared for the year ended December 31, 2013, (hereinafter referred to as "CSR Information"), pursuant to Article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the company
The Board of Directors of Gecina is responsible for preparing a management report including the CSR Information required under Article R. 225-105-1 of the French Commercial Code, in accordance with the reporting criteria used by Gecina (the "Reporting Criteria") and available on request from the Group Human Resources Department and the Group Sustainable Development, Innovation and Performance Department.

Independence and quality control
Our independence is defined by regulatory texts, the profession's Code of Ethics and by the provisions of Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a comprehensive quality control system that includes documented policies and procedures designed to ensure compliance with deontological rules, professional standards and applicable legal texts and regulations.

Responsibility of the Statutory Auditors
Based on our work, our role is to:
- attest that the required CSR Information is disclosed in the management report or, that an explanation has been provided if any information has been omitted, in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness);
- provide limited assurance that, on the whole, the CSR Information is fairly presented, in all material respects, in accordance with the adopted Reporting Criteria (Fairness report regarding CSR Information);
- provide, at the request of the Company, a reasonable assurance as to whether the information identified by the symbol ☑ in the Chapter 7 of the management report was prepared, in all material respects, in accordance with the adopted Reporting Criteria.

We requested the assistance of our CSR experts to conduct this verification work. Our work was carried out by a team of 6 people between December 2013 and February 2014.

We conducted the work described below in accordance with the professional standards applicable in France and the legal order dated May 13, 2013 determining the methodology according to which the independent third party body conducts its mission and, on the reasoned opinion and the reasonable assurance report, in accordance with ISAE 3000 [(1)].

1. Attestation of completeness of the CSR Information
We got acquainted with the direction that the Group is taking in terms of sustainability, with regard to the social and environmental consequences of the company's business and its societal commitments and, where appropriate, the actions or programs that stemmed from it;

We compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code;

In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the third paragraph of the article R. 225-105 of the French Commercial Code;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

We verified that the CSR Information covers the consolidated scope, which includes the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code (Code de commerce) and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code (Code de commerce), subject to the limits set forth in the methodological note presented in the management report (Part 7 of Gecina Registration Document);
Based on our work and taking into account the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. Fairness report with respect to CSR Information

Nature and scope of procedures

We conducted the interviews that we deemed necessary with fifteen persons responsible for the preparation of CSR Information from departments in charge of the process of gathering information and, where appropriate, responsible of the internal control and risk management to:

- assess the appropriateness of the Reporting Criteria in terms of its relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices;
- verify the set-up within the Group of a process to collect, compile, process and check the CSR Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and extent of tests and controls depending on the nature and importance of CSR Information in relation to the characteristics of the Company, the social and environmental issues of its operations, its strategic priorities in relation to sustainable development, and the Industry best practices.

Concerning the CSR information that we considered to be most significant, at the Group Human Resources Department and the Group Sustainable Development, Innovation and Performance Department, we:
- consulted source documents and conducted interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative and verified, on the basis of sampling techniques, the calculations and consolidation of the information and we verified its consistency with the other information contained in the management report;
- selected based on their activity, their contribution to consolidated indicators, their location and a risk analysis, we conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling basis, to verify the calculations performed and reconciled data with supporting evidence.

The selected sites contribution to Group data equals to 100% of headcount and 100% of the quantitative environmental information tested.

Regarding the other CSR consolidated information, we assessed its fairness and consistency based on our knowledge of the Group
Finally, we assessed the relevance of the explanations relating to, where necessary, the omission of certain information.

We deem that the sampling methods and sample sizes we have learned by exercising our professional judgment allow us to formulate a conclusion providing limited assurance; a higher level of assurance would have required more extensive work. Because of the use of sampling techniques, and because of other limits inherent to any information and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion
Based on our work, we did not identify any material misstatements that cause us to believe that the CSR Information, taken as a whole, has not been fairly presented, in all material respects, in accordance with the Reporting Criteria.

Observation
Without calling into question the conclusions of our work mentioned above, may we draw your attention on the following points: published information on water consumptions are based on data from 2012 and not those of the reference period (2013).

3. Reasonable assurance report on selected CSR information

Nature and scope of procedures

Regarding information selected by the Group and identified by the symbol ☑, we conducted similar work as described in paragraph 2 above for CSR information that we consider to be most significant but of greater depth, especially regarding the number of tests.

The selected sites contribution to Group data equals to 100% of headcount and 100% of the quantitative environmental information identified by the symbol ☑.

We deem this work allows us to express a reasonable assurance on the information selected by the company and identified by the symbol ☑.

Conclusion

In our opinion, the Information selected by the Group and identified by the symbol ☑ was prepared, in all material respects, in accordance with the Reporting Criteria.

La Défense, 20 February 2014

The Statutory Auditors

Mazars

Bernard España	Julien Marin-Pache	Emmanuelle Rigaudias
Partner	Partner	Sustainable development partner

Annex: List of information considered to be most significant:

- Social Information:
  - Global workforce and breakdown by category, gender, age and type of contract;
  - Change in workforce (recruitments);
  - Total number of departures with permanent contracts (by cause and category);
  - Percentage of employees promoted internally;
  - Percentage of average individual increase manager versus non manager (by category and gender);
  - Absenteeism rate (all types of absences);
  - Number of days of absences per type of absence;
  - Detailed absenteeism rate by type of absence and category (administrative staff / building staff);
  - Number of employees who had at least one stop less than or equal to 3 working days during the period;
  - Frequency rate;
  - Severity rate;
  - Average hours of training per employee;
  - Percentage of women in external recruitments;
  - Number of level of occupational classification for which the pay gap M/W > 3% (administrative staff, except Comex).

- Environmental Information:
  - GMS coverage rate - Building and renovating (in % of surface);
  - GMS coverage rate - Exploitation (in % of surface);
  - Percentage reduction in the level of employee greenhouse gas emissions in tCDE/employee/p.a.;
  - EMS coverage rate;
  - Percentage of recovered / recycled waste (in tons);
  - Percentage of equipped surface areas in a room outfitted for selective sorting of waste;
  - Percentage reduction in water consumption (in m^3/sq.m/p.a.);
  - Percentage reduction in primary energy consumption per,sq.m/p.a (2008 basis, constant climate scenario) – Offices;
  - Percentage reduction in final energy consumption per,sq.m/p.a (2008 basis, constant climate scenario) – Offices;
  - Percentage reduction in primary energy consumption per,sq.m/p.a (2008 basis, constant climate scenario) – Residential;
  - Percentage reduction in final energy consumption per,sq.m/p.a (2008 basis, constant climate scenario) – Residential;
  - Percentage of properties with an EPD energy label of A, B or C – Offices;
  - Percentage of properties with an EPD energy label of A, B or C – Residential;
  - Energy Mix;
  - Percentage of renewable energy produced;
  - Greenhouse gas emission level in $kgCO_2$/sq.m/p.a. (2008 constant climate scenario) – Offices;
  - Greenhouse gas emission level in $kgCO_2$/sq.m/p.a. (2008 constant climate scenario) – Residential;
  - Percentage reduction in emissions since 2008;
  - Percentage of properties with an EPD climate label of A, B or C – Offices;
  - Percentage of properties with an EPD climate label of A, B or C – Residential;
  - Biotope area factor;
  - Percentage of assets having undergone a biodiversity audit.

- Societal Informations:
  - Economic contribution;
  - Customer recommendation rate;
  - Coverage green leases (in % of surface);
  - Number of days devoted to one or more projects (Foundation);
  - Percentage of employees involved in one or more projects (Foundation).

9.3. Legal information

9.3.1. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

Name	Gecina
Registered office	14-16, rue des Capucines à Paris (2nd)
Legal form	French Société Anonyme (public limited company) governed by Articles L. 225-1 et seq. and R. 210-1 et seq. of the French Commercial Code and all subsequent legislation
Legislation	French legislation
Date of formation and termination of company	The company was found on January 14, 1959 for 99 years. It will expire on January 14, 2058
Trade and company registry	592 014 476 RCS PARIS
Identification number	SIRET 592 014 476 00150
APE Code	6820A
Place where documents and information relating to the company may be consulted	At registered office (telephone: +33 1 40 40 50 50)
Fiscal year	The financial year begins on January 1 and ends on December 31 for a term of 12 months

FRENCH LISTED REAL ESTATE INVESTMENT TRUSTS SYSTEM

The company opted for the tax system introduced by the 2003 Finance law dated December 30, 2002 and applicable from January 1, 2003, which provided for the creation of listed real estate investment trusts (SIIC). It allows companies opting for this system to claim exemption from the tax imposed on the income and capital gains deriving from their business as a real estate company, contingent on the payment of an exit tax now calculated at a rate of 19% on unrealized capital gains existing on the date of the option, and for which the payment is to be spread over four years. In return for this tax exemption, the SIICs are subject to the mandatory distribution of 95% of their exempt rental income and 60% of their exempt capital gains within two years, and 100% of profits received from subsidiaries.

9.3.2. ARTICLES OF INCORPORATION AND EXTRACTS FROM BYLAWS

9.3.2.1. CORPORATE PURPOSE

CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

The company's purpose is to operate rental properties or groups of rental properties located in France or abroad.

To this end, the company may:

- acquire undeveloped land or similar land through purchases, exchanges, payments in kind, or other types of payment;
- build individual properties or groups of properties;
- acquire developed properties or groups of properties through purchase, exchanges, and payments in kind or other types of payment;
- finance the acquisition and construction of properties;
- rent, administer, and manage any properties, either on its own behalf or on behalf of third parties;
- sell any real estate assets or rights;
- acquire equity interests in any company or organization involved in activities related to its corporate purpose by any authorized means, including capital contributions and the subscription, purchase or exchange of securities or corporate rights; and generally engage in all types of financial, real estate, and investment transactions directly or indirectly relating to this corporate purpose or capable of facilitating the furtherance thereof.

9.3.2.2. ORGANIZATION OF THE BOARD AND EXECUTIVE COMMITTEE

Chairman and Executive Officer

At its April 17, 2013 session and upon the recommendation of the Governance, Appointment and Compensation Committee, the Board of Directors decided, with effect from June 3, 2013, to separate the duties of Chairman of the Board of Directors from those of CEO. It therefore decided to appoint Mr. Philippe Depoux to the office of CEO for an indefinite period and confirm Mr. Bernard Michel in his position as Chairman of the Board of Directors.

BOARD OF DIRECTORS (ARTICLE 12)

The company's administration is performed by a Board of Directors consisting of at least three (3) members and at most eighteen (18) members, subject to the dispensations provided for under French law.
Directors are appointed for four years. Exceptionally, to allow the staggered renewal of the terms of office of directors, the Ordinary General Meeting may appoint one or more directors for a period of two or three years. They may be reappointed and dismissed at any time by the General Meeting.

No one over the age of 75 may be appointed. If a director has passed this age limit, he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which said director reached this age limit.

Each director must own at least one share during his or her term of office.

As required by Article 2 of the Board of Directors' Internal Regulations, each director must own 40 shares.

BOARD OFFICE (ARTICLE 13)

The Board of Directors shall elect from among its members a Chairman who must be a natural person, and, if need be, a Co-Chairman and one or more Vice-Chairmen.

If the Board of Directors decides to appoint a Co-Chairman, this title shall also be given to the Chairman, without said appointment restricting the powers granted solely to the Chairman under French Law or these bylaws.

The Board of Directors shall set the term of office of the Chairman as well as that of the Co-Chairman and of the Vice-Chairmen, if they exist, but this term of office may not exceed that of their terms of office.

The Chairman of the Board of Directors and the Co-Chairman and the Vice-Chairman or -Chairmen, if they exist, may be dismissed at any time by the Board of Directors.

No one over the age of 70 may be appointed Chairman, Co-Chairman, or Vice-Chairman. If the Chairman, the Co-Chairman or a Vice-Chairman passes this age he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which they reached this age limit.

The sessions of the Board shall be chaired by the Chairman. If the Chairman is absent, the meeting shall be chaired by the Co-Chairman or by one of the Vice-Chairmen present, as designated by the Board for each session. If the Chairman, the Co-Chairman and the Vice-Chairmen are absent, the Board shall appoint one of the members present to chair the meeting for each session.
The Board shall appoint a person to serve as secretary.

DELIBERATIONS OF THE BOARD OF DIRECTORS (ARTICLE 14)

The Board shall meet as often as necessary in the company's interests, either at the registered office or at another venue, including outside of France.

The Chairman shall set the agenda for each Board of Directors and shall convene the directors using any appropriate means.

Directors representing at least one-third of the total number of Board members may also convene the Board at any time, indicating the agenda for the meeting.

If necessary, the Chief Executive Officer may also request the Chairman to convene the Board on a given agenda.

The Chairman is bound by requests submitted to him under the previous two paragraphs.

The physical presence of at least half of the Board's members will be necessary for deliberations to have legal force.
A director may authorize another director to stand proxy for him at a session of the Board of Directors in accordance with the legal and regulatory provisions in force.

The provisions of the preceding paragraphs shall also apply to the permanent representatives of a director.

The Board may meet and deliberate using videoconferencing or telecommunications facilities or any other means provided for under French law, in accordance with the terms and provisions set forth in its internal regulations.

In this respect, within the limits applicable under French law, the internal regulations may allow for any directors participating in Board Meeting, using videoconferencing or telecommunications facilities or by other means, the nature and conditions of which are determined by the regulatory provisions in force, to be deemed to be present for the purposes of calculating a quorum or a majority.

Decisions shall be by majority vote of the members present or represented, whereby any director representing one of his or her colleagues is entitled to two votes. In the event of a tie vote, the session's Chairman shall not have a casting vote.

POWERS OF THE BOARD OF DIRECTORS (ARTICLE 15)

The Board of Directors sets the strategies for the company's business and oversees their implementation. Under the powers directly attributed to General Meetings and within the bounds of the corporate purpose, it may address any issues that are deemed to be of interest for the company's effective performance, and through its deliberations resolve any issues concerning it.

In its dealings with third parties, the company shall be bound by the resolutions of the Board of Directors even where they do not fall within the company's corporate purpose unless it can prove that the third party in question knew that the resolution in question fell outside said purpose or that said party could not have been unaware of this on account of the circumstances, it being excluded that the mere publication of the bylaws should be enough to constitute said proof.

The Board of Directors may perform the controls and verifications it deems necessary.

The Board of Directors may invest one or more of its members or third parties, whether they are shareholders or not, with any authority necessary for any specified purpose or purposes.

It may also decide to set up committees charged with reviewing issues that the Board or its Chairman has submitted to said committees for an opinion. These committees, whose makeup and remits are defined in the internal regulations, will carry on their activities under the responsibility of the Board of Directors.

POWERS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS (ARTICLE 16)

In accordance with Article L. 225-51 of the French Commercial Code, the Chairman of the Board of Directors represents the Board of Directors. Subject to the legal and regulatory provisions in force, he organizes and oversees its work and reports on this work to the General Meeting. He ensures that the various corporate governance bodies are working smoothly and, in particular, that the directors are capable of fulfilling their required duties.

Pursuant to Article 17 of these bylaws, the Chairman may also assume the executive management of the company.

THE COMPANY'S EXECUTIVE MANAGEMENT (ARTICLE 17)

The company's executive management is performed by either the Chairman of the Board of Directors, or by another natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors chooses between the two methods of exercising the Executive Management presented in the preceding paragraph.

The Board of Directors makes this choice by majority vote of the directors present or represented.
Shareholders and third parties shall be informed of this choice as prescribed in the relevant regulations.

When the executive management is assumed by the Chairman of the Board of Directors, he shall hold the position of Chairman and Chief Executive Officer. The Board of Directors shall determine the term of office of the Chairman and Chief Executive Officer, which may not exceed his term as director. The Chairman and Chief Executive Officer may be dismissed at any time by the Board of Directors.

If the executive management is not performed by the Chairman of the Board of Directors, a Chief Executive Officer shall be appointed by the Board of Directors.

The term of office of the Chief Executive Officer is freely defined by the Board of Directors.

The Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, shall have the broadest powers to act in the company's name under any and all circumstances – in particular, to execute the sale or purchase of any real estate assets or rights. They exercise their powers within the scope of the corporate purpose and subject to those reserved expressly by French law to Shareholders' General Meetings and to the Board of Directors.

They represent the company in their dealings with third parties. The company is bound by the resolutions of the directors even where they do not fall within the company's corporate purpose unless it can prove that the third party in question knew that the resolution in question fell outside said purpose or that said party could not have been unaware of this on account of the circumstances, it being excluded that the mere publication of the bylaws should be enough to constitute said proof.

In connection with the company's internal organization, the Board of Directors may limit the powers of the Chief Executive Officer, or as relevant, of the Chairman and Chief Executive Officer, but any such restrictions on their powers are not enforceable against third parties.

On the proposal of the Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, in which case they shall be given the title of Deputy Chief Executive Officer.

There may not be more than five Deputy Chief Executive Officers.

By agreement with the Chief Executive Officer, or where relevant, with the Chairman and Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers

granted to the Deputy Chief Executive Officers.
Should the Chief Executive Officer, or where relevant, the Chairman and Chief Executive Officer, cease or be prevented from performing their functions, the Deputy Chief Executive Officers shall retain their functions and their remits barring a decision to the contrary by the Board of Directors until the appointment of a new Chief Executive Officer, or where relevant a Chairman and Chief Executive Officer.

Deputy Chief Executive Officers, vis-à-vis third parties, shall have the same powers as the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer.

The Chief Executive Officer may be dismissed at any moment by the Board of Directors if there are reasonable grounds. The same shall apply to Deputy Chief Executive Officers on the proposal of the Chief Executive Officer, or where relevant the Chairman and Chief Executive Officer.

No one over the age of 65 may be appointed Chief Executive Officer or Deputy Chief Executive Officer. Should a Chief Executive Officer or Deputy Chief Executive Officer pass this age limit he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which said Chief Executive Officer or Deputy Chief Executive Officer reached this age limit.

OBSERVERS (ARTICLE 18)

The annual General Meeting may appoint up to three Observers for the company from among the shareholders. The Observers may also be appointed by the Company's Board of Directors subject to this appointment being ratified at the next General Meeting.

No one over the age of 75 may be appointed Observer. Should an Observer pass this age limit he or she will be deemed to have automatically resigned at the end of the General Meeting convened to approve the financial statements for the fiscal year during which said Observer reached this age limit.
Observers shall be appointed for a three-year term and may be reappointed. They are summoned to the sessions of the Board of Directors and take part in its deliberations in an advisory capacity.

Observers may be called upon to perform special assignments.

COMPENSATION FOR DIRECTORS, OBSERVERS, THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND THE DEPUTY CHIEF EXECUTIVE OFFICERS (ARTICLE 19)

Directors shall receive for their activities a fixed amount of annual attendance allowances, which shall be determined by the Ordinary General Meeting.

The Board of Directors shall freely distribute the amount of these attendance allowances among its members.

It may also grant exceptional compensation for assignments or offices entrusted to Directors or Observers. Such agreements shall be subject to the legal provisions applicable to agreements contingent on prior authorization from the Board of Directors.

The Board of Directors shall determine the amount of remuneration for the Chairman, Chief Executive Officer, and Deputy Chief Executive Officers.

INTERNAL REGULATIONS FOR THE BOARD OF DIRECTORS

Gecina's Board of Directors adopted its Internal Regulations on June 5, 2002 and updated them on several occasions since this date. They clarify and supplement the Board's operating procedures and principles as set down in the company bylaws.

The Directors' Charter and the Works Council Representative Charter respectively clarify the duties and obligations of Directors and Works Council representatives.

The two Charters, and the Internal Regulations of the three Board of Directors committees, represent the schedules to the Internal Regulations of the Board of Directors.

9.3.2.3. RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

RIGHTS AND OBLIGATIONS ATTACHED TO EACH SHARE (ARTICLE 10 OF THE BYLAWS)

In addition to the voting right allotted to it under French law, each share gives right to a portion of the company's assets, profits or liquidating dividend proportional to the number and minimum value of existing shares.

Shareholders are only liable for the company's liabilities up to the nominal value of the shares they own.

The rights and obligations attached to a share follow the share if it is transferred between holders.

Ownership of a share entails full adherence by law to the company bylaws and to the decisions of the General Meeting.

DUAL VOTING RIGHTS
None.

RESTRICTIONS ON VOTING RIGHTS
None.

9.3.2.4. CHANGES TO SHARE CAPITAL AND VOTING RIGHTS ATTACHED TO SHARES

Gecina's bylaws prescribe no measures for changing share capital and voting rights attached to shares. Such measures, when decided, are subject to the relevant legal and regulatory provisions.

9.3.2.5. GENERAL MEETING

SHAREHOLDERS' MEETINGS (ARTICLE 20 OF THE BYLAWS)

1. Notice to attend
General Meetings are convened to deliberate under the conditions defined by legal and regulatory provisions.
Meetings are held at the registered office or any other venue stated in the invitation to attend.

2. Access rights
Ordinary and Extraordinary General Meetings may be attended on the conditions set out below by all shareholders holding at least one share. Special Meetings may be attended by all holders of shares falling in the class concerned and who hold at least one share from this class in accordance with the conditions set out below.

Shares on which payments are due but have not been paid cease to give access rights to attend General Meetings, and shall not be counted in calculating a quorum.

Subject to the conditions outlined above, all shareholders shall, upon providing proof of identity, have the right to attend General Meetings as prescribed under French law. This right is contingent on their shares being entered under their name in their account in the company's records.

3. Office – Attendance sheet
General Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a Vice-Chairman or, in the absence of the latter, by a director especially appointed to this effect by the Board. Failing this, the General Meeting itself shall elect a Chairman.

The functions of the voting supervisors shall be performed by the two members present at the meeting who have the most votes, in accordance with the legal and regulatory provisions in force.
The office for the meeting shall appoint the secretary, who may be chosen from outside the shareholders.

4. Voting rights
Each member of the Meeting is entitled to one vote for each share owned or represented.

Shareholders may vote at meetings by sending their voting form by correspondence either in paper form or, as decided by the Board of Directors, by teletransmission (including by electronic mail), according to the procedure defined by the Board of Directors and clarified in the meeting notice and/or invitation to attend. Where the last method is selected, the electronic signature may be in the form of a procedure that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Shareholders may also appoint a proxy to represent them at meetings by sending the proxy form to the company in paper form or by teletransmission according to the procedure defined by the Board of Directors and specified in the meeting notice and/or invitation to attend, in the conditions outlined by the applicable legal and regulatory provisions. The electronic signature may be in the form of a procedure that meets the conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

The mandate given for a Meeting is revocable in the same way as those required to appoint the representative.

The General and Special Meetings may hold their deliberations only on condition that the quorum and majority conditions provided for under the legal and regulatory provisions in force are met.

Shareholders who participate in Meetings through videoconferencing or though telecommunication means, allowing their identification in the conditions set out in the applicable regulation, shall be considered as present or represented for the calculation of the quorum or majority, as decided by the Board of Directors and published in the meeting notice and/or in the notice of invitation to attend.

The minutes of Meetings shall be prepared and copies certified and delivered in accordance with French law.

FORM OF SHARES (ARTICLE 7 OF THE BYLAWS)

Shares must be held and registered by name. They shall be registered in an account under the conditions and in accordance with procedures provided for by the legislative and regulatory provisions in force.

9.3.2.6. DECLARATION OF CROSSING SHAREHOLDER THRESHOLD LIMITS

CROSSING SHAREHOLDER THRESHOLD LIMITS – INFORMATION (ARTICLE 9 OF THE BYLAWS)

In addition to the legal obligation to inform the company when certain fractions of the share capital are held and to declare the intention consequent thereto, every individual or corporate shareholder, acting alone or in concert, who has acquired or ceases to hold a fraction equal to 2% of the share capital and voting rights or any multiple of this percentage, must inform the company of the total number of shares and voting rights held by registered letter with recorded delivery to the company's registered office within fifteen days of having crossed one of such thresholds.

This disclosure requirement shall apply in every instance that one of the aforementioned thresholds has been crossed, including thresholds over and above the thresholds provided for under French law. In the event of a failure to disclose, under the aforementioned conditions, the shares in excess of the fraction that should have been disclosed will forfeit their voting rights under the conditions provided by French law if one or more shareholders holding at least 5% of the share capital should request this as recorded in the minutes of the General Meeting.

Any shareholder other than a natural person that directly or indirectly comes into possession of 10% of the company's dividend rights will be required to indicate in their declaration on exceeding the threshold limit whether or not they are a Deduction Shareholder as defined in Article 23 of the bylaws. Any shareholder other than a natural person that directly or indirectly comes to hold 10% of the company's dividend rights as at the date this paragraph comes into force is required to indicate within ten (10) business days before distributions are scheduled to be paid out, whether or not they are a Deduction Shareholder as defined in Article 23 of the bylaws. If a shareholder should declare that he or she is not a Deduction Shareholder, they will be required to justify this whenever requested to do so by the company. Any shareholder other than a natural person having disclosed that they have directly or indirectly crossed the 10% threshold for dividend rights or directly or indirectly holding 10% of the company's dividend rights as at the date when this paragraph comes into force, is required to notify the company as promptly as possible or in any event within ten (10) business days before the payouts are to be made, of any change in their tax status that would cause them to acquire or lose their status as a Deduction Shareholder.

In the event of a failure to disclose under the conditions set out in paragraph 1 of this Article, the shares exceeding the fraction that should have been declared will forfeit the right to vote in Shareholders Meetings if said failure to disclose is discovered during a Shareholders Meeting and if one or more shareholders together holding at least 2% of share capital demand this during the Meeting. The forfeiture of voting rights applies to all Shareholders Meetings held within a period of two years following the date on which the failure to disclose is rectified.

9.3.3. RESEARCH AND PATENTS

None.

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