Press release
April 24, 2014

Business at March 31, 2014

Group's average occupancy rate up to 96.9%, versus 95.5% at end-2013

Rental income up +3.5% on a comparable basis

Gecina maintains its forecast for recurrent net income (Group share) to be stable in 2014

"Le France": first significant acquisition as part of the reinvestment program

Key figures

At the Board meeting on April 23, 2014, chaired by Bernard Michel, Gecina's Directors reviewed the financial statements at March 31, 2014.

In million euros	March 31, 2013	March 31, 2014	Change (%)
Gross rentals	143.8	148.4	+3.2%
EBITDA before disposals	117.3	122.8	+4.7%
Net recurrent income Group share	81.1	83.3	+2.7%
Per share (in euros)	1.34	1.37	+2.3%

Unaudited figures

See details in appendix

Gecina benefits from a positive letting performance, continues to optimize its liabilities and successfully completes the first operation from its reinvestment plan

During the first quarter of 2014, Gecina benefited from positive operational trends, with organic rental growth across all its segments, coming in at +3.5% for the whole Group. This dynamic development has been particularly strong for the office portfolio, with rental income climbing +4.5% on a comparable basis.

Recurrent net income (Group share) totaled 83.3 million euros at end-March 2014, up +2.7% on the first quarter of 2013. This progress is expected to slow down over the coming quarters since it factors in the very strong rate of organic rental growth at the start of the year following specific prorated effects for the first quarter. Gecina is therefore maintaining its forecast for recurrent net income (Group share) to be stable for the full year, based on an assumption for proceeds from the sale of Beaugrenelle to be reinvested during the second half of 2014.

Gecina's office portfolio has a high occupancy rate (96.0% spot at end-March 2014), with limited rental risks for the year. As a result, the main challenge for Gecina in 2014 is to achieve its 1 billion euro investment target, particularly following the sale of the Beaugrenelle shopping center, which is expected to be finalized at the end of April 2014. Within this framework, the Group has signed a preliminary agreement to buy the "Le France" building, in the Paris Rive Gauche sector, for 133 million euros, with a net yield of 6.4%. Gecina is also continuing to actively analyze other opportunities for investment.

The Group has also continued to optimize its liabilities. Indeed, two of the last longstanding debt-hedging positions were unwound for a total of 72 million euros in March 2014, making it possible to streamline the hedging structure, which was still considered excessive for the period from 2014 to 2016. New long-term hedging facilities have been set up. These operations will also contribute towards a slight reduction in the cost of debt drawn down in 2014, as announced by Gecina in February 2014.

Rental income up +3.5% on a comparable basis, with +4.5% gross for offices, which will slow down over the full year

Gross rental income came to 148.4 million euros at March 31, 2014, an increase of +3.5% on a comparable basis. This growth reflects the positive impact of indexation (+1.5%) and the higher occupancy rate (+1.8%). The impact of renegotiations and relettings is neutral in terms of the change in rents on a comparable basis.

On a current basis, rental income is up +3.2% versus the first quarter of 2013. This increase primarily reflects the combined impact of like-for-like growth (+4.5 million euros) and rents generated by the investments made in 2013 (+12.4 million euros) coming in higher than the loss of rent due to sales and redevelopments (-12.2 million euros).

Rental income on **offices** (excluding Beaugrenelle) is up +4.5% on a comparable basis, with further strong growth following the +3.4% increase recorded in 2013. On a comparable basis, the quarterly change benefited from a positive indexation effect (+1.3%), combined with an increase in the occupancy rate for buildings on a comparable basis (+3.6%), offsetting the impact of relettings and renegotiations (-0.4%). Moreover, this dynamic like-for-like progress is expected to smooth out over the full year. Gecina is confirming its forecast for like-for-like office rental income growth of nearly +0.5% for 2014.
On a current basis, office rental income (excluding Beaugrenelle) is up +6.7%, thanks in particular to rent from the various buildings delivered or acquired recently, including Tour Mirabeau, Marbeuf, Velum and Dock en Seine.

Rental income from **traditional residential** assets is up +1.7% on a comparable basis, thanks in particular to the positive impact of indexation (+1.7%), combined with the impact of relettings, up +1.2%, virtually unchanged compared with the level recorded in 2013 (+1.3%). In this way, the incoming-outgoing rent differential came to +2.7%, based on a tenant rotation rate of 15.0%. Alongside this, a slight drop in the occupancy rate has led to a -1.8% reduction in this segment's rental income on a comparable basis.

Healthcare rental income is up +2.2% on a comparable basis versus the first quarter of 2013 thanks to indexation (+1.8%) and additional rent resulting from the work carried out and the large-scale work charged back to tenants (+0.9%), offsetting the -0.5% contraction linked to the renegotiation of leases for two clinics.

Lastly, the **Beaugrenelle** shopping center generated 7.4 million euros in rental income during the first quarter of 2014. A preliminary agreement has been signed to sell this asset for 700 million euros (including commissions and fees), with this sale to be finalized at the end of April 2014.

In million euros	March 31, 2013	March 31, 2014	Change (%)	
			Current basis	Comparable basis
Group total	**143.8**	**148.4**	**3.2%**	**3.5%**
Offices (excl. Beaugrenelle)	82.7	88.2	6.7%	4.5%
Beaugrenelle	1.1	7.4	na	na
Traditional residential	33.3	31.6	-5.2%	1.7%
Student residences	2.4	2.4	2.0%	-0.1%
Healthcare	19.2	18.6	-3.2%	2.2%
Logistics	0.2	0.2	na	na
Hotels	4.9	0.0	na	na

The Group's average financial occupancy rate came to 96.9% for the first quarter of 2014, a significant improvement compared with the levels for the first quarter of 2013 (94.1%) and the full year (95.5%).

This improvement during the first quarter of 2014 primarily reflects a very significant increase in the average occupancy rate for office properties, up 230 bp to 95.9% at end-March 2014, with the prorated impact of the leases signed on the Dock en Seine and Portes de la Défense buildings coming into effect. The financial occupancy rate is expected to fall slightly from the second quarter of 2014 due to 9,000 sq.m of space being vacated in the building at 12-16 boulevard du Général Leclerc in Neuilly. This vacated space was expected and has been included in the forecast for organic office rental income growth of +0.5% for 2014.

The occupancy rate on **traditional residential** properties remains structurally high, coming in at 97.8%. Lastly, the occupancy rate has remained stable at 100% for **healthcare** real estate.

Average financial occupancy rate	March 31, 2013	Dec 31, 2013	March 31, 2014
Economic Division	**91.5%**	**93.8%**	**96.1%**
Offices *	91.0%	93.6%	95.9%
Logistics	na	na	na
Hotels	100.0%	na	na
Demographic Division	**98.9%**	**98.7%**	**98.6%**
Traditional residential	98.2%	98.1%	97.8%
Student residences	97.8%	94.9%	96.1%
Healthcare	100.0%	100.0%	100.0%
Group Total	94.1%	95.5%	96.9%

**Excluding Beaugrenelle*

Recurrent net income (Group share) up +2.7%, annual guidance confirmed

The **rental margin** climbed to 92.0% at end-March 2014, up 20 bp on March 31, 2013, reflecting the combined impacts of the improved margin for offices and the opening of Beaugrenelle, offsetting the lower residential margin and the negative impact of the hotel sales.

	Group	Offices	Beaugrenelle	Residential	Healthcare	Hotels
Rental margin at March 31, 2013	91.8%	92.9%	na	83.7%	99.4%	100.4%
Rental margin at March 31, 2014	92.0%	94.3%	91.6%	81.6%	99.7%	na

Salaries and management costs are down 0.6 million euros to 15.7 million euros for the first quarter of 2014.

Net financial expenses are up +7.6% year-on-year to 38.1 million euros, with the delivery of projects such as Beaugrenelle and Le Velum resulting in a 3.6 million euro drop in capitalized financial expenses. Excluding this effect, gross financial expenses are down -0.9 million euros thanks to a reduction in the average volume of debt by around 100 million euros over the quarter and a slightly positive rate effect.

In March 2014, two of the last longstanding rate-hedging positions were unwound for a total of 72 million euros, making it possible to streamline the hedging structure, which was still considered excessive for the period from 2014 to 2016. Alongside this, the Group has taken out new hedging facilities based on caps and a swap, with maturities ranging from six to 10 years.

During the first quarter of 2014, the cost of debt was reduced thanks to the positions unwound and new hedging set up. In this way, the average cost of debt drawn down was 3.1% for the first quarter of 2014, compared with 3.2% for the first quarter of 2013. Overall, the average cost of debt is down 20 bp versus the first quarter of 2013 to 3.6%. Gecina is forecasting a slight reduction in the average cost of debt drawn down in 2014.

At the end of March 2014, **recurrent tax** does not include the impact of the 3% tax on dividends paid out above the obligation for SIIC real estate trusts, which will fall due and be paid during the second quarter of 2014 and is expected to represent nearly 0.6 million euros.

Recurrent net income (Group share) came to 83.3 million euros at end-March 2014, up +2.7% on the first quarter of 2013. This progress is expected to slow down over the coming quarters since it factors in the very strong rate of organic rental growth at the start of the year following specific prorated effects for the first quarter. Gecina is therefore maintaining its forecast for recurrent net income (Group share) to be stable for the full year, based on an assumption for proceeds from the sale of Beaugrenelle to be reinvested during the second half of 2014.

Preliminary agreement signed to buy a 133 million euro building, first operation as part of the reinvestment program

Sales during the first quarter of 2014 represented a total of 25 million euros, focused primarily on unit residential assets (20 million euros), as well as the sale of a clinic for 6 million euros. The average premium on unit-by-unit sales was 27.8% compared with the valuations from end-2013.

In addition to Beaugrenelle, a further 19 million euros of assets are currently covered by preliminary sales agreements, including 18 million euros of unit-by-unit residential sales.

Alongside this, investments represented a total of 27 million euros at March 31, 2014, with 16 million euros for the development pipeline, 4 million euros for new projects and projects that have been delivered, and 7 million euros for capex.

Capitalized financial expenses on investments totaled 0.9 million euros at end-March 2014, compared with 4.5 million euros at the end of March 2013.

354 million euros are still to be committed for the development pipeline, with 166 million euros in 2014, 116 million euros in 2015 and the balance by 2018.

Lastly, on April 3, 2014, Gecina signed a preliminary agreement to buy the "Le France" building, in the Paris Rive Gauche sector, for a price of 133 million euros including duties. The net yield on this investment is 6.4%. With this operation, Gecina is moving forward with its policy launched in 2013 to reinvest in the office sector. The Group has the capacity to invest nearly 1 billion euros in 2014 following the sale of the Beaugrenelle shopping center, which is expected to be finalized at the end of April. This acquisition illustrates Gecina's realignment around Inner Paris, while contributing towards the geographical diversification of its portfolio.

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth 10.8 billion euros at December 31, 2013, with 90% located in the Paris Region. This real estate company's business is built around an Economic division, including France's largest office portfolio, and a Demographic division, with residential assets, student residences and healthcare facilities. Gecina has put sustainable innovation at the heart of its strategy to create value, anticipate its customers' expectations and invest while respecting the environment, thanks to the dedication and expertise of its staff.

Gecina is a French real estate investment trust (SIIC) listed on Euronext Paris, and is part of the FTSE4Good, DJSI Europe and World, Stoxx Global ESG Leaders and Euronext Vigeo France 20 indices. In line with its commitments to the community, Gecina has created a company foundation, which is focused on protecting the environment and supporting all forms of disability.

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Bien plus que des mètres carrés

APPENDICES

Condensed income statement and recurrent income

In million euros *(Unaudited figures)*	March 31, 2013	March 31, 2014	Change (%)
Gross rental income	**143.8**	**148.4**	**+3.2%**
Expenses on properties	(32.0)	(38.7)	+20.7%
Expenses billed to tenants	20.2	26.8	+32.6%
Net rental income	**131.9**	**136.6**	**+3.5%**
Services and other income (net)	1.6	1.9	+18.7%
Salaries and management costs	(16.3)	(15.7)	-3.5%
EBITDA before disposals	**117.3**	**122.8**	**+4.7%**
Net financial expenses	(35.4)	(38.1)	+7.6%
Recurrent tax	(0.6)	(0.7)	+16.7%
Recurrent minority interests	(0.1)	(0.6)	na
Net recurrent income (Group share)	**81.1**	**83.3**	**+2.7%**

	March 31, 2013	March 31, 2014	Change (%)
Average number of shares excl. treasury stock	60,765,448	60,993,243	+0.4%
Recurrent income (Group share) per share in euros	**1.34**	**1.37**	**+2.3%**