Press release
May 4, 2011

Business at March 31, 2011:

Recurrent income in line with the annual forecast of -7%

- Rental income stable on a current basis and down by only -1.4% on a comparable basis, consistent with the Group's expectations
- Occupancy rate picking up again
- Recurrent income down -7.6% resulting from the increase in financial expenses
- Gecina's forecast confirmed for recurrent income to be down -7% in 2011

Key figures

At the Board meeting on May 3, 2011, chaired by Bernard Michel, Gecina's Directors reviewed the financial statements at March 31, 2011.

in € mn		March 31, 2010	March 31, 2011	Change (%)
Gross rentals		157.8	157.9	+0.0%
EBITDA		126.9	128.7	+1.5%
Recurrent income		90.6	83.7	-7.6%
	per share (in €)	1.49	1.37	-7.8%

unaudited figures

see details in appendix

Improved occupancy rate, but indexation effects still negative

Gross rental income stable on a current basis and down -1.4% on a comparable basis

Gross rental income came to 157.9 million euros at the end of March 2011, stable on a current basis in relation to the first quarter of 2010, with rents from investments and acquisitions (+8.9 million euros) more than offsetting the loss of rent resulting from disposals (-7.1 million euros). On a comparable basis, this contraction in rental income comes out at only -1.4%, in line with the Group's forecasts, notably reflecting the impact of the leases renegotiated in 2010 coming into effect, combined with still negative indexation on office and logistics real estate. Gecina is expected to benefit from positive indexation on its entire portfolio from the second half of 2011.

In €m	March 31, 2010	March 31, 2011	Change (%)	
			Current basis	Constant basis
Group total	**157.8**	**157.9**	**0.0%**	**-1.4%**
Offices	86.9	86.7	-0.2%	-3.5%
Residential	46.9	45.4	-3.2%	1.5%
Healthcare	10.8	12.7	16.9%	2.2%
Logistics	8.3	8.1	-2.6%	-3.0%
Hotels	4.8	4.9	2.0%	4.5%

Improvement in average financial occupancy rate in relation to 2010

The Group's financial occupancy rate averaged out at 96.2% for the first quarter of 2011, marking a clear upturn in relation to 2010 (94.3%). More specifically, this improvement factors in the exclusion of the logistics portfolio (representing 119 million euros), which is currently subject to a preliminary sales agreement with Carval and which had a vacancy rate of 41% in 2010. The occupancy rate is also high on office properties, with 96.9% thanks to leases coming into effect in Q4 2010 for the buildings under development and delivered in 2010, as well as the occupied buildings acquired.

Average financial occupancy rate	March 31, 2010	Dec 31, 2010	March 31, 2011
Economic division	**94.2%**	**92.7%**	**95.7%**
Offices	95.9%	95.3%	96.9%
Logistics	80.1%	71.7%	77.1%
Hotels	100.0%	100.0%	100.0%
Demographic division	**98.8%**	**97.6%**	**97.3%**
Residential	98.6%	97.4%	96.4%
Healthcare	100.0%	100.0%	100.0%
Student residences	97.8%	96.2%	98.4%
Group total	96.0%	94.3%	96.2%

Recurrent income impacted by rise in financial expenses

The rental margin is down slightly (30bp) to 91.0% compared with March 31, 2010. More specifically, this contraction reflects the increase in the vacancy rate for logistics on this basis for comparison, as well as the full consolidation of the Beaugrenelle project since the second half of 2010.

Recurrent income is down -7.6% at the end of March 2011, resulting from the significant increase in financial expenses. The average cost of debt came to 3.99% for the first quarter of 2011, compared with 3.53% for the first quarter of 2010. This increase is in line with forecasts, and Gecina is able to confirm that the average cost of debt will represent 4.15% in 2011.

€ mn *(unaudited)*	March 31, 2010	March 31, 2011	Change (%)
Gross rental income	157.8	157.9	+0.0%
Expenses on properties	(38.7)	(37.7)	-2.7%
Expenses billed to tenants	24.8	23.3	-6.3%
Net rental income	143.9	143.5	-0.3%
Net rental and service income	0.9	1.4	+57.1%
Management costs	(17.9)	(16.2)	-10.0%
EBITDA before disposals	126.9	128.7	+1.5%
Net financial expenses	(36.3)	(45.0)	+24.1%
Recurrent income	90.6	83.7	-7.6%

Asset rotation program moving forward

Disposals committed at this stage represent a total of 295 million euros, with 78 million euros of asset sales signed at the end of March 2011, covering one office building (34 million euros), as well as residential assets sold on a unit basis (45 million euros). In addition, Gecina has signed 217 million euros of preliminary sales agreements: 119 million euros concerning the logistics portfolio, sold to the Carval fund, 57 million euros of unit residential assets, and 41 million euros of office assets.

At the same time, investments totaled 44 million euros over the first quarter of 2011. A further 230 million euros will be invested through the acquisition of the FSR healthcare real estate portfolio, which will be finalized in June this year. On top of developments currently underway, Gecina is also looking into investment opportunities on office properties, with a balance between let or pre-let and speculative assets, as well as on healthcare real estate.

Outlook

The contraction in recurrent income over the quarter is consistent with Gecina's forecast for this indicator to be down -7% in 2011. The second half of the year is expected to benefit from positive indexation on rental income.

Gecina, a leading real estate group

Gecina owns, manages and develops property holdings worth 11.7 billion euros at December 31, 2010, with 85% 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 and Dow Jones Sustainability Index (DJSI) Stoxx 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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Gecina
Bien plus que des mètres carrés

APPENDICES

1- Business by segment

Offices (55% of Group rental income)

First-quarter rental income is down -0.2% on a current basis and -3.5% on a comparable basis. This segment has benefited from rent generated by assets let during the second half of 2010 (including Anthos and Origami), as well as rent from acquisitions (Les Portes d'Arcueil). The downturn on a comparable basis reflects the impact of still negative indexation, as well as the effects of leases renegotiated and coming into effect from the second half of 2010.

The average financial occupancy rate came to 96.9%. At March 31, 2011, vacant space represented nearly 45,157 sq.m, with 3,576 sq.m already let, while 24,600 sq.m of space is to be freed up.

During the first quarter, rental activity primarily concerned the letting of 15,000 sq.m of the Velum building in Lyon. This asset, currently under construction, will be delivered at the end of 2012 and has been let under a 12-year lease, with nine years firm. No significant space was renegotiated or renewed during the first quarter of 2011.

Residential (29% of Group rental income)

First-quarter rental income is down -3.2% on a current basis, reflecting the impact of the disposals carried out in 2010. However, rental income is up +1.5% on a comparable basis, on account of the combined impact of indexations and relettings.

In total, 27,177 sq.m (427 units) have been relet or let to new tenants, with rents on reletting +9.4% higher than previous levels.

The occupancy rate remains high (96.4%), although lower than the Group's historical averages as a result of the end of lettings concerning the Lyon portfolio in connection with the process to sell off this property holding.

The portfolio of student residences, marketed by Gecina under the Campuséa brand, comprises eight residences in operation (1,189 apartments), with a very good occupancy rate (98.4%). One residence is currently being delivered, while another is being redeveloped (representing 243 apartments).

Healthcare (8% of Group rental income)

Rental income for the first quarter of 2011 is up +16.9% on a current basis compared with the first quarter of 2010. This increase results from rent generated by the delivery of the Le Havre private hospital and the Gien clinic in 2010.
On a comparable basis, rents are up +2.2% thanks to favorable indexation, as well as additional rent resulting from the work carried out.

Logistics (5% of Group rental income)

The vacancy rate on this business has been reduced significantly, down from 28.3% in 2010 to 22.9% for the first quarter of 2011, further to the withdrawal from the portfolio of 119 million euros currently under preliminary agreements with Carval, on which the vacancy rate is 41%.

Rents are down -2.6% on a current basis and -3% on a comparable basis, notably reflecting the impact of negative indexation.

Hotels (3% of Group rental income)

At March 31, 2011, rental income on the hotel business was up +2% on a current basis and +4.5% on a comparable basis. This business, affected by the divestments made in 2010, is benefiting from positive indexation.

The Group's rental margin is down slightly, from 91.3% at the end of March 2010 to 91.0%, despite the significant contraction seen by the logistics division.

2- Asset rotation

Disposals over the first quarter concerned 17,084 sq.m and came to 78.3 million euros, split between 45 million euros of unit residential sales and 34 million euros corresponding to one office asset. A further 217 million euros of disposals are currently subject to preliminary sales agreements, with 119 million euros for a logistics portfolio, 57 million euros of residential assets on a unit basis, and 41 million euros of office assets.

The total amount of disposals shows a positive differential of 13.2% compared with the block value at December 31, 2010 for residential assets and 3.9% for the office building. The 13.2% differential on unit sales of residential assets compared with the latest block value is lower than the average recorded by Gecina over the last five years (25%). Indeed, the valuation of these assets put up for sale at December 31, 2010 had increased by more than average for the residential portfolio (+27.4% vs. +12.4% on a current basis for the entire residential portfolio), with the Group benefiting from strong visibility over sales prices.

Investments over the first quarter came to 44 million euros. Most of the disbursements relating to the development pipeline will be seen during the second quarter of 2011, including the payment on delivery for the Horizons building for 299 million euros. Similarly, the acquisition of the FSR healthcare real estate portfolio (30 medico-social facilities) for 230 million euros will only be finalized in June 2011.

3- Condensed income statement and recurrent income

€ mn *(unaudited)*	March 31, 2010	March 31, 2011	Change (%)
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Recurrent income	**90.6**	**83.7**	**-7.6%**

	March 31, 2010	March 31, 2011	Change (%)
Average number of shares over the period	60 864 445	60 992 253	+0.2%
Recurrent income per share (in euros)	**1.49**	**1.37**	**-7.8%**